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The Future of ERGs

Are Affinity-Based Groups Still Necessary?

The Future of ERGs: Are Affinity-Based Groups Still Necessary?

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Executive Summary

With younger people identifying in multiple ways and more companies creating multicultural councils to serve all DEI needs, is there still a need for affinity-based employee resource groups (ERGs)? A Seramount survey of diverse ERG members finds the answer is a resounding yes.

- 70 percent of respondents say affinity-based ERGs are necessary.

- 67 percent of respondents 25–34 would be unsure about joining an ERG if it were not affinity-based.

- "The needs of the groups are too different" is the number one reason respondents believe affinity-based ERGs are necessary, with 100 percent of respondents aged 25–34 and 92 percent of Black ERG members agreeing.

- The most supported function of ERGs, with 72 percent of respondents agreeing, is to retain underrepresented talent in the workplace.

- Affinity-based ERGs are extremely/very important for business reasons for 81 percent of respondents.

- Affinity-based ERGs are extremely/very important for creating an inclusive culture for 98 percent of respondents.

Some highlights from respondents' comments on how to evolve ERGs include:

- Increasing collaboration between business units and ERGs

- Encouraging intersectionality in goal-setting between ERGs

- Supporting ERGs to be inclusive of allies who do not identify with the affinity of the group

- Improving ERG leader recognition and tying their leadership roles to review systems

- Expanding ERG reach by creating more accessibility in a virtual-first landscape

Introduction

The way employees identify themselves is changing dramatically.

According to the United States Census Bureau, the number of non-Hispanic Americans who identify as multiracial increased by 127 percent from 2010 to 2020.[1] For people who identified as Hispanic, the increase was even higher.

Younger people are much more likely to see themselves as multiracial and to align with several dimensions of diversity, such as having a disability (including neurodiversity) or being a member of the LGBTQ+ community.

Some employers, recognizing this growing intersectionality, have been moving away from traditional affinity-based employee resource groups, preferring to address all "multicultural" needs together. They have created Diversity, Equity, and Inclusion (DEI) councils, also known as inclusion councils, that have representatives from various affinities but look at DEI issues more holistically.

Employers also are responding to requests from some employees who feel that affinity-based groups are unfair to those who haven't been historically marginalized. This is similar to the argument that hiring/recruiting should be color-blind and that affirmative action[2] unfairly discriminated against those not considered underrepresented.

With these trends in mind, Seramount asked this critical question: Are affinity-based ERGs (centered on individual dimensions of diversity) still necessary? A Seramount survey of more than 200 ERG members finds the answer is a resounding yes.

What Is an Affinity Group?

When what we now call employee resource groups (ERGs) or business resource groups (BRGs) were started in the 1960s and 1970s, they were known as affinity groups or networks. They were primarily social places for people with a shared identity to meet and discuss common issues. Early groups were most often focused on women and Black employees.

As they evolved and became company-sponsored (usually through HR and diversity departments), they often took on the name "employee resource group." They became more structured, with mission statements, executive sponsors, and goals in place, and usually had a focus on recruitment, education, and advancement. They continued to almost always be affinity-based.

In recent years, more companies have moved toward the BRG model, linking these groups directly to business goals, including internal goals (increasing representation, retention, and promotion rates) and marketplace goals, such as adding to market share, cultural competence on customer segments, or increasing supplier diversity. The BRGs usually have very specific metrics, often linked to leaders' performance evaluations. Most continue to be affinity-based. Today's BRGs and ERGs also have started to emphasize the need for allies as members so that people who do not identify with these particular affinities can join and be supportive.

A survey from Bentley University[3] found that 90 percent of Fortune 500 companies have ERGs or BRGs, but only 8 percent of employees are actually members of these groups. Of those 8 percent, however, 85 percent say these groups help their careers. They help the members navigate the corporate culture, find mentors and sponsors,

1) Tavernise, Mzezewa, and Heyward, *Behind the Surprising Jump in Multiracial Americans, Several Theories* (*The New York Times*: 2021), https://www.nytimes.com/2021/08/13/us/census-multiracial-identity.html.
2) *The Potential Corporate Impact of the Supreme Court Decision on Affirmative Action* (Seramount: 2022), https://seramount.com/resources/the-potential-corporate-impact-of-the-supreme-court-decision-on-affirmative-action/.
3) Jensen, *ERGs Engage Employees and Drive Better Business in the Triangle* (Triangle Business Journal: 2021), https://www.bizjournals.com/triangle/news/2021/09/15/ergs-engage-employees-and-drive-better-business.html.

and address common concerns they may have. For example, the 2022 Seramount Inclusion Index[4] found that 88 percent of companies on the Index use their ERGs to understand the feelings, fears, and concerns of all employees regarding racism.

Why This Survey

Seramount set out to find out from ERG members of all ages and dimensions of diversity whether affinity groups were still of value. Their answers, as documented here, are very clear. And younger ERG members, despite their increasing intersectional identifications, see the need just as strongly. For example, when asked what would happen if affinity-based ERGs were replaced by more general groups, 67 percent of respondents aged 25–34 and 41 percent of all respondents said they would not join an ERG.

Survey Methodology

Seramount surveyed more than 200 current and former ERG members who attended Seramount's May 2022 EmERGe Leadership Summit.[5] The respondents answered an online survey. More than 90 percent were current ERG members, and more than 70 percent were leaders of the groups. More than 80 percent were women, more than 20 percent identified as LGBTQ+, and almost 20 percent identified as people with disabilities. Their racial/ethnic and age demographics are shown below:

Respondents by Race/Ethnicity

- White 51%
- Black 20%
- Latine 15%
- Asian 8%
- Two or More Races 3%
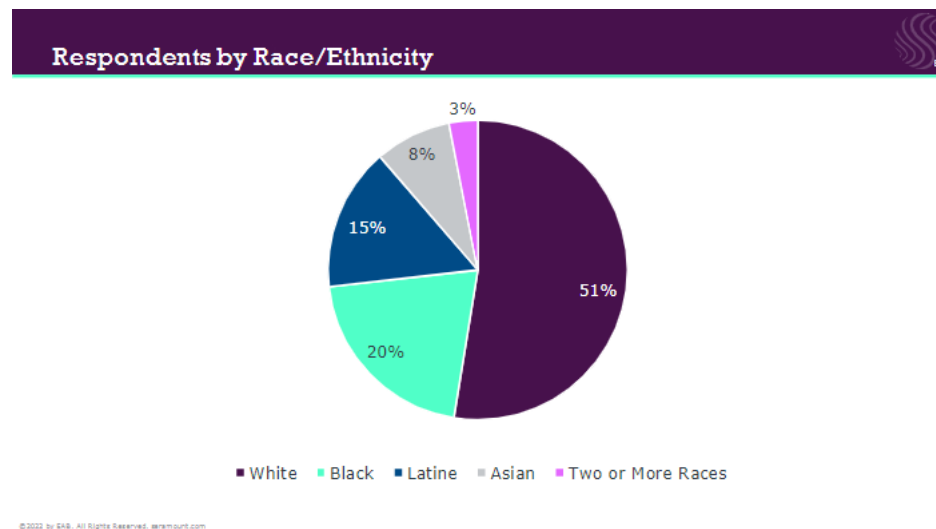
There was a close market equivalent representation of age groups based on current workforce age data from the United States Bureau of Labor Statistics[6]:

4) *Best Companies List* (Seramount: 2022), https://seramount.com/best-companies/.
5) *EmERGe Leadership Summit* (Seramount: 2022), https://events.seramount.com/event/8bc94ce6-73fd-4efb-9f17-dee594a4fb7b/websitePage:6fb908a1-632e-4386-8c08-7a9ffd37b5d9.
6) *Labor Force Statistics from the Current Population Survey* (United States Bureau of Labor Statistics: 2022), https://www.bls.gov/cps/cpsaat03.htm.

18-24 ■ 25-34 ■ 25-44 ■ 45-54 ■ 55+
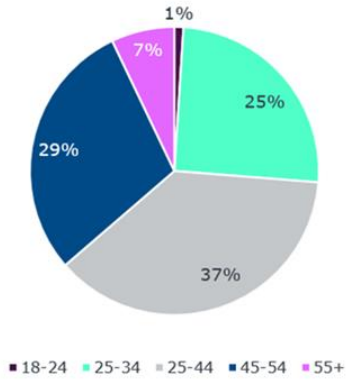
This paper will outline the respondents' answers to specific questions about what value they find in affinity-based ERGs and what are the greatest challenges they perceive. In the final section, we synopsize critical recommendations on the next steps for ERGs from both our respondents and Seramount's DEI experts.[7]

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7) *Meet the Team* (Seramount: 2022), https://seramount.com/about-us/meet-the-team/.

Groups Based on Specific Identities Are More Crucial than Ever

Are affinity-based groups still necessary in the modern multicultural workforce?

The EmERGe Leadership Summit survey found powerful evidence that ERGs remain important to underrepresented talent.

Crucially, respondents indicated that affinity-based groups are needed if they are to have a fair chance at leadership roles. As a Black nonbinary person with a disability, aged 18–24, commented, "[No affinity-based groups would create a] lack of a safe space to talk about issues impacting my specific identities. [Which leads to] fear of my identity group not getting the strong advocacy that they need." A White male ERG leader aged 25–34 pointed to the continued utility of ERGs for advancing DEI more broadly: "I don't think we've evolved to a level that is inclusive organically. [DEI] is not quite yet how we do business…dismantling the perspectives that each DEI group brings to the table [could lead to smaller groups being] left behind."

Functions of ERGs in Order of Importance

Retention of underrepresented talent	Recruitment of underrepresented talent	Educating employees on underrepresented talent	Advancement of underrepresented talent	Outreach to clients & customers	Supplier diversity
72%	71%	69%	67%	31%	26%
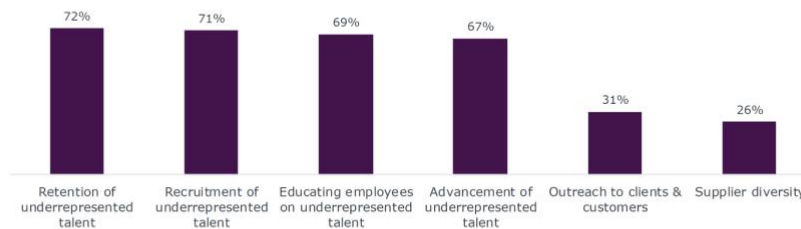
Among the six reasons provided for the continued importance of ERGs, respondents ranked the retention of underrepresented talent at the top, followed by the recruitment of underrepresented talent, educating employees about issues underrepresented talent faces, and advancement of underrepresented talent. Across demographic groups, providing outreach and engagement with clients and customers and improving supplier diversity initiatives were ranked at the bottom.

More than two in three EmERGe respondents agreed that affinity-based groups should continue to exist.

24%

6%

70%

■ Yes ■ No ■ Unsure
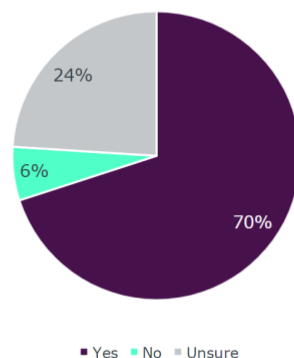
A deeper dive into their rationale shows they believe these groups create a sense of community and belonging, which in turn keeps workers engaged. Data from BetterUp[8] links higher levels of employee belonging to a 56 percent increase in job performance, a 50 percent decrease in turnover, and a 75 percent reduction in sick days. The results of the EmERGe survey support these findings, indicating that affinity-based ERGs are a powerful tool for cultivating a sense of belonging.

Top 3 Reasons Cited for Still Needing Affinity Groups

80%

76%

46%

Needs of the groups are too different | There is still significant work to be done | Some groups have more urgent issues
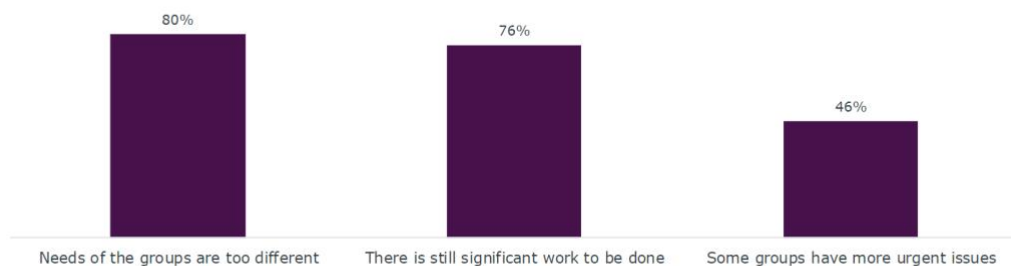
The top reason cited for still needing affinity-based groups was "Needs of the group are too different." This reason was cited by 100 percent of respondents aged 25–34 and 92 percent of Black ERG members. Several Black ERG leaders and members elaborated on this reason in their comments. A Black woman ERG leader aged 25–34 comments, "There are varying needs of the affinity groups, and merging them all into one silences the concerns and unique experiences of each group." Similarly, a Black woman ERG leader aged 45–54 commented: "I feel that separate ERGs are still needed. Combining the ERG could just work like the dynamics of the world in that some groups would still be underserved." A Black woman aged 35–44 expressed concern that the elimination of ERGs would sideline the needs of minority groups, commenting, "My fear is that it would become convoluted or even lean toward the needs of the majority population."

Most respondents, including 100 percent of nonbinary respondents and 85 percent of respondents aged 35–44 agreed, also citing "There is still significant work to be done"

8) Kellerman and Reece, *The Value of Belonging at Work: Investing in Workplace Inclusion* (BetterUp: 2022), https://grow.betterup.com/resources/the-value-of-belonging-at-work-the-business-case-for-investing-in-workplace-inclusion-event?camp=7012J000001YGmw&utm_medium=OAD&utm_source=HBR&utm_campaign=AMS19+-+Belonging+Report&utm_term=WP.

as a reason for still needing affinity-based groups. The third most common reason was "Some groups have more urgent issues," which 75 percent of White respondents and an identical percentage of respondents aged 55 and older cited.

When asked to elaborate on these statements, respondents across the board agreed that allies needed to step into bigger and more involved roles in order to bring the needs of underrepresented employees to the forefront of the business.

ERG Leaders Most Invested in Affinity Groups
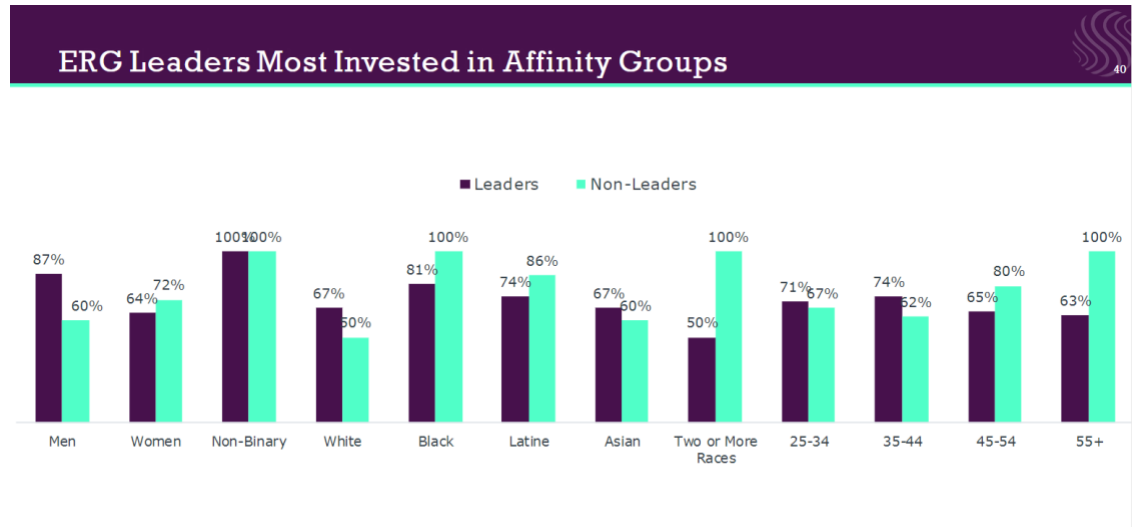
ERG leaders are most invested in maintaining affinity-based groups. Across background and demographic status, the vast majority of ERG leaders agreed that ERGs are here to stay. Their comments pointed to the power of affinity-based groups to elevate the perspectives of historically excluded talent, allowing individuals to be heard and to affect business needs.

All Age Groups Support Affinity Groups
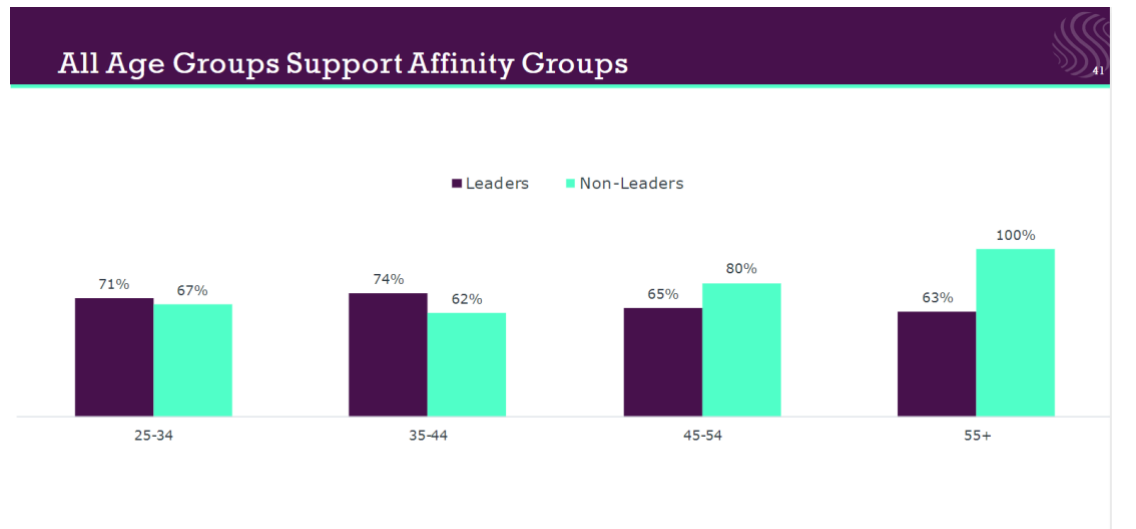
All age groups support the continued existence of affinity groups. While prior research on Millennials and Gen Z has suggested that younger respondents may lean more toward eliminating ERGs and moving toward a more homogenous framework to foster employee belonging, the majority of survey respondents aged 25-34 and 35–44 support affinity groups.

Groups Unsure About Joining Homogenized Groups

Asian Non-Leaders	25-34 Non-Leaders	45-54 Non-Leaders	Women Non-Leaders	Black Non-Leaders
100%	67%	50%	46%	46%
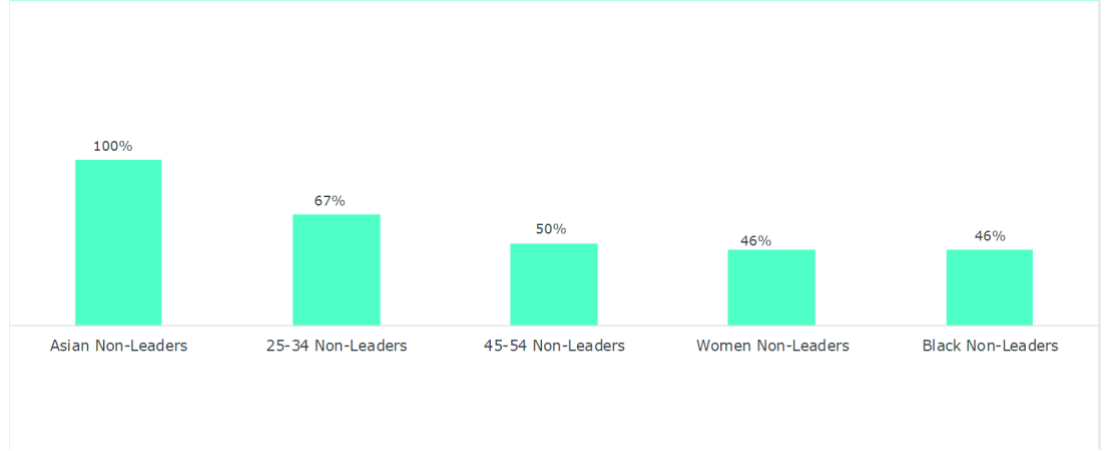
Nonbinary ERG Members Would Not Be Interested in Homogenized Groups

Non-Binary Non-Leaders: 100%
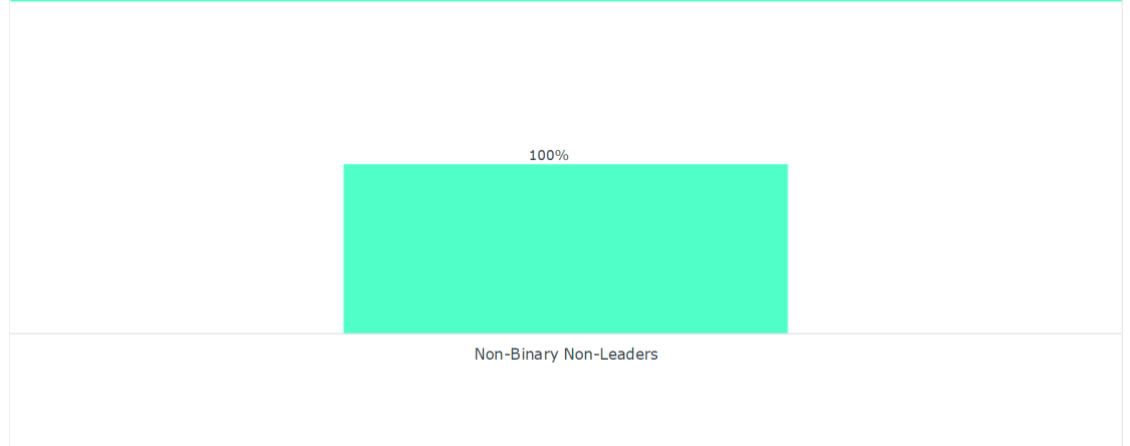
Furthermore, without affinity-based groups, 67 percent of ERG members aged 24–34 would be unsure about joining an informal group because they felt they would no longer serve a beneficial purpose. Nonbinary ERG members universally indicated that they would not be interested in joining any groups created under this framework.

One ERG leader argued that ERG groups create unity in a way that informal groups cannot, commenting: "The purpose of the various ERG groups is to create unity/partnership/support among employees who have similarities from a lifestyle perspective. If everyone is grouped together, you will then see smaller groups be formed naturally…[causing] division in the whole."

This powerful evidence of continued support for ERGs suggests that they remain a powerful retention tool, even for younger employees. Losing out on Millennials and Gen Z would be detrimental to organizations, as they would be diminishing the engagement of the generations that are quickly representing the majority of workers.

Respondents Urging More Collaboration with Allies, Other Groups

Workplace Allyship

In a variety of comments, respondents overwhelmingly said ERGs need stronger allies—people who do not identify with the affinity group but are publicly supportive. Workplace allies can increase the inclusion of underrepresented talent, including mirroring the language someone uses to describe their own identity, such as using *they/them* pronouns, which works to remove stigma. They can intentionally recognize holidays of coworkers who may not be part of mainstream religion and acknowledge and support underrepresented team members when they may not feel confident to speak up at meetings. When more senior company officials serve as allies (sometimes as executive sponsors), they can help elevate the needs of the affinity-based group.

What Respondents Said	Who Said It
"ERGs…should be made more accessible to everyone within the company. Not [everyone] is aware of ERGs and that you can join as an ally [nor do they know] how important allyship is."	ERG Leader, Woman, White, 35–44, Person with a Disability
"[We must create fewer] walls or perceived member profiles. I run a working parents' group and after being live for three months, we have [two child-free employees] on the board. Our goal is to improve the work-life balance of all. We are now the working parents and allies group."	ERG Leader, Woman, White, 35–44
"We need to engage allies to [have them] help with heavy lifting and workload."	ERG Leader, Man, White, 35–44, LGBTQ+
"We need to find ways to reach people who aren't affiliated with specific groups and are unlikely to join an ERG. ERGs often…[are] forceful about expecting change from others. This alienates people who think [DEI] means taking things from them. We need to gently and compassionately expose people to others who aren't like them….We can't change minds without changing hearts."	ERG Leader, Woman, White, 35–44

Figure 1: Respondent comments on allyship.

Collaboration and Intersectionality

Comments given in the survey indicated that more collaboration and intersectionality with and between ERGs was desired by representatives of all demographics. There is a difference between collaboration and intersectionality: with collaboration, companies may encourage a business unit, such as a design team, to partner with an affinity-based ERG, such as a group for Black employees, to create a product that would be well received by a target community, such as a Black community. With intersectionality, a company might encourage a Latine ERG and a Mental Well-Being ERG to create a survey for the Latine community to determine gaps in the community's mental well-being.

What Respondents Said	Who Said It
"…Cross-collaboration and support will be critical to building connection and for DEI efforts…also [the] labels, assumptions, and stereotypes need to be [addressed through collaboration] to build support and needed connection."	ERG Leader, Woman, Asian, 45–54, LGBTQ+, Person with a Disability
"Having separate ERGs creates community within the workplace which is incredibly important. Moving forward I'd love to see those communities come together and support each other more, especially in career advancement."	ERG Leader, Woman, Latine, 25–34, LGBTQ+
"I think they evolve to work more closely together—not as a group, but more around an inclusivity framework. It's really challenging to achieve equity across the groups if they don't work together."	ERG Leader, Woman, Black, 55+
"Intersectional events are a great new thing we are trying and key to bringing people together."	Previous ERG Leader, Woman, White, 55+, LGBTQ+
"[ERGs should] expand to partner with other company ERGs, especially in virtual-first and hybrid environments."	Woman, Latine, 25–34
"[ERGs must first] have a strong partnership with other affinity ERGs within the company, [second] have a strong partnership with local ERGs from other companies with the same affinity [ERGs}, [and third] elevate to national affinity ERG partnerships to educate employees [about] bias."	ERG Leader, Woman, Latine, 25–34
"I would like to see more shared similarities and intersectionality between all ERGs as they grow and evolve. We are all more alike than different!"	ERG Leader, Woman, Two or More Races, 45–54, Person with a Disability

Figure 2: Respondent comments on collaboration and intersectionality.

Seramount has previously highlighted several examples of cross-ERG collaboration,[9] including:

- At Bank of America, four different ERGs joined forces last year to host a multicultural event celebrating Native American Heritage Month, Hispanic Heritage Month, African American culture, and Diwali, the Hindu festival of lights.

- At AbbVie, the veterans, Latinx/o/a, and Black employee groups teamed up on a community effort to provide bicycles, helmets, and bike locks to local veterans, a life-changing moment for many vets who needed transportation.

- At FINRA, the Latinx/o/a, Asian, and African American groups together hosted panel discussions on financial literacy.

ERG collaboration can also occur between companies to reach common goals around diversity. One such example took place when ERGs from Fifth Third Bank, Ernst & Young LLP, and Procter & Gamble partnered to brainstorm how to attract diverse talent to Cincinnati, where they all have offices.

Another form of collaboration can be managed through an alliance council.[10] Alliance councils and previously discussed inclusion councils are different: with inclusion councils, organizations are finding reasons to eliminate affinity-based ERGs because

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9) *Employee Resource Groups Are Taking a More Collaborative, Intersectional Approach – And It's Working* (Seramount: 2020), https://seramount.com/articles/employee-resource-groups-are-taking-a-more-collaborative-intersectional-approach-and-its-working/.
10) *How ERGs Are Evolving to Extend Their Reach and Effectiveness* (Seramount: 2022), https://seramount.com/resources/how-ergs-are-evolving-to-extend-their-reach-and-effectiveness/.

every demographic is represented. In alliance councils, ERG leaders representing specific types of demographics, such as all ERG leaders of employee of color groups or all ERG leaders of lifestyle groups such as working parents and young professionals, meet to discuss the needs of each community, govern their ERGs together, and raise concerns to needed leadership members as a group. These groups are not to be used as a replacement for any current affinity-based ERG but rather to serve as an addition.

KPMG's Women's Advisory Board Leads, Supports Other BRGs

KPMG's groundbreaking Women's Advisory Board (WAB) has helped the professional-services firm achieve major breakthroughs in creating opportunities for women to move to the highest levels. Now WAB is working with the firm's other affinity-based Business Resource Groups (BRGs) to help them achieve similar success.

Recognizing the struggles of getting women into accounting and then helping them achieve partner status, WAB was formed in 2003 by a group of senior women who noted women were leaving at a faster rate than men, says current WAB head Christine Aspell, Office Managing Partner, Audit Partner. The group's official goal was "to create a more compelling work environment and enhance career opportunities for women by driving national and local initiatives."

WAB now consists of 15 members, all senior women from different business units within KPMG. They are in essence a think tank, Aspell says, to help develop strategies. They then work with the firm's KNOW (KPMG's Network of Women), which consists of BRGs with more than 60 chapters globally that work to implement strategies for women's talent.

"WAB comes up with ideas and uses KNOW to help push them throughout the firm. We recognize that women at all levels have different needs," Aspell says.

WAB, KNOW, and the firm's other BRGs help implement the firm's Accelerate 2025 strategy, a public commitment to attract, retain, and advance underrepresented talent.

Today, WAB members work with the other BRGs at an annual BRG leadership conference to share what they want to accomplish and how their goals align to Accelerate 2025. They share best practices and success stories. "We cut across the BRGs in ways that are meaningful. We connect WAB members to local offices so they can attend events and connect with talent directly," says Aspell.

One way they are connecting with other BRGs is by creating inclusive recruitment practices. Since the majority of KPMG's new hires are directly out of college in the audit and tax fields, BRGs are often part of the interviewing and campus recruitment process. "We work together to make sure every campus interview has the same experience and are talking to all the BRGs," Aspell says. She notes that the BRGs are actively engaged in the recruitment process, including campus visits, mentoring students, and speaking with visiting candidates at different firm locations.

Linking Affinity-Based Groups to Business Impact

ERGs and Business Impact

In recent years, more companies have moved toward the BRG model, linking these groups directly to business goals, including internal goals (increasing representation, retention, and promotion rates) and marketplace goals (market share, customer cultural competence, or increasing supplier diversity). BRGs and some ERGs, have also been linked to environmental, sustainability, and governance (ESG) goals,[11] which may also include community impact initiatives. Comments from survey respondents centered on a need for greater acknowledgment of the impact ERGs have on business needs, with many saying ERGs can make a crucial difference to business outcomes.

What Respondents Said	Who Said It
"ERGs should be more strategically embedded throughout the enterprise…they should also be tied to the innovation efforts of an organization—ways to crowdsource or center community perspectives."	Woman, Black/Latine, 35–44
"[ERGs should be] based on strategic goals of the organization with an 'equity' lens applied to [goals]."	ERG Leader, Woman, Black, 55+
"ERGs need to balance the needs of employees as well as the business. They need to be seen by the business as a true resource that can capture not only employee sentiments but can actually function as captive focus groups."	ERG Leader, Woman, White, 55+
"[ERGs] should be more widely integrated into the function of the business rather than supplementary. [They] would help in recruiting and the company's financial strength in the long run."	ERG Leader, Man, Latine, 25–34
"ERGs should be more integrated in business decisions and help solve business challenges."	Previous ERG Leader, Woman, Black, 25–34, Person with a Disability
"[ERGs should] continue to be more integrated into business processes and be trusted advisors to their respective DEI team and leaders."	Nonbinary, Black, 18–24, LGBTQ+, Person with a Disability

Figure 3: Respondent comments on ERGs making more business impact.

Merck EBRG Tackles Health Care Inequities

The winner of the "Business Impact" category of Seramount's 2022 ERG Impact Awards was Merck's Alianza EBRG. At the start of the pandemic, this group of employees recognized health care inequities surrounding the Latine community. They saw a gap in awareness in the community and an opportunity to impact social and business needs. In October 2020, Alianza launched its first Hispanic Learning Series, which had incredible success. The group also increased its employee membership by 25 percent, as well as had record attendance amongst its ERG events, received excellent feedback from business units and leaders, and inspired collaboration with the Vaccine Confidence Team via the Alianza-Business Integration Subcommittee. This collaboration led to a campaign targeting the Latine community, and again, the groups exceeded expectations for the various programs that were created to improve outcomes for this community.

Freddie Mac: Using a BRG to Understand an Underserved Market

To achieve the goal of stabilizing the housing market for underserved communities, Freddie Mac frequently calls upon their business resource groups (BRGs) to lead the way to more equitable homeownership. With support from executive sponsors, the PRIDE BRG recognized a gap in research around LGBTQ+ homeownership. In partnership with the Single Family and Chief Administrative Officer divisions, PRIDE conducted a first-of-its-kind study of the LGBTQ+ community.

In a survey in April 2018, over 2,300 LGBTQ+ community members between 22 and 72 years old in the United States were asked about their renting and home-buying experiences. The overall LGBTQ+ homeownership rate was 49 percent, much lower than the comparative overall US rate of 64 percent. Looking at the intersectionality of LGBTQ+ people of color, the rates were even lower, with Latine LGBTQ+ people at 35 percent, compared to heterosexual Latine people at 48 percent, and Black LGBTQ+ people at 30 percent, compared to heterosexual Black people at 42 percent. For further comparison, LGBTQ+ White people rate at 58 percent, and heterosexual White people have a rate of 72 percent.

The study also evaluated the homeownership of LGBTQ+ people who are married, not married but cohabitating, and single. Those who were married had a rate of 73 percent, those cohabitating had a rate of 41 percent, and single people were at 35 percent. Furthermore, 46 percent of respondents stated they have fears of discrimination because of their sexual orientation throughout the home-buying process, a rate that increases for lesbians (54 percent), Black people (53 percent), and Latine people (49 percent).

This research has shown there is a great need for support for the LGBTQ+ community in the home-buying process. The survey has helped Freddie Mac tailor more services to the LGBTQ+ communities, especially around preventing foreclosures, expanding credit responsibly, educating LGBTQ+ people on homeownership, and working to make more communities affordable and welcoming to LGBTQ+ clients.

ERG Leaders and Evaluations

Respondents of this survey stated that ERG leaders need to be credited for the roles—and they would prefer these roles not be for volunteers but be part of job descriptions. The respondents felt that creating evaluation and reward cycles for ERG leaders would increase their effectiveness. Seramount's 2022 Inclusion Index[11] data shows that 87 percent of Index Companies consider ERG leadership positions during annual performance review processes, 54 percent factor an employee holding an ERG leadership position into succession planning, 69 percent factor an ERG leadership

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11) *Best Companies List* (Seramount: 2022), https://seramount.com/best-companies/.

position into career-path planning, and 88 percent offer learning and/or talent development programs for ERG leaders.

What Respondents Said	Who Said It
"I think we need to move away from a total volunteer approach. In my organization, some [people] feel that if you have so much time to devote to a [E/BRG], your job must not be that busy. We need to move away from that naïve thinking. These groups have always been business critical, but I think now more than ever [they are needed] to drive engagement and retention in the current working climate."	Previous ERG Leader, Man, White, 45–54
"[ERGs need to be] tied back to business/employee/professional development by not just being voluntary work, but paid and integral into the daily work business."	ERG Leader, Woman, White, No age provided, LGBTQ+, Person with Disability
"…I would like to see ERG leadership become part of ERG leaders' job expectations and have them receive increased compensation, as well as a rebalancing of their time and bandwidth so that they can devote sufficient time to ERG leadership in a meaningful way…"	Woman, Black, 25–34
"Corporations should make ERG leadership a full-time paid position."	ERG Leader, Woman, White, 45–54, Person with a Disability

Figure 4: Respondent comments on ERG leaders and evaluations.

Recently, a few companies have publicized their plans to reward their ERG leaders:

- LinkedIn announced it would pay ERG leaders a $10,000 monetary compensation for each year served.[12]

- Justworks announced it would begin compensating its ERG leaders through a reward package that includes cash compensation, additional stock options, a budget for external participation in ERG conferences, and access to management coaching and formal mentorship.[13]

- Uber gives ERG leaders a standard $5,000 cash bonus for their work, and those who make extraordinary efforts are eligible for a larger amount. They also award equity grants to some ERG leaders, with the amount based on tenure and the employee's level at the company.[14]

In performance evaluations, examples of metrics to track include these: ERG participation, active engagement, leadership participation, ROI for ERG efforts, member retention, and multiplier, which measures how many of the ERG events return on two or more of their goal categories, showing efficiency and optimization of investments.[15]

12) Hilgers, *One Simple Way Companies Can Invest in Their Diversity and Inclusion Efforts* (LinkedIn, 2021), https://www.linkedin.com/business/talent/blog/talent-acquisition/simple-way-companies-can-invest-in-diversity-inclusion.
13) Baptiste, *How and Why Justworks Compensates Our ERG Leads* (Justworks: 2020), https://www.justworks.com/blog/why-justworks-compensates-erg-leads.
14) Hilgers, *One Simple Way Companies Can Invest in Their Diversity and Inclusion Efforts* (LinkedIn: 2021), https://www.linkedin.com/business/talent/blog/talent-acquisition/simple-way-companies-can-invest-in-diversity-inclusion#:~:text=At%20Uber%2C%20ERG%20leaders%20receive,eligible%20for%20a%20larger%20amount.
15) *How High-Performance Organizations Measure D&I Program Efforts* (National Academy HR: 2021), https://www.nationalacademyhr.org/sites/default/files/Publications%20D_I_Program_Metrics_Toolkit_i4cp.pdf.

Flexible Working Creates Increased Virtual Need

With so many employees now working in hybrid or fully remote workplaces, some respondents to the EmERGe survey noted there are still few options and capabilities to take ERGs virtual and global. They said having more virtual access will allow for more engagement and buy-in from employees.[16] With more than 90 percent of Inclusion Index companies having a global presence, the prevalence of global affinity-based ERGs is growing.[17]

What Respondents Said	Who Said It
"ERGs should be highlighted more within [all] workplace [locations], not just headquarters. Other sites are interested in getting involved but having the resources and opportunity to learn more are harder to access."	ERG Leader, Woman, Latine, 25–34
"[ERGs need to evolve to have] local engagement with a global view."	ERG Leader, Woman, 45–54
"ERGs are very US-centric—I see changes to include/be more aware of how the groups interact beyond the US."	ERG Leader, Woman, Asian, 35–44
"ERGs need to expand to partnering with other company ERGs, especially in a virtual first and hybrid environment."	ERG Leader, Woman, Latine, 25–34
"ERGs need to develop strategies to address a virtual workforce and keep people engaged while virtual."	ERG Leader, Man, White, 25–34, LGBTQ+

Figure 5: Respondent comments on virtual ERG offerings.

16) *Four Ways to Pivot Hybrid and Remote Employee Resource Groups* (Seramount: 2022), https://seramount.com/resource/four-ways-to-pivot-hybrid-and-remote-employee-resource-groups/.
17) *Best Companies* (Seramount: 2022), https://seramount.com/best-companies/.

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Call to Action

Based on the survey data and the decades of experience of Seramount's Diversity Best Practices advisors, we recommend:

	The WHY	The HOW
ERG collaboration is critical	Social issues are intersectional, so ERGs have common areas of interest. Bringing in more perspectives can further DEI goals, including increasing representation and community/market outreach.	• Encourage employees and ERG leaders to join a variety of ERGs • Bring allies into leadership roles • Develop ERG messaging and marketing explicitly targeting allies • Create DEI alliances between groups and with business functions
ERGs can impact business results	ERG goals should directly follow business goals, including new market opportunities, innovative cost-savings, and creating inclusive cultures to support retention and engagement.	• Explicitly outline which business objectives an ERB/BRG can align with each year • Evaluate ERGs with KPIs to track their impact, such as recruitment goals, procurement goals, or customer/client goals • Use ERG community knowledge to address marketplace gaps • Engage ERGs early in strategic business planning, not as a final step
ERG volunteer leadership should be part of performance evaluations	ERGs are usually volunteer-based. Leaders of these groups want their time and efforts to be part of their jobs and to be factored into advancement opportunities. They are also interested in compensation/rewards for these efforts.	• Host an awards ceremony recognizing and honoring the impact ERG leaders make • Include ERG goals and metrics in the leader's annual performance reviews • Compensate the leader through financial incentives or alternatively with gift cards or a donation to a charity of their choice • Demonstrate appreciation through other means, such as leadership development programs, access to senior company leaders, or extra PTO days • Develop ERG messaging and marketing explicitly targeting managers
ERGs need a virtual-first mindset	Events and opportunities through ERGs can be offered with as much accessibility and flexibility as possible. As more ERGs are global, the need for virtual access is even greater.	• Ensure events are marketed to as many employees as possible • Reflect on issues with a global perspective when applicable • Engage the audience with different accessibility techniques to improve engagement, such as recorded events or offline conversations

Join Seramount in Celebrating ERGs!

Join Seramount at one of its biannual EmERGe Leadership Summit conferences and nominate company E/BRGs for Seramount's ERG Impact Awards.

Want Insight on Employee Needs?

When Seramount conducts DEI assessments, we deliver to clients a deep, nuanced assessment of their culture by listening to the employees who actively experience it. Let's build an effective DEI strategy together.

Interested in becoming a Seramount partner or looking for a demo of our solutions? Fill out a contact form here, or call (202) 747-1005 for more information.

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