

THE FACTS

Employee resource groups (ERGs) and internal and external affinity groups are significant assets for businesses working to attract, retain, develop, and promote Black & Brown talent and customers. These networks of people from similar racial and ethnic groups, and those committed to the advancement of each population, partner to amplify and advance business strategies while also offering programming that provides familiar anchors to Black, Indigenous, Latine, and Asian employees and fosters belonging. Once viewed as a safe space for anonymous problem solving or vetting Human Resources challenges, today employee resource groups are a trusted resource for businesses and employees alike.

100 Black Men of America coined the phrase 'what they see is what they'll be,' many years ago. Today this phrase reminds us that not only do workers of color need to see and commune with people who look like them, they also benefit from strategizing and designing business solutions in safe and brave spaces that honor their values. These curated spaces for leadership development and coaching, career exploration, and relationship building are an invaluable asset to employers and have increased employer capacity to identify and responsively define retention and development barriers, while also fostering creative spaces for innovation and business growth.

Consider that in Minnesota, nearly 90% of business executives are White, and .7% identify as Black, compared to the state's 6.6% Black population.

Business leaders should consider the ways that leadership is cultivated in predominantly white spaces. The characteristics that cultivate networks and high performing talent in these homogeneous environments can be scaled for Black and Brown employees who need similarly affirming and racially responsive environments. Leaders who want to see representation in the board room and C-suite grow must invest in curated spaces and networks to create opportunity for all employees to thrive.

To transform inclusion in the workplace, employers can:

- Develop organization-wide value for employee resource groups through education.

- Develop position descriptions and consider compensating ERG leaders for their talent, time and influence.
- Assign dedicated executive sponsors who hold shared responsibility for ERG success.
- Identify business imperatives that require the partnership of ERGs and dedicate time and budgets to co-create solutions.
- Identify functions that contribute to internal and external measures, with appreciation for the mutually reinforcing role these activities have on the business.
- Clearly articulate the role of White men and women in ERGs for racial and ethnic groups (70% of White male respondents in a White Men's Leadership Study indicated that they were unsure of their role in DEI initiatives).

Today, the value of employee resource groups can be measured and scaled. According to a Catalyst study, 78% of 18-24 year olds and 84% of 25-34 year old employees reported that ERGs positively influence their engagement. The same study found that ERG participation is linked to increased employee satisfaction and loyalty.

Many institutions, particularly small and mid-sized employers, lack capacity to build and host a wide array of ERGs. These organizations and their employees can benefit from regional ERGs committed to the advancement of a particular population.

Companies can invest in these organizations to help ensure their capacity to meet the needs of the regions workforce. Examples include **TCBANND** (Twin Cities Black Affinity Network Development Day) that hosts regular leadership development programs for Black professionals and business owners; **CAAL** (Coalition of Asian American Leaders) that builds intentional networks of Asian leaders who advocate for inclusive policies, strengthen community safety and vitality, and cultivate local philanthropy.

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THE BUSINESS CASE

In his groundbreaking case study of IBM's mid-90s pivot to embrace diversity ("Diversity as Strategy," Harvard Business Review), Morehouse College President David A. Thomas documents how CEO Lou Gerstner's commitment to diversity, equity, and inclusion contributed to the company's overall turnaround.

This strategy resulted in substantial revenue growth by empowering diverse leaders to identify and invest in emerging, high-growth market segments, tailoring services to meet the needs of fast-growing diverse and women-owned firms.

PROMISING PRACTICES

1. Five years after **Coca-Cola North America** developed mentoring programs for professionals and mid-level managers, 80% of all mentees had been promoted at least one tier. Black employees disproportionately took advantage of these opportunities, making up 36% of participating employees.
2. **Ecolab** hosts a Black executives ERG that developed a leadership development program for Managers seeking to become Directors and above. The mentoring program offers emerging leaders the opportunity to learn more about the business and the keys to elevation and success; receiving intentional mentoring from a diverse cohort of business leaders, and development about the path to executive leadership from other Black executives who have walked in their shoes. CEO Christophe Beck and members of his leadership team are active champions of the program, participating in listening and learning sessions to gain the tools for increased retention and advancement of Black leaders.

3. In 2021, **LinkedIn** followed Twitter's example and began compensating Global ERG Co-Chairs. The company recruits and trains ERG Co-Chairs through a rigorous process. Leaders are compensated for these stretch assignments with \$10,000 annually. LinkedIn's ten ERGs engage over 6,000 members worldwide and 500 in the U.S.

"We are at a point in our company history where our ERGs have reached a level of operational excellence, cultural transformation and powerful retention impact," said Meredith Morales, SHRM-CP, LinkedIn's senior diversity, inclusion and belonging program manager told Pulsely. "We knew it was time to design our systems of recognition and appreciation to more fully demonstrate the value we see in the contributions of our ERG leaders."



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