

CATALYST

ERG Guide

Common ERG challenges and solutions

Executive summary

Regardless of size, scope, or tenure, there are common internal and external challenges that many ERGs will face. Significant pivots are sometimes needed: changing circumstances may require major decisions related to the ERG's mission, strategy, and activities. These challenges are often opportunities to reshape and reenergize an ERG. Even high-performing ERGs may find the need to change strategy as business needs develop.

Strategic challenges

Outmoded strategy that no longer meets overall business needs

- Solution: Revise strategy accordingly as new circumstances arise. It can be tempting to hold on to “legacy” programs or events but remain open to shifting ERG goals. Track metrics to gauge progress and publicize wins to build and maintain senior-level support.

Misalignment of strategy and perceptions

- Solution: Communicate clearly about ERG strategy within your organization and consistently align programs with it. This prevents a gap between expectations and ERG activities.

Mismanaged growth

- Solution: Consider which organizational framework makes most sense for planned or possible expansion to new areas. Define a local approach that still makes sense nationally or globally and examine new ways of organizing and convening across regions.

Lack of vision for future activities

- Solution: Reevaluate the needs of the ERG’s constituency and the wider organization to develop new goals, e.g., expanding efforts into the community or collaborating with new business units.

Role clarity challenges

Lack of clarity between ERG and HR or other departments

- Solution: Seek collaboration and partnership. The ERG’s changing role in developing HR or inclusion programs or the assumption of ERG responsibilities by other stakeholders can cause misunderstandings, but they can also lead to opportunities. Rather than competing, ERGs should consider how to collaborate and add value to existing programs.

Overpromising what the ERG can accomplish

- Solution: Work closely with executive sponsors and ERG program leaders to help set the parameters of the ERGs. Make sure all programs ladder up directly to the organizational strategy. Within the larger organization, it’s important to understand what is and is not the responsibility of the ERG, and what the ERG has the resources to accomplish.

Membership challenges

Difficulties fulfilling the needs of a diverse membership

- Solution: ERGs should implement a range of events and programs, target programs to different interests and needs, and use technology to help members connect across regions or functional areas.

Restrictive membership criteria

- Solution: To solicit new members, be flexible as the ERG expands and communicate the change in membership criteria and goals to the organization. Low participation may just be a symptom of other issues.

Homogenous membership

- Solution: Host events with other ERGs. Reach out to people who don't typically participate. To increase level and functional area diversity, create a range of programs targeted to different levels, with some programs designed to bring people together.

Changes in member interests

- Solution: Take note how member interests shift related to developments in the business environment or broader social factors. Use the feedback mechanisms in the Communications section to periodically update programs to reflect these changes.

Reduction in member availability

- Solution: Programs and activities should be streamlined if members have less time to devote to the ERG. Gather data on member interests and start eliminating the activities that don't directly respond to their needs or ERG strategy. Think about reducing activities that take a great deal of time and energy to coordinate.

Support or funding challenges

Resistance or lack of support from management

- Solution: Engage in dialogue about business needs and provide details about upcoming activities to demonstrate how the ERG functions have positive impact on business outcomes. Reinforcing the business case for the ERG is essential for obtaining buy-in from managers. Education and communication will help enlist and reaffirm the support of senior leadership.

Resistance or lack of understanding from colleagues

- Solution: Communicate broadly how the ERG can serve as an effective business tool in developing, advancing, retaining, and attracting top talent. Find opportunities for senior leaders to showcase their support and understanding of the ERG, such as sponsorship or speaking opportunities.

Lack of funding

- Solution: Demonstrate the ERG's role as a strategic business partner rather than a social club. This can help garner internal support and bolster budget requests with leadership and decision makers. ERG leaders from multiple resource groups should work together to present a unified case for the return on investment of ERGs to obtain necessary funding.

Unsustainable workload for ERG leaders

- Solution: Advocate that ERG leadership responsibilities be formally recognized as part of an employee's job functions. These should also be reflected in annual goals as part of their professional development plan. Companies may also wish to consider compensating ERG leaders for their time.

Organizational challenges

Downsizing at organizational or business-unit level

- Solution: Maintain activities that will support members in an uncertain work environment, even when facing cuts. Continue to consider how the ERG can be an effective business partner.

Departure of executive sponsor

- Solution: Prevention is the best cure. Ideally the ERG has identified and cultivated relationships with multiple partners that understand and champion the ERG mission. Schedule a transition meeting with the departing sponsor to gather insights and request their assistance securing a new executive sponsor. Create a comprehensive onboarding process for new sponsors and incorporate it into the ERG's sustainability plans.

Departure of ERG leadership

- Solution: Once again, the proactive approach prevails. Succession planning is an important part of ERG sustainability. Institute ERG leadership term limits as a way to ensure that change is steady, not drastic.

Organization-driven structure changes

- Solution: Use the creation of an organizational umbrella structure as an opportunity to review strategy in relation to other inclusion and development activities or initiatives across departments. Brainstorm new ways to collaborate and pool resources and expertise. Take advantage of the chance to showcase ERG successes to date, learn from other ERGs' best practices, and innovate further.

Success vs. impact

What makes an ERG impactful? Is it the same as what makes it successful? Experienced ERG stakeholders know that these are not the same, but these goals can go hand in hand when strategy is executed well. For an ERG to reach its full potential as a change agent and vehicle of employee support, consider both success and impact.

What defines ERG success? Some examples include:

- Strong, vocal, and committed executive-level and HR support and participation.
- A well-defined strategy and goals that are aligned with the organization's business plan.
- Committed and active members.
- Adequate financial resources and time.
- Mechanisms to track and measure effectiveness.
- Increased membership year over year.

What defines ERG impact? Some examples include:

- ERG leaders are included in identifying high-potential employees and fortifying organizational succession planning.
- ERG participation correlates with career progression.
- ERGs drive products or services that address the needs of their member constituencies within the organization and in the marketplace.
- Employee survey results demonstrate higher levels of engagement or inclusion among those who participate in ERGs.
- ERG members demonstrate improved inclusive leadership skills, as measured through their team's inclusion or engagement scores.
- Organizational leadership publicly recognizes ERGs, for example in town halls or public reports.
- Strong ERG member satisfaction data.
- Higher retention rates among ERG members.
- ERG member involvement in talent recruitment.
- Contributions to organizational ESG (environmental, social, and governance) and CSR (corporate social responsibility) aspirations.

Explore the guide

- Key ERG concepts
- Developing an ERG
- Establishing ERG governance and structure
- ERG programming and initiatives
- ERG communications
- Building and growing ERG membership
- Cultivating ERG support and collaboration
- Measuring ERG success

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