

RESEARCH

Diversity Inc.: [The Business Benefits of Employee-Resource Groups](#)

- **Recruitment** -All of the DiversityInc Top 50 companies use their employee-resource groups to recruit new members. Five years ago, only 75 percent of them did this best practice, but they've realized quickly how valuable an asset the groups are.
- **Retention**-Vital employees leave because they feel disconnected and/or they feel as if their careers are stalled. Employee-resource groups can address both aspects, identifying cultural gaps that can prevent employees from realizing their potential, providing "safe" spaces to discuss them, offering mentors to guide them and giving constructive feedback.
- **Market Outreach**-At many companies, especially consumer-facing ones, employee-resource groups serve as vital focus groups and innovators in terms of products, product placement and understanding the marketplace.

Diversity Journal: [ERGs: Providing Value Beyond Cultural Awareness](#)

To actively guard against fatigue and provide true impact within the organization, expand the ERG's role to include such opportunities as:

- Partnering with HR to identify the use of dated or non-inclusive language in internal documents
- Using the group's members to act as an internal advisory group, pulsing them on employee engagement, current market trends, etc.
- Building strategic partnerships that drive professional development opportunities, recruitment of superior talent, and the sharing of benchmarking data.

White Paper: [ERGs Come of Age](#) *A study by Mercer's Global Equality, Diversity, and Inclusion Practice*

- Explores the impact of ERGs on business operations, talent management and recruitment, and diversity and inclusion.

White Paper: [Employee Resource Groups that Drive Business](#); jenniferBrown Consulting/Cisco

- As companies around the world contend with aging and youthful workforces in ethnically diverse markets, the ones best positioned for success will be those that realize the value of ERGs, and use them for the inherent business advantage they provide.

CWF Global Toolkit Worksheet (**attached**): Engaging Employee Resource Groups

JOURNAL ARTICLES

Human Resources Management: [Leveraging Diversity to Improve Business Performance: Research Findings and Recommendations for Organizations](#); Michele E. A. Jayne and Robert Dipoye (2004).

- Organization-specific metrics tied to the organization's overall business strategy are an avenue for linking diversity initiatives with bottom-line results.

- At Ford Motor Company ERGs demonstrate their value to the bottom line by tracking the number of vehicles members sell through the company’s Friends and Neighbors vehicle discount plan.
 - Resource group members were more likely than nonmembers to use the program.
 - In 2002, resource group members were able to sell \$100 million of Ford cars and trucks.

Human Resource Management: The Effects of Network Groups on Minority Employee Turnover Intentions; Raymond A. Friedman and Brooks Holtom (2002).

- Employee network groups can be useful tools for helping companies retain managerial-level minority employees.
- Joining network groups is associated with reduced turnover intentions for higher-ranked employees. This is critical for companies that are moving from “creating diversity” at entry levels within the organization to “managing diversity” by ensuring that minority employees succeed once they are hired into the organization.
- While some try to formally assign employees to particular mentors, network groups produce support in a more natural and less contrived way.

The Academy of Management Journal: Racial Diversity, Business Strategy, and Firm Performance: A Resource-Based View; Orlando C. Richard (2000).

- There is a positive relationship between racial diversity and firm performance in organizations pursuing a growth strategy.
- This finding supports the argument that a diverse workforce offers several benefits to organizations entering new markets—for example, the added insight and cultural sensitivity that women and minorities provide (Jayne & Dipoye, 2004).

CORPORATE EXAMPLES

CWF Partner Profile: [Employee Resource Groups](#)

- **American Airlines:** “Employee Resource Groups are critical to our business, through their involvement in supporting our corporate objectives, American Airlines has maximized its service on new routes, garnered tremendous visibility in the communities we serve, and realized significant cost savings. ERG members also provide input in areas of the business that are outside of their normal scope of responsibilities, helping them gain valuable leadership and analytical skills that position them well for future opportunities.”
- **AstraZeneca:** “In addition to providing unique cultural perspectives on business issues, ENGs support AstraZeneca’s business case for diversity by helping to recruit, engage, and retain employees of varied backgrounds; building levels of awareness about different cultures to encourage inclusion; and supporting AstraZeneca’s community involvement strategies.”
- **Kraft:** “Senior leadership at Kraft recognizes the power of Employee Councils to: nourish a culture of inclusion, promote retention, provide a greater understanding of the company’s multicultural consumer base, and fill in gaps of knowledge for employees.”

Deloitte:

- Reinventing the Employee Referral Process: Tapping Into Business Resource Groups
 - In 2010 there were 1,270 referrals from BRG members and 105 hires.
 - 1,189 total experienced hires from referrals in FY10, which means approximately 10 percent of all referral hires came from BRG members.

IBM

- Harvard Business Review: [Diversity as a Strategy](#)
 - Includes direct business results from diversity constituency groups

Merck

- Presentation (**attached**): Leveraging Global Constituency Groups for Improving Business Capacity
The constituency model will enhance business and talent management outcomes by:
 - Maximizing innovation and business results through global internal benchmarking
 - Enhancing our understanding of and relationships with key external stakeholders
 - Growing our leadership bench strength utilizing an action learning model

Novartis

- Presentation (**attached**): Diversity & Inclusion Champions: An Introduction
 - Business Rationale
 - Structure
 - Role and Responsibilities
 - Key Learnings

Presentation: Measuring the Impact of Global Diversity (**attached**)

- **Sodexo**
- **Shell**

SUGGESTED ROUNDTABLE CONTACTS:

- Yvette López Adams, PHR
Diversity Manager, Office of Global Workforce Inclusion, EMC
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One of Yve's goals for 2012 is to take ERG's to the "next level" and ensure they are not just social groups but are providing tangible business benefits.
- Lynn Alba
Director, Diversity & Work Environment, Merck
(267) 305-2150; sjb_lalba@merck.com
Merck is in the process of transitioning from a Constituency Group Model and an Employee Resources Group model to a new Business Insight Roundtable. She views this new structure as more sustainable, more aligned with talent and diversity strategy, more inclusive or global and multiple site participation, and more focused on the relevancy of the business.
- Jennifer Demirdjian
US Work/Life Manager, Office of Diversity, PwC
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PricewaterhouseCoopers is particularly focused in the area of women's advancement and gender diversity. Jennifer is focused on ERG for employees with disabilities this year.
- Margie Rivera
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