The case for employee resource groups
A review and social identity theory-based research agenda

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Abstract
Purpose – The purpose of this paper is to demonstrate that employee resource groups (ERGs) are a valuable addition to organizations and should be an important focus of research, particularly given the diversity and inclusion challenges faced by many businesses and communities today.

Design/methodology/approach – The authors review the ERG literature, develop a theoretical framework using social identity theory (SIT) and suggest research directions.

Findings – ERGs represent a fairly unexplored area of research. Using SIT, a series of propositions is presented for research into ERG effects on individual, group and organizational outcomes.

Research limitations/implications – ERGs have impact beyond the topics explored using SIT. As ERGs become more prominent, there is ample room to conduct empirical research to learn more about the underlying process by which ERGs are affecting identity and employee integration (or lack of) into groups and organizations.

Originality/value – Despite their prevalence in the business world, there has been a scarce amount of theorizing and research focused on ERGs. To help facilitate the development of this work, the authors introduce a theoretical framework using SIT, as well as propositions that can serve to spur additional research on a critical topic for today’s businesses.

Keywords Human resource management, Critical, Diversity management, Equality, diversity and inclusion, Affinity groups, Employee resource groups

Paper type Literature review

Organizations are made up of people, who are by nature social creatures. As such, these individuals come together in a slew of formal ways set up by organizational structures (e.g. company hierarchy, work teams), and in many cases, employees use informal methods to meet others like themselves (Byrne, 1971; Tsui and O'Reilly, 1989). The “like themselves” phenomenon has led to many formal and informal groupings of people at work. For example, unions were formed when people focused on improving wages and working conditions gathered together. Employees start clubs based on sports activity (e.g. baseball teams) and other interests (e.g. cooking clubs). Additionally, employees over the years have sought to unite based on other forms of similarity, including the demographic criteria of age, gender and race (Douglas, 2008; MacGillivray and Golden, 2007).

In the 1960s, the needs of individuals to be socially connected coincided with the business goals of organizations trying to improve diversity and inclusion (D&I). It was during that time in history that affinity groups (now called employee resource groups (ERGs) were formed.
A description of the foundational events that led to the formation of affinity groups is provided by Douglas (2008, p. 12):

Affinity groups began as race-based employee forums that were created in response to the racial conflict that exploded during the 1960s. In 1964, Rochester, New York had the grim distinction of being the first city to experience a modern-day race riot. The violence shocked the nation - and no one more than Joseph Wilson, CEO of Xerox Corporation [...] it was with his support that the black employees within Xerox formed the first caucus group to address the issues of overt discrimination and agitate for a fair and equitable corporate environment.

Since that first Black caucus, organizations around the world have added similar internal groups that have broadened beyond racial issues to bring people together based on other characteristics and interests. Today, the term caucus is rarely used, and instead names such as affinity groups, ERGs, employee networks, employee councils, employee forums and business resource groups are more popular. For the purposes of this paper, all of these groups are referred to as ERGs. Catalyst, which is a not-for-profit organization focused on workplace inclusion (primarily for women), conducts extensive research as part of their mission. Within that body of work they also have conducted studies on ERGs and define them as follows: “ERGs are groups of employees in an organization formed to act as a resource for both members and the organization. ERGs are voluntary, employee-led groups that can have a few members or a few thousand. They are typically based on a demographic (e.g. women), life stage (e.g. Generation Y), or function (e.g. sales). They are dedicated to fostering a diverse and inclusive work environment within the context of the organization’s mission, values, goals, business practices and objectives” (Kaplan et al., 2009, p. 1).

ERGs have been growing over the past 25 years (Friedman and Craig, 2004), are becoming more prevalent globally (Mercer, 2011), and are no longer only tools for D&I but also are driving innovation and change in many firms. Consider the 2011 Mercer report, which published results from a survey of 64 companies. The report notes that “ERGs are thriving [...] many companies are experiencing a resurgence of enthusiasm for ERGs” (Mercer, 2011, p. 1). However, the increasing presence of ERGs and the demonstrated enthusiasm toward them within the business world have only begun to attract interest from researchers. While valuable, the few ERG studies that do exist provide initial insights that often focus on one type of ERG. There is a lack of work that addresses overall outcomes for individual members; additionally, strong theoretical frameworks are lacking. Thus, the purpose of this paper is to demonstrate that ERGs are valuable additions to organizations and should be important areas of research, particularly given the D&I challenges faced by many businesses and communities today. In this paper, we review the ERG literature, develop a foundational theoretical framework based on social identity theory (SIT) and suggest research directions.

The case for studying ERGs

ERGs are unique and growing additions within many Fortune 500 firms as well as within smaller businesses. Firms such as American Airlines, Harley-Davidson Motor Company and Wells Fargo (Mercer, 2011) have ERGs and, while they do have some similarities to traditional work groups and teams, they possess several important differences. In most cases employees need to create the demand for an ERG to formally start one since they are not generally initiated by the firm (Friedman and Craig, 2004; Kaplan et al., 2009). As employees ask to create ERGs, the leaders are going above and beyond their core jobs in their ERG-related work (Douglas, 2008). These employees are committed to working toward ERG goals even with limited financial support (Jennifer Brown Consulting, 2010; Singh et al., 2006).

Welbourne and McLaughlin (2013) suggest three overarching categories for ERGs. The first are social-cause-centered ERGs (e.g. supporting environmental, literacy or cancer work).
The second are professional-centered ERGs, which may be focused on careers such as engineering, programming or administration. The third category is attribute-centered (based on personal characteristics or demographics one is born with). A study by Kaplan et al. (2009) indicates that the most popular types of groups today include women and LGBT ERGs. Mercer (2011) reports ERGs for women, race/ethnicity and LGBT are the most widely used.

ERG members work to pursue goals that help recruit and retain others like themselves; they also engage in improving their communities (MacGillivray and Golden, 2007). ERGs provide social and professional support for members (e.g. mentoring, visibility with senior leaders), support advocacy (e.g. help promote learning about causes and positive change) and provide avenues for information sharing (Kravitz, 2008; McGrath and Sparks, 2005; Van Aken et al., 1994). ERGs are comprised of individuals who share a common demographic, life stage, function or alternative identity (Kaplan et al., 2009; McGrath and Sparks, 2005).

ERGs tend to eliminate hierarchy for participants and create the same status amongst all members (Connelly and Kelloway, 2003). This difference is significant because in ERGs where there are no power disparities, members are “less likely to feel inhibited at meetings because they need not fear repercussions from those with more formal power” (p. 4). While most have formal governance processes (see Kaplan et al., 2009 for more information on these topics), ERGs are relatively horizontal (McGrath and Sparks, 2005; Van Aken et al., 1994) and are run by group members (Bowie and Bronte-Tinkew, 2006; Friedman and Craig, 2004; McGrath and Sparks, 2005; Van Aken et al., 1994).

**Literature review**

There is ample interest in ERGs from practitioners; however, there is less interest from academics (Dennissen et al., 2016; Friedman et al., 1998). To further learning about ERGs, we searched for articles in Google Scholar and similar search engines that contained any of the following key words: affinity groups, employee resource groups, employee networks, employee councils, employee forums, networks and business resource groups. Given that the term “networks” applies to a wide variety of domains, we also searched for ERG types and specific networks (e.g. “LGBT networks”). In addition, we searched papers for references to additional articles. We also reviewed academic conference proceedings. This exercise resulted in 71 initial articles, books and dissertations. The summary table includes only articles that were academic in nature and that specifically referred to ERGs using the specific definitions used in the literature, noting they are formal and based on shared identity (e.g. Bierema, 2005; Briscoe and Safford, 2010; Douglas, 2008; Friedman and Craig, 2004; Githens, 2009; Lieber, 2012). Although we do not claim the list is completely exhaustive, Table I includes a relatively comprehensive list of 33 ERG papers.

Sorting through the articles, a total of 17, or 51 percent, looked at only one specific type of ERG; of these the greatest number examined LGBT groups (eight), and the second highest number (five) addressed women-based ERGs. The remainder of the articles studied more than one type of ERG (note that in many cases the authors did not specify the type of ERG; thus, we refer to them as ERGs overall). A total of 29 of the articles noted in the table are empirical while four are conceptual. The research methods in the empirical studies varied with seven using the case studies, nine conducting interviews, eight doing surveys, one that used an archival data set and four using mixed methods (e.g. surveys and interviews). It is interesting to note that although ERG work in organizations is on the rise, we did not find a similar trend in the literature review; the number of papers published per year is neither steadily rising nor declining.

Topics and theories use varied, including social capital (Friedman and Holton, 2002), voice (Colgan and McKearney, 2012), social identity and ties (Friedman and Craig, 2004; Friedman and Holton, 2002) and career optimism (Friedman et al., 1998). A number of
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<th>Key ERG-related findings</th>
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<tbody>
<tr>
<td>Dennissen et al. (2016)</td>
<td>Conference presentation</td>
<td>Empirical multiple case studies</td>
<td>Compare multiple diversity networks and examine their contribution toward organizational equality</td>
<td>Systematic inequalities; diversity management</td>
<td>Women; ethnic minorities; LGBT; disability; age</td>
<td>ERGs contribute to career development, community building in promoting inclusion</td>
</tr>
<tr>
<td>Rolf et al. (2016)</td>
<td>Employee Relations Today</td>
<td>Empirical – survey data from leaders in several environmental ERGs</td>
<td>Investigate how ERG leaders contribute to environmental programs within firms</td>
<td>Sustainability</td>
<td>LGBT; race/ethnicity; generations; women; disability; military; parent/caregiver</td>
<td>Environmental ERGs can contribute to organization’s broader sustainability initiative</td>
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<tr>
<td>England (2016)</td>
<td>Dissertation</td>
<td>Empirical – interviews</td>
<td>Explore the experiences of ERG leaders</td>
<td>Grounded theory</td>
<td>LGBT; race/ethnicity; generations; women; disability; military; parent/caregiver</td>
<td>Model why and how employees become ERG leaders and how organizations can prepare ERG leaders</td>
</tr>
<tr>
<td>Benschop et al. (2015)</td>
<td>Book chapter</td>
<td>Conceptual</td>
<td>Documented three diversity practices</td>
<td>Transformative change; diversity management</td>
<td>Overall ERGs</td>
<td>ERGs, when properly configured with other diversity management practices, can generate transformative change</td>
</tr>
<tr>
<td>McPhee et al. (2017)</td>
<td>Personnel Review</td>
<td>Empirical – interviews with 13 ERG members</td>
<td>Study Aboriginal ERGs and how they create connections with organizations</td>
<td>Social identities</td>
<td>Aboriginal</td>
<td>ERG helped foster a connection between organizational identity and Aboriginal identity</td>
</tr>
<tr>
<td>Welbourne and McLaughlin (2013)</td>
<td>Employment Relations Today</td>
<td>Empirical – survey of ERG members from several organizations</td>
<td>Share key insights from ERG summit and survey of ERG leaders and members</td>
<td>Identity theory; employee energy</td>
<td>Social-cause-centered; professional-centered; attribute-centered</td>
<td>Develop a measure of ERG identity and propose a typology of ERG types</td>
</tr>
<tr>
<td>Colgan and McKearney (2012)</td>
<td>Equality, Diversity and Inclusion: An International Journal</td>
<td>Empirical – interviews with 22 ERG members</td>
<td>Investigate activism of LGBT employees and their allies</td>
<td>Voice; spirals of silence</td>
<td>LGBT</td>
<td>ERGs contribute to providing member visibility, community, and voice</td>
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<tbody>
<tr>
<td>O’Neil et al. (2011)</td>
<td>Career Development International</td>
<td>Empirical – interviews with 21 members of ERGs</td>
<td>Examine the variations in how women’s ERGs are viewed by incumbents and management</td>
<td>Networking; social networks</td>
<td>Women</td>
<td>Demonstrate differences in how ERGs are perceived (in terms of value creation) between inside-members and organization management. ERG can advocate for domestic partner benefits.</td>
</tr>
<tr>
<td>Briscoe and Safford (2010)</td>
<td>Perspectives on Work</td>
<td>Empirical – survey with 111 LGBT members within Fortune 100 firms</td>
<td>Assess the evolution of LGBT groups across large organizations</td>
<td>Identity</td>
<td>LGBT</td>
<td>Author argues that LGBT networks help in recruitment, employee utilization, social capital building and knowledge building.</td>
</tr>
<tr>
<td>McDevitt-Pugh (2010)</td>
<td>Dissertation</td>
<td>Empirical – survey with 27 respondents from 6 companies</td>
<td>Research how LGBT ERGs work with HR departments</td>
<td>Human resource management; resource-based view; network theory</td>
<td>LGBT</td>
<td>While largely a historical review backed by theoretical argumentation, the author argues that ERGs help create policy change.</td>
</tr>
<tr>
<td>Githens (2009)</td>
<td>New Horizons in Adult Education and Human Resource Development Research</td>
<td>Conceptual</td>
<td>Using multiple theoretical lenses, the author explores how LGBT ERGs contribute at multiple levels</td>
<td>Capitalism; Queer Politics; identity politics</td>
<td>LGBT</td>
<td>ERGs can be used as systems to create organizational “wins” when banding together.</td>
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<tr>
<td>Scully (2009)</td>
<td>Negotiation and Conflict Management Research</td>
<td>Empirical – four organizational case studies</td>
<td>Uses multiple case studies to investigate how ERGs can function across groups to incite organizational change</td>
<td>Negotiation theory; social movement theory; rainbow coalition Social identity theory; self-categorization theory; mobility; permeable boundaries; perceptions of stability Typology of women’s networks; strategic intent</td>
<td>Women; LGBT; Black</td>
<td>Support for ERGs is related to perceptions of personal advancement and ability to impact organization policies.</td>
</tr>
<tr>
<td>Hersby et al. (2009)</td>
<td>British Journal of Management</td>
<td>Empirical – survey of 166 ERG members</td>
<td>Assess how women in an ERG view the system as a pathway for career advancement</td>
<td></td>
<td>Women</td>
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<tr>
<td>Baker (2009)</td>
<td>Dissertation</td>
<td>Empirical – interviews with 30 ERG members</td>
<td>Explore employee network groups as a diversity strategy and apply a theoretical lens</td>
<td>Bona fide group theory; dialectical theory</td>
<td>Black; Hispanic</td>
<td>Author suggests that tensions can arise between unit levels and explores the ways in which ERGs interact with the organization's systems</td>
</tr>
<tr>
<td>Briscoe and Safford (2008)</td>
<td>Perspectives on Work</td>
<td>Empirical – survey with 402 HR managers and 45 LGBT groups</td>
<td>Study how organizations integrate contentious practices</td>
<td>Imitation; identity; political opportunity theory</td>
<td>LGBT</td>
<td>Partial assistance in the diffusion of domestic partner benefits</td>
</tr>
<tr>
<td>Douglas (2008)</td>
<td>Employment Relations Today</td>
<td>Conceptual</td>
<td>Track the origins of affinity groups and identify their unique stages and contributions</td>
<td>Historical analysis</td>
<td>Overall ERGs</td>
<td></td>
</tr>
<tr>
<td>Githens and Aragon (2007)</td>
<td>Advances in Developing Human Resources</td>
<td>Conceptual</td>
<td>Provide a framework for understanding LGBTQ employees’ goals</td>
<td>Organization theory; created framework</td>
<td>LGBT</td>
<td>Author argues that ERGs provide awareness, affiliation, access (e.g. networking), and advancement opportunities</td>
</tr>
<tr>
<td>Kalev et al. (2006)</td>
<td>American Sociological Review</td>
<td>Empirical – analysis of archival data (government) of 708 firms</td>
<td>Empirically test how networks can contribute to organizational equality</td>
<td>Responsibility structures; affirmative action; diversity programs; inequality; stereotyping; bias social networks; institutional theory</td>
<td>Overall ERGs</td>
<td>Approaches to organizing LGBTQ employee groups may impact their aims and goals</td>
</tr>
<tr>
<td>Singh et al. (2006)</td>
<td>Women in Management Review</td>
<td>Empirical – interviews with 12 ERG leaders; survey data from 164 participants in 5 companies</td>
<td>Examine how women’s ERGs contribute to individuals and the organization</td>
<td>Organizational citizenship theory</td>
<td>Women</td>
<td>Networking through groups is most effective for white women and potentially detrimental to white men and black men; networking programs are more effective when organizations have responsibility structures (includes affirmative action plans, diversity committees, and diversity staff)</td>
</tr>
<tr>
<td>Bierema (2005)</td>
<td>Human Resource Development International</td>
<td>Empirical – case study with 10 members</td>
<td>Investigate the members of a woman’s ERG and how that contributed to its success/failure</td>
<td>Social network theory; deficit hypothesis; feminism; learning theory; culture</td>
<td>Women</td>
<td>Describes formation of women’s corporate networks; main benefits include networking, career development, diversity promotion, social support and culture change</td>
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<tr>
<td>Raeburn (2004)</td>
<td>Book</td>
<td>Empirical – telephone surveys and interviews with 69 ERGs</td>
<td>Show how inclusive policies became commonplace across organizations</td>
<td>Institutional theory; qualitative analysis</td>
<td>LGBT</td>
<td>Policy and practice changes</td>
</tr>
<tr>
<td>Carayannis (2004)</td>
<td>International Journal of Nuclear Knowledge Management</td>
<td>Empirical – case study</td>
<td>Consider the impact of intangible assets on tangible resources and tangible outcomes and how to measure said resources and outcomes</td>
<td>Intellectual capital; social capital; intangible assets</td>
<td>Overall ERGs</td>
<td>Diffusion of resources to affinity groups is affected by organizational structure</td>
</tr>
<tr>
<td>Friedman and Craig (2004)</td>
<td>Industrial Relations</td>
<td>Empirical – interviews with 2 leaders from each ERG and a survey with an estimated 1,583 responses</td>
<td>Document why employees join and participate in employee network groups</td>
<td>Social identity</td>
<td>Black; Hispanic; Asian</td>
<td>Authors find no support for dissatisfaction driving joining; employees join network groups based on the potential gains of joining as well as the strength of group identity; blacks are most likely to join network groups; most active participants are those who see the groups as most beneficial</td>
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<tr>
<td>Scully and Segal (2002)</td>
<td>Research in the Sociology of Organizations</td>
<td>Empirical – interviews with 39 members in high tech firm</td>
<td>How societal change agendas are advanced in workplace settings</td>
<td>Social movements</td>
<td>LGBT; Women; black</td>
<td>Outcomes include awareness of diversity issues; organizational climate change; event creation; recruitment; promotion opportunities</td>
</tr>
<tr>
<td>Creed et al. (2002)</td>
<td>Organization Science</td>
<td>Empirical – text analysis from public testimony, media accounts, and interviews with 66 leaders, advocates, allies, HR professionals and executives</td>
<td>Inspect policies preventing LGBT discrimination in organizations</td>
<td>Institutional theory; translation theory; framing theory</td>
<td>LGBT</td>
<td>Uses multiple theoretical frameworks and evidence explored to illustrate how LGBT-based policies are justified in organizations</td>
</tr>
<tr>
<td>Friedman and Holton (2002)</td>
<td>Human Resource Management</td>
<td>Empirical – interviews with 2 leaders of each ERG and 1910 survey responses from organizational members</td>
<td>Assess whether network groups can reduce turnover of minority employees</td>
<td>Voluntary turnover; job attitudes; social ties; turnover intentions;</td>
<td>Black; Hispanic; Asian</td>
<td>Joining reduces turnover for higher-level ERG employees; mediators of ERG participation and turnover include embeddedness, satisfaction</td>
</tr>
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<tr>
<td>Creed and Scully (2000)</td>
<td><em>Journal of</em> Management Inquiry</td>
<td>Empirical – Interviews with 66 members in multiple organizations</td>
<td>Report the dynamics of institutional change through LGBT employees advocates. Examine how ERGs can provide collective voice</td>
<td>resources; social embeddedness; satisfaction Social identity LGBT Advocates</td>
<td>LGBT Advocates</td>
<td>Provide evidence that social identity can alter workplace policies and practices. Conclude that ERGs are poor vehicles for communicating employee collective voice; addresses whether ERGs can be viewed as unionization threats.</td>
</tr>
<tr>
<td>Helfgott (2000)</td>
<td><em>Book chapter</em></td>
<td>Empirical – three case studies with multiple ERGs across multiple organizations using questionnaires</td>
<td>Examine how ERGs can provide collective voice</td>
<td>Collective voice Black; Women; Hispanic; Asian; LGBT</td>
<td>Overall ERGs</td>
<td>Author argues that ERGs can reduce social isolation in organizations given the right conditions.</td>
</tr>
<tr>
<td>Friedman (1999)</td>
<td><em>Performance Improvement Quarterly</em></td>
<td>Empirical – survey of HR managers at 209 Fortune 500 firms; 30 follow up interviews; 15 on-site visits; survey of 397 members of NATIONAL Black MBA Association</td>
<td>Define ERGs, the problems they face, how they can be effective, and the potential benefits</td>
<td>Tie strength; social isolation; informal social networks</td>
<td>Overall ERGs</td>
<td>ERGs have a positive impact on career optimism primarily due to mentoring; ERGs have no effect on discrimination. ERGs can create conflict about actions taken to achieve their goals.</td>
</tr>
<tr>
<td>Friedman <em>et al.</em> (1998)</td>
<td><em>Human Relations</em></td>
<td>Empirical – survey of 397 members of the NBMPA Association</td>
<td>Examine how ERGs impact career optimism, isolation, and levels of discrimination</td>
<td>Expectancy theory; bias; social ties</td>
<td>Black</td>
<td>Authors suggest that ERGs are designed to share information, to find solutions to problems, to help with training, and to further positive group attitudes.</td>
</tr>
</tbody>
</table>
studies deployed theories specific to the ERG type under study (e.g. dialectical theory, resource-based view, Queer Theory).

Taken as a whole, most of the studies in the table focus on the contributions of ERGs to various outcomes, including D&I goals, organizational outcomes, personal ambitions and policy change. The literature, since relatively new, appears to be informational in many ways – talking about what ERGs are, how they work and ways they drive outcomes. Generally speaking, the body of work suggests that ERGs are associated with positive results.

Although ERGs have been in existence for over 50 years, there is a very small body of research on this topic, and academics have not kept up with business on the importance of ERGs and their contributions to business and society. In order to accelerate the work on ERGs, in the following section, we use SIT to propose research on the impact that ERGs can make on individuals, group-level outcomes or the firm overall.

Theoretical framework and research agenda
The lens of SIT had been suggested by Friedman and Craig (2004) to be a useful guiding framework for ERGs. We expand on this suggestion and propose three areas to direct ERG research: first, to expand knowledge about the potential for ERGs to impact individual employees (members and non-members of ERGs); second, to learn more about the ERG groups themselves and how they function as a social group; and third, to explore the relationship that an ERG has on organizational outcomes.

SIT as a unifying lens to study ERGs
SIT arose in the 1970s out of Tajfel’s efforts to explain why individuals demonstrate preferences for fellow in-group members (Ellemers and Haslam, 2011; Haslam et al., 2014). For example, simply by being categorized into a group with another individual, group members display favoritism toward in-group members and discrimination toward out-group members (Ashforth and Mael, 1989). To explain this phenomenon, SIT posits that individuals within a group identify with the defining characteristics and values of that group (Tajfel and Turner, 1985).

SIT is founded on three social-psychological processes, which are social categorization, social comparison and social identification. Social categorization is the process by which individuals are put into various groups based on a shared feature, such as membership in an organization, ethnicity or citizenship (Ashforth and Mael, 1989; Tajfel and Turner, 1985; Tajfel, 1978). This common characteristic differentiates the group from others (Ellemers and Haslam, 2011). Social comparison is the process of differentiating groups on important dimensions (Haslam et al., 2014). In-group members seek to distinguish their groups from others. Finally, social identification recognizes that in the social categorization process an individual must include the self when defining social groups (Ellemers and Haslam, 2011; Haslam et al., 2014). Thus, social identification suggests that individuals are not typically detached spectators; rather, they make a determination whether they do or do not identify with a group’s defining feature (Haslam et al., 2014; Ellemers and Haslam, 2011).

An individual’s social identity relates directly to self-esteem and mental health and can fluctuate depending on the state of the in-group (Ashforth and Mael, 1989; Haslam et al., 2009) and group status in society (Tyler and Blader, 2000). The strength of an individual’s social identification influences behavior. Higher levels of social identification with a group results in greater levels of influence from fellow group members (Haslam and Reicher, 2006), emphasizing group goals above personal gains (Brewer and Kramer, 1986) and working toward improved group performance (Haslam et al., 2014). In addition, a shared social identity can help provide group member support (Levine et al., 2005), protection from difficult environmental pressures (Scheepers and Ellemers, 2005) and can assist in
transforming stress into a “more positive and productive social force” (Haslam and Reicher, 2006, p. 1038).

We draw on SIT as a framework to inform research about ERGs for several reasons. First, ERGs are predominantly groups that contain a singular focus and likely attract individuals who identify with the group (Friedman and Craig, 2004). Second, given that ERGs are collectives of individuals, group effectiveness is dependent upon the strength of its members’ social identities. Finally, ERGs are nested within the organization and, membership in an ERG likely results in a dual social identity – a social identity as an employee of the organization as well as a social identity with the ERG (Briscoe and Safford, 2011). As such, the tenets of SIT are relevant to informing future research areas about individual-, group- and organizational-level outcomes of ERGs.

**Individual-level outcomes**

SIT stipulates that individuals want to be part of groups that allow them to share in-group identities that provide value to their identity when compared to out-groups (Ashforth and Mael, 1989). One important group is the employer, as they can compare themselves against those outside this organization (e.g. the out-group) (Mael and Ashforth, 1992). In order to strengthen employees’ identification with the organization, a business can create practices that are positive and unique (Dutton and Dukerich, 1991); in-groups then compare favorably to out-groups (Tajfel and Turner, 1985). We propose that organizations increase employee identification with the organization by supporting the formation of ERGs. Support of an ERG signals commitment to the ERG’s purpose (Deaux and Martin, 2003); therefore, ERG membership increases individual’s identification with the organization (Figure 1).

When multiple group identities are held, individuals can also experience conflict between their group identities. This identity conflict exists when there is a divergence of “values, beliefs, norms and demands” of the individual’s salient identification groups (Ashforth and Mael, 1989, p. 29; Horton et al., 2014), which forces them to consider the importance of each group’s identity (Ashforth and Mael, 1989; Greene, 1978) and how to reconcile their differences. In an effort to settle an identify conflict, some individuals choose to leave the...
group whose values least fit with their idealized social identity (Tajfel, 1982). Individuals may attempt to reconcile an identity conflict by seeking to repair the group’s unwelcome features (Turner, 1975). One mechanism for doing so is through ERG membership. By joining an ERG, individuals connect with others who are like themselves and “who validate their identity” (Deaux and Martin, 2003, p. 108). In addition, when an ERG has the capacity to change the organization, group identification is strengthened (Ellemers et al., 2004) and individuals can “bring their whole selves to work” (Creed and Scully, 2000, p. 392). Therefore, we argue that individuals will have stronger organizational identification when they join ERGs. We propose:

**P1.** ERG members experience greater identification with the organization than similar individuals in the organization who are non-ERG members.

SIT also suggests that not all individuals in a group possess the same strength of identification, defined as “the extent to which the group is included in the self” (Hogg, 2006, p. 119). Social identification involves both cognitive and emotional involvement and, if individuals only possesses one of these aspects of social identification, they will be less likely to consistently think of themselves as a group member (Ellemers and Haslam, 2011). The strength of an individual’s identification with a group depends on how meaningful the groups’ shared identity is to them (Haslam et al., 2009). Accordingly, ERG members join for different reasons, and their identity will vary accordingly. For example, some individuals join an ERG for professional advancement (Githens and Aragon, 2007). Such individuals may have weaker identification with the ERG than individuals who join because they identify with the group’s focus (Friedman and Craig, 2004). Prior research suggests that individuals with stronger identification with a group also have higher organizational identification (Van Knippenberg and Ellemers, 2014). Likewise, we expect that ERG members with stronger ERG identification will have stronger organizational identification than do ERG members with weaker identification. Therefore, we propose:

**P2.** The relationship between ERG membership and organizational identification is moderated by the strength of an individual’s identification with the ERG.

In addition to increasing an individual’s identification with the organization, we suggest that participation in an ERG results in higher levels of job satisfaction. ERGs provide employees a “validation (of) their identity claims” (Daskalaki, 2010, p. 1652). Such validation can strengthen social identification with the group, which can increase self-esteem, mental health and satisfaction (e.g. Ashforth and Mael, 1989; Haslam et al., 2009; Riketta, 2005; Riketta and Van Dick, 2005; Stryker and Serpe, 1982). Furthermore, working alongside similar individuals can prompt employees to be more open about personal information (Clair et al., 2005), which can lead to higher job satisfaction (Trau and Härtel, 2007). Finally, ERGs provide an avenue for a firm to take a “personal interest” in employees and thus it is “no surprise that companies with affinity groups make the list of best places to work” (Douglas, 2008, p. 18). Therefore, we propose:

**P3.** ERG members will have higher levels of individual job satisfaction than similar individuals in the organization who are non-ERG members.

Following similar logic as the argument for **P2**, the extent to which ERG members experience higher levels of individual work-related attitudes is dependent upon the strength of their identification with the ERG. Prior evidence suggests that individuals make judgments about the strength of their identification with a group, which influences their attitudes (Tyler and Blader, 2000). Therefore, we propose:

**P4.** The relationship between ERG membership and levels of individual job satisfaction is moderated by the strength of an individual’s identification with the ERG.
ERG group-level outcomes

The study of groups remains an important area of research in organizational behavior, especially regarding the relationship between group type and group-level outcomes (e.g., Maynard et al., 2012; Tong et al., 2013). However, despite the popularity of ERGs at Fortune 500 firms, there has been limited investigation into the effectiveness of ERGs as a group (for an exception, see Connelly and Kelloway, 2003).

ERGs are generally organized by employees (Friedman et al., 1998; Konrad, 2006), and are “horizontal and cross cutting” (McGrath and Sparks, 2005, p. 47). Cross-cutting groups are defined as groups of individuals with differing viewpoints and backgrounds (Druckman and Nelson, 2003), including different jobs, locations, departments and careers in addition to different work groups or teams (Ashforth and Johnson, 2001). Such groups hold several advantages, including more accurate decision making (Sawyer et al., 2006), exposure to an array of perspectives (Mutz, 2002) and decreased perceived inequality (Goar, 2007).

Through membership in a cross-cutting group (i.e. an ERG), individuals share a similar social identification. Because all of the individuals in a cross-cutting group also hold other social identifications simultaneously, in-group members are less likely to emphasize the differences in their other social identities and subgroup memberships (Homan et al., 2008). This lower emphasis on differences among in-group members can serve to decrease perceptions of inequality (Goar, 2007).

While the diversity in people within the ERG holds advantage overall, it is less clear what happens when job level (executive, manager, entry-level employee) varies. ERGs prefer to decrease perceptions of hierarchy and create open dialogue; however, hierarchy remains a “fundamental feature of social relations” (Magee and Galinsky, 2008, p. 352) that emerges in spite of intentions to eliminate it (Leavitt, 2005; Tannenbaum et al., 1974). Thus, the disparities between lower level employees and upper management co-existing within an ERG can be a threat to the ERGs effectiveness as ERG members may not fully engage when power disparities exist (Connelly and Kelloway, 2003). Bowie and Bronte-Tinkew (2006) suggest that individuals in ERGs with no power disparities are “less likely to feel inhibited at meetings because they need not fear repercussions from those with more formal power” (p. 4). We suggest that perceptions of equality can contribute to the health of ERGs, which enables “creative problem solving and collaboration” (McGrath and Sparks, 2005, p. 48) and greater ERG (or group) performance (ability of ERG to meet its goals, per their charters and strategies). We propose:

P5. Membership represented by less hierarchical levels (from members’ jobs outside of the ERG) will lead to more open dialogue, and this enhanced communication then will result in the ERGs achieving higher levels of ERG performance.

Note that this proposition focuses on hierarchy within the ERG. In many cases, ERGs have senior executives acting in advisory roles; these individuals do not regularly attend meetings or engage as part of the ERG; thus, the external roles of these senior-level executives do not fall under the proposition; in fact, they bring status to the ERG and are likely to have a positive effect on ERG performance.

Organization-level outcomes

With the emergence of ERGs comes the question: How do they influence organizational-level outcomes? Furthering our understanding about this relationship is important because organizations are judged based on their ability to accomplish firm-level goals. Previous articles about ERGs contend that they do impact organization-level outcomes, primarily through their work on D&I goals. For example, in Kaplan et al.’s (2009) Catalyst Guide to Employee Resource Groups, they argue that ERGs “are a critical element in creating a culture of inclusion and a workplace that supports diversity of background, thought, and perspective” (p. 3). They suggest that ERGs are beneficial in leadership development,
helping employees’ bridge cultural differences across corporate boundaries, and building a connection with the community, which can boost the corporation’s reputation. In their case study of Metropolitan Healthcare’s LGBT ERG, Githens and Aragon (2009) observed the ERG’s successful efforts to prompt diversity training and domestic partner benefits at the organization.

ERGs were originally developed in order to help organizations foster an equitable workplace climate (Douglas, 2008) and meet their D&I goals. Therefore, one would expect that ERG presence would have a positive impact on meeting D&I goals. SIT suggests that the more closely an individual identifies with a group’s goals, the greater effort he or she will give toward meeting those goals (Ng and Feldman, 2008). Following this logic, one would expect that the presence of an ERG would increase the efforts of members to promote D&I goals, having a positive impact on meeting D&I objectives. For example, the presence of a Women’s Network ERG at Colgate-Palmolive has resulted in a substantial increase in the organization’s ability to “recruit and retain female leaders around the globe” (Jennifer Brown Consulting, 2010, p. 23). The addition of an ERG signals to prospective employees that the firm values diversity. As such, this signal will likely attract employees who value diversity (Dose, 1997). This assertion is supported by evidence that firms engaging in positive corporate social actions are more attractive to prospective employees because joining enriches their self-concept (e.g. Turban and Greening, 1997; Edwards, 2009).

In summary, we argue that ERGs can positively impact meeting D&I goals. We propose:

P6. The addition of ERGs will have a positive impact on meeting D&I goals. Firms with ERGs will have more success with D&I than firms without ERGs.

While ERGs likely enhance employee identification with the organization, some ERGs are also inherently exclusive. For example, an ERG that is created for female employees naturally excludes male employees. The often-viewed exclusion from a named ERG can prompt some employees to view ERGs as “exclusive or providing preferential treatment” while raising questions such as “Why isn’t there an ERG for my group?” or “Why do we need an ERG for this group?” (Kaplan et al., 2009, p. 5). Scully (2009) suggests that ERG members may view other ERGs within their organization as less worthy of attention and compete for attention and resources. For example, Proudford (1997) describes two ERGs within an organization, the Black Women’s Alliance and Executive Women’s Group, which developed an adversarial relationship due to disagreement over which topic (race vs gender) was more important for diversity initiatives.

According to SIT, if a group’s identity fits within the organization’s identity, then individuals are less likely to have a negative perspective of other organizational groups (Ashforth and Mael, 1989). Furthermore, when individuals experience greater organizational identification, they are more likely to engage in cooperative behavior (Dukerich et al., 2002). Therefore, ERGs that fit within the organization’s overarching mission, vision and values may experience greater organizational identification than isolated ERGs. This greater organizational identification is likely to result in less competition among ERGs as well as a more positive relationship with organizational outcomes than those organizations with ERGs that do not align with the organization’s goals (Boehm et al., 2015). Therefore, we propose:

P7. ERG programs that are coordinated at the firm level to cooperate with all firm ERGs and contribute to overarching firm goals will bring more positive results than silo-focused ERGs.

Discussion, contributions and implications

Discussion and contributions

Although much has changed since Xerox formed the first ERG, unfortunately, the challenges associated with creating an inclusive work environment remain with us. D&I, as
a research area, has helped move the needle on the problems associated with discrimination; however, as the field has evolved and contributed significantly to the social sciences, it appears that the topic of ERGs may have been left behind. Therefore, in this paper, we reviewed the relevant academic research and highlight the need for additional, theory-based research. We suggest that if researchers add the topic of ERGs to their work, much can be learned and contributed toward the overall D&I knowledge as well as learning about people and organizations.

In addition to providing the literature review, we also contribute to the D&I and related literatures by introducing SIT as a lens for studying ERGs and delineating propositions examining ERG influence on individual, group and organizational outcomes. In general, we argue that ERGs can have positive effects on all three levels of analysis. In fact, SIT is particularly powerful in building the case for ERGs because it starts to explain how providing opportunities for maximum overlap of employee individual identity with various groups (ERGs) can help strengthen overall identity with the business.

Implications
While we provide a proposed research agenda, the study of ERGs is so new from an academic perspective that our own propositions only scratch the surface of potential ERG research; there is much more to learn and to do at this stage in the topic's development.

People are complex. Many employees join more than one ERG, and in addition to having identity affiliations within their firms these same individuals are involved in activities and organizations outside of the business. Reconciling the reality of individuals who make up ERGs and the additional work that ERGs do both within and outside of organizations should be a goal of future research. SIT can be used to untangle these multifaceted relationships. Future research demands additional theories and thinking as more than one ERG are studied, as ERGs change in their purpose, and as they roll out globally and organization structure evolves to accommodate them.

Conclusion
ERGs are important as they are a global force in small and large firms. They are instigators of organizational and society change, and they are contributing significantly to innovation in business. To help facilitate the development of an ERG research stream, this paper examines the current state of the literature and then focuses on the lens of social identity to set forth propositions that can bridge to new learning. We realize that our propositions and suggestions provide only a small step forward in the larger body of work that could be done on this topic. However, there is ample room to bring theory from multiple disciplines to the study of ERGs as well as to conduct empirical research to learn more about these phenomena. It is time to pay attention to what ERGs are doing and develop a more robust body of knowledge about ERGs that can be shared with both academics and practitioners.

References


**Further reading**


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