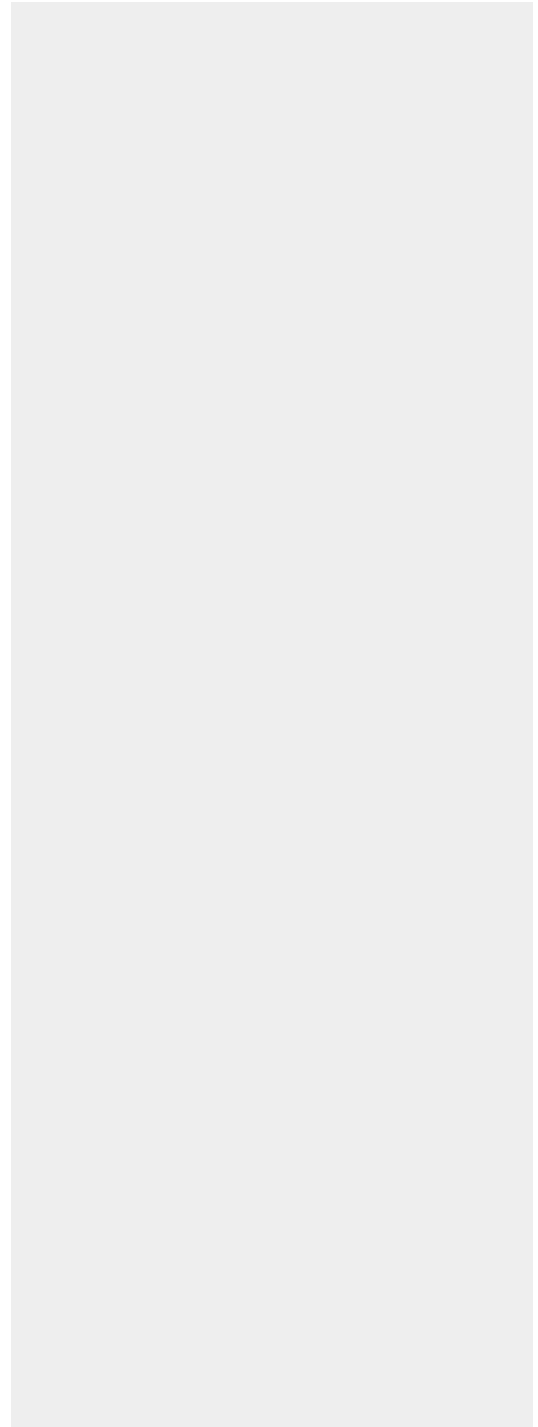## About ERGs

Leadership Engagement

Executive sponsors can have a big impact on whether the company meets the individual goals of its ERGs. DEI leaders should consider providing training for sponsors to ensure that they have the skills to be e ective. Almost one-third of ERGs (30%) have a C-suite member involved in high-level decision-making (e.g, ERG lead compensation, group budgets, etc.). Yet, the same percentage (30%) of groups lack the ongoing support of a full-time DEI professional, regardless of where that person is positioned within the organization (The Rise Journey 2022).

In recent surveys reported by SHRM, a disconnect exists between how executive sponsors view the success of the ERGs and how ERG leaders view progress, with 78% of executive sponsors believing involvement in ERGs support career advancement, but only 40% of ERG leaders agree. This disconnect shows up in feelings of belonging as well – 91% of executive sponsors feel a sense of belonging at work, but only 76% of ERG leaders say the same (SHRM 2022). Sponsors and senior leaders can listen and show support by meeting regularly with their ERGs, advocating for the group's needs and inviting ERG leaders to share their activities and feedback to the C-Suite on a regular basis. They can also share their aspirations for the groups and identify the connections between ERG activity and business strategy.
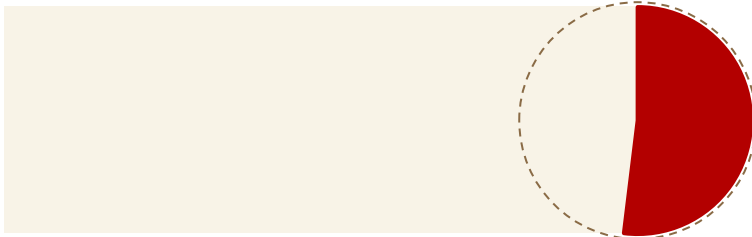
FIVE DIMENSIONS OF ERG ACTIVITY

External Engagement
Engaging outside the organization through community service and volunteering

54% e ective

Allyship
Educating employees about allyship;

ERG Participation

There are numerous types of ERGs at different organizations. ERGs are typically organized by a "demographic (e.g. women), life stage (e.g. Generation Z), or function (e.g. sales)." One way to frame the types of ERGs is to view them as falling into one of three categories: "social-cause centered, professional-centered, and attribute-centered" (Welbourne et al, 2015).

The most popular ERGs are focused on women and LGBTQ+ employees. The ERGs with the most traction and interest tend to be those ERGs that are closely linked to business strategy. When employees perceive their efforts to directly impacting business outcomes, they are more likely to get involved.

16% LGBTQIA+
15% Women
11% Black & African American
9% Latinx / Hispanic
9% Asian / Asian Pacific
6% Caretakers
5% Veterans & Military Spouses
5% Disability
5% BIPOC
5% Mental health
3% Neurodiversity & Neuro Atypical

THE POWER OF DEI

z   ý 15,000

INTEGRITY, EXCELLENCE and RESPECT

ERG Impact

. ERGs provide a unique opportunity for creating a more e ective talent management approach in addition to an informed and consumer-sensitive business strategy. Benefits of ERGs for employers include:

Innovation promoted by creating opportunities for diverse and culturally sensitive ideas to develop, and informed decision making with input from employees knowledgeable about specific demographics or populations.

Leadership development and career promotion opportunities provided for employees at all levels.

Mentoring opportunities given from the top-down and bottom-up (e.g. younger employees mentoring senior leaders on social media).

Talent acquisition, talent management and recruitment e orts expanded to include a diverse employee base through the connections and networks of ERG members.

Engagement, commitment, retention and job satisfaction strengthened by o ering employees a voice in decision making as a direct contributor to the business outcomes of the organization.

Cultural competency: in our current global economy, multicultural competency and understanding are critical for business success. ERGs can utilize employee knowledge and expertise to create culturally sensitive product development, marketing, and customer service as well as supplier diversity.

. Employees can benefit from participation in ERGs in a number of ways, including:

Connections and networking o ered with those who share a common identity or interest, with employees across t   itment e o

corsee ofo fnentity and nu·tse

CREATING AN IMPACTFUL ERG PROGRAM

Atlassian has identified clear, non-negotiable components to an ERG that tangibly improves employees' working lives:

Start with listening
Successful ERGs are based on real conversations with the employees they'll represent.

Leadership buy-in
Support from leadership makes it easier to secure resources, support members, and plan initiatives that actually have an impact. oyeesQ

Consistent internal structure
Every ERG should have a similar leadership structure and budget.

Adequate resourcing
ERGs should have the resources they need to plan activities and initiatives, and compensate their leaders.

On-ramps to allyship
Establish clear ways for allies to get involved, without relying on ERG members to make it happen.

Alignment with mission, vision, and values
ERG's goals should never be at odds with those of the larger organization.

Adapted from Atlassian, 2023

Belonging

Social belonging is a fundamental human need—one that naturally extends to the workplace. According to Coqual, "when people feel like they belong at work, they are more productive, motivated and engaged, thus making them 3.5 times more likely to contribute to their fullest potential." Feelings of belonging encourage collaboration with peers which may lead to increased innovation.

Deloitte defines employees' sense of belonging as how organizations can foster diverse, equitable and inclusive communities for workers and how they feel like members of the broader world. This impacts how employees are accepted and feel comfortable being themselves, as well as how they contribute to their respective organizations' common goals.

ERGs eliminate "outsiderness" by creating a community of those with similar backgrounds and interests. ERGs can also engineer empathy-building experiences, introducing peers and allies to their traditions and cultures so they feel valued for the experiences they bring to the workplace.

"DE&I is about your organization's approach and principles, while belonging tells you if it's working."

— Monique McDonough, Kazoo

The Importance of ERGs in a Dispersed Workplace

The pandemic forced people to adapt and, in many cases, to get creative to bridge the gaps among remote workers, and these efforts continue to thrive in the new hybrid workplace.

> Whether remote or in person, ERGS are ready-made spaces for mingling and networking. They create a forum where people from different departments and geographies can strike up unexpected relationships and alliances.

> ERGs became critical channels for communication where companies could share information about the pandemic and employees could gather to process the many changes and challenges in their work and life circumstances.

> To improve accessibility and promote maximum engagement, include remote workers in considering how to structure meetings (ie. limiting hands-on activities that remote workers cannot participate in) or developing virtual options. That includes recording events so members can watch them when they have time, and being mindful of workers' different time zones. If a meal is served, consider sending a gift card or care package to remote workers, so they can enjoy partaking in the full experience as well.

> ERGs can organize "coworking days" for remote ERG members to connect and work alongside one another. These could include meeting at a coworking space or hoteling suite at the office on a mutually agreed upon day or organizing attendance at conferences, summits, retreats, or group meals.

The positive workplace impact of belonging:

56% higher level of overall job performance for employees with a greater sense of belonging

75% fewer sick days taken by those who feel they belong

Qualtrics 2022

THE FOUR ELEMENTS OF BELONGING

Coqual identifies four elements that contribute to belonging at work:

Seen
When you are seen at work, you are recognized, rewarded, and respected by your colleagues.

Connected
When you are connected at work, you have positive, authentic social interactions with peers, managers, and senior leaders.

Supported
When you are supported at work, those around you give you what you need to get your work done and live a full life. These people may be peers and senior leaders.

Proud
When you are proud of your work and your organization, you feel aligned with its purpose, vision, and values.

Coqual, 2020

AN INCLUSIVE ERG

What's In It for Leadership

THE CONNECT1NG PILLARS

What's In It for the Employee

> **"** It means a lot that I work for a company that not only invests in me, but in my community. This is where I live, where I'm raising my son. It's important to me that these are our company's values. **"**
>
> *- Katy, Administrative Assistant and Membership Chair on C1NG chapter board*

CHALLENGES AND POTENTIAL SOLUTIONS

Organizations may encounter various challenges in actualizing the full potential of their ERGs.

CHALLENGE:	SOLUTION:
ERGs are not well integrated within the organization, limiting their ability to impact business outcomes.	Develop guidelines and policies that provide transparency about the roles that ERGs can play Align ERG activities with business strategy via internal and external partners Look for connections and leverage relationships with groups having similar goals (e.g. DEI, Talent Management) and other ERGs Ensure that senior leaders are aware and supportive of the goals of ERGs, and encouraged to actively provide input Communicate ERGs contributions to showcase their value to the organization
Executive Sponsors are difficult to engage or not willing to participate.	Link involvement in ERGs with supervisory performance ratings Highlight and communicate Executive Sponsor roles in successful ERGs Have engaged senior leaders articulate the benefits to their peers of taking part in ERGs
ERGs are viewed as low value and employees do not want to get involved.	Have satisfied employees communicate the benefits of participation to potential interested others Encourage supervisors and managers to support, promote and reward employee involvement in ERGs Allow employees to meet on company time and provide space for meetings Emphasize opportunities for community service, recruiting talent and contributing to innovation with diverse customers
ERGs are not effective contributors due to unclear or ineffective mission/goals.	Establish ERGs credibility by articulating how mission/ goals are aligned with business strategy

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Conclusion and Key Recommendations

Employee Resource Groups have evolved from employee support networks created to achieve diversity and inclusion to strategic