

Second Annual Employee Resource Group Leadership Summit

ERGs and Innovation

Over 120 executives from 23 high-ranking U.S. corporations gathered at the Mattel Leadership Development Center in El Segundo, CA. in June 2013 for the second annual Employee Resource Group Leadership Summit. The summit, sponsored by Sony Pictures Entertainment, Mattel Inc., and eePulse, and in partnership with USC Marshall School of Business' Center for Effective Organizations (CEO), exposed participants to new ideas and processes used by successful employee resource groups (ERGs) and promoted shared learning through presentations, panel discussions, case studies, and workshops.

ERGs originally represented specific demographic groups but have evolved to focus on many different mutual interests. Research has shown that ERGs can be a catalyst for innovation. ERGs themselves are not diverse; people are coming together because they are alike. What is it about this that creates safe-zones within ERGs? Is it because you are alike that you trust each other? Building upon insights gained during the first ERG Leadership Summit in 2012, this year's summit focused on using ERGs as sources of innovation. Innovation is defined here as something different that has impact. According to Theresa Welbourne, CEO Research Professor, good innovators leap well. They are good at crossing-over by learning in one area and applying that in another area.

The goal for participants of this summit was to build leadership skills by learning to innovate in their own careers and in leading their ERGs to assist the company in meeting its goals and objectives. Topics during the summit included the connection between innovation and play (bringing the feeling of play into the workplace to drive innovation), using ERGs as focus groups, ERGs as tools for creating a higher level of engagement throughout the whole organization, ERGs as safe-zones for innovation, addressing tension between innovation and the existing business, and measuring ROI of ERGs.

A panel of ERG Leaders and Diversity Officers addressed questions around many of these topics. Panel members included Lisa Amoroso (Senior Director, Diversity & Inclusion, Engagement, Frito-Lay-PepsiCo), Kim Hayamiya (VP, Diversity & Inclusion, Sony Pictures Entertainment), Graciela Meibar (VP, Global Sales Training & Global Diversity, Mattel Inc.), Cynthia Owyong (Director, Employee Engagement & Diversity, Yahoo! Inc.), and Ian

Ziskin (Former Chief HRO, Northrop Grumman, Current Exec in Residence, Center for Effective Organizations, Marshall School of Business, USC). Lacey Leone McLaughlin (Director, Executive Education, Center for Effective Organizations, Marshall School of Business, USC) facilitated the panel discussion. Graciela spoke about the role of ERGs at Mattel in innovation. “The innovation that I dream about is where our groups can be involved in product development and extending our consumer base.” This process is definitely in motion at Mattel from the LGBT ERG, Our Proud Employee Network’s (OPEN@Mattel) creating awareness and change around policies to the Mattel African American Forum (MAAF) participating in the product development of the American Girl doll ‘Cecile’, who is African American and from New Orleans.

One of the most powerful things Ian has seen in the course of his career is the role that ERGs have played and can play around changing an organization’s culture...making it more inclusive, making it expected to be able to reach-out across a broader range of people for ideas and input, not only about products and services, but also about how the organization should be run. Cynthia explained that at Yahoo!, they are building talent through ERGs. Their ERG leaders are taking the culture to the next level by building inclusiveness and showcasing what they can do for the company. People are growing by taking on roles within ERGs but ERGs are also an extension of our recruiting office. “We get our best people from internal referrals. Without our ERGs, we wouldn’t have some of the partnerships with some of our external diversity organizations that we have.”

Kim addressed the question of why ERGs are safe-zones for innovation. “ERGs do not have the employee/boss dynamic; they are made up of mainly peers. People are more open to sharing and receiving new ideas among others at relatively the same stage of professional progression.”

Peter Mulford, Executive VP, Head of East Coast Region, BTS, summed-up his experience with the tension between innovation and business. “The first thing BTS learned about innovation is that the problems facing large organizations have less to do with creativity and resources than they have to do with leadership. It is an issue of the people you have, how you’re led, and how much you *get it*.” During this summit, we took a deep dive into innovation. According to Ian Ziskin, Executive in Residence, CEO, “Innovations has a lot to do with ideating differently, thinking differently, and behaving differently.”

Ian described the reason for this summit “...to continue to build a community and get practice at sharing with one another and helping solve problems, which we find are quite common from one company to another and one ERG to another, and foster relationships that go beyond this summit.” In Alan Kaye’s (CHRO, Mattel, Inc.) closing keynote, he

equated Employee Resource Groups with building the Barbie house. The first two houses failed but for the third house, people from all parts of the business were brought together to work on it, and it worked. “When we can put people together with different opinions and different values, we can be better and we can get things to work.”

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