



# Creating Effective Employee Resource Groups (ERGs)



**Report**

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**Authors**

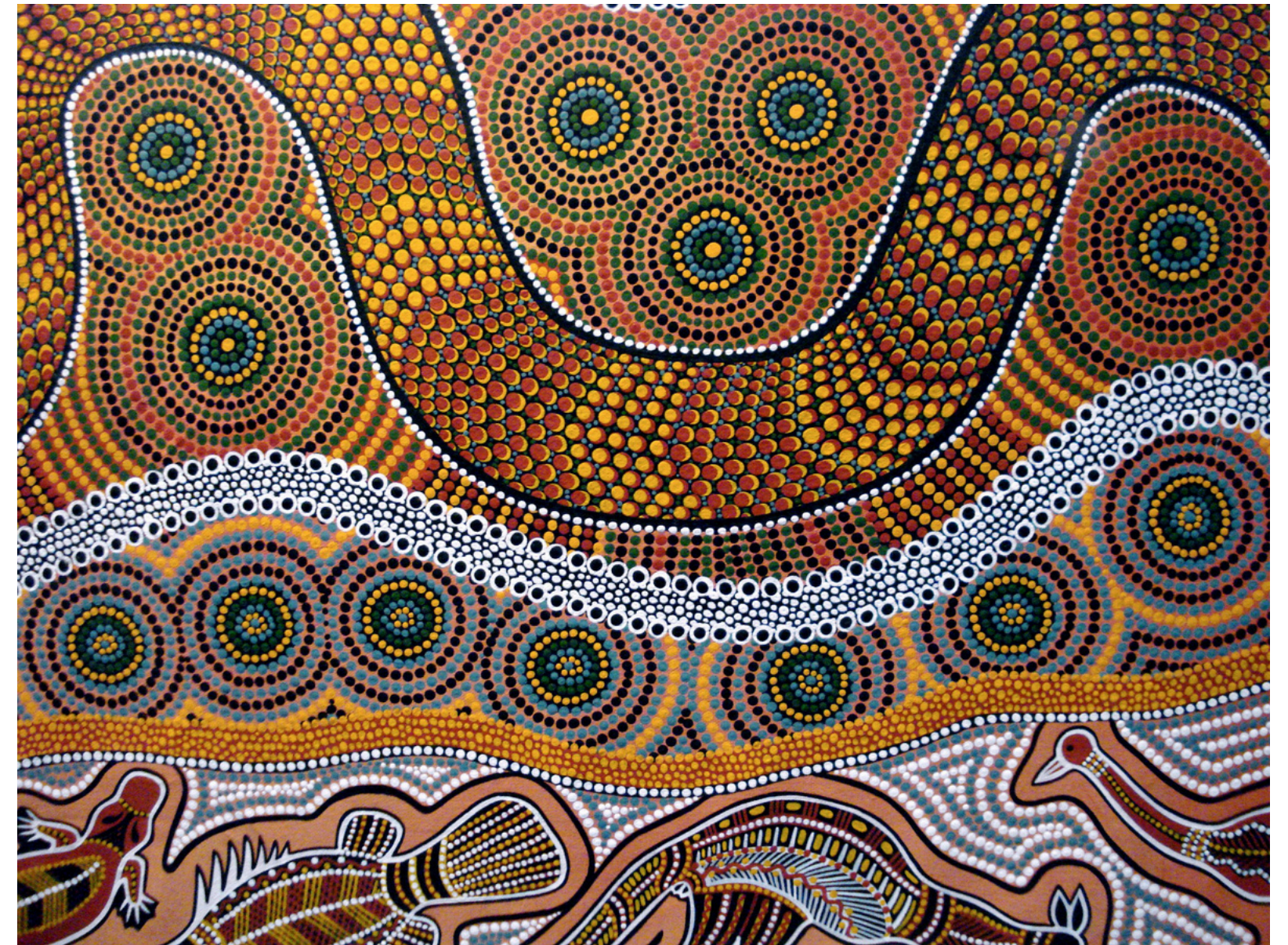
MindTribes  
University of Melbourne  
Careers in Colour



# Acknowledgement of Country

We acknowledge the Wurundjeri Woi Wurrung people as the Traditional Owners and true sovereigns of the land now known as Yarra. We also acknowledge the significant contributions made by other Aboriginal and Torres Strait Islander people to life in Yarra. We pay our respects to Elders from all nations and to their Elders past, present and future.

We at MindTribes are committed to ensuring that every client we partner with has a meaningful and action-based Reconciliation Action Plan (RAP)– whilst we don't design or deliver a RAP, one of our first principles is not doing business with a client who does not have a RAP or an intention to execute a RAP in the time we are with them.



# About This Report

Employee Resource Groups (ERGs) have emerged as a promising driver for systemic organisational transformation in diversity, equity and inclusion (DEI) in Australia. However, most ERGs remain to be at an early maturity stage, and that many organisations fail to harness their full potential as a result.

**MindTribes has supported the growth of some of the most impactful ERGs since their inception:**

- Collaborated with the founding members of the Victorian Public Service (VPS) Women of Colour Network to establish strong governance structures, sustain momentum, and advocate on their behalf.
- Supported the launch of inaugural Cultural Diversity Networks at La Trobe University, Suncorp, Lion, and the Victorian Legal Aid (VLA), providing tailored guidance to strengthen their foundations.
- Partnered with organisations like the NSW Public Sector, AGL Energy, Department of Families, Fairness and Housing (DFFH), and AbbVie, to integrate ERGs across the whole organisation in an intersectional way, supporting groups focused on Gender, Pride, Generations, Race & Ethnicity, Carers, First Nations, and Disability.

In 2024, MindTribes formalised our partnership with Careers in Colour (CiC), a leading professional-led body that advocates for and creates a community for cultural diversity ERG leaders, as their knowledge partner. Together, with CiC, and our research partner, the University of Melbourne, we embarked on a project to identify what makes an ERG effective.

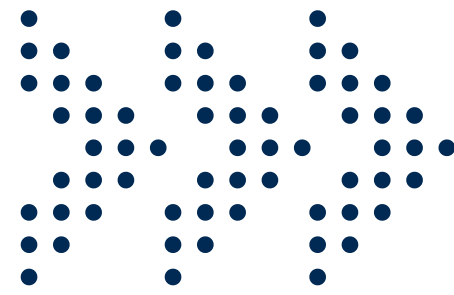
This report, based on a decade of MindTribes' practitioner expertise, Careers in Colour's practical experience, stakeholder interviews, and desktop research conducted by the University of Melbourne, consolidates critical insights on how ERGs can evolve from underutilised (or social) networks to strategic change agent for organisations' DEI goals.

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# Why This Report Matters Now



In Australia, initiatives like Respect@Work and Workplace Gender Equality Agency (WGEA) reforms have spotlighted gender equity, with an increasing call for intersectional focus, while cultural diversity targets have been set by large public service entities including the Australian Public Service Commission (APSC) in 2024.

In the face of DEI backlash both globally and locally, ERGs are critical to carry the voice of the employee to steer decision makers when hiring, developing, supporting and promoting people. Even if there is a reduction in investment in formal DEI programs, effective ERGs can influence for more fairness, equity, respect and safety.

We have observed that ERGs in Australia have expanded beyond traditional gender-focused groups to represent more marginalised communities, including cultural diversity, pride, neurodiversity, and people with disabilities.

While this diversity reflects progress, most ERGs remain stuck on the formative/infancy stage, focusing solely on community-building and raising awareness – while valuable first steps, these are insufficient to achieve long-term impact. We have seen that years later, many ERGs remain isolated in their efforts, operating at a grassroots level without integration into broader organisational response. This represents a missed opportunity and sunk cost investments as the true value of ERGs lies in their ability to evolve into strategic partners for the organisation's HR and People & Culture (P&C) that is complementary to the organisation's DEI investment.

Through this report, we encourage ERG and P&C leaders at this juncture to:

- evaluate the effectiveness and growth trajectory of your ERGs,
- assess where you are on the maturity curve,
- take stock and map out where you need to go next.

**This may take the form of a change in direction, building capability of ERG Chairs, securing a key sponsor, or stepping back to establish governance to achieve real, tangible outcomes.**

# Summary of Findings

While many ERGs began as grassroots social or peer support groups formed around shared identities, to step into their roles as drivers of systemic change, as well as to ensure their sustainability, ERGs must adopt a strategic approach.

Our research and practitioner insights, spanning over years of working closely with ERG Chairs, Members and Executive Sponsors across diverse industries, have revealed six critical factors that underpin the effectiveness of ERGs (see diagram on the right).

Achieving these requires leadership capability building of ERG chairs and organisational commitment through the allocation of sufficient resources and focus.

These factors are not standalone; they are interconnected and collectively drive the success and sustainability of ERGs in advancing tangible, important organisational DEI outcomes.



# 1 Objectives & Goals

**Anchor ERGs to strategic organisational priorities with clear, measurable goals to move beyond symbolic initiatives.**

- ERGs with clearly defined objectives aligned to organisational goals are more likely to secure leadership support and resources required to deliver measurable impacts (e.g., on organisational cultural and employee retention).<sup>1</sup>
- Clear objectives enable ERGs to communicate their purpose and progress effectively to leadership, increasing sponsorship and organisational investment.<sup>2</sup>
- Using data and insights from engagement surveys, demographic analyses, and employee feedback can enhance the credibility and focus of ERG initiatives.<sup>3</sup>
- ERG goals should incorporate an intersectional perspective to ensure that initiatives are inclusive of diverse identities within the broader focus of the group.

*"Our ERGs align their initiatives with broader corporate DEI frameworks which focuses on inclusive leadership, workplaces and customer inclusion."*

**– ERG Chair, Private Sector**

## MindTribes Guidance

Start with a problem statement.  
ERGs should ask: Who does the problem affect? What does the data say? Why does it matter? The SMART framework ensures objectives are actionable. A well-defined problem statement helps ERGs avoid burnout and ensures their purpose remains realistic and focused on measurable outcomes.

# 2 Sponsorship & Resources

Strong sponsorship is a critical enabler for ERGs by amplifying influence, securing resources, & embedding ERGs into strategic decision-making.

- ERGs with visible executive sponsors report greater organisational impact, as sponsors secure leadership support and strategic alignment.
  - Providing ERGs with funding, time allowances, and training opportunities ensures sustainability and boosts member engagement.<sup>4</sup>
  - Sponsors who actively advocate for ERG objectives further elevate their influence on organisational DEI strategies.<sup>5,6</sup>
- Sponsorship involves action and influence – beyond mentoring, advice and guidance. Sponsors leverage their position, networks, and resources to actively propel ERG's credibility and effectiveness.<sup>7</sup>
- Without resourcing committed by the organisation - through explicit budget allocations or formal time allowances, ERGs often struggle to operationalise even the most impactful initiatives.

*"Our leadership sponsorship significantly boosts the visibility and influence of ERGs. Executive's involvement sends a strong message throughout the organisation about the importance of DEI."*

– ERG Executive Sponsor, Banking

## MindTribes Guidance

Sponsors must demonstrate public advocacy and the ability to influence peers, and may lean on their lived experience. A capable sponsor aligns with the ERG's goals, is willing to use their positional power, and actively measures their support's effectiveness. Sponsors should also help navigate internal challenges, build trust, and secure organisational resources.

# 3 Initiatives

Strategically designed and sequenced initiatives build trust, achieve measurable outcomes and position ERGs as a force for org. transformation.

- ERG initiatives are not one-size-fits-all – ERGs should design and deliver initiatives that align with their strategic objectives and organisational needs.<sup>8</sup>
- Alignment with organisational KPIs and DEI frameworks fosters greater accountability and visibility.
- Action roadmaps should incorporate both short-term, tangible outcomes and long-term, systemic goals to build credibility and sustain momentum. Examples include:
  - Cultural and psychological safety initiatives that fulfil legislative requirements (e.g., WorkSafe) have been shown to reduce attrition rates among underrepresented groups and retaining diverse talent.<sup>9</sup>
  - Initiatives that aim to address systemic workplace issues like pay equity or career progression enable ERGs to align with long-term organisational benefits in DEI.<sup>10,11</sup>

*“We try to move beyond celebration and raising awareness –initiatives that aim to influence organisational practices are more impactful than standalone events.”*

– DEI Practitioner, Professional Services

## MindTribes Guidance

Initiatives selected should be informed by data and aligned with organisational goals. ERGs should create change roadmaps that balance internal engagement (e.g., safe spaces) with external advocacy (e.g., policy change). Initiatives must be reviewed periodically to remain relevant and impactful.

# 4 Membership & Engagement

Foster inclusive engagement through authentic representation, role equity, professional growth, & safe dialogues, to build a sustainable and robust community.

- ERGs that foster inclusive environments and promote a sense of belonging can better attract and retain diverse members.
  - Strategies to enhance ERG identity, such as newsletters, member-only events, and accessible platforms, can foster stronger member connections.<sup>12</sup>
  - Recognition for ERG leaders to acknowledge the significant contributions they make alongside their full-time roles. This recognition reinforces the importance of their efforts in driving organisational change.<sup>13</sup>
- ERGs that reflect diverse identities and intersectionality are better positioned to strengthen their advocacy power and drive broader organisational influence.
- Strategic planning around membership growth is critical for sustaining ERGs long-term – such as targeted outreach efforts, a clear value proposition for prospective members, and proactive strategies for retention.<sup>14</sup>

*"Organisations must formally acknowledge the contributions of ERG leaders as part of their job duties to ensure they have the necessary time and resource allocation to fulfil their roles effectively."*

– HR Leader, Public Sector

## MindTribes Guidance

MindTribes recommends that membership composition is critical to analyse, as an ERG needs to be representative of the people it serves, e.g. you can't have an ERG for Gender and not have an intersectional gender representation. There also needs to be a plan to attract, retain, grow and diversify membership. A healthy number in an ERG carries positional and representational power as advocates and 'Voice of People'. It also prevents burnout and creates a pool for succession planning.

# 5 Governance & Structure

Establish governance frameworks that align leadership, resources, and accountability to ensure ERGs operate with strategic intent and sustainability.

- ERGs with well-defined governance frameworks ensure clarity in operations, facilitate decision-making processes, and align the group's objectives with organisational priorities.<sup>15</sup>
  - Clearly defined roles and responsibilities – including Chairs and Executive Sponsors in advocating for ERG objectives.<sup>16</sup>
  - Risk management involves safeguarding privacy and confidentiality, member well-being, preventing burnout, and psychological and cultural safety.
  - An ethics framework guides decision-making, ensuring leaders and Executive Sponsors operates with integrity, fairness, and inclusivity.
- Governance models that include intersectional collaboration across ERGs (e.g., Pride, Disability) create synergies that amplify collective impact. For example, partner on shared goals and advocate for inclusive data collection.

*"Without clear roles and accountabilities, we face key person risks when someone leaves and there is no succession planning."*

– DEI Practitioner, Public Sector

## MindTribes Guidance

We recommend a Terms of Reference (ToR) outlining the ERG's purpose, roles [especially with Chairs, members, sponsors, people and culture leads and other relevant stakeholders], ethical frameworks, and accountability mechanisms. Governance must include risk management strategies, clear reporting lines, evaluation and impact measurement as well as succession planning. These practices ensure operational consistency and long-term sustainability.

# 6 Measurement of Success

Collect qualitative and quantitative data to drive ERG credibility, strengthen organisational impact, and reinforce continuous improvement.

- Tracking both quantitative metrics, such as leadership demographics, and qualitative metrics, such as the experience of cultural safety, provide a balanced view of impact and drive strategic decisions.<sup>17</sup>
- Regular evaluation of outcomes, outputs, and processes ensures that strategies remain effective and relevant. Incorporate intersectional data to ensure that initiatives are inclusive and address the needs of diverse identities.
- Transparency in reporting, through regular updates to leadership and members, builds trust and highlights the ERG's contributions.<sup>18</sup>
- Data collection should be built into the governance and change roadmap to systematically address challenges in data collection, by establishing new mechanisms (e.g., surveys) or advocating for better processes (e.g., demographic data collection across organisations).

*“Having metrics is empowering—it shows us and the organisation the tangible value we bring.”*

– ERG Co-Chair, Public Sector

## MindTribes Guidance

Measure impact using process, output, and outcome metrics. Process metrics, e.g. Understanding the changes caused by your efforts (e.g., education on cultural safety practices through a series of events an ERG runs), output metrics counting things (e.g., tracking the growing number of members in an ERG), and outcome metrics assess long-term impact. Understanding the changes caused by your efforts (e.g., improved representation). Establishing governance mechanisms for evaluation ensures legacy and continuous improvement.

# What Is At Stake If ERGs Fail?

ERGs often started with significant interests and passion from volunteering founding members. However, failing to capture and capitalise on their momentum in an appropriate, timely and strategic manner can lead to significant risks for both the organisation and the members. Without longer-term planning and growth, we see ERGs stagnating, losing credibility, and creating unintended consequences over time.

1

## Depreciating Value & Positioning

If organisations fail to invest in ERGs with sufficient resources and clear alignment, their value diminishes over time. We often ask ERGs and leaders why have an ERG at all, what is the value and positioning now and in the long term? Often the answer to this question shows poor positioning, purpose and valuing by others.

2

## Backlash & Misunderstanding from Broader Stakeholders

ERGs that fail to engage broader leadership and employee groups meaningfully risk backlash, resentment, and misunderstanding. It is important for non-ERG members to understand the value of ERGs as they should become positive allies and advocates.

3

## Breaking the Psychological Contract & Declining Membership

People often join an ERG believing they will have a voice and influence. If they are let down by a lack of outcomes or impact, it can lead to disengagement, frustration, and loss of trust, making it harder to retain committed volunteers and leaders.

# What Is At Stake If ERGs Fail?

4

## Tokenism and Illusion of Progress

ERGs risk becoming a tokenistic effort, providing a false sense of action while systemic inequities, such as racism or pay inequity, remain unaddressed. This creates an illusion of “progress-by-activity”, inappropriately occupying P&C’s roles, and masking the lack of meaningful organisational change.

5

## Inherent Risk in People decisions

We know that People and Culture Leaders, Executive leaders and Boards in Australia are not representative yet of workforces, communities or customers as yet. Yet, these leaders carry the positional power to make decisions that affect employee experiences. If ERGs fail in carrying the lived experiences of diverse people they represent to inform decision makers, these decisions inherently carry a blindspot or risk.

Organisations must recognise that ERGs are not replacements for systemic DEI work but complementary initiatives that can amplify organisational efforts. By addressing these risks early, organisations can ensure that ERGs are sustainable and impactful, aligned with systemic DEI priorities.

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*“Ultimately, ERG’s must measure whether they are making a positive difference to employee’s lived experience of inequity and exclusion – that is the true purpose of ERGs.”*

*– Div Pillay, MindTribes CEO*



## Contact us

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# How MindTribes Support ERGs and Organisations



## Capability Building – ERG Course

Equip ERG leaders and members with the skills to drive systemic change through MindTribes' tailored, evidence-based training programs. Optional microcredential.

## Advocacy to Senior Leaders

Partnering with ERG chairs to present the case for DEI to organisational leadership, securing buy-in and resourcing for ERG success.

## Partnership with CiC – Community Building

Strengthening ERG impact through collaborative initiatives and networking opportunities facilitated by Careers in Colour.

## Access to Resources on MT Digital Hub

As a knowledge partner, offering a repository of practical tools, templates, and guides to support ERG operations and strategy.

# About MindTribes

MindTribes is an award-winning diversity, equity, and inclusion consultancy, advisory, practitioner, and research business. We are an expert behavioural change consultancy with extensive transformational experience in intersectional inclusion and structural equity.

At the core of our work is partnering with clients to embed long-term change, and realise true respect, psychological, and cultural safety for People of Colour and Anglo-Celtic individuals in the workplace.

MindTribes works with large private, public and not for profit entities to address inequity and exclusion, working from the bottom up [staff-led networks] and top down [boards, executive teams, leaders, managers, people and culture leads].

 [www.linkedin.com/company/mindtribes](https://www.linkedin.com/company/mindtribes)

 [www.mindtribes.com.au](https://www.mindtribes.com.au)



# About Careers in Colour

Careers in Colour (CiC) emerged as a grass roots response to the continued, and well-documented under-representation of people of colour and cultural diversity in Australia's senior leadership.

CiC's mission is to build a future where workplaces reflect and maximise the potential of multicultural Australia.

Since launching in late 2021, CiC have run community building events across a range of sectors. These have fostered dialogue about the lack of racial, cultural, and ethnic diversity in Australian workplaces. They have also mobilised people to create change in their own spheres.

 [www.linkedin.com/company/careers-in-colour](https://www.linkedin.com/company/careers-in-colour)

 [www.careersincolour.com](https://www.careersincolour.com)



# About the University of Melbourne

As a place of discovery and enquiry, the University of Melbourne's purpose is to benefit society through the transformative impact of education and research. Established in 1853, it is one of Australia's oldest universities and the first in Victoria. Today, the University's vibrant community comprises over 53,000 students, including 45 per cent international students from more than 150 countries.

Students who undertook Management Consulting Unit in Semester 2 2024 supported this research as part of an undergraduate work integrated learning project in the Faculty of Business and Economics at The University of Melbourne. As part of the Bachelor of Commerce program, such student engagements allow students to equip themselves with the skills and knowledge to understand and solve key business challenges and learn how to make a difference to society, policy and organisations while forging a pathway to a global career.



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