



ERG Toolkit

METHODS ON HOW TO CREATE AND MAINTAIN YOUR ERGS



Vibrant Pittsburgh

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What are ERGs?

Employee Resource Groups (ERGs) are networks of employees that form based on shared characteristics or background, sponsored by the organization they work for. Usually, ERG members share common needs in the workplace. The groups advocate for themselves, and in addition to fostering their own professional development, often become a valuable resource to their employers, providing information about their identities, performing community outreach, opening new networks for recruiting, supporting business objectives, and serving as a visible sign of their employers' commitment to a diverse and inclusive workplace.

These groups may go by other names. Business Resource Groups (BRGs) or Employee Business Resource Groups (EBRGs) emphasize their alignment with business objectives. Affinity Groups may emphasize a social component. All of these groups will reflect the unique culture, mission, and strategic objectives of their employers.

ERGs are typically found in larger companies with a growing mix of people from different demographic groups. Smaller organizations may need to build strategic partnerships with other diverse groups to advance their diversity and inclusion (D&I) strategy.

Types of ERGs

The earliest example of an ERG comes from the Xerox company. The company formed the National Black Employees Caucus in 1970. Since then, a wide variety of ERGs have emerged, focusing on a variety of minority and historically underrepresented or marginalized voices. Membership includes people from these groups, and allies who want to help. Types of ERGs include the following and more:

- Disability
- Veteran Status
- LGBTQIA+ Identity
- Race
- Ethnicity and Culture
- Religion (interfaith groups, single religion)
- Age (recent graduates, Millennials, over-60)
- Family Structures (working parents, single parents, adoptive parents)
- New Hires
- Job Responsibility

The Business Case for ERGs

You've probably already heard that 90% of Fortune 500 companies feature ERGs. There are many possible reasons why large, successful companies might use this D&I tool, and many ways in which ERGs can contribute to a company's success. Increased employee engagement in the organization is only the beginning. Even the act of forming an ERG creates a space for conversations about diversity, equity, and inclusion and what it means for the organization.

One of the benefits of a diverse workplace is the increase in ideas and perspectives. ERGs strengthen this, amplifying minority voices and increasing the visibility of these groups. At PepsiCo, for example, the Hispanic/Latino ERG, Adelante, has contributed to the development of several products that increased sales among Hispanic/Latino customers. ERGs can act as informal, in-house focus groups, who are involved throughout the process of product and service development. A disability resource group at Hewlett Packard helped the company test ideas for more accessible products.

ERGs are an effective resource when reaching out to communities in genuine, informed ways. PepsiCo's LGBTQIA+ ERG, EQUAL, played a vital part in the development of the Rainbow Doritos campaign. This campaign became a fun, trendy feature of 2015 Pride and raised money for a charitable LGBTQIA+ cause.

HR departments and recruiting teams can work with ERGs to further diverse recruitment efforts. In addition to using ERGs' own community networks, members can represent the organization at diverse recruitment events and provide inside perspective on what minority candidates can expect from working in an organization.

Once candidates become new employees, ERGs can help them become more embedded in the company and the region, increasing their connections and pointing them towards the resources they need: welcoming neighborhoods, hair salons and barbershops, places of worship, and more.



Getting Started

Organizational Readiness

In order for ERGs to be possible, an organization must have enough employees to form these kinds of groups. A small company with 100 employees may decide to form a diversity council or a general ERG that gathers employees of several different backgrounds. Regardless, an organization that wants to cultivate ERGs should be prepared to dedicate resources, leadership, and time to the endeavor. An organization that intends to support ERGs should have policies in place, including a policy for proposing a new group, which groups will be allowed at the organization, and a handbook or guide which clearly outlines processes and duties for ERG leaders. Another key component an organization must have to ensure success of ERGs, is a clearly defined DEI strategy for the groups to align themselves with. More importantly, ERGs must be managed and supported by one central entity that is responsible for ERG maintenance and ensure leaders are abiding by by-laws, executive champions are engaged, to manage the ERG budget funds, and review all ERG strategic plans and events.

Name and Focus

ERGs are intended to help everyone in an organization. The name of an ERG should reflect inclusivity, so that it is clear that fellow employees who are allies are welcome to join. It should reflect the shared values and mission of the ERG and the employer organization.

Mission Statement

The Mission Statement for an ERG should include the focus and values of the group, why the group is necessary, and how the group's activities are intended to help the organization, as well as the ERG members. What business objective will the ERG help to meet? Including the business case for an ERG can help the group stay focused and becomes a reminder that the group is an asset to the organization. However, when stating business objectives within the mission statement, try to keep it broad. Overarching organizational strategy and business objectives may change over time. You want to build a mission statement that will withstand the testament of time and maintain its relevancy all while remaining impactful.

Goals

Specific and concrete goals should be formulated at the outset. What will the ERG do? What does it hope to accomplish? Goals must be achievable. They should have a clear end. The more abstract, general concepts can go in the Mission Statement instead.

- Increase visibility of LGBTQIA+ employees
- Hold a Q&A session for all employees on LGBTQIA+ issues

Membership

Membership in an ERG should be open to all employees in the organization, whether or not they share the characteristics in the ERG focus. Members who are allies should, however, be willing to learn and center the voices and needs of the group in focus. It may be necessary to actively recruit ally members and make it very clear that the ERG is open to all.

Meetings

Most busy professionals do not want to add another meeting to their schedules, but it is important to convene regularly. Like any business meeting, ERG meetings need a detailed agenda, attendance records, and minutes approved by the leadership team. In large, multinational organizations with many locations, ERGs often have members who participate from a distance. Should set a regular cadence for both leadership meetings, where the ERG leadership team meets for planning, and a membership meeting, where leaders share updates, upcoming events, leadership opportunities, and connect with members.

Leadership

For an ERG to be an effective long-term asset to the organization, it cannot depend on a single person's leadership. ERGs should include several leadership roles and make a succession plan before one is required. These leadership roles can include, but are not limited to:

- President
- Vice President
- Treasurer
- Secretary
- Events/Program Coordinator
- Committee Leads

When creating a new ERG there are quite a few considerations that require a formalized process set by the owner of the ERG Initiative and not the leadership teams themselves. This is a key distinction! The more formalized the initiative, the less guess work goes into leading these groups to success and the simpler it is to manage multiple groups at once. Role descriptions, voting rules, frequency of elections, role nominations, length of leadership period, leadership qualifications, and other considerations need to be formalized as well.

Funding Model

Many ERG activities will require a budget. A best practice is to provide each ERG with their own budget for the year. Typical funding sources include specific budget allocation from the HR department, diversity and inclusion office, or a corporate social responsibility budget. When ERGs are aligned with other business units outside of the D&I office, this opens up additional sources for funds. These units have money ready to allocate to specific projects. As ERGs step

in to support these business units by providing the capital to perform the work and impact their unit goals, business unit leaders may feel more inclined to support the financial load. The African-American ERG intends to hold an event which has a focus on developing talent within the organization. The talent management department may have a specific project aimed at the retention of African American employees. Due to the nature of the event, this may be a collaborated effort between both the ERG and talent management department which provides the group access to funding from both their budget and the business unit's budget as both have justifiable cause. ERGs tend to receive more financial support once they demonstrate they are achieving business related goals.

It is important to also formalize the funding process as well. Require ERG leaders to submit a budget request which clearly states why they are asking for funds, how they plan to use the funds, when the funds are needed, and who they are potentially collaborating with. This provides the ERG initiative owner with the ability to review how much of the budget has been utilized to date, build necessary connections across the business, and records of all ERG purchases and spending which comes in handy at the end of the year or quarter! This also provides the opportunity to more closely evaluate metrics of efficiency and effectiveness including ROI and value.

ERG Charter

All the items in this section can be included in the ERG Charter or Guidebook. A charter may be required when the ERG is proposed to the organization's management and the guidebook becomes a useful set of guiding principles and rules as the ERG grows and develops. Copy the Charter Template at the end of this toolkit to get started writing your ERG Charter! If you would like assistance in building out the your ERG guidebook, please email info@vibrantpittsburgh.org.

ERG Activities

Represent the Organization at Community Events

This can take a lot of forms, from marching at a Pride parade under the company's logo, to volunteering at a cultural festival. Representing the organization in the community can build good will.

Assist with Diverse Recruiting Initiatives

ERG members can use their own networks and perspectives on effective ways to recruit new talent from within their network. ERG presence at recruiting fairs can help show that the company does more than 'talk the talk' about diversity and inclusion.

Increase Cultural Competence

ERGs can hold informal talks, panel discussions, Q&As, AMA (ask me anything) sessions, focus groups, lunch & learns, or cultural celebrations at work to increase the cultural competence of the organization. Groups with larger budgets could sponsor invited speakers.

Accelerate Connections

ERGs can serve as a resource for new diverse hires by connecting them with social opportunities, local recommendations, and acting as informal mentors with unique insights into the needs of new employees with a shared background. This may be particularly useful for younger employees, those relocating from distant locations, or employees wishing to build ally competencies.

Support Each Other

ERGs can support each other, partnering together to hold panels, conduct crossover events, and share best practices. Many groups will find common ground and similar workplace needs. This partnership is particularly crucial for new groups. ERGs can work together to hold welcome events on a regular basis to reach out to new talent, or hold an ERG Day, in which all of an organization's ERGs collaborate on an event to highlight diversity and inclusion. Collaborated ERG efforts tend to yield higher employee engagement and ROI.

Executive Champion/Executive Sponsors

The executive champion and/or executive sponsor is a key leader of the ERG who is part of the senior management team of the organization. ERG Executive Champions most likely also exhibit a passion and interest in advancing the organization's diversity, equity, and inclusion initiatives. They may share characteristics with the focus of the ERG or be an ally. Many ERGs approach specific members of company leadership who are likely to be supportive to their groups' goals and needs. In organizations with more established ERG structures, an executive champion may be assigned by D&I leadership. In others, executive champions work with ERGs with which they have a personal connection.

Executive Champions are unique in that they have a broad, cross-functional view of the organization and can provide a sense of direction for the broad vision of the ERG. Executive Champions and/or Sponsors can be catalysts in supporting the development of ERGs from early stage affinity groups to fully mature, consistently influential partners that leverage their unique characteristics to benefit the organization and its stakeholders.

Executive champions are a vital part of ERGs. They perform a variety of valuable functions:

- Ensure that the ERG has visibility among key organizational leaders and influencers
- Signal to all employees that the organization is committed to diversity and inclusion, including the focus of the ERG
- Provide mentorship to other ERG leaders
- Advocate for the ERG with other leaders in the organization
- Align the ERG with their respective business unit
- Help the ERG secure funding and other resources
- Partner with the group to define a mission, vision, and goals aligned with the organization's business, talent, or diversity and inclusion goals.
- Share insight about company priorities and initiatives.
- Connect the company to the concerns of ERG members.

Without organizational support, ERGs cannot function to their full capacity. Executive champions are a vital component of this support.

Developing Goals and Objectives

Goals for ERGs should be:

- Aligned with the business case for the ERG, and the mission, values, and strategy of the employer organization
- Aligned with the mission, values, and purpose as stated in the ERG Charter
- Achievable, with a defined end
- Measurable
- Create a specific impact on the business
- Beneficial to all employees in the organization

For each goal, success should be concretely defined. This will make evaluation more straightforward. Using numerical targets as goals is recommended if the ERG is established and able to make a measurable impact on what is being measured. An increase in the number of applicants from a certain group could be a reasonable goal, if an ERG is able to participate in recruitment activities.

Measurement and Evaluation

Assessing the impact of a group like an ERG can be complex. Attendance at events is one popular metric, but it provides only a limited sense of the impact that an event or a group has had. A solid evaluation plan for an ERG will include many different metrics to determine performance and impact on the set strategic goals. The method of measurements used should be standardized and consistent across each ERG to demonstrate progress on initiatives.

Here are a few useful metrics:

- Add questions about ERGs on employee diversity and inclusion satisfaction surveys
- Administer post-event surveys after events to attendees
- Talent referrals from ERG members
- Gather social media impressions/ mentions
- Mapping the group's activities to the mission, goals, and objectives in the ERG's Charter
- Testimonials/quotes from event attendees and others who have benefitted from the ERG's activities
- Number of meetings with Executive Champions/Sponsors and other corporate executives
- Amount of internal/external events
- ERG leader promotions
- ERG member retention rate
- Volunteer hours

- Number of collaborated events with other ERGs
- Amount of ERG members or chapters
- ERG member or group awards
- ROI on budget
- Number of members who have participated in professional development opportunities
- Percentage of membership engagement

Sample

ERG Application Form

To form an Employee Resource Group supported and formally recognized by [ORGANIZATION NAME], the organizers must complete this application and submit it to the [DEPARTMENT NAME] for consideration and approval.

Date:

Name of Employee Resource Group:

Employee Resource Group Focus:

Employee Founding Organizers:

Name:

Title:

Department:

Contact Information:

Name:

Title:

Department:

Contact Information:

Please attach:

- Employee Resource Group's Mission Statement/Statement of Purpose
- Three examples of how the group's mission and purpose serve the mission and goals of the organization and the D&I strategy
- Leadership structure including the duties of the ERG leaders, process to appoint or elect leaders, and leadership terms
- Member communication process and strategy to recruit and engage ERG members
- Charter (may include all of the above items)

ERG Charter Template

[ERG Name] Official Charter

ERG Mission/Vision Statement

[ERG] will work to further the mission and values of [ORGANIZATION], represent the interests of [ERG FOCUS], and support [ORGANIZATION's] overall diversity and inclusion goals. We plan to do this through initiatives such as:

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-
-

Membership Guidelines

Membership in [ERG] is open to all employees of [ORGANIZATION] who care about [ERG FOCUS].

Governance Structure

Chairperson

A member of [ERG NAME]

Bookkeeper/Treasurer

Executive Sponsor • A member of [COMPANY's] leadership team who will advise, support, and advocate for [ERG NAME] with [COMPANY's] upper management.

[Other Officers] Rules • Meeting frequency and meeting format • Voting rules • Record Keeping

Funding Rules _____% from [ORGANIZATION] support _____% from additional fundraising [SPECIFICS] Launch Date Measurement and Tracking Plan (Define success and list ways to measure it.)

Funding Rules _____% from [ORGANIZATION] support _____% from additional fundraising [SPECIFICS] Launch Date Measurement and Tracking Plan (Define success and list ways to measure it.)