

CATALYST

ERG Guide

Developing an ERG

Executive summary

Developing a new ERG may seem like a daunting task. But once a plan of action, with specific tasks, expectations, and timelines, is created, the process will become manageable. The steps below will help employees and employers think strategically about launching an ERG and ensuring its long-term success. It is important to plan the ERG as a business resource that has leadership support, tracks success, and builds momentum and interest.

Naming the ERG

Develop a name that reflects the ERG's approach and purpose. The ERG's name, together with its mission statement, provides employees with the language they should use when speaking about the ERG and is indispensable to branding both internally and externally. Ideally, an ERG's name should provide a window into what it does or how it sees itself. Many ERGs use acronyms as names because they are catchy and can have multiple meanings. The ERG acronyms and names at **Zoetis**, a global animal health company, are interesting examples:¹

- ALIVE50+ (Age-less Inspirations Valued & Experienced)
- ART (Asians Rising Together)
- Believers (Black Employees Leading in Inclusion, Equity, Vision, Education, Recruitment, and Strategy)
- DNA (Differently abled Neurodiversity Alliance)
- LaZos (Latinx/Hispanic)
- PAW (Proud and Welcome — LGBTQ+)
- WAVES (Women Achieving Vision, Excellence, and Success)
- ZECC (Zoetis Early Career Champions)
- ZVETS (Veterans and Public Servants)

Determining mission and goals

Determining a new ERG's mission and goals is of critical importance. The mission statement frames the ERG's broadest goal, guiding the ERG's actions. Often, crafting the mission statement is an exercise in clarifying why the ERG exists and how it drives change; it should be the simplest and clearest way to introduce the ERG. Once the mission is determined, ERG leaders should brainstorm potential goals and prioritize them. The top three to five will drive most ERG activities.

A strong mission statement should:

- Make the ERG's business case clear and explicit.
- Use carefully chosen language to describe broad goals and activities.
- Use terms understood by all.
- Be flexible enough for goals and activities to change over time.

Understanding the organizational context

Building a successful ERG takes a significant amount of thought and time. Laying a solid foundation by carefully determining the ERG's vision, goals, strategy, and guidelines is essential. It is especially important to develop the ERG strategically within the existing organizational context. Organizational structure, business growth, geographic location, and trends should all affect the design of the ERG. Support from within the organization is also critical. An ERG operating in a supportive environment can play an active and visible role in business development and community outreach, and act as an advisor to management, Human Resources, and other functions of the business.

An understanding of the organization's climate will also affect the ERG's design and its activities. Account for organizational strengths and work with those parameters to position and structure an ERG. For example, if an organization has strong career-development programs that are already available to the ERG constituency, the ERG may do less development training. Instead, ERG leaders may want to supplement the training with mentoring and activities related to career strategy.

To assess the organizational climate, gather data through interviews and discussions with important stakeholders: senior managers, potential members, HR professionals, and members of other ERGs.

If you are interested in developing a new ERG or expanding or re-evaluating an existing ERG, ask the following sample questions to assess the state of organizational readiness:

Ask managers and executives:

- How will they view the ERG? What do they need to know to support it?
- How would they like the business to benefit from an organized group of this constituency? What type of support (e.g., advice, product development or marketing, strengthening relationships with customers) do they think the organization needs?
- What type of support (e.g., financial, visible, meeting space, official sanction) will they provide the ERG?

Ask colleagues:

- How has the organization developed and advanced employees from the ERG constituency over time?
- What critical organizational issues do employees from the ERG constituency face?
- What can the ERG do to address those issues?
- What is the biggest challenge the ERG will face with respect to the organizational culture?
- How will the ERG help its members meet business objectives?
- How comfortable would you feel as a member of the ERG?

Ask HR representatives:

- What is the state of the ERG program? How have ERGs been received?
- Have previous ERGs failed? If so, what went wrong?
- Can you share representation data for the ERG constituency by level, by line and staff function, and in development programs?
- Can you share attrition data for the ERG constituency and other groups?
- Do other organizations in the industry and region have similar ERGs?

Developing a vision and motivation

Information from these discussions will help clarify answers to the following questions, which seek to define and develop the vision and motivation of an ERG:

- What are the objectives of the ERG? How will it assist its members and the organization?
- Why develop the ERG? Is it in response to grassroots efforts by employees? An internal assessment? Competitor initiatives? Business opportunities?
- Why now? Is it part of a larger talent engagement initiative? Increased activity of informal groups? Enhanced marketing outreach or global consumer strategies?
- What challenges and/or potential objections do you anticipate? What support do you anticipate?
- How will the ERG link to and be different from existing talent-related initiatives and decision-making groups?
- Who has been consulted about ERG development? Who are the current or prospective champions?
- The ERG will...
- The ERG will not...

A compelling rationale for the ERG should emerge from the answers to these questions. This can be developed into a concise and persuasive business case that will convince potential stakeholders of the need for the ERG and gain their support. The business case will also guide the development of the ERG's strategic action plan. What types of activities and programs will the ERG develop and how will they benefit the organization and ERG members? What short- and long-term goals will the ERG embrace? How will success for both the ERG and the organization be measured? What is the timeframe for achieving the ERG's goals?

Here are concepts for ERG missions that can serve as examples for ERGs working to craft their own.

Women's ERG

"To drive gender equity and business results by empowering women at all levels through mentorship, professional development, and advocacy. We foster an inclusive environment with allies that celebrates women's achievements, addresses gender-specific challenges, promotes gender partnership, and encourages equitable advancement opportunities while serving as a vital resource for the company's talent initiatives."

LGBTQ+ ERG

"To create a workplace where LGBTQ+ employees can bring their authentic selves to work, benefiting their teams and the organization. We champion inclusion through education, allyship programs, and policy advocacy, while providing networking opportunities that connect LGBTQ+ professionals and allies across the organization and supporting recruitment efforts."

Indigenous ERG

"To honor and elevate Indigenous voices, cultures, and perspectives within our organization for the betterment of all employees and the company. We raise awareness of Indigenous histories and contemporary issues, advance professional development for Indigenous employees, and advise on culturally respectful business practices that benefit both our company and Indigenous communities."

Black ERG

"To promote a more inclusive workplace by fostering the professional growth and wellbeing of Black employees through mentoring, leadership development, allies, and community building. We collaborate with leadership to remove barriers and create fair and equitable opportunities for all employees, including Black talent, while educating the broader organization on issues affecting the Black community and championing inclusive business practices."

Formal charter

Most well-planned ERGs positioned for success have a formal charter — a comprehensive guide that ERG leaders, HR, People and Culture offices, and senior management can use as a reference throughout the life of the ERG. A charter will contain:

- A clear, organization-specific business case that ties the ERG to business goals.
- A mission statement.
- An organizational structure.
- Role definitions and accountabilities for the executive sponsor, ERG leaders, and other organizational stakeholders.
- A leadership selection process.
- Membership criteria.
- Budget and funding procedures.
- A strategy or business plan, including areas of focus, goals, lists of actions, and procedures for measuring progress.
- A step-by-step process for launching an ERG chapter in a new location.
- Guidelines for making future revisions to the charter.

Leaders of a new ERG should develop a charter to provide shape and support for the ERG. Workplaces with informal or weak ERGs may start to revitalize them by creating or updating the charter to add structures, guidelines, and supports that can undergird transformation.

Funding

One of the clearest ways for organizations to demonstrate support for ERGs is to fund them. It is common for ERGs to receive an annual budget. This funding legitimizes the ERG throughout the organization because it reinforces its importance. Funding does not have to be equal across ERGs, but it should be commensurate with the activities of each group. Increasingly, companies are also paying ERG leaders in recognition of the hard work, including emotional labor, that goes into running ERGs.²

Some ERGs receive corporate funds automatically each year. Other ERGs must follow a budgeting process to receive their funds. Usually, these ERGs must submit a business plan that outlines their vision, purpose, and business priorities, as well as their programs and activities. The more specific the business plan, the better. For example, the plan should include a list of proposed events with descriptions, costs, and benefits. Other ERGs must request funds for events individually, which sometimes leads to greater overall funding.

Part of an executive sponsor's role should include some plan or direct work to secure funds for the ERG. This not only shows advocacy for the group and helps its efforts but also communicates to other executive leaders the value of the ERG as a vehicle for investing in employees.

- **Boston Scientific** invests in its ERGs with resources, sponsors, and toolkits detailing how to launch new ERGs. ERG leaders also receive compensation and critical visibility opportunities to help them advance their careers.³

Explore the guide

- Key ERG concepts
- Building and growing ERG membership
- Establishing ERG governance and structure
- Cultivating ERG support and collaboration
- ERG programming and initiatives
- Common ERG challenges and solutions
- ERG communications
- Measuring ERG success

1. [Zoetis: Awareness & action drive impact: The Zoetis diversity, equity, and inclusion journey: Practices.](#) (2024). Catalyst.
2. Pearson, E. [Compensating ERG leaders is a necessary step for pay equity in the workplace.](#) (March 18, 2024). Forbes.
3. [Boston Scientific: Accelerating progress for women by creating equal opportunities for growth: Practices.](#) (2022). Catalyst.

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