Dynamics of Employee Resource Groups: Leader Experiences Driving Mutual Benefits for Employees and Employers

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Abstract
Employee Resource Groups (ERGs), which bring together employees with shared identity or purpose, have been expanding around the globe. ERGs can be a recruiting and retention tool, providing member benefits of career growth, developing friends and providing expanded purpose at work. Given their popularity, they are of interest for researchers. Thus, we conducted a study focused on the ERG leader experience overall and the benefits to employees and employers offered by ERGs. We did this by conducting in-depth interviews with ten ERG leaders in three different organisations. Our work uncovered five ERG topics (or emergent themes) discussed by the interviewees: (1) ERG structure and leadership, (2) Multi-faceted purpose of ERGs, (3) Moving from ERGs to business resource groups (BRGs), (4) Leader time management and (5) Organisational support for ERGs. Additionally, we propose avenues for future research and suggest new work focused on the mutual benefits of ERGs for both individuals and organisations.

Keywords
employee resource groups, diversity and inclusion, human resource management

Introduction
Employee resource groups (ERGs) (also referred to as affinity groups, network groups or business resource groups) are growing in popularity, expanding scope of work done, and in the process increasing the skills and experiences employees can engage in within their organisations (Welbourne et al., 2015). This has led to multiple opportunities for employees in all types of jobs to get more out of work, feel more purpose in what they are doing, and meet people who are outside of their networks. ERGs are present within an estimated ninety percent of Fortune 500 firms (Catalino et al., 2022). A 2021 Wall Street Journal article noted that ‘about 35% of companies have added or expanded their support for ERGs since the start of 2020,

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according to a 2021 study by McKinsey & Co. and LeanIn.org of 423 organisations employing 12 million people (Lublin, 2021, p. 1). In addition, there is some evidence that the COVID-19 pandemic and George Floyd’s murder in 2020 led to some ERGs gaining greater influence in shaping policy within their respective organisations (Lublin, 2021).

Broadly speaking, these organisational groups are ‘a gathering space within the workplace for employees who share a social identity’ (Scully, 2009, p. 76). However, ERGs are much more than this as noted by the more comprehensive definition provided by Kaplan et al. (2009, p. 1), which describe ERGs as ‘... groups of employees in an organisation formed to act as a resource for both members and the organisation. ERGs are voluntary, employee-led groups that can have a few members or a few thousand’. Unlike the initial Black caucus established by Xerox Corporation, which is the precursor of today’s ERGs, present-day ERGs may focus on numerous diversity and inclusion issues such as gender, sexual orientation, professional background and life stage (Kaplan et al., 2009; Mercer, 2011). Also, ERGs can be organised around specific causes (e.g. sustainability, caregiving, faith-based) or occupational interest areas (women in technology, careers, etc.). Organisations that have ERGs provide a place for their employees to feel included, which can have numerous positive benefits for the individual (Shore et al., 2011). In addition, ERGs continue to evolve regarding the benefits they offer to their employees as some businesses have begun offering ERG leaders financial compensation for their role in the ERG (Lublin, 2021).

However, ERGs are more than a group where employees can find acceptance and inclusion. ERGs may also have specific missions that they work towards, whether that be to act as an advocate about a specific issue or to serve as a resource for the organisation (Kravitz, 2008; McGrath and Sparks, 2005; Van Aken et al., 1994). For example, an ERG at Prudential helped the firm by partnering with the marketing department to form a more cohesive marketing strategy ‘across all markets’. Similarly, ERGs are seen to add value to the marketing done by Best Buy (Jennifer Brown Consulting, 2010). ERGs are also considered to be ‘thriving’ (Mercer, 2011) and are so prevalent at Nationwide that their diversity and inclusion lead officer declared ‘everyone knows about [ERGs] ... [and] what they should be used for and not used for’ (Jennifer Brown Consulting, 2010, p. 19). In sum, both the increasingly widespread prevalence of ERGs as well as the ways they add value to their organisations suggests that these groups are important to firms.

While the literature is growing (Green, 2018), ERGs are a relatively understudied phenomenon (Foldy, 2019). Much of the literature on ERGs has been presented as historical reviews (e.g. Baillie & Gedro, 2009; Briscoe & Safford, 2010), has focused on a single organisation of interest, or provided discussion in the context of a single type of group. While this work is valuable, it is important to learn how ERGs operate across organisations and group types to better understand their purposes and goals that benefit both employees and employers. We focus on benefits due to the fact that ERGs are expanding in different types of companies (e.g. smaller, different industries), and this expansion appears to be related to the fact that employers expect some benefits to the employee population and to the firm through the implementation of ERGs.

In a letter to employees from west-MONROE leadership (2023), they share the following reasons for adding ERGs: ‘West Monroe, on the other hand, is now reaching a size where we believe formal ERGs can provide tangible value for our organization. We are growing rapidly—our three-year compound annual growth is 30 percent, and we recently passed the 1,000-employee milestone. ... DiversityInc highlights typical business benefit of ERGs, which include recruitment, engagement, branding, talent development, and market outreach/commerce. Some of these, such as
recruitment, are more relevant to our firm than others. We see the presence of ERGs as extremely beneficial in attracting top talent, whereas we are too early in the development of our programs to target commercial benefits. But that discussion risks neglecting retention. A key reason people leave organizations like ours is because they don’t feel well connected. To get the best out of our people, we must have an environment where they feel they can bring their best selves to work every day and have an outlet for working through challenges. ERGs at their best provide meaningful forums for those conversations. When people feel connected to others and have a sense of belonging within an organization, they do better work for clients and stay with the organization longer, benefiting both our culture and our business. Retention also provides a direct financial benefit, as it’s more expensive to hire new talent than it is to retain good people’.

This explanation to employees is an example of how ERGs benefit the company by improving and benefiting the employees; however, there are, of course, conditions under which ERGs fulfill this promise and likely times when they do not. Thus, in our research we are not just looking at what the benefits might be, but we also wanted to learn from the ERG leaders how that value is delivered. Our goal was to provide an open environment to listen to the ERG leaders, document their responses and then code the data to provide learning based on these open conversations. From these conversations we also want to extract the benefits of ERGs to both employees and employers; this work has potential for understanding the growth and expansion of ERGs.

Finally, it is critical to assess how those purposes and goals arise out of individual sentiments and opinions; we needed to learn about ERGs through the lens of the leaders who run them. Leaders have unique insights about not only how ERGs provide value to the company but also how they help individual employees, both members and nonmembers. With many employers using ERGs as part of their recruiting strategies, understanding the degree to which members and leaders value having the opportunities presented by ERGs is an important avenue of research.

We seek to shed light on this phenomenon through an exploratory qualitative study using semi-structured interview techniques. As a result of the interviews, we uncovered five key topics or themes discussed by ERG leaders that help broaden understanding of ERGs. For each area we summarise what we discovered and highlight opportunities to help individual employees and the employers overall. Our work results in a call to further examine ERGs to understand the mutual benefits of ERGs more fully and provide a clearer path to take advantage of these potential benefits while minimising costs and challenges.

**Methods**

In this study, we utilised a qualitative methodology that is common in this literature (e.g. Beaver, 2023; Green, 2018; Guerra et al., 2022). The research team, composed of three individuals, administered phone interviews with ten ERG leaders from three different companies. Each company operates in a different industry (technology, communication and utility), is publicly traded, has an average of 30,000 employees, and averaged $19 billion in total revenue for their most recent fiscal year. The ERGs varied in identity type and included, but were not limited to, groups focused on ethnicity, age group and gender. The respondents were roughly equally split between male and female. One of the authors, who had previous connections with these organisations, contacted the Chief Diversity and Inclusion Officer in each firm, and that individual referred the team to the individual in HR who was responsible for ERGs. The HR/ERG manager agreed to participate, and that individual then forwarded an email and information packet to current ERG leaders who then volunteered to participate. The researcher then set up times for the
interviews. For consistency, the first author conducted each interview and the sessions focused on three distinct groupings of questions, 30 questions in total and the discussions lasted roughly 45 minutes per participant. The interviews were standardised (Fowler, 1991; Fowler & Mangione, 1990) and utilised neutral probing techniques when the respondent requested clarification (Schober & Conrad, 1997) to not introduce the interviewer’s own knowledge of the ERG system onto the respondents. However, if individuals still struggled with the meaning of a question, the interviewer would assist as needed.

In addition, to make the respondent feel at ease, the interviewer participated in a form of conversationally flexible interviewing in which some ordinary conversation was allowed to develop that made sure that full information was gathered to avoid inaccuracies (Suchman & Jordan, 1990). Given the trade-offs discussed by Schober and Conrad (1997), we determined that this approach provided both a way to interpret the data across multiple individuals while not minimising the opportunity for the respondent to form their own narrative. Besides the connection to the original points of contact, the research team members were not personally connected with any of the respondents, reducing the potential for ethical conflict (Jarvie, 1969). In line with previous research (e.g. Bansal & Roth, 2000; Brown et al., 2006; Mantere et al., 2012), interviews were audiotaped and transcribed.

Following the steps of Braun et al. (2014), it is important to understand our ontological and epistemological frameworks that underlie the use of thematic analysis. This methodology requires a review of the transcripts, coding the various categories of comments and then summarising the themes or topics that cut across the respondents. Given our desire to understand Employee Resource Groups from the ERG leaders’ viewpoints, we employed a subjectivist, interpretive perspective, which seeks ‘to understand the actual production of meanings and concepts used by social actors in real setting’ (Gephart, 2004, p. 457). This perspective allows us to draw upon the constructed realities of our interviewees to share an authentic, integrated story about what it means to be an ERG leader (Cunliffe, 2010) and helps ‘fill in the gaps between theory and practice’ (Lincoln et al., 2011, p. 106). To accurately do so, this approach requires researchers to be participants in the research process while acknowledging that our own experiences and previously gained knowledge will influence our interpretation of the data (Guba & Lincoln, 1994; Lincoln et al., 2011).

Due to the importance of rigour in qualitative research (Creswell & Miller, 2000), all three researchers initially went through the comments individually to create an overarching impression of the data at hand to understand the contents and truly immerse themselves in the data, while still retaining distance (Braun et al., 2014). The three researchers then independently created short, annotated notes of the core meaning, or codes that conveyed the ‘key idea in the data without the researcher needing to see the data themselves’ (Braun et al., 2014, p. 100), for the first fifty comments. As a midpoint check, fifteen of these first fifty responses were chosen at random and discussed in detail amongst the coders. Once these annotations were completed, the researchers constructed a codebook of five themes or topics. The researchers did not significantly differ on their interpretation of the themes, but rather only how to identify what, of the roughly 450 minutes of interview data, was most pressing to the research question at hand.

Findings

The following five topics or overall themes were identified: (1) ERG structure and Leadership, (2) Multi-faceted purpose of ERGs, (3) Moving from ERGs to Business Resource Groups (BRGs), (4) Leader time management and (5) Organisational support for ERGs. Below, each of these themes is investigated in more detail, incorporating
ERG Structure and Leadership

The current literature on ERGs notes that they use voluntary leadership systems run by organisational group members (Bowie & Bronte-Tinkew, 2006; Friedman & Craig, 2004; McGrath & Sparks, 2005; Van Aken et al., 1994) with formalised member roles (Bowie & Bronte-Tinkew, 2006; McGrath & Sparks, 2005; Van Aken et al., 1994). However, the exact structure is rarely described in much detail. Thus, we asked respondents to describe the structure of their network. Surprisingly, despite the discussion of the importance of a horizontal system (McGrath & Sparks, 2005; Van Aken et al., 1994), ERGs had complex hierarchical systems.

Although the structure varied by the organisation, all the ERG leaders spoke of a group of individuals composed to help direct the ERG, with many expressly using the term ‘steering committee’. This steering committee often included executive sponsors and/or chairs, which were terms developed to describe some of the senior leaders in the organisation who assisted with that specific group, as well as representatives from the Human Resources (HR) department. The groups had presidents, leaders or co-chairs (terms used for roles varied by company). These individuals are those that are more directly inside the group and assist in the running of general activities. Specifically, the interviewees often provided the impression that the steering committee was largely responsible for assisting with the vision, while the leaders and co-chairs, having internalised that vision, acted. Management of the activities was divided up amongst the co-chairs, or similarly termed individuals, who would gain a grouping of responsibilities. One interviewee describes this in more detail:

‘I’m a co-lead for the group overall and then we, we set up three different focuses. One for employee development, one for community development and one around business development and then we have leads for each of those …’

Through this system, the individual members can delegate the specific tasks that need to be accomplished, who can then work with group members to pursue goals. Given the time constraints that an ERG presents to the group leaders, this seemed like not only a rational, but a necessary component of ERG structure. In addition, the structure appeared necessary to provide a ‘point of contact’ for inviting guest speakers and providing performance data to organisational members.

Despite the hierarchical model that would suggest a deliberate company-wide plan directed from the top-down, interviewed leaders often spoke of the tremendous growth that the group had undergone over the last few years despite relatively minimal interest initially. This growth often was spoken of as a notable accomplishment, as leaders talked about the founders. Most participants appeared to be attracted through word-of-mouth, the organisation’s internal networking site, or organisational member communications. One respondent remarked, when asked about how they attract new members:

‘It’s a lot of right now … I would say it’s a lot of word of mouth and references so like for example I think we had said earlier that we have about 160 members and we’re planning our first kick-off event for this year so it’s a matter of getting that word out to get people to attend’.

However, perhaps what best exemplified the grass-roots portion of this system was the rationale behind the leader’s personal motivations to be involved. Through the interviews, it became clear that there were largely two types of individuals who became ERG leaders. The first type was in many ways typical of a general idealised conceptualisation of a leader and represented all but three of our respondents. They often
spoke of how being a leader was ‘in their DNA’, or that it was a ‘natural tendency’. These respondents spoke of having been ‘inspired’ to start or help establish the ERG because they had been members at other organisations previously, had seen the success at the current company, or just wanted to promote the importance of diversity where they felt it was not being recognised. This is congruent with research that has discussed how embracing this leadership role allows individuals, and those around them, to feel authentic and capable of being fully engaged (Rodriguez, 2021).

The other groups are best termed reluctant leaders, a phrase specifically employed by one respondent, who said:

‘… I’d be happy to work with her on coming up with some ideas, and she pitched it to me, and I initially declined um, because I have issues with over commitment …’

Three of our respondents were categorised as reluctant leaders by our coding team. These leaders were often resistant to the idea of taking on the added responsibility or did so only because others had resigned, and no other individual was willing to assume the role. Other reluctant leaders understood the internal and external pressures to develop themselves. This is congruent with ERG literature that suggests potential beneficial individual outcomes, such as the development of GRIT (Seegmiller Renner et al., 2022) and greater career satisfaction or success (Beaver, 2023; Hall, 2022). They therefore saw the ERGs as an opportunity to demonstrate leadership skills and show the ability to craft a successful team. One individual remarked:

‘… sometimes in the environment it’s just so busy that you kind of feel that you get thrown to the wall and it’s kind of a sink or swim mentality nowadays and so I think any opportunity that you can have to develop yourself professionally and personally should be taken so that was one of the reasons why I was really interested in being involved on the leadership level is that in my current role I don’t have any direct reports. I manage certain tactics but you know I’m not technically a manager so I wanted to take this opportunity as a development, as a development role and a leadership role so I could kind of hone that talent for my next step in my career’.

Finally, when prompted about how leaders were elected or appointed, almost all of them referred to the importance of volunteering or ‘passing the baton’. Although they would often try to take into consideration specific skills (if possible) and there were discussions of formalising the process, the leaders often just encouraged individuals who expressed interest. Thus, unlike traditional team leadership positions, the push had to emerge directly from the individual participant more often than formal systems.

The ERG structure highlights the ability of ERG leaders to gain important leadership skills and experiences that can help with their future career opportunities. Also, the ERG context provides these opportunities to people who may not be in the normal line of succession for the types of experiential learning that leading an ERG can bring.

Table 1 summarises the benefits to both employees and employers that we learnt regarding this theme. The structure of combining some form of hierarchical control with a flexible method of people getting into ERG leader and member roles results in unique opportunities to engage different people and, from that, provide leadership experiences and opportunities that would not come from any other standard organisational programming. This creates new career opportunities for employees in these ERG roles and a pipeline of vetted and trained talent to take on open jobs in the organisation.

**Multi-Faceted Purpose of Employee Resource Groups**

The first employee resource group described by many authors who write about ERGs is the Black Caucus at Xerox Corporation (Briscoe & Safford, 2010; Friedman & Deinard, 1991; Scully, 2009), whose intent was to seek equal opportunity and provide more equitable pay and benefits for
individuals of different racial groups (Scully, 2009). After this first caucus, and partly in response to Title VII, many organisations added affinity groups, which also focused on attraction and retention of people from different protected classes. These earlier goals seem to still be important as they came up when interviewees talked about their ERGs’ missions, goals and activities. For example, one respondent stated that ‘in essence our goal is to attract, to engage, to develop, to promote, and retain highly talented employees ... and then the bottom line is to contribute to the success of [the organisation]’. However, we learnt that fostering this attraction and retention was done through a variety of avenues.

A principal method for attracting and retaining, in the eyes of leaders, was through programs designed to educate others on the culture and history of each group’s identity. These educational moments manifested themselves at organisationally sponsored events or during times that already reflected the importance of certain cultures (e.g. Black History month). One respondent, speaking on behalf of a Latino ERG, discussed the importance of the World Cup. Employees were welcome to watch the games as they played out. The ERG incorporated Samba dancers and giveaways from a sponsor to increase entertainment. While this may appear simply to increase employee morale, the ERG leader was adamant in articulating the importance of these events to showcase group culture. Ultimately, regardless of the mechanism used, the purpose was clearly to create greater acceptance and understanding of individual differences among groups and cultures. In addition, these types of learning experiences give the ERG members and leaders valuable opportunities to share part of their heritage, and they find the experience to be beneficial to them personally while also gaining visibility with peers and senior leaders. Although not always overtly stated, the premise was that, by creating a more accepting and inclusive atmosphere, employees from under-represented ethno-racial groups would feel drawn to the organisation as a potential place of employment and also accepted by peers and others.

ERG leaders also sought to increase employee retention. One of the primary avenues for accomplishing this was through ensuring career opportunities for members. While this was partially done through webinars or events specific to an organisation, each leader commonly spoke of the importance of networking sessions. As discussed by one leader: ‘We know that networking and you know sharing information back and forth is enormously important to each person’s career opportunities’. In theory, ERGs are partially attractive because they allow members of an organisation to come together from different hierarchical levels and operate identically, regardless of status (Connelly & Kelloway, 2003). Some leaders specifically pointed to the participation of their organisational (firm level vs. ERG) executives’ leaders in events as key accomplishments. Most ERGs are formally

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<th>Benefits to Employees</th>
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<tr>
<td>Ability to easily engage with ERG purpose by volunteering (vs. being promoted into a role by someone in management)</td>
<td>Employee-wide engagement in key organisational goals due to employees of all levels and all job types volunteering to participate in ERGs</td>
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<td>The volunteer model allows employees to bring in others and work with people from various departments and at different job levels in the organisation</td>
<td>ERG structure provides some level of control even though the overall program may be volunteer led and volunteer run</td>
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<td>Employees have an avenue to develop important leadership skills that can lead to new career opportunities</td>
<td>Organisation has access to trained leaders from across various departments and job types</td>
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Table 1. ERG structure and leadership.
assigned an executive sponsor, and these sponsors are C-level or senior VPs, thus, giving ERG leaders a unique opportunity to network with extremely influential leaders in the organisation. Networking was emphasised as even more important inside extremely large companies as an ‘opportunity to meet employees of various levels that you would normally not meet’. The ERGs, they believe, can act as conduits for fostering communication and connections amongst individuals that would not have been previously crafted otherwise. One ERG specifically sought to highlight individuals that they felt were deserving of future recognition through their future leaders’ event:

‘...one of the biggest things that we’re going to be doing next year is we’re going to be showcasing 12 future leaders which was a nomination process ... every month we’ll ... be showcasing one person who has been nominated by their peers or their boss and selected by the board and they’ll be completely anonymous so it’ll really be based on merit only which is kind of exciting...and it’s just really giving us kind of an opportunity to highlight someone who’s up and coming in the company, someone to keep your eye on and then also just give recognition where they may not, they may not be a, given recognition on a larger scale’.

While networking was often spoken of as a system to create connections for future collaboration or promotion opportunities, it was also seen to integrate individuals amongst others so that they increased their own personal social network. This was evidenced by the additional use of monthly luncheons and more general social events outside the work arena. While many events designed for benefiting the ERG population were presented by the ERG leaders and members themselves, they also recognised the importance of outside informants for inspiring ERG members. For example, three respondents discussed the use of guest speakers. Although the goal was to ‘bring in someone ... that's going to share information that's really going to benefit ... our employee base’, they ranged in topic from ‘gender diversity’ to ‘stress management’ to offer general advice to all participating members.

ERGs were also seen as groups that could incite fundamental change in the organisation to assist current members. To them, while education was important to fostering acceptance, key changes at the organisational-level were also needed. For example, a leader of a group focused on sexual orientation spoke about policy changes implemented through the discussions of their ERG:

‘We had some significant policy changes in order to get there that we worked with our HR department internally, so we added, so we had to, we had to amend our non-discrimination policy to add gender identity and gender expression. We had to sort of update our parity within our benefits so that we provide equality for domestic partners and same-sex spouses or same-sex domestic partners and same-sex spouses, so you know 401K hardship withdraw, death benefits, all that is on par for everybody. We started the group, the added ERG group um, let’s see, what else did we do? Oh, we have transgender health benefits, um we all of our training incorporates positive portrayals of LGBT people’.

Finally, ERGs also sought to benefit a broader community, both inside and outside of the organisation. Sixty percent of the leaders named their specific community outreach programs, and some rearticulated their benefit when discussing their group’s greatest accomplishments. To them, it was almost seen as a responsibility, given their ability to incite change, to give back. One respondent remarked that ‘All of us have been fortunate in life and we want to make sure we step back and look back and try to pull some of the folks that maybe not are quite where we are just yet’. These activities ranged in purpose, from ‘spending time with high school and junior high school programs’ to collecting holiday gifts for ‘children that ... might not otherwise receive a ... gift’ as well as ‘charity events like AIDS walk’ or collecting ‘items for the troops’.
Ultimately, congruent with the finding of Green (2018), activities differ across ERGs. Although each ERG usually participated in a host of similar activities, the actual tasks completed ranged depending on the ERG itself, the issues facing the group, the leader’s goals, the member’s interests and the larger organisation.

Table 2 summarises the benefits to both employees and employers, and they stem from the numerous goals and purposes of the ERGs. From enhanced motivation and engagement in their day jobs, leaders report the ability to be involved in ERGs helps them and their members. The career and learning opportunities alone are seen as significant benefits, which enhance the bench strength of the involved employees in the organisation overall. Recruitment, retention and development goals, including meeting many DEI and change management initiatives, add to the benefits for organisations. Given the opportunity to change and enhance ERG overall strategic goals, benefits to the organisation and employees can change over time to further meet goals for both parties.

Moving from Employee Resource Groups to Business Resource Groups

This theme refers to the inherent struggle that ERG leaders often felt towards maintaining alignment with their own true values and systems while appeasing organisational desires for accountability and tangible organisational or business benefits. This theme was almost removed due to similarities to the previous and some of the following themes. However, upon further reflection, we thought that this theme contained enough supportive content and individual value that it should be identified.

To provide context, there seems to be a recognition that ERGs are often more attuned to soft skill development like teamwork (Kirilin and Varis, 2021), but that they do have an impact on organisational-level outcomes when innovating and driving new product and service offerings (e.g. Welbourne et al., 2017). There are also calls for data-driven approaches to demonstrate links between ERG work and firm-level outcomes (Green et al., 2022; Rodriguez, 2021). Toward that end, a trend in ERGs has been the transition to Business Resource Groups (BRGs). While the term BRG has been used in place of the term ERG (e.g. similar to the term ‘affinity group’ or ‘employee network group’), it is becoming very popular as a way to describe the evolution of ERGs to focus on organisational-level goals (e.g. Llopis, 2012).

In interviews, the researchers used the term Business Resource Group and then provided a definition to correspond with this trend to assess its validity in the minds of respondents, of which the majority understood our questioning without any additional elaboration required. While the previous discussion may lead the reader to the conclusion that most activities ERGs participate in are ultimately beneficial to the organisation, the absence of metrics has led to an inability to provide inarguable proof. Ideally, through these groups, BRGs should be able to provide clearly articulated results to employers that demonstrate an added value.

Some of our respondents agreed that a transition to BRGs was underway, and they thought their ERG already had many of the qualities that represented a successful BRG. To some of them no activity was worth arranging if it did not provide a direct link to the bottom line of the organisation. One respondent remarked:

‘… from my standpoint we’ve always been focused on, or part of our mission has always been focused on that business opportunity and um, looking at the … group or community as an affinity group and how do we reach out to them and make money for the company. You know using this, using diversity as a strategic advantage so I think that’s always been part of our mission. I think it’s interesting that there’s you know been this shift in thinking that ERGs are going to be turning in to BRGs since from my standpoint I’ve, I’ve always thought about it, that as a part of our, part of our mission’.

Others admitted that they weren’t quite there yet, but that ‘it’s definitely a…goal and
To them, the transition to BRG was underway, as in their minds they believed that their group was already providing a fundamental value to the organisation. When asked about how their group could best provide value to the organisation, the responses were varied. While previous goals and values such as helping with recruitment and supporting diversity and inclusion goals were still mentioned, others articulated a specific focus on helping with organisational innovation by acting ‘as a sounding board’. For example, one respondent remarked:

‘You know I think that if you, if you’re in the position where you can help your organisation beta cast a new concept or pilot a new idea and if you’re ERG could help the firm do, do that it would, it would really make your ERG look cool and be cool. I met an ERG from a different company at this conference in July who had created a product for the company to sell during a specific month and they actually generated revenue for the company by doing so’.

Others, however, were less accepting of this transition to Business Resource Groups. In their mind, this focus on organisational outcomes meant that clear, tangible benefits had to be demonstrated to the firm’s performance. Rather, they argued, value could be found in less traditional avenues, such as by impacting perceptions of work/life balance or individual attitudes. The value of the ERG was not necessarily evident in the short-term, but rather could have more distant long-range relationships with organisational success. As remarked by one respondent:

‘I think that we’re able to get our employees to share new thought trends for themselves to again, to think of, to realize ideas that they had not thought possible and that’s where I think we’re benefiting our employee base … I’m not sure that we’re a Business Resource Group that the company can come to us and help sell more…but I do think that we’re helping the company … because we’re creating more engaged employees and more … leaders from our employees’.

Throughout our interviews it became evident that individuals were struggling with their own perceptions of the ERG value. The leaders expressly understood that to remain in existence and stay affiliated with the organisation, it was important to provide clear

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<td>Being part of an ERG makes an employee feel welcome and engaged in the organisation</td>
<td>ERGs provide another benefit to help attract people from multiple identity groups (and individuals interested in the causes represented by many ERGs pursue, e.g. sustainability, faith-based goals, caregiving, etc.)</td>
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<td>Career opportunities expanded by building a stronger network among people in different job levels and departments</td>
<td>ERG work helps develop employees for promotion opportunities (recruit from within)</td>
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<td>Network with senior executives who members would not meet and interact with as closely as they can within the ERGs</td>
<td>Senior executives develop coaching skills and learn from new opportunities as they work with ERGs</td>
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<td>Learn change management skills that can be used in their own job or in new careers</td>
<td>Improve probability of implementing large-scale change through support of ERGs that have access across the organisation</td>
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<tr>
<td>Showcase high level employee accomplishments</td>
<td>Select and develop talent that has new experiences from work with ERGs</td>
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business results and report them. However, leaders also desired simply to help develop people so that they could more successfully move up the corporate ladder, or help the organisation exist in a more inclusive environment. Much of this related to the perceived reach that these leaders felt their group had. To some, the ERG was a system to help a certain sub-group inside the larger organisational population. To others, the ERG, and the advances that it provided were simply a starting point for affecting the larger overall community. Reconciling these multiple stakeholders was a constant process, but a potentially rewarding one, as summarised by one ERG leader:

‘You know, I work 12 to 15 hours a day so it’s not like, you know I’m doing this, I’m not doing this because I have extra time. It’s because I love doing it. I love to give back to the community. I love to work. I like to help people grow within the company’.

The movement to BRGs, at first glance, may seem to take away from the benefits to employees because goals perhaps change to be more aligned with the organisation versus focused on advocating for the ERG members. However, from the interviews, we learnt that there is an alignment of benefits for both employees and the employer. Table 3 summarises what we learnt and shows that through alignment ERG members are finding themselves learning new, invaluable knowledge focused on driving innovation. Also, a careful understanding of how ERG work leads to the bottom line also provides ERG members with a skill that is important in any organisation and any job, and that is being clear about the return on investment (ROI) of investments made in their ERGs.

**Leader Time Management**

Regardless of how positive the leaders were about their expected contributions from ERG involvement both at the individual-, group- and organisational-level, there was always a generalised concern about the inherent limitations of time. None of the leaders were specifically hired to coordinate or lead an ERG; rather, they were voluntary organisational members who adapted the added responsibility in their own time, congruent with the previous literature (Friedman and Craig, 2004; Kaplan et al., 2009). However, this does not mean that these leaders took this consideration lightly. Rather, limited resources, namely in time, often affected their decision to participate and lead.

Half of the respondents considered time management to be the single largest challenge in helping to run an ERG. One respondent remarked ‘… we don’t have time and since the ERG is not … part of your normal job function you’ve got to find a few minutes where you have spare to fit it in and that doesn’t always work depending upon what’s going on …’. This issue with time management was especially juxtaposed with the demands of the current job and specifically with the desires of the immediate supervisor. Because of this concern, some respondents suggested that it is important to create expectations early about ERG participation with the direct manager. One respondent remarked, in regard to their supervisor, that ‘he knows the importance of this work with this company so he’s really supportive of what I’m doing but that’s a lot of time out of your day job so if you’re not in agreement with your manager on how important this is overall it’s really difficult to um, have the facilities to invest in the time in doing this work’. While most understood the importance of communicating prior to joining, some joined regardless of considerations, but suffered when opinions did not align. As remarked by one respondent:

‘… one of the issues as far as leading the group … it’s good and bad because my immediate boss couldn’t care less if I was really, you know participating in such a goal. You know he wants me to spend 100% of time on you know the projects, right? On what he’s responsible for and what I’m responsible for in my day job. Unfortunately, he doesn’t see the importance of an ERG…’
Table 3. Moving from ERGs to business resource groups (BRGs).

<table>
<thead>
<tr>
<th>Benefits to Employees</th>
<th>Benefits to Employer</th>
</tr>
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<tbody>
<tr>
<td>Learning innovation skills as ERGs drive new product development and serve as focus groups for new ideas</td>
<td>Deliver new product offerings to current and new customer segments. Receive key insights for product design from stakeholder groups that had not been consulted in the past</td>
</tr>
<tr>
<td>Impacting bottom line business results improves organisational performance, which then can lead to higher job security, potential promotion and other financial benefits for employees, including ERG members</td>
<td>Long-term higher performance and ability to be agile and respond to new market trends faster than they would without ERGs</td>
</tr>
<tr>
<td>Learning to calculate return on investment (ROI) of ERG work as members and leaders focus on how their work connects to bottom line business results</td>
<td>Resolving conflicts that may arise between ERGs wanting to benefit employees while also meeting firm-level goals will build a stronger culture</td>
</tr>
</tbody>
</table>

This finding for leaders specifically is interesting because previous research has suggested that ERG participation can improve mental health and well-being (Guerra et al., 2022), but the seeming frustration conveyed by respondents did not necessarily align with this prior research, specifically for ERG leaders. This constant balance between ERG participation and traditional job requirements often resulted in decreased attention to the former, despite the leader’s best wishes. To them, the ERG could be ‘a full-time position’ and they must constantly remind themselves that ‘that’s not my job’. Individuals thus would create certain conditions for themselves to manage the time effectively, deciding either to do ERG things ‘on [their] own personal time’ or choosing to come in ‘early or leave late’ or ‘get [their] work done and make time to see the different initiatives’.

Yet, even when leaders seemed to indicate that they understood the time commitments prior to choosing to participate, their expectations were often not completely accurate, especially when considering metrics of success, as evidenced by one respondent:

‘It takes more time than I expected it would take … I would say that there is rarely any business day where I don’t have to devote a portion of it to my ERG and before I started an ERG I can’t say that I had any extra time to fit that in so trying to make yourself better and yourself more efficient is … is advice I would give to anyone considering a leadership role in an ERG and you can’t lose that focus’.

Largely as a result of this compression of time, individuals discussed the importance of having ‘the passion for it because when it is something that is coming out of your free time and your personal time you want to make sure that it is something you’re enthusiastic about and not…not something that you’re either going to resent or feel burdened about later’. To compensate for this issue, respondents called for quickly finding individuals to delegate responsibility to. To them, this was not only a matter of convenience, but one that was inherently necessary given their already stretched time limitations in performing essential job functions in conjunction with ERG responsibilities.

Table 4 summarises what we learned about the benefits to both employees in ERGs and to employers. Although volunteer work of any kind presents employees with the challenge of doing both their day jobs and their volunteer jobs, the skills of learning to manage time and delegation provide employees with invaluable experiences that can be taken to new career opportunities. Also, the topic of managerial support for employee time spent on ERGs came up in this section, and this too, when
acknowledged by senior leadership, can lead to important cross-communications and alignment of DEI and other goals that may be lingering and not necessarily a part of the organisation’s conversations. The authors have seen many organisations solve this alignment problem by putting ERG goals on the performance reviews of ERG leaders as well as the managers of those ERG leaders. Thus, what was a problem presents an opportunity for organisational leaders to improve communications.

Organisational Support of Employee resource groups

Although the previous section discussed the importance of direct managerial support in the ERG leadership process, participants felt that ERG success was also contingent on overall organisational support. Although the ERGs often had grass-roots beginnings, they still required commitment from the top management team to succeed. Specifically, ERG leaders often spoke of the need for these members to participate in meetings or to ‘to jump on a call every now and then and announce that he or she is on the call or unannounced so that they can hear some of the, just the raw grass-roots data and things that are important to the employees that make this company run’. Yet, this does not mean that they never participated – rather, a group of respondents expressed CEO involvement or awareness among senior leaders as one of their proudest accomplishments.

Even when organisations did have top-level support, it did not mean that the positive ERG sentiment permeated throughout the entire ranks. As discussed by an ERG leader below:

‘You know we have kind of a disconnect here and it’s probably true at other companies. Our senior most leaders … sort of CEO and C-suite leaders are very supportive. Where we run into challenges is more the like first, first line leadership level where to them it’s more an issue of control of people’s time and not seeing the full benefit and value of someone going to a lunchtime meeting, hearing a speaker with interesting ideas that they can bring back to their department and also forming relationships with people across the company that brings them also new ideas and helps them do their jobs better. That’s been a challenge’.

But having top management support was described as more than just a process in which the team gave ERGs the power to operate. Rather, some respondents remarked or implied that the top management team had ingrained in them a level of legitimacy that allowed their future conversations to hold meaning. For example, one respondent described how they had received an article written in a newspaper from several fellow employees that described the difficulties that women face

Table 4. Leader time management.

<table>
<thead>
<tr>
<th>Benefits to Employees</th>
<th>Benefits to Employer</th>
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<tbody>
<tr>
<td>Time management is a challenge; however, ERG leaders learn how to manage their time and how to delegate to others. This is a critical leadership skill that can positively impact their careers in the long run</td>
<td>Individuals who volunteer to do ERG work tend to be passionate about the causes, leading to a high quality of outcomes and employee engagement. Employers have a new group of potential leaders that can be promoted to jobs in the company, improving their ability to place these individuals into open jobs in the organisation</td>
</tr>
<tr>
<td>Teaching direct managers about their ERGs and the ERG program goals</td>
<td>Managers who support employees in ERGs are better qualified to take on higher level jobs in the future</td>
</tr>
<tr>
<td>Delegation can lead to more people learning skills that will benefit more employees and help leaders reduce hours needed for ERG success</td>
<td>Alignment of individual actions with DEI goals</td>
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It is unlikely for ERGs to be utilised without having some sort of organisational goal; therefore, it is not surprising that we found the importance of ERG success is dependent on how they support the organisation. This linkage provides benefits to both the employees and the employer through the ability of ERG leaders to connect with and understand the business strategy and leaders’ objectives (see Table 5). Companies with ERGs have a new way of communicating with employees, and through the network of trusted relationships built in the formal and informal structure of ERGs, alignment and engagement can improve.

### Discussion and Conclusion

ERGs were largely started as a diversity initiative to recruit and retain employees from under-represented ethno-racial groups (Scully, 2009). However, the research here has shown that ERGs achieve several organisational goals and objectives, including networking, creating cultural understanding, inciting organisational change, and both recruitment and retention. At the same time, our research suggests they provide an array of benefits for the leaders and members of ERGs. In a study examining the impact of ERGs on workforce engagement and inclusion, Cenkci et al. (2019) found numerous benefits discussed by employees, including positive effects on motivation or vigour, connectedness, feeling valued and respected and having a higher sense of belonging. ERGs are providing employees with opportunities to learn and find more purpose at work, which is being discussed as critical for retention. ERGs may be thought of as an effective mechanism that links individual purpose with organisational performance. They do so by engaging employees in activities that they find important and that also are critical for long-term employer success and performance.

Our work suggests that it is the mutual employee and employer benefits of ERGs that leaders discuss and value. This type of mutual benefit can explain the growth and expansion of not only the number and type of ERGs but also the outcomes of ERGs seen in the popular press and in research studies. Figure 1 summarizes our findings and provides a path for discussion of these benefits.

Even though we only interviewed ERG leaders, the benefits to both employees and employers came through as clear reasons ERGs have been growing since the 1960s. Although ERGs were initially developed to meet organisational goals, (Douglas, 2008) our research shows that it is a combination approach that requires both volunteer demand (e.g. Friedman and Craig, 2004; Kaplan et al., 2009) and top-management support not only to be created, but to thrive. Finally, our research suggests that ERG leaders suffer from a shortage of time

**Table 5. Organisational support for ERGs.**

<table>
<thead>
<tr>
<th>Benefits to Employees</th>
<th>Benefits to Employer</th>
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<tbody>
<tr>
<td>Senior level involvement in ERGs leads employees to have higher quality connections with the senior leaders of the organisation</td>
<td>Senior level involvement with ERGs builds knowledge of leaders and helps improve the business overall as well as supporting DEI goals of the firm</td>
</tr>
<tr>
<td>The link between ERG work and organisational success can be shared with managers of employees in ERGs, and this will help provide support for employees in ERGs</td>
<td>Linking ERG goals with organisational goals can create a higher level of alignment between senior executives, mid-level management, direct supervisors and employees</td>
</tr>
<tr>
<td>Skip-level influence helps employees</td>
<td>Skip-level knowledge helps the organisation</td>
</tr>
</tbody>
</table>
reinforced through managerial expectations but responding to this challenge can drive learning and skill-building that can benefit both employees and employers.

**Future Research and Limitations**

As research on the topic moves forward, there are still many more facets of ERGs to explore. Although the interviews showed some small deviations in the influence the organisation had on ERG missions, activities and goals, there may be a transformation forthcoming in which organisations have greater influence. This context of transformation is important to investigate. Although we have alluded to research on all three throughout this paper, it may also be fruitful to examine how ERGs have evolved previously, as terms such as ‘Employee Network Group’ (Friedman et al., 1998) and ‘Affinity Group’ (Douglas, 2008) tended to be more prevalent. Future research should seek to remain vigilant about how power and influence may impact ERG design, systems and the definition that best describes them.

Research may wish to investigate how the type of ERG may influence members and provide variance in outcomes. Previous research has suggested a typology of ERGs (Welbourne & McLaughlin, 2013). For example, professional-focused ERGs are likely to bring together members who wish to personally benefit from their membership and thus may be more apt to provide developmental opportunities rather than focusing on organisational change initiatives. As discussed in our research, given the many objectives each ERG operates under, there should be several factors worthy of investigation, regardless of specific typology. However, this typology may help to provide a preliminary understanding of what variables should be investigated. It will be important to first conduct qualitative interviews or investigative methods in order to ensure

![Diagram of Mutual Employee and Employer Benefits from Employee Resource Groups](image-url)
that the outcome metric is relevant given the various ERG objectives.

Also, the role of senior leadership, particularly in the executive sponsor role, is an opportunity for future research. Does the type of ERG that a leader is working with affect the quality of their own learning and the success of the ERG? How does the ERG leader experience become part of a formal high-potential leadership program? Although executive sponsors are actively working with ERG leaders, it would be helpful to know more about the dynamics of the more successful executive sponsor and leader partnerships, with success being measured as both employee and employer outcomes.

Due to the purpose of this paper, we have omitted some discussion, mentioned by a few respondents, that management may view ERGs as a pathway to unionisation. ERG Literature has been historically concerned about this topic (Briscoe & Safford, 2010; Friedman, 1996; Friedman & Craig, 2004). While we have largely not focused discussion on this topic, future research may wish to explore how management fears of unionisation practices may impact potential ERG outcomes and membership. Also, the effect of ERG advocacy on outcomes that put the organisation in the public eye is also an important topic for discussion in future studies.

Conclusion

In conclusion, this paper sought to shed light on the phenomenon of ERGs, specifically from the viewpoint of leaders. Through the results of our exploratory qualitative study, we contribute by expanding the literature on ERGs and revealing a greater understanding of how leaders of these groups view both the structure, and the purpose ERGs serve, including numerous benefits to not only leaders but also to members and the organisation overall. While not comprehensive, our research contributes to the growing knowledge of ERGs across organisations. Clearly, ERGs are filled with diverse individuals that are influenced by multiple stakeholders that ultimately impact the purpose and goals of the group. Future studies are needed to empirically test hypotheses related to both the nature of ERGs and the outcomes they produce. As organisations continue to incorporate ERGs into their structure, research will need to further illuminate their trends and directions.

Also, during the last few years, during and post COVID-19 and following the murder of George Floyd, ERGs have been asked to help guide their organisations through challenging times (Lublin, 2021). We expect this reliance on ERGs will continue because they are a successful intervention to bring hope, alignment and belonging to employees. At the same time, companies investing in ERGs should share the benefits to employees offered by these groups, particularly with the ongoing evolution of ERG types including sustainability, caregiving, generational, interfaith and more, thus making them even more relevant for more people.

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