

# Guidance for Developing Effective Employee Resource Groups (ERGs)

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## Overview

In U. S. corporations, 8.5 percent of our nation’s workforce are members of employee resource groups (ERGs) and attend ERG held or sponsored events on a regular basis. This is an indicator of employees’ desire to engage their organizations in more structured ways in an effort to enhance both individual and organizational effectiveness. While ERGs exist to some extent at NASA, they are a relatively underutilized resource, although they are one that can and has aided the senior leadership at NASA Centers in improving the diversity, inclusiveness and employee engagement of the workforce.

This document derives from NASA’s Diversity and Inclusion (D&I) Strategic Implementation Plan. It is designed with two main purposes: 1) to provide supervisors, managers, project leads, and other employees with general information on establishing and sustaining effective ERGs; and 2) to help increase the utilization of ERGs Agency-wide, because research shows that they can help engage employees and consequently increase both individual and organizational success.<sup>1</sup> This document reviews the value of ERGs and outlines three recommended steps on how to start, implement, and maintain ERGs at NASA.

It is also important to note at the outset that ERGs are vital because they can help to develop the talents of our broadly diverse workforce. This, in turn, is necessary for achieving the specific mission of Centers and for realizing the overall vision of NASA:

*To reach for new heights and reveal the unknown so that what we do and learn will benefit all humankind.*

## Employee Resource Groups: What Are They and Why Do They Matter?

ERGs, sometimes referred to as advisory groups, affinity groups, business resource groups, or employee networks, have existed for more than three decades. They are often comprised of employees who are linked together by personal characteristics, such as one’s race, ethnicity, gender, status as an individual with a disability, or sexual orientation/gender identity, i.e., lesbian, gay, bisexual or transgender (LGBT), or who are drawn together by a shared interest or goal within an organization. An example of the latter is the Johnson Space Center’s (JSC’s) Human Systems Integration ERG, which is aimed at promoting

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<sup>1</sup> See Jennifer Brown Consulting, *Employee Resource Groups that Drive Business* (2010), available at <http://www.cisco.com/web/about/ac49/ac55/docs/ERGREportEXTERNAL.pdf>; see also Mercer, *ERGs Come of Age: The Evolution of Employee Resource Groups* (Jan. 2011), available at [http://www.orcnetworks.com/system/files/story/2011/5849/ergs\\_come\\_of\\_age\\_2011\\_study\\_pdf\\_30909.pdf](http://www.orcnetworks.com/system/files/story/2011/5849/ergs_come_of_age_2011_study_pdf_30909.pdf).

cross-Directorate diversity of ideas and a common understanding of Human/System Integration (HSI) to ensure that the human element is treated equally with systems. ERGs are generally initiated by employees, although they can be created by leadership, particularly when there is a specific need for an ERG that has not been raised by employees.

ERGs are distinct from special emphasis programs, which are designed specifically to address the underrepresentation and underutilization of a protected class of individuals. The purpose of ERGs is much broader. They are used, among other things, to:

- ❖ Foster professional development,
- ❖ Enhance work performance,
- ❖ Assist in matching mentors with mentees,
- ❖ Assist in recruiting a diverse workforce,
- ❖ Increase community partnerships, and
- ❖ Encourage interaction and relationship building within and across work groups.

At NASA, many Centers have some type of formal employee resource group. The majority of ERGs at NASA are organized around traditional affinities, e.g. by race, gender, ethnicity, disability. However, a few are also being formed around a common interest or goal at a NASA center, like the previously mentioned Human Systems Integration ERG at JSC or the new professionals groups at a number of Centers, such as Dryden, Kennedy, and Goddard.

Historically, ERGs in the Federal government have primarily been used for social and networking opportunities and have been event driven to raise cultural awareness. Here at NASA, ERGs have hosted events to celebrate Black History Month, Asian Americans Heritage Month, Holocaust victims, Women's History Month, etc. Research has shown, however, that ERGs are valuable for more than just raising cultural awareness.<sup>2</sup> They can be an effective strategic tool for leadership for advancing an organization's mission, as well as its diversity initiatives. For instance, ERGs can:

- ❖ Act as a sounding board around strategic diversity objectives within a NASA Center to help create a more inclusive environment;
- ❖ Be a collective voice around shared interest or concerns that help to promote a more inclusive and respectful workplace by surfacing issues for specific communities within NASA to Center leadership and providing leadership with advice, guidance, and recommendations;
- ❖ Assist in NASA's outreach and recruitment efforts;
- ❖ Play a vital role in NASA's retention and professional development efforts by, among other things:
  - offering employees a sense of community and belonging;
  - helping to introduce new and current employees to the organizational culture;

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<sup>2</sup> See Jennifer Brown Consulting and Mercer, *supra* note 1.

- providing employees with assistance in their career advancement efforts, such as opportunities for showcasing their skills to others within the organization and offering educational programs
- providing mentoring and networking opportunities and connecting employees with mentors/role models; and
- providing access, that might otherwise not exist, to senior leadership;

❖ Support innovation by providing insights on technology development.

NASA utilizes ERGs and is in a position to create more of them. Greater utilization of ERGs is important because they serve a number of purposes vital to mission success. For example, ERGs can be a powerful asset to help increase our diversity and improve the overall inclusiveness of our workplaces. This is important because diversity in teams has been shown to produce better solutions when problems are complex.<sup>3</sup> They can also serve to enhance employee engagement, and ultimately, help ensure that NASA remains innovative and competitive for years to come.

## Elements of Effectiveness

ERGs are most effective and sustainable when they both build leadership capabilities to direct and manage themselves and help to meet the business needs of the larger organization. Thus, successful ERGs have missions that align with the interests of both employees and management within an organization. A review of the literature on ERGs suggests effective and sustainable ERGs share the following common characteristics:

1. Mission statement or business charter demonstrating the purpose of the ERG and its relationship to the goals of the organization/business;
2. A formal leadership structure that provides for succession planning to ensure the ERG lives beyond the ERG's leader of the moment;
3. Executive sponsorship that advocates for the ERG and liaises with senior leadership;
4. A well-defined recruitment plan for members; and
5. Membership that welcomes everyone.

Thus, whether a Center is forming a new ERG or maintaining an existing one, it is recommended that the following three measures be taken to ensure the viability and effectiveness of the ERG.

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<sup>3</sup> Scott E. Page, *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies* (2007).

## **Step I: Develop a business case for the employee resource group or retool an existing one to ensure that it aligns with and supports NASA's mission.**

NASA-supported ERGs must support diversity and inclusion at NASA, foster communication between NASA's senior leadership and its employees, maintain an open forum for the exchange of ideas, and serve as a source of mentoring, educational and professional development opportunities for NASA employees. It is expected that all NASA-approved ERGs will participate in initiatives that focus on:

- ❖ outreach, recruitment, and retention of a diverse workforce;
- ❖ professional development; and/or
- ❖ areas for improved organizational functioning, such as cross divisional or cross center collaboration .

Employees seeking to establish an ERG or retool an existing one should submit a proposed group charter to the appropriate, designated entity at their Center. The charter must identify the proposed ERG's mission and how the ERG will support any one or all of the areas of focus identified above. At a minimum, the group charter ought to:

- ❖ set forth a mission statement;
- ❖ include a first-year plan of action;
- ❖ identify the leadership team;
- ❖ identify potential members; and
- ❖ provide a rationale outlining why senior leadership should support the group.

Note that if two or more groups seek to organize around a similar characteristic or shared interest, they will need to collaborate to develop one proposal.

ERGs are expected to conduct their activities at all times in accordance with their respective Center policies and procedures and engage collaboratively with their Center level EO and/or HR office, as appropriate.

ERGs are prohibited from:

- Ø forming or evolving for the purpose of opposing other groups;
- Ø forming or evolving to promote political positions;
- Ø participating in any collective bargaining activities (i.e., salary, work hours, benefits, or any other term or condition of employment); and
- Ø seeking remedies for individuals.

## Step 2: Secure an executive sponsor

Whether the employees identify an executive sponsor for their ERG or the relevant approval mechanism assigns one, it is important that each ERG have a senior executive that will help champion the ERG's efforts. It is important that the sponsor come from the highest ranks of NASA management to send the message to the relevant Agency or Center community that this is a high priority for achieving a competitive and innovative workforce, one that feels engaged and valued. It is not necessary that the sponsor share the attributes of the members of the ERG. In fact, to further awareness at the executive level and to improve overall inclusiveness at NASA, we recommend that sponsors not be required to share the identifying characteristics of the members of the group.

The sponsor's role is multi-dimensional. Sponsors are expected to:

- ❖ Act as an advocate for the ERG;
- ❖ Share information about the group's activities with NASA management and vice versa;
- ❖ Mentor the ERG leadership team, helping them to develop their leadership abilities; and
- ❖ Guide the group's development by focusing its efforts on ways to tie the ERG's activities to the respective Center's objectives.

Sponsors should refrain, however, from personally being the group's leader.

## Step 3: Measure the success of the ERG

Measuring the success of the ERG is important for the sustainability of the group and for ensuring the group's effectiveness. At a minimum, ERGs should be held accountable for fulfilling their mission and action plans. As the saying goes – *what gets measured gets done*. There are many ways one can assess the impact of an ERG:

- ❖ Event attendance;
- ❖ Number of events hosted annually;
- ❖ ERG membership numbers;
- ❖ ERG awards received;
- ❖ Number of innovation initiatives impacted;

Of course, there are many outcomes that remain difficult to quantify. These include, for example,:

- ❖ Improved sense of community;
- ❖ Improved understanding of a common purpose;
- ❖ Enhanced learning;
- ❖ Network and relationship development;

All of these intangible outcomes, while difficult to measure, go a long way in retaining valuable employees and emerging leaders.

## Conclusion

Everything employees do at NASA should move the Agency towards the realization of the NASA vision,

*To reach for new heights and reveal the unknown so that what we do and learn will benefit all humankind.*

Each part of the Agency has a different yet complementary role in realizing NASA's vision and every employee has unique strengths that can assist the Agency in meeting its mission. Centers should give careful consideration to supporting ERGs where they arise naturally and are pursued in concert with Center management. The more diverse and inclusive we are at NASA, the more innovative and competitive we will be. We strongly encourage the support and use of ERGs, because they are an effective tool for ensuring diversity and inclusion, especially in the area of employee engagement.