

# Employee Resource Groups

*For resource-group leaders and D&I, HR, marketing and communications staff*

**D**iversityInc [Top 50](#) data and our 15 years of working with corporations demonstrate that [employee resource groups](#) are the most effective means of increasing recruitment, retention, engagement and talent development of people from underrepresented groups in your company. There are direct correlations between resource-group participation and human-capital results.

Employee resource groups also are vital conduits to external stakeholders, clients/customers, community groups and suppliers. Increasingly, they are also used as incubators for innovative ideas both in the United States and globally.

Here, we identify the most important components of employee resource groups: [how to successfully start a group](#), leadership of the group, and the group's goals and metrics.

## I HOW TO SUCCESSFULLY START EMPLOYEE RESOURCE GROUPS

### A. Charters

Charters provide a specific set of guidelines and regulations for your new groups and existing groups, allowing them to set business-focused goals and have uniform standards and metrics. Research on charters, including sample charters, is [available here](#).

### B. Which Groups First?

Decide which one or two groups are most important to your business needs. Most companies historically have started with women and Blacks because those employees are most readily identifiable. However, these days, based on data submitted to the Top 50 survey, more companies are adding groups for LGBT people, people with disabilities, veterans, and younger or new employees. One important tip: Avoid having a “multicultural” or “people of color” group, because different racial/ethnic demographics have different needs.

### C. What to Call Them?

More than half of companies in the DiversityInc Top 50 now call their groups “business resource groups” to link them directly to business goals, such as [recruitment](#), retention, [promotions](#), [supplier diversity](#) and market share.

Historically, groups were called networks or affinity groups, but these designated more social activity than direct relationships to business goals. In the last decade, the term “employee resource groups” became more prevalent, with the focus on employee participation and use as a business resource. Business resource groups enhance that role to a new and increasingly valuable level.

It's increasingly important that your groups have clear names that spell out who they are—so cute acronyms like BRIDGE or CARE don't work. As this story, [Employee Resource Group Names: The Good, the Bad and the Ugly](#), points out, companies with clear names have higher membership numbers as employees understand which groups they are joining—and why.



### Discussion Questions for Staff

#### » What challenges have you encountered starting or growing employee resource groups at your company?

Discuss the support of senior management in your organization. Examine how visible that support is throughout your organization and how it is communicated. Is your group's name clear and simple?

#### » Why is it important to have consistent “rules” for groups across your organization?

What happens if different groups have goals or priorities that may not align with the organization's focus? While it is necessary to recognize various needs and abilities of specific groups, the overall consistency of measurable priorities is important.

#### » What components should be included in your charters?

Note in our sample charters the need for structure (assignment of executive sponsor, meeting frequency), goals (recruitment, promotion, community activity) and link to corporate values.

#### » How do you measure the success of the groups?

Discuss the validity of tracking retention, engagement and promotions of employee-resource-group members compared with nonmembers.

#### » How do you get remote or hourly workers to be included in the groups? And should the groups be just for the people they represent?

Discuss the benefits of virtual meetings. Talk about how retail and manufacturing companies have created solutions to [include union and hourly workers](#) (including off-shift meetings).

For more information, see our [Web Seminar](#) on employee resource groups.

## II LEADERSHIP AND EXECUTIVE SPONSORS

### A. Developing Leaders/Succession Planning

How do you identify high-potential talent to develop as leaders of these groups? How do you find people who might not otherwise be on leadership tracks but who could benefit from the experience of running a group?

### B. Using Groups to On-Board

Using the groups to help new employees, especially those from underrepresented groups, become comfortable with the corporate culture improves retention. As [Where Are Your Black, Latino and Asian Executives?](#) shows, more than 90 percent of Top 50 companies have a D&I emphasis for on-boarding and most use their resource groups as a key component of that. In this [video](#) from DiversityInc's October event, AT&T's [Debbie Storey](#), Senior Vice President, Talent Development and Chief Diversity Officer, details the best practices the company uses with its employee resource groups to help new workers acclimate successfully and improve retention.

### C. Role of Executive Sponsors

Having the [right executive sponsor](#) is critical to the group's success. An [involved sponsor](#) can keep the group's mission focused on business goals and make sure the group has the right visibility within the organization. The sponsor should not run the group, however, but rather serve in an advisory capacity.

### D. Interaction With Senior Executives

Having employee-resource-group leaders serve in [rotational spots](#) on the executive diversity council gives them needed exposure to senior leaders as well as providing a fresh perspective. It's also important to regularly have the CEO and top leaders meet with employee-resource-group leaders (all of the DiversityInc Top 50 do this).

### Best Practices for Group Leadership Include:

- Have a cross-cultural executive sponsor who is a senior executive of the company.
- Select group leaders (D&I staff should do this in consultation with HR) who are talented people from various functions.
- Give sponsors and group leaders training (cultural-competence training for both, leadership training for group leaders).
- Create one- to two-year terms with succession planning.
- Give leaders cross-functional roles.
- Have group leaders meet regularly with the CEO and senior executives in informal sessions.
- Link both executive-sponsor and group-leader compensation to group's contribution to business goals.



### Discussion Questions for Staff

#### » How can you get your CEO and senior leadership more involved with employee resource groups?

If your leaders are only appearing one or two times a year at cultural-heritage events, that isn't going to give them the needed personal interaction with employee-resource-group leaders. Consider smaller group meetings (more than 90 percent of the DiversityInc Top 50 do this) as well as an employee-resource-group leadership summit attended by top leaders.

#### » How can we convince the supervisors of the people we select as group leaders to give them time to work on this?

This is a common issue. Our recent [story on middle managers](#) showcased the importance of using executive sponsors to "sell" the middle managers on the value of allowing people to participate, as well as how crucial advance planning can be for people in line jobs.

#### » How do we link group leadership to performance reviews?

An increasing number of companies now include serving as employee-resource-group leader in performance reviews and give both the employee (and sometimes his or her supervisor) credit for ways the group helps the business.

## III METRICS

How do you ascertain the value of your resource groups? What measurements make the case to senior management for the group's contribution to business? Best practices include:

- Measure engagement, retention and promotion rates of employee-resource-group members versus nonmembers.
- Set goals for groups (recruitment, retention, engagement scores) and link goals to compensation.
- Quantify group contributions to marketplace success (community connection, product vetting/suggestions, innovation).



### Discussion Questions for Staff

#### » What are the most valuable metrics to assess?

While all of the DiversityInc Top 50 have metrics to assess the value of employee resource groups, not all actually compare the engagement, promotions and retention of employee-resource-group members to nonmembers. Those that do this find a significant (usually double-digit) difference in favor of members.

#### » What are the greatest challenges in your organization to linking employee resource groups to business performance?

If your HR system doesn't track these measures, consider other ways to assess value, especially around your engagement survey. It's important to sell your HR and business leaders on the value of this information and, therefore, the value of employee resource groups.

## NEXT MONTH

Women's History Month for all employees and Talent Development for D&I staff, executive leadership council, HR leaders and business partners, employee-resource-group leaders, mentors/mentees and sponsors/protégés.