



**INCLUSIVE**  
LEADERS GROUP

# EMPLOYEE RESOURCE GROUPS (ERGS) FOR LEADERSHIP DEVELOPMENT



## Diversity and Inclusion Drive Profitable Growth

According to Gartner, Inc, officially known as Gartner<sup>1</sup>, is a U.S. based global research and advisory firm; through 2022, 75% of organizations with frontline decision-making teams reflecting a diverse and inclusive culture will exceed their financial targets. And gender-diverse and inclusive teams outperformed gender-homogeneous, less inclusive teams by 50%, on average.

McKinsey & Company, an American worldwide management consulting firm, has issued a series of reports investigating the business case for diversity; *Why diversity matters* (2015) and *Delivering through diversity* (2018). Their latest report in 2020 shows not only that the business case remains robust but also that the relationship between diversity on executive teams and the likelihood of financial outperformance has strengthened over time. These findings emerge from our largest data set so far, encompassing 15 countries and more than 1,000 large companies.



### What Are Employee Resource Groups (ERGs)?

As workplace diversity, equity, and inclusion programs are becoming more prevalent globally, Employee Resource Groups (ERGs), or Business Resources Groups (BRGs), are gaining in popularity. Employee Resource Groups are voluntary, employee-led groups whose aim is to foster a diverse, inclusive workplace aligned with the organizations they serve.

They usually led and participated in by employees who share a characteristic, whether it's gender, ethnicity, religious affiliation, lifestyle, or interest. The groups exist to provide support and help in personal or career development and to create a safe space where employees can bring their whole selves to the table. Allies may also be invited to join the ERG to support their colleagues. Today, according to multiple sources, ERGs are found in 90% of Fortune 500 companies.



## Using ERGs To Develop Future Leaders

Employee Resource Groups (ERGs) are voluntary, employee-led groups that foster a diverse, inclusive workplace aligned with organizational mission, values, goals, business practices, and objectives.

Other benefits include increased employee engagement, expanded marketplace reach, and the development of future leaders.

## While each ERG must define its purpose and goal, common ERG drivers are:

An ERG program creates an open forum for employees who share a common identity to meet and support one another in building their community and sense of belonging.

ERG programs empower these groups by offering them financial support, organizational support and access to decision-makers.

ERG programs facilitate a clear line of communication from ERGs to leadership to voice concerns and solve problems.

ERGs provide a resource for leadership regarding employee and community issues, needs and policies.

ERG programs seek to advance a respectful and inclusive company culture and reinforce the importance of inclusion.



In fact, i4cp's<sup>3</sup> study *The Untapped Power of Employee Resource Groups*, based on a survey of 363 business professionals found that high-performance organizations view ERG participation to be more effective than formal development programs in terms of developing a variety of leadership skills.

For example:

- 87% of survey respondents representing high-performance organizations said that ERGs are more effective than other leadership development practices at fostering collaborative skills.
- Comparable numbers said the same with respect to nurturing inclusive behaviors (82%)
- 81% of respondents tout the ability to work with diverse employee groups (81%).

The research also found that ERGs play a bigger part in leadership development when the organization considers these groups to be strategic initiatives, rather than affinity-focused and networking-oriented collectives. When ERGs are viewed through this lens, ERG members are more engaged and feel more empowered. And, in turn, ERG members believe their voices are vital in creating a more inclusive culture.

## How Employee Resource Groups (ERGs) Develop Leaders

### Assume Leadership Opportunities

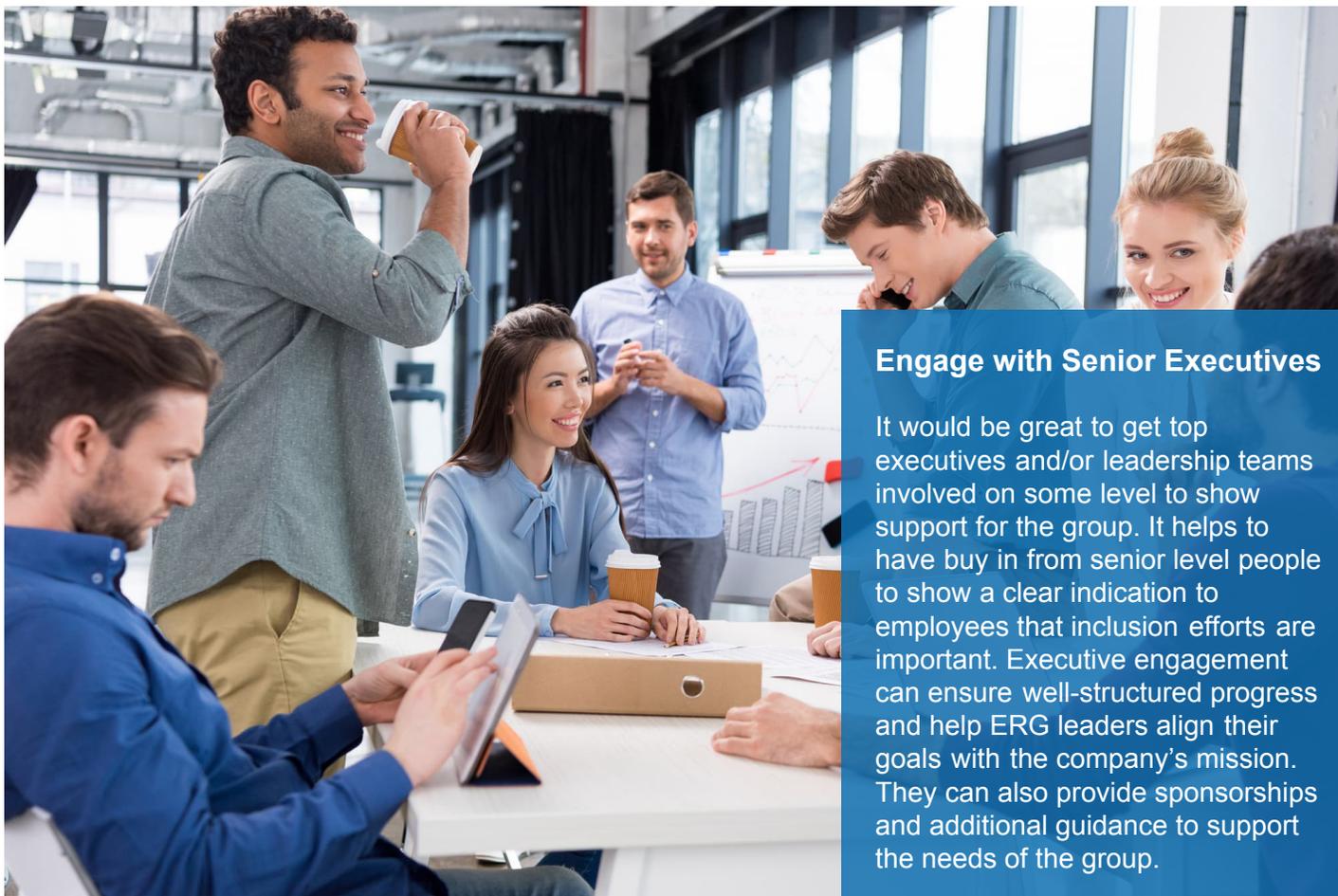
If you're not in a leadership role already, participating in an ERG gives you the chance to show off your leadership skills. You could organize activities for a particular ERG and take the lead. It's important to note that it can be challenging adding more responsibilities to your everyday role, but if you've got the passion for it, it can be extremely rewarding. It also gives you the chance to enhance your problem solving and management skills.

### Projects Outside of ERG Members' Primary Role

Participating in an ERG can be a great way to get experience in different areas. For example, if your role is primarily in sales but you wanted to get a feel for coordinating company events, this would be an opportunity to help plan different ERG events and get real life experience.

### Cross-Functional Networking

You'd have the chance to connect with people from different teams within your company. Getting involved with an ERG would be a great way to get to know more of your coworkers that you don't normally see. You also don't have to limit yourself to one ERG at your company. It's a good idea to work with the other ERGs to grow your network even more. It's also common to reach out to ERGs at other companies.



### Engage with Senior Executives

It would be great to get top executives and/or leadership teams involved on some level to show support for the group. It helps to have buy in from senior level people to show a clear indication to employees that inclusion efforts are important. Executive engagement can ensure well-structured progress and help ERG leaders align their goals with the company's mission. They can also provide sponsorships and additional guidance to support the needs of the group.

## Why you should use ERG/BRGs

### TO DEVELOP LEADERS



**80%** Over 80% rate ERG/BRG leadership as more effective than other practices for developing:

-  Collaborative skills
-  Personal/professional networks
-  Inclusive behaviors
-  Ability to work with diverse employee groups



Over 70% rate ERG/BRG leadership as more effective for developing:

-  Cultural competencies
-  Presentation/Persuasion skills
-  Organizational and individual agility
-  Ability to work with diverse external stakeholders

# 2.5X

Those from high-performance organizations are **2.5x more likely** to describe their ERG/BRGs as experiential career advancement on leadership/ executive



## NEXT PRACTICE

Provide training that enables strategic input

Certain skills are key to enhancing and ERG/BRGs leader's effectiveness at addressing strategic business concerns. ERG/BRGs leaders in high performance organizations are **3x more likely** to report the ability to strategically impact business results as a benefit of their role.

High-performance organizations are **3x more likely** to provide specialized training to ERG/BRGs leaders:



### Going Forward

Employee resource groups (ERGs) can be a valuable opportunity to form deeper connections and make a difference at your company. If you're thinking about getting involved in an ERG or starting one of your own, communicate with your HR or D&I department, colleagues and supervisors to figure out the best way to make it work.

### Employee and Business Resource Groups (ERGs/BRGs) Consulting

To discuss solutions for developing leaders and influencing diversity and inclusion by promoting the interests of underrepresented demographic talent groups through ERGs/BRGs, please visit <https://www.inclusiveleadersgroup.com/solutions/>

To speak to a member of our client solutions team, message us at [info@inclusiveleadersgroup.com](mailto:info@inclusiveleadersgroup.com)

### Source

1. Gartner, 2020
2. McKinsey & Company, Diversity wins: How inclusion matters, 2020
3. Institute for Corporate Productivity (i4cp), 2018