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Driving Inclusion & Diversity through ERGs

BY MONIKA NAVANDAR

We are in an era where job-hopping is an acceptable norm. Attractive perks and benefits that once encouraged lasting employee loyalty have become relics of the past. Employees' productivity depends on both retention as well as engagement at all levels of the enterprise. According to Gallup's 2017 *State of the Global Workforce* report, about 85% of employees worldwide are either 'not engaged' or 'actively disengaged' at work—costing approximately \$7 trillion in lost productivity.

So how can employers encourage engagement in today's job market? Well, one excellent answer is Employee Resource Groups (ERGs).

What is an ERG?

Employee Resource Groups, a.k.a. Employee networks, affinity groups, team member networks, business resource groups, inclusive resource groups, etc., are employer-recognized groups of employees who share the concerns of a common race, gender, national origin, or sexual orientation—characteristics protected in some instances by law and in many organizations by company policy. According to Catalyst, a global non-profit, ERGs are *"voluntary, employee-led groups that foster a diverse, inclusive workplace aligned with organizational mission, values, goals, business practices, and objectives."*

Apart from gender/race/ethnicity, some of the popular groups acknowledged today are veterans, people with disabilities, LGBTQ+, and single/working parents.



Benefits of ERGs

Gives Employees a Voice

Individual employees may find it difficult to approach managers/management on their own and draw attention to their concerns. ERGs help these individuals raise their concerns as one entity that can be heard, valued and engaged at all levels.

Drives Innovation

As employees interact with different departments, share their experiences, tips and tricks, conversations can spark new ideas and strategies. Utilizing ERGs for focused group discussion elicits diverse point of views. It also helps in developing a more refined and researched strategy/campaign ready for a

successful launch, thereby driving great results for the business.

Enhances Organizational Culture

When cross-team interactions take place, it fosters cooperation and company alignment. The organization feels more like a collective enterprise than a bunch of small parts.

Boosts Engagement

Appointing Executive Sponsors for ERGs helps employees in developing trust in leadership. It increases their drive to perform well and be satisfied at work.

Unintended Consequences of ERGs

Despite ERG's efforts in driving Inclusion & Diversity, there are some unintended opposite outcomes:

Feeling of exclusion in majority groups

Personally, as an employee and as a consultant, I have had friends and colleagues share that they felt excluded and discriminated against because of women and other minority ERGs.

Strained relationship with top management

ERG participation may lead to discrimination because the Executive Sponsors have the ability to affect promised jobs and bonuses.

Race to secure annual funds

Various ERGs compete for funds, which leads to a divide among different groups.

Lack of engagement

Many ERGs lack participation and are considered a waste of time.

However, if carried out correctly, ERGs can be hugely beneficial.

Best Practices in Top Companies

ERGs have traditionally supported the company's community initiatives. Here are some of the best practices recognized worldwide that you could keep in mind while developing your own:

Establish Goals and Objectives

Stay away from stereotypes related to demographics (for example, an All Women Group) and focus on promoting and highlighting diversity by establishing SMART Goals. While a women ERG could focus on helping the company recruit, train and retain a higher percentage of women and further penetrate better into the female consumer market, men are also needed as allies. Make sure the group is "Open to All" and not just female employees.

For example, at *PayPal*, each ERG group is Open to All – Unity (Women's Group), Opportunity (Specially Aabled), Serve (Veterans), Amplify (Black Employees), Aliados (Latinx) and Pride (LGBTQ+).

Leadership Commitment

ERGs can provide executives with insights into their employees' concerns, ideas, interests, overall alignment with the company, and

even further. So, rope in leadership, hold them accountable and appoint them as Executive Sponsors for the ERGs.

For example, *AT&T's* Community Network partners are working on the company's Executive Advocate Program (called Champions) to identify and cultivate high-potential leaders. This has resulted in pinpointing more than 30 high-potential individuals at the VP level.

Promote various Alliances

Fostering communication between ERGs ensures that all team members are working toward the same goals. They can support each other while facing similar obstacles and keep the company goals aligned.

Some of the top global companies to work for, host an *Annual ERGs Meet* to showcase the achievements & impact of each ERG in the presence of the Senior Leadership. They also *utilize online platforms* such as Jive and Yammer to connect all their ERGs and Chapters worldwide to leverage synergies and drive a culture of Inclusion and Innovation.

Culture of Inclusion

One of the main aims of ERGs is to give under-represented voices an opportunity to communicate with each other and with managers/management. Groups should be able to hold one another accountable through feedback, honest dialogue between demographics and engaging employees at all levels. Leverage your ERGs for Talent Acquisition, Onboarding & Development.


Ernst & Young has groups for working mothers, veterans, cancer survivors, French speakers, etc., all of which are encouraged to advocate for key populations.

Marketplace Insights

Leverage ERGs to learn more about your diverse customers, markets, reputation drivers and increase your market share.

Amazon's LGBTQ+ group, *Glamazon*, is a perfect example. They played a key role in developing the "Transgender Guidelines and



Toolkit". Amazon cares for its millions of customers and understands that transgender employees are an important part of the team. 

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About the Author

Monika Navandar has 15 plus years of diverse HR experience in multiple industries in both the emerging and developed markets. She has been in various leadership roles in India, USA, Singapore, Dubai, and South Africa, supporting global C-suite leaders. Monika is the Founder of NeoSeven Solutions and has a dynamic partner team of senior leaders across the globe. She is a part of the Harvard Business Review Advisory Council for the past 3+ years. Formerly, she has worked with Johnson & Johnson, Volkswagen, Merck Pharma, HSBC, and IBM. A Thought Leader in Diversity & Inclusion, Cultural Agility & Talent Management, she also speaks at worldwide platforms. To learn more about how to start/maintain/enhance an ERG, reach out to Monika at inquiry@neoseven.in. She can also be reached on LinkedIn at—Monika Navandar.