



THE WHY – MAKING THE CASE FOR AN ERG

Why Employee Resource Group (ERG)? Why this specific network? What benefit will it bring? In short – **why should we do it?** Having the answer ready, in the form of a short document, a slide, or simply a couple of speaking points, will help you gather support.

ERGs are an important part of Diversity, Equity and Inclusion (DEI) work in the organization, and the case for creating them is directly related to the larger question of why companies aspire to create a diverse, equitable, and inclusive workplace.

Use this tool to explore many ways in which you can answer this question and create a compelling case that will work for your ERG.

THE HUMAN CASE – THE RIGHT THING TO DO

One of the ultimate goals of DEI is *creating a better, equitable world for everyone*¹. During the 2020 racial equity reckoning, there has been unprecedented support

for social justice and highlighted accountability for taking this work seriously.

Many companies connect their efforts to who they are as an organization, their mission, and how they define their core values. Leaders want to take action as they understand their responsibility better and doing the right thing is important to them.

When creating the case for your ERG consider:

- What are the values of your organization? Could you connect what you are trying to do to values like integrity, empathy, respect, innovation?
- Is there a global or local organizational DEI statement that you could leverage?
- Stories matter. Can you present real-life personal experiences from employees? Can you present quotes written in the first person that describe how people are experiencing barriers in your organization? Help the leaders feel the need for your ERG.



THE BUSINESS CASE – THE SMART THING TO DO

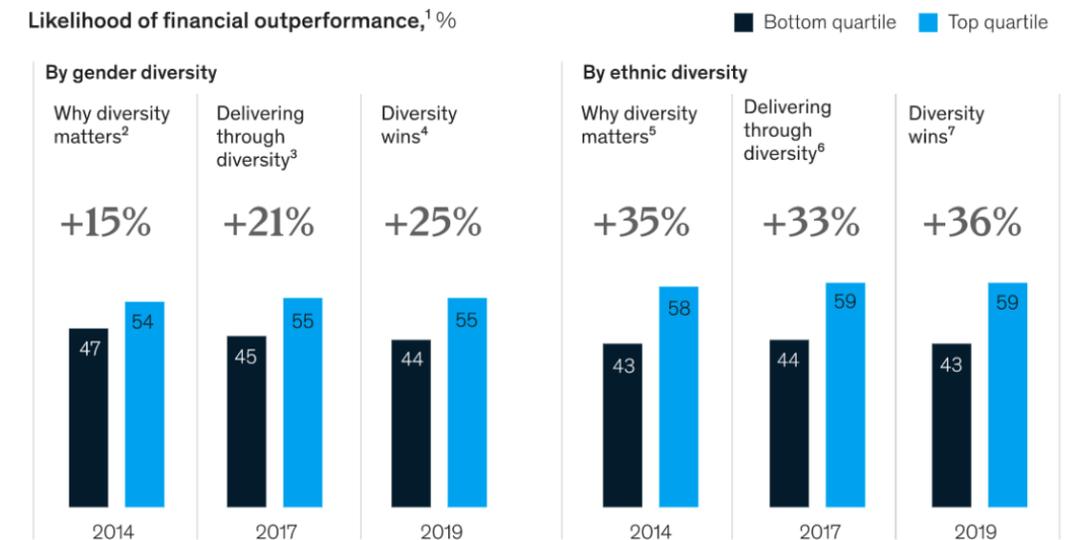
The business case for DEI is well established and the benefits have been documented for over two decades. Catalyst provides a good summary of the recent studies in [Quick Take: Why Diversity and Inclusion Matter](#) (June 24, 2020). The specific benefits are divided into four pillars².

- Improving financial performance
- Leveraging talent

- Reflecting the marketplace and building reputation
- Increasing innovation and group performance

McKinsey’s research series is often cited when establishing a business case for diversity. It includes [Why diversity matters](#) (2015) and [Delivering through diversity](#) (2018), and [Diversity wins: How inclusion matters](#) (2020). The latest report shows that the business case for diversity in executive teams remains strong (see figure 1 below).

The business case for diversity in executive teams remains strong.



¹Likelihood of financial outperformance vs the national industry median; p-value <0.05, except 2014 data where p-value <0.1. ²n = 383; Latin America, UK, and US; earnings before interest and taxes (EBIT) margin 2010–13. ³n = 991; Australia, Brazil, France, Germany, India, Japan, Mexico, Nigeria, Singapore, South Africa, UK, and US; EBIT margin 2011–15. ⁴n = 1,039; 2017 companies for which gender data available in 2019, plus Denmark, Norway, and Sweden; EBIT margin 2014–18. ⁵n = 364; Latin America, UK, and US; EBIT margin 2010–13. ⁶n = 589; Brazil, Mexico, Singapore, South Africa, UK, and US; EBIT margin 2011–15. ⁷n = 533; Brazil, Mexico, Nigeria, Singapore, South Africa, UK, and US, where ethnicity data available in 2019; EBIT margin 2014–18. Source: Diversity Wins data set

McKinsey & Company

Figure 1 Diversity wins: How inclusion matters (McKinsey, 2020)



When creating the case for your ERG:

- Choose your areas of focus. Your network can contribute to many aspects of organizational DEI work – internally and externally. Internally, you could help improve representation at different levels of the organization or the feeling of safety and belonging. Externally, your ERG could contribute to service and product development and building corporate social responsibility. Be specific.
- Review the four pillars of the business case and choose studies that will resonate with your organization and correspond with your areas of focus. For example, if your company values innovation you could show the following benefits.

When companies establish inclusive business cultures and policies, they are more likely to report³:

- 59.1% increase in creativity, innovation, and openness.
- 37.9% better assessment of consumer interest and demand.

- Connect the dots. What are the priorities in your strategic plan? Is there already a global business case that you could leverage?

THE CASE FOR YOUR ERG

There is no “one-size-fits-all” approach. Each ERG will operate in a different organizational and societal context. Each group will also have different missions and objectives and consequently address specific barriers and bring different benefits.

When working on the why for your particular group, don’t copy and paste what others have done but focus on what could be a compelling case for your stakeholders and **test it** with them. You will quickly see what resonates so adapt your approach to get you the support you need.

For more information about starting an ERG [see ERG Playbook](#).

ANNOTATIONS

¹ Molefi, N., O’Mara, J., Richter, A., (2021). Global Diversity, Equity & Inclusion Benchmarks: Standards for Organizations Around the World.

² Catalyst, Quick Take: Why Diversity and Inclusion Matter (June 24, 2020).

³ International Labour Organization, Women in Business and Management: The Business Case for Change (2019): p. 21

