



# Employee Resource Groups (ERGs)

## Guidance for Asset & Wealth Management Firms

A Report By: Diversity Project North America's Metrics & Insights Committee

## **Introduction**

This content is provided by Diversity Project North America's Metrics & Insights Committee. With an understanding of the importance of metrics with respect to diversity and inclusion, this committee serves as a resource for Diversity Project members by sharing understandings of measurements and standards within the asset and wealth management industry.

## **Background**

Employee Resource Groups (ERGs) are voluntary, employee-led groups that share resources and unique perspectives, create opportunities for networking and professional development, foster diversity, equity and inclusion (DEI), and improve employee engagement. Members of Nicsa's Diversity Project North America Metrics & Insights Committee were invited to participate in a voluntary survey about the ERGs at their companies, in order to provide meaningful insights and recommendations as to how firms can advance their ERG development based on peer practices.

The data collected for the purpose of this analysis are as of August 2024.

## **About the Participating Companies**

Seven companies participated in the survey, mainly within the Financial Services industry across several sectors, including Asset Management, FinTech, Investment Management, and Insurance, etc. All companies are considered global, geographically operating in markets not limited to North America. The firms vary in scale, ranging from less than 1,000 employees to 10,000+ employees.

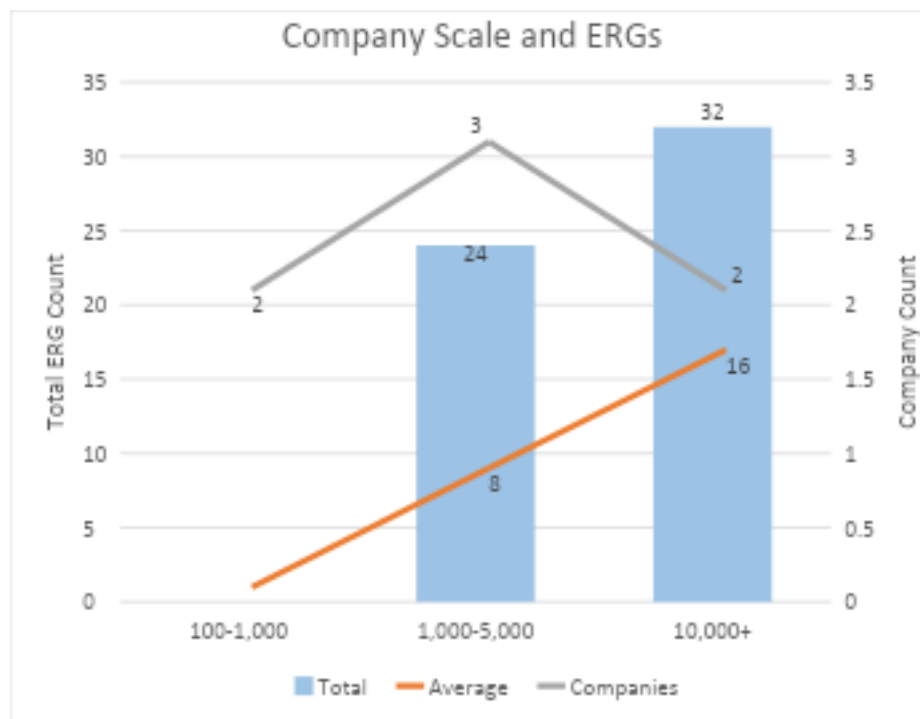
Overall, the participating companies offer a diverse representation of the industry, providing a valuable reference for ERG practices.

## Survey Insights

- 1. The total number of ERGs is aligned with company scale, in other words, the larger the firm, the more ERGs they have.**

The Figure below indicates that two companies with 100-1,000 employees have not established any ERG yet; for the 1,000-5,000 interval, three companies have 24 ERGs in total and 8 ERGs on average. The two largest companies surveyed (with 10,000+ employees) have 32 ERGs in total and 16 ERGs on average.

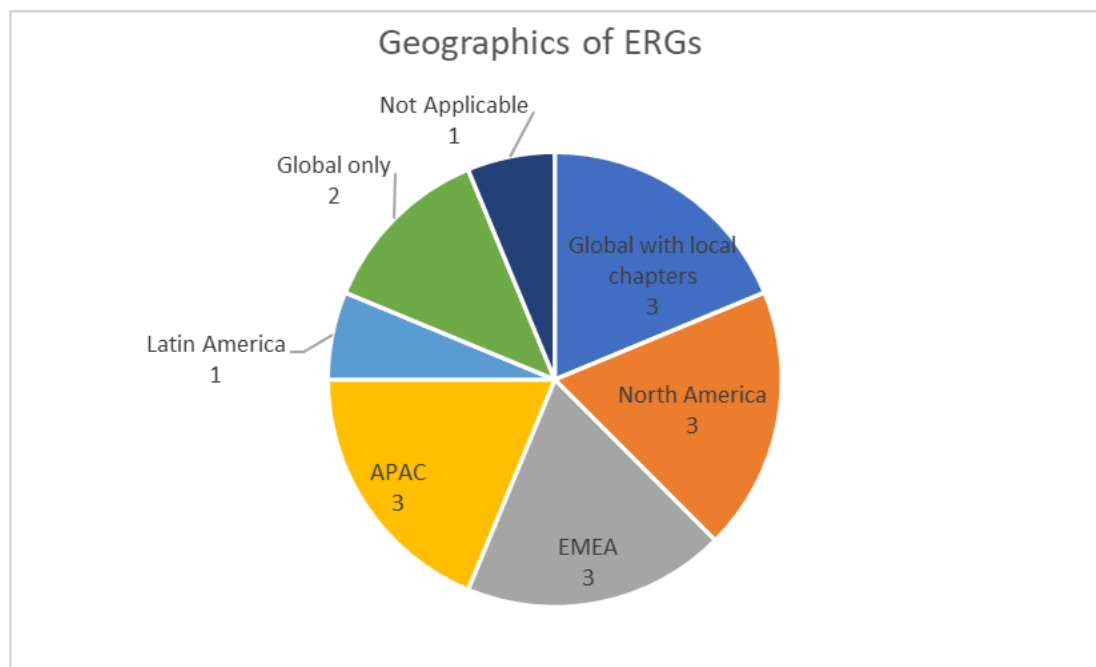
These results stress the importance of taking factors such as company scale, development milestones, and current strategic priorities into account when evaluating ERG development.



## 2. ERGs are widely spread geographically, engaging employees on a global scale.

ERGs are broadly distributed across geographic regions, showcasing their global reach and impact. As highlighted in the Figure below, over half of the participating companies have established ERGs with a global footprint, encompassing local chapters such as EMEA and APAC. This widespread geographic presence is particularly noteworthy given that most of these companies are headquartered in North America.

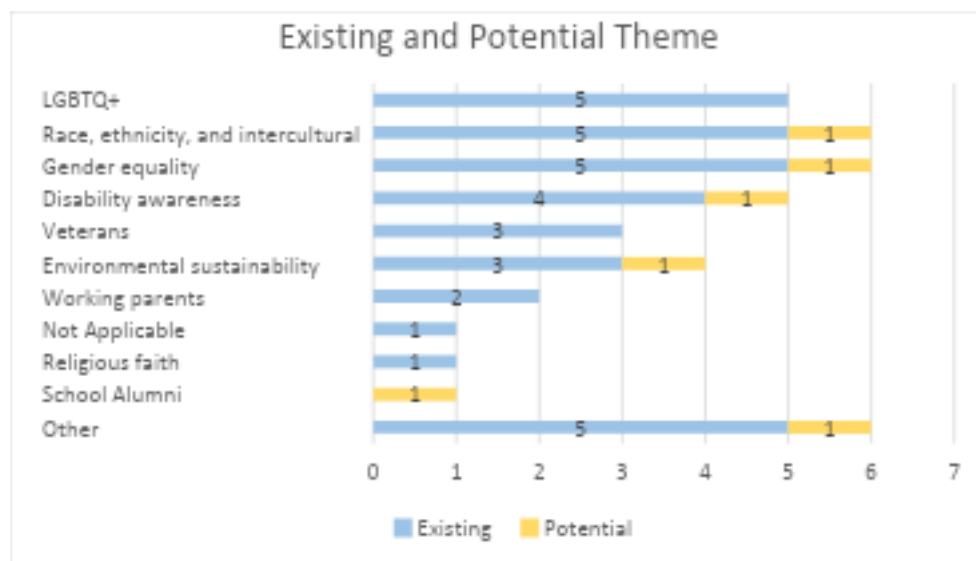
The broad geographic distribution of these ERGs allows companies to effectively engage employees across various regions, fostering a sense of inclusion and belonging on a global scale. This approach not only strengthens connections among employees but also enables organizations to gain deeper insights into region-specific needs, cultural nuances, and localized concerns. By addressing these unique challenges and opportunities, companies can tailor their strategies to create more inclusive workplace environments and enhance the impact of their ERG initiatives worldwide.



### 3. Existing ERGs focus on foundational areas, with room to grow for more specialized themes.

The Figure below illustrates that the most common focus areas for existing ERGs include LGBTQ+ inclusion, race, ethnicity, intercultural initiatives, and gender equality. Additional themes such as disability awareness, environmental sustainability, and other emerging topics present opportunities for further expansion in the future.

While companies are at varying stages of ERG development, there is a clear trend toward prioritizing and addressing shared, foundational areas first. This approach reflects a collective commitment to tackling broadly impactful issues while laying the groundwork for addressing more specialized or emerging themes over time.



\*Other in Existing include Multigenerational, Mental Wellbeing, Social Mobility; Family Cares Network, Lead for Next; Other in Potential is Hobbies and Interests

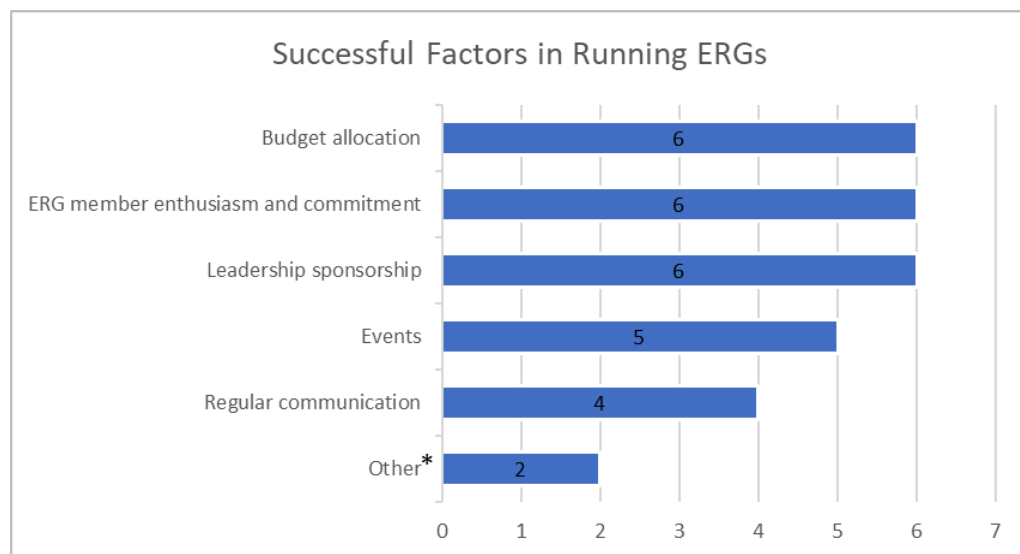


#### 4. Personal and financial commitments are key, alignment is critical.

Participants emphasized that the success of ERGs depends on a combination of key elements: commitment from all levels of the organization and sufficient financial support. These foundational factors are critical to establishing and sustaining effective ERGs. Additionally, hosting occasional events and maintaining regular communication play a significant role in keeping members engaged and fostering a sense of community within ERGs.

However, respondents also highlighted a recurring challenge: aligning ERGs with the broader vision of top-level management. Without clear support and alignment from leadership, ERGs often function as a one-way effort driven from the bottom up, missing opportunities for stronger connection and influence from the top down. Companies that have implemented executive sponsorship have successfully addressed this challenge, bridging the gap between grassroots initiatives and strategic leadership priorities.

To maximize impact, ERGs can adopt tailored strategies depending on their stage of development—whether during formation, promotion, or ongoing engagement—ensuring they remain effective and aligned with organizational goals.



\*Other Successful Factors include Strategic Alignment and Leadership Capability of ERG Chairs; Administrative / Technology Support (SharePoint, MS Teams Community, ERG Mailbox, etc.)



## Recommendations

- **Honor the spirit of ERGs.** The success of ERGs lies in fostering inclusivity and community, not in the sheer number of ERGs offered. Companies either starting their first ERG or considering expanding ERG coverage should make decisions suitable for the companies' circumstances and employee preference. This approach ensures that ERGs amplify employees' voices, address shared interests and concerns, and deliver meaningful and visible value.
- **Do not rush the development.** Building a robust ERG network is a journey, not a race. It is neither practical nor effective to strive for a "perfect" state immediately. Start small, focusing on themes that are most critical to employees, and let those initial efforts serve as a foundation for learning and growth. Gradual, experience-based development allows for sustainable and impactful ERG initiatives.
- **Prioritize geographic coverage.** Although theme coverage matters, geographic expansion of ERGs is particularly vital for global companies. It shows that companies value regional employees who contribute to the overall success of the company. More importantly, it helps management understand regional nuances and apply a tailored approach to address various demands and concerns.
- **Leverage tools to provide flexibility.** Having administrative support and tools (e.g., Microsoft Teams channel, designated ERG communication mailbox, etc.) in place will help manage ERGs in an organized manner. In addition, technologies such as virtual conference applications can offer dynamic ways to participate in an ERG, which can increase attraction, engagement, and ensure that ERGs remain organized and impactful across locations and teams.



## Metrics to Measure ERG Success

Below is a list of key metrics that can help evaluate the progress and impact of ERGs:

- **Percentage of ERG Membership:** Total number of ERG members as a proportion of the overall employee population.
- **Yearly Growth in Membership:** Annual increase in the number of ERG registrants.
- **Number of ERG Events:** Total number of events organized by ERGs within a given timeframe.
- **Event Participation Rates:** Attendance and engagement levels at ERG-hosted events.
- **Employee Satisfaction:** Results from employee satisfaction surveys, including specific questions related to ERG participation, impact, or inclusivity.

These metrics provide quantitative and qualitative insights into the reach, effectiveness, and employee perception of ERGs, supporting continuous improvement.

## Closing Remarks

In summary, as firms continue exploring ways to fulfil social responsibilities and enhance employee engagement, ERGs have emerged as a valuable platform to achieve these goals. Effective ERGs can lead to increased employee satisfaction, reduced attrition, and improved productivity, all of which contribute to the successful execution of a company's business strategies. Moreover, ERGs play a significant role in shaping a company's culture and reputation over the long term.

It is recommended that companies assess their readiness and consider employee feedback when developing practical implementation plans for ERGs. Adopting a phased approach allows for gradual, sustainable growth and adaptation. Establishing metrics to track ERG progress is also essential, enabling companies to make data-driven adjustments and optimize their efforts over time.





## About Nicsa

Nicsa is a not-for-profit trade association striving to connect all facets of the global asset and wealth management industry in order to develop, share, and advance leading practices. For over sixty years, Nicsa has promoted a collaborative environment where members come together to help strategically address the industry's most vital issues.

## About Diversity Project North America

Nicsa's Diversity Project North America champions diversity and inclusion as a strategic business priority within the asset and wealth management industry. The goal of the Diversity Project North America is to advance better business results for our member firms and positive long-term impact for the clients we all serve by fostering an industry where diversity is achieved, and inclusion is celebrated.

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