How to Start a Diversity Employee Resource Group at Your Company – And Make Sure It Succeeds

By Jennie Bell

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The recent death of George Floyd, an unarmed black man killed in Minneapolis at the hands of a white police officer, has sparked anger and growing awareness in the U.S., around issues of racial inequality. It has ignited protests around the globe, and inspired efforts to enact change, both by individuals and corporations.

A number of companies, including Nike, Target and New Balance, announced this week that they would honor Juneteenth as a company holiday. The date, which commemorates the end of slavery in the U.S., is not a federal holiday, but is recognized in 46 of the 50 states (as well as in Washington, D.C.).

Experts noted that while such actions are commendable, companies need to make a deeper commitment to diversity and inclusion and integrate it into every aspect of their corporate culture.

"When we speak about Juneteenth, there's a lot of misunderstanding about what it means," said Xochitl Ledesma, director of learning and advisory services at Catalyst Inc., a nonprofit focused diversity in the workplace. "If companies are just giving the day off without any education, maybe it's a disservice. Spaces for education are critical right now."

Kyle Rudy, SVP at executive search firm Kirk Palmer Associates, added, "The first and most important step [for company leadership] is acknowledging that one-off D&I initiatives don't create lasting impact."

One of the key components of a strong D&I program is Employee Resource Groups — voluntary gatherings for workers with a shared background or experience. Traditionally, they have been organized around race and gender, as well as for the LGBTQ community, parents and veterans.
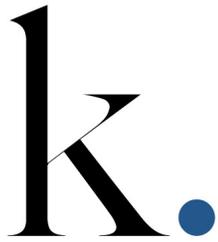
ERGs can help foster a sense of belonging for marginalized workers and help shape company culture for the better. But only if they are developed properly and given the necessary support and resources.

How to Create an ERG

"When it comes to setting up ERGs, the first step is for those individuals to look at the company culture and structure," said Ledesma. "Look at how the business is growing, how is it dispersed geographically — and if other ERGs been started, how are they operating?" She noted that understanding those factors will help members decide how the ERG should be structured. For instance, should it be centralized in one location or have chapters in different offices?

The second step is to utilize existing support structures, particularly other programs within the company the align with the ERG's goals. Ledesma explained, "I was part of an ERG for Latinos, and we took the career development plan for our company and added a few extra steps — because we knew that as Latinos, we would have to take a few extra steps, add more mentors and make sure we had double the amount of sponsors."

The last step, she advised, is to create a formal charter that establishes the group's mission and purpose, such as for education and career development, or as a space for networking and socializing. "There can be pitfalls when ERGs become more of a social gathering place, which may be the mission, but if it's not stated, members may join thinking that there's more development for them," Ledesma said.

How to Ensure an ERG Succeeds

One of the most common challenges facing ERGs is continuity and keeping membership engaged. Ledesma said that a clear group charter can help mitigate some of these issues, by establishing expectations upfront, even before planning your first event.

And a commitment from corporate leadership can also foster enthusiasm and help an ERG achieve its goals. "It is critical that leadership is involved," said Ledesma. Their presence can illustrate that a group is a priority within a company — and also offer more tangible benefits: "[They can] provide resources, guidance and insights into how to move the mission of the ERG forward."

However, Ledesma cautioned, leaders who participate in ERGs should only have a supporting role and not be at the forefront managing the group.
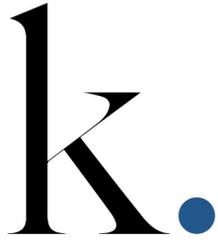
How an ERG Fits Into the Bigger Picture

As with Juneteenth holidays, ERGs are just one component of what should be a large and robust diversity initiative at companies, explained Rudy: "For Employee Resource Groups to succeed, they need to be integrated into a company's broader D&I strategy that translates into an ongoing series of commitments and actions with dedicated leadership," he said.

He noted that if not integrated properly, ERGs can end up isolating minority workers from the majority. "And at a minimum, they will only become support groups for their members without the benefit of unlocking the ideas that are proven to be generated by diversity," said Rudy.

To combat that problem, he urges senior leaders to commit to developing a sense of belonging and gain buy-in throughout the organization. Additionally, Rudy noted, "Diversity and inclusion initiatives should be viewed as business issues, not minority issues. For this, CEO support is absolutely vital."

Aside from ERGs, Rudy recommends creating other forums for listening and learning, such as virtual town hall meetings. He also suggests companies begin to develop a talent pipeline, by building relationships with historically black colleges, or minority cultural groups at larger institutions, to fill internship positions. And also to establish internal mentoring programs to "help mold the next generation of leadership to ensure the executive team has a diverse representation."