



EXECUTIVE SPONSORS

Fuel High-Performing ERGs



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CONSULTING

DIVERSITY | LEADERSHIP | INNOVATION



CONTENTS

Foreword by Jim Turley	2
Executive Summary	4
From the CEO Jennifer Brown	6
Section I: Introduction	8
Section II: The Five Roles of ERG Executive Sponsors	16
Section III: The Holy Grail of Business Alignment	25
Section IV: A Vision For Sustainability	33
Section V: Conclusion	35
Acknowledgements	37
Index	38

FOREWORD

By Jim Turley



Even after years of speaking about the power of diversity, one never knows when he or she will be called to be the voice of change. The summer of 2012 was one of those times. As a member of the Boy Scouts of America (BSA) Executive Board, I, together with another member, came to the realization it was time to speak up about our beliefs in equal rights for lesbian, gay, bisexual, and transgender (LGBT) members and leaders, while still maintaining support for a great organization. As I have told my son and thousands of employees at EY over my tenure: Our responsibility as leaders is about knowing how hard to push—and when. This was one of those moments.

I was honored to be a keynote speaker that same summer for the 2012 National Gay & Lesbian Chamber of Commerce annual conference, and it was the first time I had been asked to speak to an LGBT audience in an official capacity. Because I had chosen to stay on the BSA board, I wasn't sure if I would be a popular speaker. When I met the onstage interviewer, Jennifer Brown, an LGBT-certified business owner, who had been a finalist in our EY Winning Women program, I was immediately put at ease. Our

discussion naturally flowed to the essential elements of how diversity powers businesses by building stronger leadership pipelines and more inclusive workplaces where all kinds of talent can do their best work.

This white paper is a continuation of Jennifer's work to shed light on the role of diversity and inclusion efforts in driving employee engagement at all levels of an organization, including revenue generation. When Gallup's most recent *State of the American Workplace* report shows that 70 percent of the nation's workers are "not engaged" or "actively disengaged" from the workplace, we risk losing the talent and innovation needed to keep our economy growing. Not only is it important to lead an organization by actually engaging with all people, but also enabling everyone to bring their full selves to work—all the time. I have often talked about the importance of EY's diverse leadership, and this study truly shows how ERG Executive Sponsors are the catalysts for setting the tone, elevating their members' concerns, and harnessing employee potential.

The fact is, if you don't really work at it, diverse teams don't excel. They are either off-the-chart fantastic or awful. The difference in success or failure is the ability of leaders to exhibit inclusive behaviors and adapt to our changing workforce. It comes down to sustaining a diverse leadership pipeline and allowing each voice in your organization to feel respected. This paper provides compelling anecdotes and evidence from a group of leading ERG Executive Sponsors. We have a lot to learn about how to support these types of leaders as well as the employees and other senior leaders who can grow under and alongside them.

Having the humility to actively seek, solicit, and include diverse viewpoints, even when they challenge the status quo, is a hallmark of effective diversity and inclusion. I always have this image of Sisyphus pushing a heavy boulder up a hill. You lean into it and really put your shoulder into it, but if you're leaning too far, your foot slips out and you fall down on the ground and the boulder rolls

back over you. Then you're back at the bottom. Trying to figure out how far to push and how far out ahead to be is a real art. It is not a science and it varies dramatically around the world.

All of us who believe diversity and inclusion will fuel the new economy find ourselves advocating within the system. In this study, Jennifer once again keeps the focus on what we can do next: elevate the voices of leaders who see the opportunities in diversity and find the innovation, engagement, and ultimately revenue engine within our own organizations.

You never know when you will be called on to be the voice of change or to push the boulder from within. Yet when great leaders are present—and willing to listen—the pushing can become easier.

Jim Turley
November 2014

Jim Turley joined EY in 1977 and served as Global Chairman and CEO from July 2001 to June 2013. In 2012, Turley, along with another member, were the first members of the Boy Scouts of America Executive Board to publicly speak about the disapproval of its policy of excluding LGBT members or leaders. The following year, the policy was reversed, allowing LGBT youths to join the organization.





EXECUTIVE SUMMARY

Since the inception of the employee network group concept several decades ago, Employee Resource Groups (ERGs) have evolved far beyond their original mission of providing community engagement and a safe space for underrepresented groups in the corporate world. ERGs today play a significant role in many strategic aspects of workforce development, workplace improvement, and marketplace access, both domestically and globally. As microcosms of our external world, ERGs are a high-potential resource to drive innovation and corporate social responsibility.

But all ERGs are *not* created equal. The effectiveness of ERGs has been limited by the tremendous variability across and within organizations in terms of ERG maturity, mandate, governance structure, oversight, and access to resources. In addition, the immense diversity of today's ERG memberships is still not reflected in company leadership at large, with a particularly conspicuous absence of diversity at senior levels.

Although these challenges may be our reality for the short-term, another exciting dynamic that often goes unnoticed may hold the answer: ERG Executive Sponsors. These executives are men and women hard at work, anchoring these networks in the most relevant value proposition and providing a senior leadership lens to the business' objectives.

Executive Sponsors ensure ERGs undertake a broader, more impactful vision for contributions and ensure the ERG has the organizational capital to make that vision a reality. They are some of the most critical and yet under-utilized diversity allies we have in today's large organizations. This white paper documents some of their stories.

Jennifer Brown Consulting (JBC), a workplace consulting firm, began partnering with Cisco Systems (Cisco) in 2006 to examine greater alignment of Cisco's ERGs with Cisco's business, which resulted in the benchmarking report "Employee Resource Groups That Drive Business." In 2013, JBC began to examine the ERG Executive Sponsor role to understand the personal value proposition, including the following:

- Why ERGs attract executives to the sponsor position;
- How executives feel they contribute to ERG effectiveness; and
- What they believe their ERG's potential to be.

JBC approached leading employer-of-choice companies, including some JBC clients, to participate in the ERG Executive Sponsor study, selecting a final group of 18 representatives from 8 companies to engage in multiple rounds of data collection. The methodology and corresponding analysis focused on the qualitative information JBC gathered from individual representatives in the following sequence:

- Conducted one-hour in-depth, one-on-one interviews with the 18 Executive Sponsors, representing 8 companies.
- Convened and facilitated a two-hour discussion, the ERG Executive Sponsor Roundtable, with 16 of the 18 Executive Sponsors, representing 8 companies.

This white paper distills the information and provides recommendations for designing a successful ERG Executive Sponsor function by 1.) establishing five essential leadership roles for ERG Executive Sponsors within an organization or company 2.) exploring typical ERG challenges and solutions 3.) presenting a vision statement for the next steps in ERG maturation.

By using the skills that got them to the leadership ranks, ERG Executive Sponsors can be powerful catalysts to accelerate the maturing of ERGs from their early stages as affinity groups to results-driven business resource groups able to consistently leverage their unique characteristics to benefit the organization and its stakeholders.

This study also reinforces the collaborative efficacy between ERG Executive Sponsors and ERG leaders, chief diversity officers, and human resources professionals, as well as their CEO and C-suite colleagues. Executive Sponsors fuel high-performance ERGs, and companies can drive innovation and improve their bottom lines by selecting, developing, and investing in these transformative leaders.



FROM THE CEO

Jennifer Brown



Over the last decade, we've seen a shift toward more bottom-up management and open leadership as well as an understanding that the best ideas will originate more and more from outside the senior suite. At the same time, ERGs transformed from networking groups to foundational pieces in today's diversity and inclusion strategies by driving transparency and cultural competency within organizations, as well as alerting leaders to pain points that need to be addressed.

Yet as the recent spate of metrics disclosures by Silicon Valley companies illustrates, the messages of corporate commitment aren't enough.¹

During the collective hand-wringing over the lack of progress, some are taking matters into their own hands. ERG Executive Sponsors are hard at work informing the mission and vision of an ERG while coaching, mentoring, and elevating ERG leaders and their teams for future

leadership. The most successful Executive Sponsors marshal their functional expertise and leadership skills on behalf of their ERGs.

These are leaders who relish the opportunity to engage with a new network of emerging leaders, to walk a mile in another's shoes, and see opportunities and hurdles through their eyes. The executives we met through this process put others first, thinking of creative ways to showcase the talent living in today's ERGs. And they are transformed as leaders, and as people, through the experience.

I've met energetic leaders at Fortune 500 companies around the world who believe that what ERGs represent—less hierarchy, more inclusion, greater transparency, better idea generation, enhanced diversity, and trusted community—can lead the way in transforming today's outdated business practices. Many of these leaders have stepped up and taken leadership roles as ERG Executive

1. Milian, Mark. "The Silicon Valley Diversity Numbers Nobody Is Proud Of." Bloomberg.com: August 14, 2014.

Sponsors and council members, not only to give back and use their organizational capital in another way, but also to expand their own horizons, challenge their assumptions, and continue growing as leaders.

Given the rate and pace of change, the next decade in diversity will see ERGs evolve into smarter teams of dedicated leaders whose eyes will be on the return on engagement. These groups and their leaders will play a key role in ensuring companies pivot quickly and effectively to capitalize on global competitive markets and manage the enduring “war on talent.” As we strive to bring our authentic selves to work every day, ERGs will be at the nexus of workplace culture evolution.

At JBC, our work with Executive Sponsors continues to inspire us. As we work towards transforming human potential and aligning individual performance to drive

organizational results, Executive Sponsors illustrate our mission in their expertise and excitement for harnessing the ERG growth engine. Our goal is for every employee to feel Welcomed, Valued, Respected, and HeardSM in the workplace, and as you read this white paper, we hope you share our vision.

Finally, a special thanks to the participants of this study and to Sandy Hoffman, Rosie Cofre, and many other diversity and inclusion advocates for their vision, support, and thought leadership over the last eight years.

Sincerely,





SECTION I

Introduction

ERGs Today

Since the inception of the employee network group concept several decades ago in the US, and more recently in the global arena, Employee Resource Groups (ERGs) have evolved far beyond their original mission of providing a safe gathering place and community to underrepresented groups. Today's best-in-class ERGs have made impressive strides in aligning their activities to core business goals and are positively influencing results across the board in sales, product and services development, marketing, branding, recruitment and retention, and corporate responsibility. In 2013, more than 90% of Fortune 500 companies had some form of ERG structure in place.²

2. The Center for Energy Workforce Development. "Using Employee Resource Groups to Increase Diversity." May 1, 2013.

ERGs are composed of several subsets³:

- Employees from traditionally underrepresented groups.
- Allies who support these groups.
- People who share a common purpose, interest, or background.

In the last few decades, as diversity has become more prevalent in the workforce, ERGs have multiplied, along with the names associated with these groups. Some of today's common labels for ERGs include *affinity groups*, *employee network groups*, and *business resource groups*.

The names of a company's ERGs are often deliberate, tied to the purpose and motivations of the groups. Even a decade ago, the label ERG was rare. Only recently has

3. Jennifer Brown Consulting LLC and Cisco Systems. "Employee Resource Groups That Drive Business." 2010.

“

The ideal of inclusion has long been to allow individuals to bring their authentic selves to work. However, most inclusion efforts have not explicitly and rigorously addressed the pressure to conform that prevents individuals from realizing that ideal.”

- Kenji Yoshino and Christie Smith in "Uncovering Talent"

it emerged as a common term. The affinity groups label was the previous norm, when many of the groups were organized around traditional minority workplace groups, such as women, African Americans, and Hispanics. Members primarily used affinity groups for social and networking opportunities and as support systems and social outlets. The shift from an *affinity group* concept to the *business resource group* concept reflects the maturing of the social aspect and ties more closely to organizational business goals.

Now many ERGs are integral to talent management, closely partnering with human resources professionals and recruiters to help attract, retain, and develop diverse talent. ERGs have evolved from being event-driven, internally focused groups to serving as critical strategic partners for various business units throughout an organization. Some ERGs receive financial support once they demonstrate they are achieving business-related goals.

Although advances in the management of diversity and inclusion have created more diverse and inclusive workplaces domestically and globally, there is still tremendous work to be done to make the workplace an accepting and open environment for all.

As an example, many Silicon Valley companies, including Cisco, Google, and Apple, were pressured to release detailed diversity information in 2014. Although all the companies show levels of diversity, the results show that even the most progressive companies can fall short of the inclusive mark—especially on gender equality.⁴

Research has shown that employees of diverse groups still do not feel comfortable bringing their whole selves to the workplace. As cited in Deloitte University's groundbreaking study "Uncovering Talent," authored by Kenji Yoshino and Christie Smith in 2013, employees of diverse groups often choose to "cover" in the workplace. "Covering" is characterized by making career-driven choices (in some

instances even beyond the workplace) about managing their appearance, whom they advocate for, and whom they affiliate or associate with.

In his research, Yoshino refers to the "four axes of covering":

- Appearance: Individuals change grooming, attire, and mannerisms (i.e., tattoos, dreadlocks)
- Affiliation: Individuals do not talk about meaningful relationships (i.e., motherhood)
- Advocacy: Individuals avoid specific topics related to identity (i.e., veteran status)
- Association: Individuals avoid being around specific people (i.e., lesbian, gay, bisexual, or transgender people)

Yoshino and Smith surveyed more than 3100 employees at different levels of seniority across 10 industries and made a point to include straight white males, who had "traditionally been left out of the inclusion paradigm" (p. 3).



According to the study⁵

- 94% of African Americans, 91% of lesbian, gay, and bisexual individuals, and 66% of women feel the need to cover in the workplace at least some aspect of their identity in order to retain employment or advance in their careers.
- 45% of white men also cited the compulsion to cover along at least one of the axes.
- Among Fortune 500 companies:
 - Only 1% of CEO and 3.4% of senior executive positions are held by African Americans.
 - Women represent 21% of CEOs and 14% of executives; they hold 17% of board seats.

4. DeAmicis, Carmel and Carson, Biz. "Eight charts that put tech companies' diversity stats into perspective." August 21, 2014

5. Yoshino, Kenji, and Smith, Christie. "Uncovering talent: A new model of inclusion." New York: Deloitte, 2013.

As more corporations realize the value proposition of diversity and inclusion, ERGs are a critical access point not only for organizational leadership to maintain a pulse on the relative prevalence of things like covering amongst certain key employee groups, but also for employees looking to grow and develop new skills in a safe space. Indeed, employees can employ ERGs for experimenting with uncovering their full selves, which is even more useful in an era where company-funded development opportunities are in short supply.

As ERGs' scope and mandate have grown, more business leaders are beginning to see ERGs as a key talent and market driver, however it is important to remember Peter Drucker's adage, "Culture eats strategy for breakfast." In other words, is the workplace culture one that enables the full contributions of all kinds of talent, specifically the kind of talent that participates and leads ERGs?

As much as we are trending towards flatter, more democratic workplaces with people-centric strategies that engage more mid- and junior-level talent, the power at the

top should not be underestimated. We are at a "both/and" stage, where there needs to be an ideal balance between the roles of leaders and contributors—and their power.

Cisco Systems (Cisco) is one business that was looking to better align its ERGs with the business, and in 2006 Cisco began partnering with JBC to examine how to achieve greater business alignment. In 2010, JBC and Cisco co-developed the ERG Progression Model to allow individual ERGs to assess their activities along a continuum developed specifically for their organization. Shortly thereafter, Cisco worked with JBC to conduct a first-in-kind benchmarking analysis, compiling best practices for positioning and maximizing ERGs. The resulting report, "Employee Resource Groups That Drive Business," dissected the achievements and challenges of ERGs in more than 20 companies.

The report found that "Commitment to diversity is not just the right thing to do. It has become a business imperative. ERGs will lead the way in next-generation business" (p. 11).

“

The effort required to manage aspects of our identity, our culture, and our work styles—and, in many cases, filter them out of our professional personas to fit in—can take precious energy and focus away from our confidence, our contribution, and ultimately, our careers. When we can work as fully ourselves, we win. And the business wins.”

- Jennifer Brown, TEDx Springfield, Springfield, Massachusetts, October 18, 2013

Traditional ERG Leadership Structure

Figure 1.A Traditional ERG Leadership Structure



However, all ERGs are *not* created equal. The effectiveness of ERGs has been limited by the tremendous variability across and within organizations in ERGs’ maturity, mandate, governance structure, leadership oversight, and access to resources.

Executive Sponsors ensure ERGs undertake a broader, more impactful vision for contributions and ensure the ERG has the organizational capital to make that vision a reality. Even as more organizations compete to rank on a growing array of diversity best-practices lists, full diversity and inclusion remain elusive, both qualitatively as lived experiences in the workplace and quantitatively.

Beyond investing in the talent management and diversity and inclusion goals, many corporations are beginning to value the revenue potential in ERGs. As chief strategic advisor and mentor for his or her ERG, an ERG Executive Sponsor often has the responsibility to maintain long-term viability for the network. Creating a sustainable ERG means the group is also successful at navigating the challenges such as growing and broadening their membership, demonstrating their value to the organization, securing a more diverse funding base, and monetizing social and intellectual capital.

Employees who are actively involved in ERGs can increase their value to their parent organizations and, consequently, to their fellow members and the industries they serve. It has become widely recognized that the original function of ERGs—to provide a supportive environment to employees who may be under-represented in the employee population and to help those employees advance their careers—is best served when the ERGs align their goals and activities with the parent company. The reward is that ERGs with goals more closely aligned to their employers’ goals are more likely to see their initiatives promoted.⁶

At a time when leading companies have up to 50 percent of employees as members in ERGs, it is known that inclusion and inclusive work cultures drive employee engagement and ultimately drive innovation.

What more can ERGs do to impact not only the talent pipeline, but also the company’s market innovation, product development, and even financial bottom line? There are two approaches for Executive Sponsors reframing and aligning ERG work:

6. Mercer, LLC. “ERGs Come of Age: The Evolution of Employee Resource Groups.” January 2011, p. 21

- The **evolutionary** approach relies on the progressive and organic exposure to leadership and potential of emerging talent.
- The **assertive** approach is more aggressive and calls for a direct rebranding and reframing of an ERG through company policy.

The **evolutionary** approach from companies' current practices offers careful progression: With guidance from the Executive Sponsor, ERG members can gradually come to understand that working toward business goals ultimately aids their own professional development and enhances their personal brand. In this scenario, Executive Sponsors are the liaison and the link to the business, apprising ERG leaders of company initiatives to which the ERG could make a contribution. In return, the Executive Sponsor becomes aware of emerging talent and cultural knowledge from the ERG membership, exposing an unofficial "pipeline" of potential future leaders.

The **assertive** approach is to drive ERG business alignment through company policy and funding practices. Many ERGs can be required by charter to pursue certain kinds of business-related goals, and their funds can depend on demonstrating a return on investment. Cisco has gone one step farther by requiring its ERGs, which have been rebranded as Employee Resource Organizations (EROs), to raise funds for their activities from areas of the business that will benefit. From the planning stages, each Cisco ERO must determine how it will positively affect the brand, advance strategic initiatives, or cultivate talent—and how it will measure those efforts.

Because they and their stakeholders have been so successful in communicating a business-focused value proposition, today's ERGs have to strike a delicate balance between organic self-direction, creative freedom and experimentation, and meeting business goals and metrics. It is critical to continue to find this balance; each of these aspects will resonate differently with broader ERG memberships. In the end, this balance must be embraced and driven from within to be successful.

Regardless, in both the evolutionary and the assertive approaches to ERG transformation, the ERG Executive Sponsor acts as a hinge, ensuring that the company is making a consistent effort to drive resources and access into the ERG, and that the ERG is making an equal and measureable effort to produce bottom-line results for the company.

Executive Sponsors As Catalysts

Through on-the-ground experience supporting Fortune 500 clients with ERG design and development best practices, JBC has seen that senior leaders who take on Executive Sponsor roles are transforming the landscape by raising the bar and fueling real change. By using the leadership skills that got them to the head of the table, Executive Sponsors can be powerful catalysts in accelerating the maturation of ERGs from early stage affinity groups to true business resource groups able to consistently leverage their unique characteristics to benefit the organization and its stakeholders.

“

Just to get to coach others, to see the passion and energy is great. I learn about how the younger folks think, [their] work ethic, and [their] sense of politics, people, success, and achievement.”

- Balaji Ramarao, Cisco

Executive Sponsors can be game changers in the diversity and inclusion space by doing precisely what exceptional leaders do:

- Challenge teams with a much bolder vision of what is possible;
- Collaborate to establish the goals, standards, and metrics that generate action and movement toward realizing the vision;
- Coach and motivate the team, especially as obstacles arise; and
- Leverage their clout and influence to help achieve outstanding results.

In today's fast-changing global business landscape, corporations must reach into every corner of their talent pool to respond to and remain flexible in the market. The data collected from the participants in this white paper show that future-oriented Executive Sponsors demonstrate the unique ability to organize, sustain, and grow an internal knowledge base such as an ERG that provides strategic foresight for corporate decisions, as well as the social networks to gather and channel that knowledge. Instead of following established hierarchies, ERG Executive Sponsors establish collaborative efficacy between ERG leaders, chief diversity officers, and human resources professionals, as well as their CEO and C-suite colleagues.

This white paper shows that a structured, formalized communication system and the presence of a dedicated Executive Sponsor can fuel a high-performance ERG. But to succeed, ERG Executive Sponsors need reliable, replicable, scalable, and sustainable ERG infrastructure and credible tools and training on a coordinated, collective scale.

About the Analysis

JBC decided to explore the ERG Executive Sponsor role to gain a better understanding of how it contributes to ERG business alignment as well as diversity and inclusion goals. JBC approached several client companies to participate in this study, selecting a final group of 18 representatives from 8 companies to engage in multiple rounds of data collection. JBC's methodology included the following:

- One-hour in-depth, one-on-one interviews with the 18 ERG Executive Sponsors, representing 8 companies.
- Convened and facilitated a two-hour discussion forum, the ERG Executive Sponsor Roundtable, with 16 of the 18 Executive Sponsors, representing 8 companies.

In analyzing the interviews and collected data, JBC focused on the individual ERG Executive Sponsor level. During the ERG Executive Sponsor Roundtable, JBC provided participants with a summary of common themes that emerged from the individual interviews. JBC was able to capture the participants' thinking about what was required to help ERGs and their organizations break through to the next level of ERG impact and performance.

Each section in the study will address the observations and experiences of the participating Executive Sponsors. In addition to determining the core skills and attributes needed for the roles of an Executive Sponsor, the JBC team evaluated the data to determine the key challenges expected for ERG management.

Finally, JBC worked with the participants to compile a vision statement for future ERG success. The study culminates with a plan for sustainability for ERG management geared at the next generation of Executive Sponsors.

“Being an Executive Sponsor has increased my network. The women in the leadership are remarkable—they have such strength and stories—and I have benefitted from getting to know them on a deeper level. We are touching so many different areas of the company and addressing many different levels.”

- Janis Egelberg, MetLife

About the Participants

The study participants represent a diverse group of men and women from across the Fortune 500 spectrum. Several participants share the Executive Sponsor position of a single ERG or provide guidance to multiple ERGs for a single company.

In alphabetical order, listed in their role as of September 2013:

Figure 1.B The Executive Sponsor Participant List

Company Name	Executive Sponsor	Professional Title	ERG Affiliation / Details
Cisco	Gregory Neal Akers	Senior Vice President of Advanced Security Initiatives and Chief Technology Officer - TRIAD	Disability Awareness Network
Walmart	Michael Cox	Vice President, Human Resources and Talent Acquisition	Promoting, Respect, Inclusion, Diversity & Equity (PRIDE) for LGBT
Cisco	Guillermo Diaz, Jr.	Senior Vice President, Information Technology	Conexión – Cisco’s Hispanic and Latino Employee Network
MetLife	Janis Egelberg	Vice President, Business and Operations Management	Women’s Business Network
Deloitte	Nicole Fuller	Principal, Deloitte Consulting LLP	Deloitte’s National Inclusion practice
NBCUniversal	Michael Jack	President and General Manager, NBC 4 New York	Black Professional Alliance
Cisco	Nitin Kawale	President, Cisco Systems Canada Co	Early Career Network
AT&T	Kelly King	President South Central Region	APCA (Asian Pacific Islanders) and Oxygen (Young Professionals)
Cisco	Angel Mendez	Senior Vice President, Cisco Transformation	Conexión – Cisco’s Hispanic and Latino Employee Network
MetLife	Sheila Murphy	Associate General Counsel	Women’s Business Network
AT&T	Carmen Nava	SVP Customer Experience	AT&T LEAGUE (LGBT)
Deloitte	Neil Neveras	Director, Deloitte Consulting LLP and Practice Leader, Leadership Development and Succession	Deloitte’s National Inclusion practice
Cisco	Tuan Nguyen	Vice President, Engineering Technology	Cisco Asian Affinity Network
Cisco	Mike Quinn	Vice President, Cisco, Global Labs and Sustainability	Middle East Inclusion & Diversity Network (MEDI) and Veterans Enablement and Troop Support (VETS)
Cisco	Balaji Ramarao	VP Advanced Services	Indians Connecting People
NBCUniversal	Craig Robinson	Executive Vice President, Chief Diversity Officer	Black Professional Alliance and Out @NBCU
General Motors	Mary Sipes	Vice President, General Motors Global Portfolio Planning	People with Disabilities
Pacific Gas & Electric Company	Fong Wan	Senior VP, Energy Procurement	InspirAsian Employee Resource Group





SECTION II

The Five Roles of ERG Executive Sponsors

The Value Proposition

ERG Executive Sponsors are usually highly accomplished, respected, and influential leaders assigned to mentor and advocate for specific ERGs. Sometimes these leaders share the same diversity identity as the ERG's members, and sometimes they do not, instead serving as an "ally". Regardless, in most cases, ERG Executive Sponsors have likely demonstrated belief in and passion for the organization's diversity and inclusion mission.⁷

As much as Executive Sponsors in this study contribute time and effort to their ERGs, participants also noted they

are repaid many times over in personal satisfaction and professional development. Many point to the positive effect their sponsorship work has had not only on the company's performance and culture, but also on their own progress and level of engagement.

Because ERG membership can span all functions and business units in an organization, ERG executive sponsorship can help leaders build out their networks and put them in touch with the practical work issues that people at all levels face. Being an Executive Sponsor gives them a broad, cross-functional view of the health of the organization that empowers them to talk to the CEO and senior leadership team with great credibility across many issues.

7. Jennifer Brown Consulting. "Partnering for Success: Leveraging your Executive Advisor." Presented at the Asia Society's Diversity Leadership Forum, New York, New York, June 25, 2009.

“

We're in the early stages of an increase in human freedom in business. The reason I think that is because it's now possible for the first time in human history to have the economic benefits of very large organizations, things like economies of scale, and at the same time, to have the human benefits of very small organizations, things like freedom, flexibility, creativity, and motivation.”

- Thomas Malone, Director of MIT Center for Collective Intelligence

A common theme in the participant interviews JBC conducted in this study was how much ERG Executive Sponsors learned from ERG members about the challenges faced by people who are different in some way from the workplace majority around them. Even sponsors who identify with the constituency of the group said that they became more conscious of how hiding or downplaying one's identity can impact the work experience. Considering the "Uncovering Talent" study's finding that 61% of all employees believe that their leaders expect employees to cover aspects of their identity, such insight can be transformative for individual executives and potentially the organization (p. 12).

More than just awareness of diversity, ERG involvement enables Executive Sponsors to develop diversity management skills that new research has found directly link to important company outcomes.⁸ Specifically, the study from the Center for Talent Innovation notes the connection between innovation and market growth and leaders' capacity for acquired diversity, which denotes a leader's global mindset, cultural fluency, generational savvy, and gender smarts, among others (p. 3).

The study found that leaders who embraced inherent diversity and acquired diversity were more likely to

develop positive organizational culture. "When leadership lacks innate or acquired diversity, or fails to foster a speak up culture, fewer ideas with market potential make it to market" (p. 5).

To propel ERGs to their full potential, ERG Executive Sponsors need to adopt skills and abilities to effect change and sustain growth. The sponsors in this study are experienced and highly skilled business leaders, and most of them affirm that sponsorship has helped them strengthen other management skills, such as coaching and influencing. Many have been surprised by the degree to which they are motivated and inspired by witnessing the commitment of ERG members to their communities and to the company.

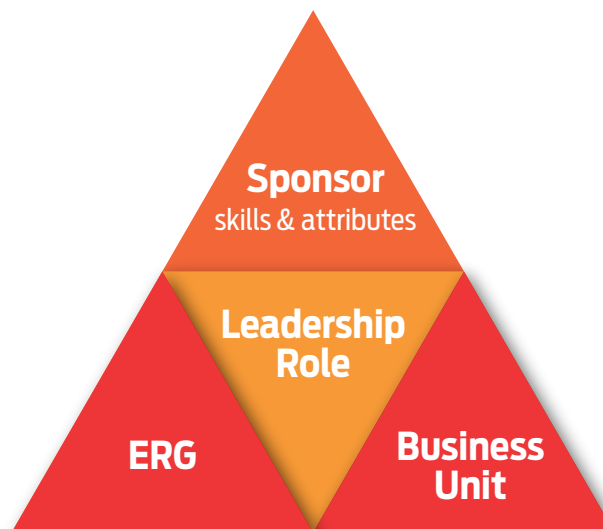
If Executive Sponsors are the key to moving the needle on a company's diversity through ERGs, what exact skills and abilities do successful Executive Sponsors exhibit, and how do they go about raising the bar on ERG performance?

Five Key Roles

The quality and quantity of selection, preparation, and training of Executive Sponsors vary greatly among organizations. Executive Sponsors are often selected collaboratively by ERG leaders, chief diversity officers, and

8. Hewlett, Sylvia Ann, et al. *Innovation, Diversity, and Market Growth*. Center for Talent Innovation, New York, New York, 2013.

Figure 2.A Using Your Executive Roles Pyramid



human resources professionals, with input and approval from the CEO and other C-suite executives. Although some organizations offer ERG Executive Sponsor assignments on a voluntary basis, other organizations mandate placements for anyone in a C-suite position. If an Executive Sponsor is not suitably selected, trained, prepared for and supported in the role, as is sometimes the case, that leader risks being less effective in contributing to the goals of the ERG.

The participants in this study testified that the best Executive Sponsors skillfully duplicate the core roles they play for their business units for their ERGs, or they take advantage of the opportunity to develop or showcase new skills that they may not be able to use in their daily

roles. First and foremost, these sponsors use their range of skills to inspire the pursuit of greater goals. They also offer strategic guidance, coach and mentor ERG leaders, cut through red tape and other obstacles, advocate for the groups with senior leaders, and model inclusiveness and personal courage.

In this study, participants offered insights into their experiences and specific examples of when their skills and abilities helped them realize the potential of the group. As common themes emerged from the skills and abilities discussed, JBC has defined and classified five key roles that are most likely to effect change at the ERG Executive Sponsor level.

Figure 2.B The JBC Executive Sponsor Five Key Roles Chart SM

ROLES	ATTRIBUTES	SKILLS
Strategist	Visionary, Proactive, Critical Thinker	<ul style="list-style-type: none"> ● Partner with the group to articulate a mission, vision, and goals aligned with the organization's business, talent, or diversity and inclusion goals. ● Focus the group's ambitions and strike an appropriate balance between the interests of local chapters and the goals of the national network. ● Evaluate the group's structure and governance and recommend re-engineering when necessary, with an eye toward enhancing effectiveness, visibility, and impact.
Evangelist	Passionate, Energetic, Driven	<ul style="list-style-type: none"> ● Convince executives and middle managers of the value of the ERG. ● Elevate discussions about growing membership and increasing engagement. ● Advocate for the ERG's position on signature issues.
Innovator	Creative, Open-Minded, Risk Taker	<ul style="list-style-type: none"> ● Cut through red tape. ● Leverage the position's power to procure needed resources. ● Bring new resources and ideas to the table, with the goal of encouraging the ERG leader and members to identify new ways to make a difference or look at an obstacle as a road to a new opportunity.
Broker	Connected, Influential, Resourceful	<ul style="list-style-type: none"> ● Connect ERG to funds and people in the company. ● Share information about company priorities and initiatives. ● Connect the company to the concerns of ERG members. ● Make connections to important people and organizations outside the company.
Mentor	Coach, Role Model, Confidant	<ul style="list-style-type: none"> ● Teach professional and leadership skills. ● Provide career advice. ● Model "bringing your whole self to work."

1. Strategist

A strategist defines a mission and vision for the ERG, gathers the information needed to make critical decisions, and provides proactive counsel to help achieve greater goals.

One of the most valuable roles ERG Executive Sponsors perform is to help ERG leadership determine what they should be doing to make the greatest impact on the organization and stakeholders. By virtue of their positions, Executive Sponsors can offer visioning advice and a broader perspective of the organization, including its strategies and challenges. This is a skillset and level of visibility most ERG leaders have not yet developed.

By contributing to the development of mission statements, ERG Executive Sponsors can help evaluate the group's readiness and use critical thinking to gauge when and how hard to push ERG leaders and members toward specific goals. It's a delicate dance that requires emotional intelligence and resolute commitment.

Executive Sponsors in Action

- **Kelly King**, President of the South Central Region at AT&T, asks ERG leaders to think big. He urges them to define goals for the group that are “congruent with your day job, and with your culture, and with your company's goals.” When he wants ERG members to really think about boundaries and constrain their brainstorming to generate focus, he asks: “What do you want to be famous for?” In response, King's

Asian/Pacific Islanders network has begun developing strategies for how technology can improve healthcare outcomes in the Asian community.

- **Nicole Fuller**, Principal at Deloitte, has worked with her ERG to design a long-term strategy that will not be derailed by the next “flavor of the month” initiative. She shared that sometimes her role as Executive Sponsor is to pull back ERG leaders from taking on too much, and maintaining that it's important to set a mission that will stand the test of time. As a result, she led the charge to change the way the Black Employees Network was perceived within the company, insisting the group identify and measure the previously unquantified bottom-line impact of its initiatives. The group's return-on-investment measurement model took hold not only in the Black Employees Network, but also across the organization for similarly difficult-to-measure ERG networks and even business units.
- Steering members away from “wanting to boil the ocean,” as **Tuan Nguyen** expressed it, ultimately means less is more. Nguyen is Vice President for Engineering at Cisco and Executive Sponsor for CAAN, the company's ERG for Pacific Asian employees. Nguyen brought to the group a more disciplined, focused process for selecting projects. Every potential initiative is screened to ensure that it supports the group's mission and will yield real value to the company.

“

[Being a sponsor] keeps me grounded and reminds me that we've got to keep pressing against bureaucracy and red tape. We need to create different kinds of companies now that are more nimble and flexible. How will we know we're successful unless we're hearing from our networks?”

- Carmen Nava, AT&T

- Directing the vision and mission is not always easy. When the women's group at MetLife changed its name to the Women's Business Network, more closely connecting it to the business goal of the group, Executive Sponsors **Janis Egelberg**, Vice President of Business and Operations Management, and **Sheila Murphy**, Associate General Counsel, confess it made them nervous: "We're making large claims that we want to be influential," Egelberg said. "But [the name change] keeps us thinking about how we connect the dots." Egelberg and Murphy consider part of their role as Executive Sponsors to guide ERG members to think about the ERG's role in what they do for the company and in their business units.
- Sometimes leading an ERG toward a more purposeful, business-oriented strategy means listening first. As he got to know members of the Cisco Middle Eastern ERO, **Michael Quinn**, then Vice President of Global Labs and Sustainability at Cisco, found that the mission was still very internally focused and there was some ambivalence or even anxiety among the group's members. Quinn set out to understand the social and political pressures that created this dynamic. Once he understood the environment, Quinn took a measured, sensitive approach to supporting members in their efforts to develop a more unified voice.

“

If you're passionate about your heritage, your work, and other folks—if you can tie all those things together and tell a story about it, you have a greater impact as a leader. I have a passion around our community outreach, because I was one of those kids.”

- Guillermo Diaz, Jr., Cisco

2. Evangelist

An evangelist is a public advocate for not only the ERG itself, but also the causes the group supports.

ERG Executive Sponsors are advocates for their groups with other senior executives and middle managers. An evangelist tells the story of the ERG, but never fails to share the metrics of success as well. **Guillermo Diaz, Jr.**, Senior Vice President of Information Technology at Cisco, considers “telling the story, showing the ROI” for Cisco’s Conexión his most important role as Executive Sponsor—both within the company and at technology industry events.

Building on the strategist role, the ERG Executive Sponsor as an evangelist heightens the awareness of the group and helps it find an authentic, unified voice so that it can effectively advocate for itself.

Executive Sponsors in Action

- Executive Sponsors draw on their organizational development experience to teach ERGs how to recruit new members, implement governance systems, and expand across global locations. AT&T’s **King** helped his

group articulate a mission and develop an action plan with success measurements. Then he tackled capacity building: he encouraged the group’s leaders to reach out to areas of the company underrepresented in ERG membership, seeking to recruit members with diverse skill sets who were also underrepresented. The group quadrupled its membership and went on to win the company’s ERGs in Action Award two years in a row.

- The role of evangelist can help risk-averse organizations learn from mistakes. One of the study participants, who wished to remain anonymous, experienced this challenge as they and their colleagues debated how to respond to the U.S. Supreme Court’s challenge to the Defense of Marriage Act. Although they regret that the company chose not to file an amicus brief, they drew an important lesson from the executive team’s struggle to “get above the risk stuff [to create] a unified vision of what the future could look like ... Executive Sponsors need to paint that picture for folks...connect to what folks care about, and inspire them around that picture,” said the participant.

“

Your job as an Executive Sponsor is to break down barriers for other people. This is a skill set that, as a leader, transitions well into your day-to-day role. I learn a lot every time I speak to these individuals, and it enhances my knowledge of what’s happening in the company.”

- Michael Quinn, Cisco

3. Innovator

An innovator uses creativity to identify improvements in structure or governance and initiate new methods or ideas to solve inefficiencies.

Because of their status and contacts, Executive Sponsors are invaluable to their ERGs in “cutting a swath through execution,” as one of our participants put it. Study participants use their experience to teach ERG leaders how to develop relationships, think outside the box to challenge the status quo, and execute effective action plans for new ideas.

Executive Sponsors in Action

- The Executive Sponsors of Cisco’s Latino ERO Conexión “pushed the team to change the vision from [just] connecting Latinos to connecting people, period,” according to **Diaz**. Although Diaz knew the group initially wanted to keep a specific identity, he saw ERG members seize the opportunity to expand the group’s reach. By showing creativity and implementing innovations in structure, the ERO Executive Sponsors made the group much more visible across the company.
- Diaz’s co-sponsor, **Angel Mendez**, Senior Vice President of Cisco Transformation, put it this way: “I tell them, ‘The way you put points on the board is by driving real value to our leaders and investing in the community around us.’ This leads to visibility, which translates to being on the radar when new opportunities arise.”
- **Michael Cox**, Vice President of Human Resources and Talent Acquisition for Walmart, has found that many members have joined Walmart’s LGBT group precisely because they want to have an impact on the business. LGBT employees and allies alike “are galvanized in changing the public opinion of Walmart,” he said. One strategy has been to have pride-related items for sale in the headquarters’ visitor center and on the online store. “This is commercial value we give back,” Cox said, “building a customer base among a group that thinks they aren’t welcome.”
- As the Executive Sponsor of Cisco’s veterans network, **Quinn** reached out to the director of veterans’ affairs at one of his biggest customers, and together they formulated a strategy for recruiting and training wounded soldiers. As a result, the companies’ ties with each other are stronger than ever. “We understand their business needs, and we are transforming their business and ours,” Quinn said. Now, he is bringing members of the veterans group together with ERGs from several other companies to collaborate, get to know each other’s companies, and “build relationships we can draw on,” he said.
- MetLife’s **Egelberg** was in charge of integrating the company’s global communications platforms when the Women’s Business Network she sponsors expressed a need for an efficient collaboration tool. By applying her “day job” innovations to her ERG, Egelberg was able to provide the group with a silo-busting SharePoint site.

“

Mentoring has challenged me to take responsibility for my career. It’s made me reflect on what I’ve done in my career and explore how I can help other people experience their full potential and not just say ‘I got lucky, right place, right time’.”

- Michael Cox, Walmart

4. Broker

A broker has the ability to reach influential leaders to arrange or negotiate resources or access for growth opportunities.

The ERG Executive Sponsor acts as a broker, connecting the ERG to the resources it needs to get things done. First and foremost, brokers enable some budget for their ERGs. Most of the Executive Sponsors participating in the study provide funding from their own budgets to the ERGs they sponsor and also convince other senior executives to contribute. For example, Walmart's Michael Cox convinced his CFO to fund the LGBT group, even though his company doesn't provide ERGs with their own budgets.

However, access is just as valuable—if not more valuable—to ERGs than dollars. Executive Sponsors often have the ear of influential staff, clearance to use technological tools, assistance from the marketing department, or the presence of senior executives at ERG events. ERG Executive Sponsors act as the primary conduit through which valuable information flows—in both directions. Executive Sponsors are likely to both know of company initiatives to which the ERG can contribute and be in a position to channel the concerns of the ERG's constituency to senior leadership.

Executive Sponsors in Action

- When Cisco's Disability ERG wants to pitch ideas to leaders in countries where diversity awareness is underdeveloped, **Greg Akers**, Senior Vice President of Advanced Security Initiatives and Chief Technology Officer, gets out his Rolodex. Through one-on-one conversations with members of senior management, Akers can often win their support relatively quickly. "Because I'm a senior vice president and have been around a long time," he noted, "I can get to our CEO, COO, and president in a heartbeat."
- **Neil Neveras**, Director of Consulting and Practice Leader for Leadership Development and Succession at Deloitte, has put his network at the disposal of the ERG. "I tell them all the time," he said, "If you hit a

roadblock, pick up the phone.' There might be a power difference that's impacting getting things through."

- When AT&T's LGBT network wanted to change its logo, Executive Sponsor **Carman Nava**, SVP Customer Experience, was able to bring in talent from the company's branding team to work with the ERG.
- **Diaz** used his high-level access at Cisco to draw attention to the ERG and one of its leaders. He brought the ERG officer, a senior manager, to his one-on-one meeting with the CEO, and their organic conversation about the group's accomplishments made a deep, lasting impression on the CEO.

ERG Executive Sponsors also call on their networks outside the company to further open the doors to partnerships, resources, and connections for ERG members. Exposure to different ideas and materials can enhance motivation for groups.

- According to **Nguyen** at Cisco, it's important for Executive Sponsors to clear a pathway to the world outside the company. This enables ERGs to help their communities while enhancing the company's image. "We create opportunities by connecting groups to high-level contacts in academia, business, government, and not-for-profits," he said.
- **Mendez** from Cisco's Conexión says that the group has developed several levels of connections outside the company.
 - Mendez introduced the ERG to the U.S. Ambassador for Mexico, who was seeking support for the U.S. State Department's Youth in Action program. Conexión took responsibility for Cisco's involvement with the program.
 - Mendez partnered with the publisher of a popular magazine for the Latino community, which led to coverage and sponsorship from the publication in a number of education-related events.

5. Mentor

A mentor nurtures talent, fosters potential, and develops excellence in others.

The ERG Executive Sponsor role that many study participants treasure most is that of coach and mentor. Executive Sponsors coach individual ERG members (usually the group's officers and chapter heads) on everything from presentation skills to navigating the political landscape and from corporate culture to career planning. In addition, the Executive Sponsor is expected to not only raise visibility for themselves, but also their group—driving membership engagement.

Sponsors are also cognizant of how modeling pride in their identity can influence members of their groups, as well as others of all stripes and at all levels of their organization. This is an especially important role because research has shown that 75 percent of employees believe their advancement at work depends on their not being entirely open about some aspect of their identity, such as race, gender, socioeconomic background, military status, sexual orientation, or disability.⁹

When Executive Sponsors speak confidently about their backgrounds and demonstrate complete comfort with that identity, they are modeling transparency and authenticity as desirable and empowering traits.

Executive Sponsors in Action

- As sponsor of Walmart's Promoting, Respect, Inclusion, Diversity & Equity (PRIDE) Network, **Cox** tries to help LGBT employees overcome messages that they are not valued. He described the moment when he was inspired by an encounter on an airplane to "change the way I showed up in the workplace." Now, he tries to be more consciously "out" at work and to model confidence in his identity as a gay man.

All the ERG Executive Sponsors who participated in the study talked about the deep satisfaction they gain from working with ERG leaders and helping them develop into potential leaders of the business. In some cases, the Executive Sponsors struggled through and overcame some of the same issues about which they now coach their ERG leaders.

- Pacific Gas & Electric Company's **Fong Wan**, Senior Vice President of Energy Procurement, has observed that many minorities lack opportunities to learn to be effective public speakers, which is a skill he considers fundamental to becoming a credible and influential leader. He invests much of his time in encouraging ERG leaders to take the public stage and coaching them through the experience.
- **King** at AT&T uses advisory board meetings as a practice ground for his ERG leaders and members to enhance their speaking skills.
- Cisco's **Mendez** believes that the most important skill to develop in ERG leaders is influencing. "The ERG is a natural laboratory for this stuff," he said. He believes influencing can only be taught by constant practice and candid feedback. As an ERG Executive Sponsor, he has a perfect vantage point from which to observe influencing and coach others on it.
- **Mary Sipes**, Vice President of Global Portfolio Planning at General Motors, enjoys developing ERG leaders by, in part, strategically making herself absent. "I want them to feel like leaders and be in charge," she explained. "The level of stripes in the room tends to determine where people look for decisions, so I limit my time in the room."
- When AT&T's LEAGUE ERG for LGBT employees and allies was preparing for a competition to win \$10,000, **Nava's** coaching helped the ERG members sharpen their presentation. They won the award and, more importantly, the members involved learned important professional skills that they carried back to their business units.

9. Yoshino, Kenji, and Smith, Christie. "Uncovering talent: A new model of inclusion." New York: Deloitte, 2013.

Key Takeaways

Many participants noted that it would be a difficult task to ask one Executive Sponsor to function in all five key roles. As part of the vision for sustainability, discussed later in this study, participants suggested that the ideal infrastructure calls for more than one Executive Sponsor. Particularly in global organizations, where an ERG may have thousands of members, two or more Executive Sponsors working together can ensure each leader has proper bandwidth for the needs of all the members.

Before moving an ERG to business alignment, an Executive Sponsor or a team of Executive Sponsors must ensure they are trained and prepared to embody these key roles.

Although participants were not able to provide anecdotes for all the roles' skills and abilities, the Executive Sponsor Five Key Roles Chart describes the activities that should be expected for Executive Sponsors today.

It might seem like the ERG Executive Sponsor is balancing plates while walking backward, but the expectations for success are real. Attaining business alignment for ERGs is possible, but the Executive Sponsors must use everything in their arsenals of experience, influence, and intellect to overcome stumbling blocks and find solutions.





SECTION III

Attaining The Holy Grail of Business Alignment

With strong leadership in place, an Executive Sponsor can cultivate the deep knowledge bank and creative savvy of an ERG. But how do companies measure that success? Early in their development, ERGs usually measure their performance in terms of numbers of members, attendance at events, and anecdotal evidence of their effect on the hearts and minds of employees.

The ERGs represented in this study have gone beyond these baseline metrics, making great strides toward aligning their missions and activities with the interests of their parent organizations. All of the Executive Sponsors could point to significant ways in which their ERGs had benefitted their companies, especially in the areas of marketing and talent.

Despite these accomplishments, most of the participating ERG Executive Sponsors also believe that they can do more to fully align ERGs with business goals. What would the “holy grail of alignment” look like for an ERG?

According to the participants in this study, the following professional structure would have to be in place to achieve the ideal ERG model:

- Company leadership (beyond the Executive Sponsor) would proactively seek out the ERG’s input on marketing, product development, talent, and diversity issues.

- Formal processes would be in place for input and output. The company would
 - Inform ERGs about important strategic initiatives and priorities.
 - Expect result-driven reports from ERGs that employ the lens of their constituencies to help the company achieve business goals.
- Middle managers would fully appreciate the value of their employees’ “volunteer” work with the ERG and would happily grant members time from their daily responsibilities to work on ERG initiatives.
- The broad membership of the ERG would include diverse skill sets and representation from all levels, geographies, and units of the organization.
- Most of the members would be active contributors, and the energy and enthusiasm of ERG members would spread across the entire employee population.

To reach this high level of alignment, ERGs and their Executive Sponsors must overcome any number of challenges. In many companies, the first challenge is how to accelerate the conversion of ERGs from mutual support societies to business organizations. As stated in the introduction, ERG Executive Sponsors must adopt either an evolutionary approach or a ROI-conversion approach to promote ERGs’ maturation. Whereas the evolutionary approach allows for incremental steps, the more aggressive approach leverages company policy and ERG

funding practices to underscore the ERG's formal structure and role in the overall business plan. Both approaches come with challenges moving through each stage of development.

ERG Executive Sponsors participating in this study had similar experiences with a range of obstacles in moving their ERGs to success. A common ask across the participants was the hunger to understand external best practices and lessons learned from peers in other organizations. During the forum for this study, participants asked the following questions:

- Who out there is doing what, and what results are they seeing?
- What unique and common challenges and barriers stand in the way of this ideal?
- Why is it taking so long to get there?

Many participants also voiced frustrations with the wide gaps at organizations between investment and results. Although they were proud of the successes they and their ERGs had achieved within their organizations, study participants were searching for better answers, smarter insights, actionable blueprints, and reliable practices and tools that more consistently result in real business alignment and more authentically inclusive workplace cultures, as well as visible improvements in diversity across all layers of their organizations.

Collaboration across organizations starts with collaborating within the organization. Participants agreed that partnering with ERG leaders, chief diversity officers, human resources professionals, and other like-minded C-suite level leaders could help craft viable solutions.

Confronting the challenges for ERG development is the first step in mapping a future state for an ERG. Participants shared the common challenges and opportunities ERGs across the country and around the world may face.



JBC Baseline Metrics for ERG Business AlignmentSM

Isolate the actual impact of your ERG on business goals using these metrics:

- Employee survey data showing the difference in engagement between ERG members and non-members
- Retention or promotion rates of ERG members compared to non-members (may include estimates of dollars saved in replacement or development costs)
- Recruiting statistics reflecting the influence of ERGs in terms of, for example, the diversity of new graduate hires when ERGs are involved in campus recruiting or the number of acceptances when ERGs are involved in interview process
- Increase in sales attributable to specific products or marketing campaigns the ERG was involved in
- Lead generation, business development results, and sales won because of relationships fostered through the ERG; recognition from customers
- Meaningful impact on employer brand and perception of social responsibility
- Governmental policy support (i.e., Defense of Marriage Act)
- Number of new products or services where ERGs made a contribution
- Market share in segments represented by ERGs; success entering or penetrating market segments
- Other return-on-engagement measures, such as social media response to ERG-sponsored community posts

1. Time and Talent Management

Even though ERG leaders and members are increasingly embracing the new business-focused model, others in the organization often neither recognize nor understand the value of the time and effort spent on ERGs. A frequent concern is the reluctance of middle managers to allow their employees time during work hours to work on ERG initiatives. Executive Sponsors participating in the study tried various approaches to this problem:

Executive Sponsors in Action

- Cisco's human resources leaders have supported the effort by including ERG participation as a factor in annual performance appraisals. In addition, Cisco's diversity and inclusion office coaches ERG leaders and Executive Sponsors to talk to managers about ERG work as stretch assignments rather than volunteer activities. For more information, see Section IV.
- Deloitte has set up its client management system to track revenue associated with client relationships that can be attributed to ERG activities or contacts.
- PG&E allows ERG leaders to spend 10% of their time on work for the group. Executive Sponsor **Wan** reinforces the policy by asking all ERG leaders to assess their work with the ERG. He then forwards the self-assessment along with his own comments to the employee's supervisor. "This allows me to ensure they shine, that they get enough credit... I can also receive feedback if someone's performance is suffering," he said.

- ERG Executive Sponsors at AT&T worked with human resources to set up a charge code for ERG-related work and developed guidelines for using it.

Most study participants noted that negotiating for employees' time for ERG activities with middle managers, who often do not have enough information, can be a challenge. Without a straightforward directive from the C-suite, Executive Sponsors' best hope for securing buy-in with middle managers for all employees to participate is to exercise the evangelist and broker roles discussed previously. Executive Sponsors should write, call, thank, and dialogue with middle managers. Consistent communication from senior leadership will increase the value of ERG activities. In organizations (or ERGs) where the ERG's time is not valued, the work falls on a small group of believers who eventually burn out.

A parallel issue is recruiting and sustaining talented management-level members in an ERG, because managers with developed competencies are often not involved with ERGs. Recruiting talent must be a priority for Executive Sponsors.

One Executive Sponsor, who wished to remain anonymous, noted that middle management employees are often of an age when they are juggling child-rearing and career advancement concerns and thus have less time to devote to ERG work than younger employees might. In some cases, participants noted that there may also still be a lingering stigma about joining certain networks, which could lead to fear that the employee's career will suffer because he or she will be seen as "too black" or "too gay" or "too feminist."

“

[Executive Sponsorship has given me] emotional fulfillment—the impact of benefitting at least one person along the way. From a business standpoint, with diversity of people comes diversity of thought.”

- Michael Jack, NBCUniversal

When AT&T's Nava became an ERG Executive Sponsor, she confronted the common problem in volunteer organizations of a small core of lower-level members doing all the work. These employees were not accustomed to managing others and often became overwhelmed with projects. Nava taught them to recruit help by asking others to do a single task, rather than take on a whole project.

The core leaders learned valuable delegating skills and many more members were actively engaged in ERG projects. **Nava** also made an effort to recruit middle managers to mentor other ERG members and help them "maneuver through the organization," she said. As more middle managers become engaged, the less likely there is to be resistance from peers who are not engaged in ERG work.

AT&T has further confronted talent management by ensuring that national ERG leaders attend the same

leadership training as the company's executives. The training has been a big recruitment source for up-and-coming talent.

Among the ERG Executive Sponsors who participated in this study, they used methods for overcoming these talent barriers similar to those they used to help ensure more time with employees.

Recommended Solutions:

- Set a positive example by speaking openly and frequently about ERG involvement.
- Deliberately reach out to leaders who exhibit the skills and experience needed for the ERG.
- Provide incentives for employees to pursue professional development through the ERG.



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2. Governance and Coordination

An ERG's success can lead to complex coordination barriers. For some ERGs, difficulty efficiently and effectively coordinating activities arises out of expansion. As more ERG chapters open outside the headquarters' sphere of immediate control, some chapters will inevitably be more active and better managed than others. In part, ERG governance must be flexible and based on the nature of the business.

Although Executive Sponsors are charged with bringing the mission and vision to an ERG, different locations can be congruent with different business units or sets of customers, in which case a more decentralized approach may be appropriate. In addition, there are cultural nuances for global organizations, such as laws that discriminate against the LGBT community and allies. ERG Executive Sponsors must have flexibility to engage members with a variety of governance models:

Executive Sponsors in Action

- Cisco's **Nitin Kawale**, President of Cisco Systems Canada, spoke about decentralizing the Early-In-Career ERO to help manage the growing complexity of its global organization. In their governance structure, each chapter will have its own ERG Executive Sponsor and leadership. A regional leader and a global board of directors will link the chapters with one another

and provide support and guidance. Locally, Executive Sponsors strive to energize their chapters by encouraging them to marry the group's national goals with organic local activities.

- In contrast, ERG Executive Sponsors **Egelberg** and **Murphy** at MetLife have taken the approach of galvanizing their entire global women's ERG around a common set of goals and initiatives.

The issue of coordination can also be part and parcel to the diversity of the group's membership. As seen in the strategist role, one of the Executive Sponsor's most important jobs in these situations is to help ERG members find common ground, prioritize the issues they want to address, and speak with a unified voice to the organization and the community.

Leaders of ERGs for people with disabilities, for example, may be challenged to select initiatives that respond to the needs of members who are dealing with so many varied disabilities. **Sipes** of General Motors has learned to mediate among the many competing initiatives put forward by asking the simple question, "Do you have the support?" When an initiative has broad-based support from across the group, it can move to the next stage of promotion.

“

I've gotten to know other people who face challenges in the [disability] community, and learning what they are doing allows me to bring those insights back to Cisco. When I interact in the public setting with other companies, I hear stories about inclusion that touch me personally.”

- Greg Akers, Cisco

Multicultural groups, or groups organized around an ethnicity that includes many different cultures, such as Cisco's Middle Eastern network, may also need to balance many different points of view. Despite the urge to find consensus for every goal, Executive Sponsors must walk a delicate line between listening and providing feedback for movement. As part of their leadership role, Executive Sponsors set the tone for these types of discussions.

Many study participants said that they would like tighter coordination among the various ERGs in the company and between themselves, human resources, and diversity and inclusion functional groups. If these groups shared a cohesive strategy and a common process for linking business issues to their various constituencies, corporations would benefit from the collective knowledge.

Several study participants recommended setting up a forum in which Executive Sponsors could meet regularly to draft shared strategies, follow up on progress, and jointly

address roadblocks. An Executive Sponsor forum could also act as an early alert system for opportunities for ERGs to become involved in business initiatives.

Recommended Solutions:

- Build relationships and get involved with the organization's diversity and inclusion council and in talent review processes.
- Hold internal annual conferences in which ERGs and chapters exchange best practices and agree on shared goals or initiatives.
- Form a council of ERG leaders in which different groups discuss initiatives and how to support one another.
- Appoint ERG leaders to the corporate diversity council.
- Provide a common online portal or communication vehicle, such as an intranet or social site.
- Bring ERG leaders together for meetings or fireside chats with top business leaders to discuss business challenges.

“

I have definitely learned what's important in an employer for this generation. I blog now, [including] video blogging; the way I communicate and interact with employees...has changed. My own work processes have changed. I've gotten what I want out of it, and now I want to make a difference with it...change the way we recruit.”

- Nitin Kawale, Cisco

3. Inclusion and Engagement

ERG Executive Sponsors know that inclusion is a multifaceted goal. They work to ensure that the ERG consists of a diverse subset of individuals, and they strive to see inclusion of their activities across the company. ERGs' goals can be emphasized through an engaged member base, and Executive Sponsors can develop goals to keep membership engaged while attracting talent to the organization.

The ERG Executive Sponsors who participated in the study shared examples of how they are working toward greater inclusion and engagement:

Executive Sponsors in Action

- MetLife's Women's Business Network is developing a program to help women who have taken a break from their careers return to the workforce. In the program, MetLife will provide tailored onboarding and a 10-week acclimation period. After 10 weeks, if both the candidate and the company feel comfortable, MetLife will offer the woman a permanent position. **Murphy** and **Egelberg** see only the upside for the company,

including an opportunity to hire experienced, talented women and another way to demonstrate that the company cares about its associates.

- For **Balaji Ramarao**, Vice President of Advanced Services at Cisco, one of the most important ways ERGs support the business is by developing future leaders from among their members. The Cisco Indian ERO engages its members to "sponsor innovation programs, give out prizes, bring in professors and other thought leaders on starting and running businesses and business trends, and generally getting people excited about Cisco."
- **Kawale's** Early-In-Career Network is helping ensure Cisco Canada's supply of talent for the next generation by teaching the organization how to attract and retain young men and women.
- Cisco's Conexión provides a safe environment, in **Diaz's** words, where ERG members can practice management skills and "where, even if they are individual contributors in their day-to-day life, they get to act as a director."

“

[My ERG members] are the most exponentially committed employees I've ever seen. The challenge is to bring this energy to the larger workforce. We are up to 70,000 members in the networks. They're not all engaged at this level. Five thousand of them are over the top; the rest are an opportunity.”

- Kelly King, AT&T

In some cases, ERGs are directly involved in marketing the company's products to the communities they represent. Some study participants talked about how their groups help burnish the company's standing in the community by supporting corporate social responsibility and community relations efforts or initiating their own community service projects. Opportunities for ERG members to be included in branding and marketing campaigns can be a way to recruit members and allies, and study participants saw an increase in engagement scores across their organizations among ERG members.

- The Special Olympics, a signature project of the Disability ERG at General Motors, helps Executive Sponsor **Sipes** raise awareness among the general employee population about the challenges people with disabilities face. Sipes uses volunteering at the Olympics as a team-building experience to strengthen relationships among the members of her day-to-day work team.

Recommended Solutions:

- Know your baseline engagement metrics.
- Find an initiative that will engage not only the ERG, but also the organization.
- Ensure that your ERG has a seat at the table for any marketing or branding initiatives.

The Next Step: A Leap of Faith

The participating Executive Sponsors use all the tools in their leadership arsenal to move their ERGs forward and many of them are witnessing the returns. However, participants noted that in the absence of a formal structure for business alignment, many of their decisions can be boiled down to their experience—and a certain “leap of faith.” Although business alignment is the future of ERG measurement, how can Executive Sponsors engender leadership models when they do not have the structure to legitimize their decisions?





SECTION IV

A Vision For Sustainability

The sustainability issues ERGs and their Executive Sponsors face are similar to those confronting any organization as it moves from start-up to established entity. How do we maintain our energy and focus as we grow? How do we institutionalize good practices while minimizing bureaucracy? How do we ensure the quality of our leadership after the original team steps down?

Many participants admitted to asking similar questions about themselves: Can I continue to do this job year after year with the same commitment? Who will take over if and when I move on?

The participants agreed on a common vision of what they believe as Executive Sponsors: Consistently high-functioning ERGs are effectively aligned by design with the business goals of their organizations.

The forum participants discussed and approved the following vision statement:

The JBC Vision Statement for ERGsSM

1. All ERG and Executive Sponsor activities are effectively integrated into overall corporate governance structures. The organization has formal processes for keeping ERGs informed about important strategic initiatives; ERGs have formal processes for reviewing business plans and challenges through the lens of their constituencies, and they identify ways they can help the company achieve its goals.
2. Business leaders proactively seek out ERGs' input on marketing, product development, talent, and diversity issues, as well as issues that go beyond the organization (community relations, social purpose, etc.).
3. ERGs are seen as unique, cross-functional mechanisms to conceptualize and incubate new business models and products and to serve as valued in-house focus groups on ad campaigns and the like.
4. ERG leadership teams reflect a diverse skill set and include representation from all levels, geographies, and units of the organization.
5. ERG leadership, related ERG Executive Sponsors, and ERG members continuously seek to identify or establish best practices, including annual performance assessments based on credible goals and metrics, membership and leadership development, and leadership succession planning.
6. ERG members are active contributors, working hard for both the ERG and organization to ensure that they add value; the engagement, energy, and enthusiasm characteristic of ERG members spreads across the entire employee population.

7. ERG participation is seen as similar to participation in other high-performance teams convened to and tasked with delivering special strategic business initiatives. Executive Sponsors, ERG leaders, and members who have made exceptional contributions are recognized and rewarded. Immediate managers appreciate the value of their employees' "volunteer" work with the ERG and happily grant members time from their daily responsibilities to work on ERG initiatives.
8. Executive Sponsors, as well as ERGs leaders and members, are valued as role models for inclusive behaviors and inclusive leadership. ERGs are perceived throughout the organization as incubators and showcases for talent and primary pools from which the C-suite and recruitment personnel draw candidates for middle and senior management opportunities. ERGs consistently serve as rich sources of external candidate referrals for entry- and professional-level hires.

Even realizing a few of these statements would represent a sea change from the current state of most ERGs in organizations today. And yet, focused vision statements such as these have a powerful impact on intention, for the leaders who share them, and for the organization that aims to listen.

Executive Sponsors know through experience leading large, complex businesses that leading with vision is critical. They know that a good vision paints a picture of a barely-attainable goal, creates or finds a sense of urgency, and appeals to key stakeholders' values, asking for their enrollment and support. Perhaps more than anyone in the ERG leadership constellation, the Executive Sponsor can help facilitate the development of more bold visions for the future than ERG leaders have dared to dream.

Following on the heels of a persuasive vision is the need for a plan—"how will we achieve a different state, a different value proposition, a different reputation?" Participants shared some key elements to consider when planning, with a focus on sustainability:



The JBC Plan for SustainabilitySM

- Increase the number of executives involved in ERGs by creating an advisory board for each ERG or for the ERG community as a whole and by appointing multiple sponsors for each group, including sponsors at the regional and chapter level.
- Have two Executive Sponsors per ERG to share the workload and lead in the case of absence. Stagger the terms of co-sponsors to provide continuity as each rolls off.
- Limit each Executive Sponsor to a 2-3 year term with a given ERG. Allow sponsor to rotate to other ERGs to share their knowledge and build bridges between groups.
- Use the Executive Sponsor role strategically to develop current and up-and-coming senior leaders.
- Create a council comprising all the sponsors of all the ERGs in the company and/or representatives of the advisory boards, and charge them as one of their duties with identifying future Sponsors.
- Identify successors for sponsors 1-2 years before their terms end, and start to involve the successors in the group by appointing them to the advisory board and inviting them to participate in ERG events and initiatives.
- Identify successors for ERG leaders from among current members and non-member high potential employees. Collaborate with talent management function to gain line of sight to non-member high potentials and to introduce high potential members unknown to talent managers. Use ERG leadership positions as developmental assignments.
- Build long-term relationships with internal and external partners (e.g., corporate social responsibility, NGOs) that may provide additional funding or other support.
- Establish measures of success and regular processes for reporting to stakeholders.





SECTION V

Conclusion

The next decade will be a critical moment in ERG history. By most measures, ERGs are thriving. In many companies, including the participating companies in this study, ERGs have grown in membership and sophistication and have spread their footprint around the globe. They have undertaken important work for the benefit of their businesses. They have helped to develop the leadership skills of thousands of employees. The pivotal question, however, is whether this success can be sustained and built upon or whether the groups will stagnate.

As diversity of a broader sort, ushered in by Generation Y, begins to permeate the fabric of an organization, will these groups still be needed? To a great degree, the answer to this question will depend on the actions of a small group of corporate leaders who champion the ERGs: the corps of Executive Sponsors.

Executive Sponsors have played an important role so far in helping ERGs create a compelling value proposition for the organizations that support them and for prospective members. Going forward, the role of executives will only increase. The position of influence and the “view-from-the-top” can be marshaled in service of value and exposure.

Renowned organizational theorist Thomas Malone has published his predications for a “bottom-up” workforce. In his model, technological and economic forces dramatically

change organizational structures to make “command and control” management increasingly less useful. Instead, he suggests that managers who opt to engage and interact with employees more often will be more successful.

Choosing to pursue collaborative efficacy is a best practice of leadership, and it must be on the forefront of any Executive Sponsor pursuing a high-performance ERG. Our three predictions for the next 10 years of ERG leadership reflect the need for the democracy of creativity and the embrace of a truly inclusive—and innovative—workplace culture. These are the three predications Executive Sponsors will need to drive ERGs towards long-term health and relevance.

Sustainable ERG infrastructures will yield new business.

ERGs have a new energy and spirit of innovation with the acknowledged counterweights of variation in maturity, alignment, and effectiveness. In helping their ERGs confront the future and succeed, Executive Sponsors will have to understand and negotiate differences in maturity. All the groups will be facing similar challenges:

- Implementing a reliable, replicable, scalable, and sustainable infrastructure;
- Engaging a broader segment of the employee population;

- Making a significant, measurable impact on inclusiveness; and
- Consistently delivering return on investment to both members and parent organizations.

One ERG may be helping the company increase its revenues while another is focused very much internally, providing aid and support to its members. One group may have a strong governance structure with a bench of able future leaders while another relies on a core group of 3 or 4 members to do most of the work and is at risk of falling apart if one of those members leaves. If a chain is only as strong as its weakest link, it bears considering how entire ERG communities can get connected, mentor and be mentored in best practices, and otherwise create a tide that lifts all groups simultaneously. Then and only then will ERGs be able to engage in an innovation focus, with one voice.

Diverse leadership pipelines are essential for success.

At the same time, the ERG landscape has become more diverse. New kinds of groups are forming based not only on ethnic or gender affinities, but also on common experiences and interests (e.g., veterans groups, “green” groups, virtual workers), professional affiliations (e.g., engineers, accountants), and identity (e.g., age, disability, LGBT). Some groups have been fashioned deliberately to cut across fault lines in the organization (e.g., multigenerational, multicultural, and interfaith groups). As these newer entities take their place next to existing ERGs, each must go through its own process of articulating its mission, solidifying its membership, and positioning itself in the larger organization.

Relationships will still be the engines of ERGs, but the players will change.

The glue that has always held affinity networks together is a shared minority experience, and this is a powerful, long-lasting connection mechanism that has benefited not only group members but companies’ bottom lines in ways as yet unmeasured. These networks have been highly motivated to support each other. Additionally, if networks continue to be organic in nature, they will exist and grow because the participants have energy to grow them.

Alternatively, at the executive sponsor level, many who assumed these positions were “tapped on the shoulder”, or “voluntold”, to step forward; the role was not seen as the valuable developmental opportunity described by our study participants. In many organizations, it still isn’t.

Both of these dynamics now are in flux; allies for inclusion are flooding ERG membership and diversifying the “face” of these groups, adding needed energy, resources, connections, and passion for the future of a more inclusive workplace. They rightly value the community and developmental opportunities the groups provide, and the exposure and visibility to senior executives. And, more executive sponsors are being not only required to step up to the role, but requesting the opportunity. These are the next wave of critical supporters, who will employ their capital on behalf of ERGs in unforeseen ways, and discuss their involvement proudly in their performance review with the CEO.

Now that is an inspiring picture.





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Index

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