

EXPERT INSIGHTS

Employee Resource Groups: A Necessity in the Social-Capital-Dependent Organization

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Many of you have probably realized by now that the range of skills demanded of you to do your job and grow your career has become increasingly greater. From entry-level to the most senior-level jobs, work today is very complex. The days of workers operating under a formalized division of labor in the classic “pin factory” that Adam Smith observed and wrote about in 1776 are a long-faded memory. In fact, companies have gone from the era of the specialist and generalist a few short decades ago, to zooming right through the era of the versatelist who was a specialist in a number of fields, to what I call today the era of “netilists.”

A “netilist” is someone who frequently depends on others for information and assistance in doing their jobs and building their careers. Netilists are versatilists squared. They “get by” with a little (and sometimes a lot) of help from huge networks of friends. Smart companies, managers, and employees know the importance of having a broad and high-quality strategic network to support the success of netilists and, by extension, their organizations.

The Growing Role of Modern ERGs in Supporting the “Netilist” Workforce

One resource that has provided netilists with the opportunity to connect with many other skilled people in their own workplaces and beyond has been the Employee Resource Group (ERG). Today ERGs can be found in almost every Fortune 500 company. This is especially true in companies that have made conscious efforts to leverage diversity and inclusion.

According to Philip Berry, President of Philip Berry Associates LLC, a New York City-based management consulting firm, and author of the forthcoming book, *Being Better than You Believe*, “These networks originally started as social activism efforts to bring people with similar social-bounded identities that were underrepresented in the company together so that they could feel and become more included.” Berry adds that by “connecting the few scattered people that were similar in some key aspect of their identity, these early networks created a home and hearth.”

As a result of this early drive, many of these networks did indeed become hubs for gathering individuals who shared probably one or two social-bounded identity traits, but as a byproduct, they also became bridges, since many of the members came from different functions. For example, a typical employee’s network could be comprised of people from sales, HR, IT, marketing, finance, et cetera. Over the years, many savvy members of ERGs recognized how to leverage these relationships in jobs that were becoming increasingly complex. Forward-looking ERG leaders and company executives, seeing the growing value of this cross-poll-

nation of functions to their members and company, began building up what social network experts like Christian Baldia, Adjunct Lecturer at CUNY, MEC, and Managing Director at Virtcom Consulting, calls their corporate “social capital.” They did this by upgrading these hub ERGs built around one bounded social identity into networked networks.

One good example of this can be found at the international audit, tax, and advisory firm KPMG. Seeking to broaden the social capital reach and scope of its networks, KPMG has taken an active role in driving the networking of their networks. According to their National Managing Partner for Diversity and Corporate Social Responsibility, Kathy Hannan, KPMG management and network leaders have done a great deal of work with their networks to “remove silo mentality between their social identity group networks so they learn from each other.” In some cases, KPMG has championed the development of networks designed by people specifically to support another identity group. As an example, Hannan offers their “Straight Allies of GLBT” network. In effect, KPMG is networking its social identity networks by strategically interconnecting these identity hubs across identity groups and increasing the breadth of talent and skill reach that each of these networks offers its members and the company.

Another example of this can be found at Siemens. Recognizing the value of building connections between people on many levels and in many countries, Siemens recently launched a Global Leadership Organization of Women (GLOW) to connect executive women who make up the company’s workforce across the globe. On the heels of this, a number of Siemens organizations in other countries are launching their own countrywide women’s networks to connect their local company’s women’s networks under one umbrella and link them to the global network of women. These networks collectively represent a bridging of many people who share the social identity of being women, but bring to the table a variety of skills as well as second- and third-level connections to a broad variety of other networks of skill and knowledge across the globe.

According to Christian Baldia, this development of “social capital” through the expansion of the network reach of each employee is “gradually becoming as important as, if not more important than, the development of individual human capital.” Smart leaders today don’t just want a highly- and broadly-trained, smart person; they want a highly- and broadly-trained smart person who’s connected to a diverse network of many other job- and career-relevant, highly- and broadly-trained people. So what can network leaders, executive sponsors of networks, and other company executives do to build the best institutional vehicle for driving top support for their netilist organizations through networked networks?

Six Steps for Building Powerful ERGs for a Networked Organization of Netilists

Encourage the development of more employee networks through policy-framing and counseling.

Berry sees limitless opportunity for various types of identity group networks to form in companies. Some of his suggestions include: emigrant networks for people that are newly arrived from other countries; common language networks for people whose native

language is different from that of the country where they currently work and live; and white male networks (why not?).

The purpose of these new bounded-social identity group networks is to provide a hub that can be used to plug the participants into the larger pool by networking these networks. By having a clear policy that supports the formation of networks, combined with many of the other steps listed here, an organization can effectively encourage the building of hubs that can serve as bridges to other networks.

Connect employee networks across bounded identity groups.

According to Baldia, “People who advance the fastest in companies are people who are connected to networks of people who are unlike them.” In other words, while it may be important to connect with people that share certain characteristics with you in order to get a sense of belonging to a larger group, you will also benefit by bridging these networks so as to give your members access to people from other groups.

Through these network-networks, an African-American woman can often find a Hispanic or white male mentor with the right skills and experience to help her get to the next level. Or a Hispanic man can connect with an Asian colleague who possesses a skill he needs to get his job done from a function area where there may not be any Hispanic men or women. Simma Lieberman, President of Simma Lieberman Associates, agrees. “Diversify the ERG and make it a network-network. That’s the way to get the best results.”

Connect employee networks across the organizational hierarchy levels and geography.

Berry points out how the interconnection of ERGs globally across levels (such as Siemens GLOW, country GLOW, and local networks) enables organizations to use these networks to address big global opportunities and challenges. “For example, an African-Peruvian Network connected to an African-American Network can serve as a transition supporter for an African-American expatriate stationed in the company’s office in Peru.”

Teach employees and managers to value employee networks and networking.

This seems like it should be unnecessary to say, but according to many of the experts I spoke with, some managers view employee participation in networks as non-work extra-curricular activity. Smart managers realize that building and participating in network hubs that connect to other networks of talent is not extracurricular. It is a core part of building the social capital which makes these employees more effective and valuable to their company and teams in both the short and long term.

Make employee network building and participation a core competency.

To the above, Lieberman adds, “Teach everyone in your workforce how to be good networkers that seek out and build targeted relationships they need to do their jobs and build their careers.” This can be done through online network development training courses, in-person training, and/or training offered by the networks themselves.

Encourage individual employees within ERGs to expand and diversify their networks beyond the confines of the company.

Experts agree that to increase competence, innovation, and out-of-the-box thinking, out-of-the-box networking must be encouraged and supported. Today’s electronic social networking tools as well as various professional and industry functions make this easier than ever.

Conclusion

I think we can safely predict that the structure of work will continue to increase in complexity. This will continue putting most jobs, even at entry levels, way beyond the individual skills of even the most gifted versatile. I can also predict that employee networks, like rock 'n' roll, are here to stay. In today's complex world, we need each other's similarities, differences, and tensions in order to succeed.

While some of the hub networks built around a specific social identity today may evaporate, others will be created as noted by all the experts. One other thing will remain an undisputable fact: In a world of ever-increasing complexity, organizations that have the best networked employees will have a growing competitive advantage over those that rely solely on hiring and developing individual superstars. Welcome to the age of the netilists living in the networked organization, where employee resource groups are one of the essentially ingredients for success.