Assessing ERG Performance

Metrics & Benchmarking

Dr. Robert Rodriguez
Senior Vice President -- ALPFA
4C ERG Model

CULTURE
- Affinity, Impact
  - Tier 1
  - Tier 2
  - Tier 3
- Systems

COMMUNITY
- External Focus
  - Tier 1
  - Tier 2
  - Tier 3
- Collaboration

COMMERCE
- Consumer Insight
  - Tier 1
  - Tier 2
  - Tier 3
- Market Penetration

Talent Engine

ERG Mission
Trends

• Increased amount of benchmarking and sharing best practices.

• While ERGs have grown in sophistication, methods for measuring their effectiveness, contributions and health have not.
Benchmarking

• ERGs need to identify new ways to meet the needs of their stakeholders.

• ERGs must look beyond a singular view of how to add value.

• When ERGs don’t benchmark, they confine their possibilities.

• ERGs need to listen to more diverse viewpoints to generate new ideas and promote innovative thinking.
Case Study -- CLEO

- The Consortium of Latino Employee Organizations (CLEO) includes the leaders of the Latino ERGs of about 30 companies in Chicago.
- CLEO meets quarterly, each hosted by a different company.
- Host ERG shares information about their organization
  - MillerCoors, Allstate, Northern Trust, Kraft, Grainger, JPMorgan Chase
  - Share strategy, programs, structure, budget, and issues.
  - Leadership development session.
Case Study -- LNC

- The Latino Networks Coalition (LNC) coordinates the activities and events of about a dozen companies in NYC.
  - Deloitte, JPMorgan Chase, Thomson Reuters, etc.

- Pool their resources for joint events and programs.
  - Joint toy drive
  - Forum on education
Assessing Performance

• 4 Key Assessment Principles
  • Don’t measure & assess what you’re not willing to change.
  • Be a believer in metrics; not just a collector.
  • Information does not guarantee action.
  • You can’t fix what you can’t measure.
Assessing Performance Considerations

• Measuring business impact is most important.
  • Holistic evaluation is necessary however.
  • Need metrics of value to multiple stakeholders.

• Metrics help to identify potential problems and areas of strength.
Assessing Performance Errors

• Can’t assume cause & effect.

• Don’t over rely on measurements. Some important aspects simply can’t be measured.

• ERGs can support business functions, but they can’t be held accountable for their success.
## Recommend Assessment Areas

<table>
<thead>
<tr>
<th>Commerce</th>
<th>Careers</th>
<th>Community</th>
<th>Culture</th>
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<tbody>
<tr>
<td>Consumer Insight</td>
<td>Professional Development</td>
<td>External Focus</td>
<td>Systems</td>
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<tr>
<td>Market Penetration</td>
<td>Talent Engine</td>
<td>Collaborations</td>
<td>Affinity Impact</td>
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**Network & Affinity Leadership Congress**

**Diversity Best Practices**
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<tr>
<th>Commerce</th>
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</table>
| **Consumer Insight** | • Establishment & impact of an advisory board.  
• Input on product/service development & testing.  
• Participation & facilitation in consumer focus groups.  
• Advertising campaign input.  
  • **Kraft Foods** – Latina Advisory Council  
  • **Verizon** – Multi Unit Dwelling Sales Initiative  
  • **Nielsen** – Hispanic Consumer Buying Patterns |
| **Market Penetration** | • Work marketing/business expos.  
• Consumer referral program results.  
• Input on “go-to-market” strategy.  
• Social media marketing efforts.  
  • **AT&T** – “Prefer to Refer” Referral Program  
  • **McDonald’s** – African American churches  
  • **Sears** – “Sears en Español” Facebook site |
<table>
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<tr>
<th>Careers</th>
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<tbody>
<tr>
<td>Professional Development</td>
<td>• Sessions offered for members at all levels of career.</td>
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<tr>
<td></td>
<td>• Group development needs analysis conducted.</td>
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<td></td>
<td>• Members who have completed behavioral assessments.</td>
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<td></td>
<td>• 4 Levels of Learning Assessment</td>
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<td></td>
<td>• Pfizer – CRG Impact Model</td>
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<td></td>
<td>• Sprint – Level 4 Learning Results</td>
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<td></td>
<td>• Federal Reserve Bank – Track impact of exec coaching</td>
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<tr>
<td>Talent Engine</td>
<td>• Amount of visibility &amp; exposure to senior executives.</td>
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<tr>
<td></td>
<td>• # of members who are deemed “high-potentials”</td>
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<td></td>
<td>• Executive sponsor development plans for leaders.</td>
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<td></td>
<td>• Status of succession plan.</td>
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<td></td>
<td>• Abbott – Input on Talent Management Review</td>
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<td>• Coca Cola – Mentors assigned to new hires. Retention.</td>
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<td></td>
<td>• J&amp;J – Track visibility w/ corp. execs</td>
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# Community Measurements

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<th>Community Focus</th>
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| **External Focus** | • Involvement in community events.  
• Benchmarking activity and results.  
• # of members on boards of community organizations.  
• Introductions to community leaders. |
|                 | • **GE** -- Hispanic Forum Community Leaders event  
• **Walmart** – Nonprofit Board Development  
• **Qwest** – Track # of ERG members on boards |
| **Collaborations** | • # of collaborations w/ internal & external ERGs.  
• Impact on functional collaborations.  
• Collaborations with external thought leaders.  
• Cross company collaborations |
|                 | • **Verizon** -- Diversity in Finance  
• **BP** – Latino Diversity Insights Learning  
• **Kraft Foods** – World Cup |
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<tr>
<td>Systems</td>
<td>• National scope in programs and influence.</td>
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<td>• Descriptions in place for leadership roles.</td>
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<td>• Efficiency of budgeting process.</td>
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<td>• Membership size and # of events.</td>
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<td></td>
<td>• <strong>State Farm</strong> – “Reverse Mentoring” Program</td>
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<td></td>
<td>• <strong>Dell</strong> – Track admin efficiency</td>
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<td></td>
<td>• <strong>Comerica Bank</strong> – Twice Annually Ambassador Survey</td>
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<tr>
<td>Affinity Impact</td>
<td>• Education/Awareness events for non-ERG members.</td>
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<td>• Increase in ERG satisfaction results.</td>
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<td></td>
<td>• Support HR to recruit more members of our affinity.</td>
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<td></td>
<td>• Improve image of our affinity group.</td>
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<td></td>
<td>• <strong>Shell Oil</strong> – Latino Leadership Summit</td>
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<td></td>
<td>• <strong>Supervalu</strong> – “40 under 40’ Community Events</td>
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<td></td>
<td>• <strong>ExxonMobil</strong> – Latinos in STEM careers</td>
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4C ERG Assessment Model
Key Features

- The 4C Model provides a multidimensional perspective on ERG effectiveness. The model allows ERGs to assess their current health, impact and effectiveness.

- The model measures the impact and effectiveness of an ERG on 4 key holistic elements: Culture, Careers, Culture and Community.

- ERGs are able to compare themselves to other ERGs by capturing their scores and comparing it to a normative database of other ERG scores. The results place the ERG on a 3 tier level for each element based on a percentile score.
  - Tier 1 Emerging (50th–69th Percentile of ERGs)
  - Tier 2 Advanced (70th–84th Percentile of ERGs)
  - Tier 3 Strategic (85th Percentile of ERGs & above)

- ERG scores are captured on a visual circumplex which serves as a dashboard to gauge ERG progress.
<table>
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<tr>
<th><strong>4 C's</strong></th>
<th>To what degree do these statements reflect the current status of your ERG?</th>
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<tbody>
<tr>
<td><strong>Careers</strong></td>
<td>1 – Not at All  2 – To a Slight Degree  3 – To a Moderate Degree  4 – To a Great Degree  5 – To a Very Great Degree</td>
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</table>
| Talent Engine  | - Members get increased visibility and exposure to top executives at our company.  
- Leaders have established development plans that are reviewed with our executive sponsor.  
- Has a relatively high number of senior leaders who are actively involved with our ERG. |
| Professional Development | - Strives to identify the development needs of our ERG membership at the group level.  
- Provides numerous professional development workshops for our members.  
- Professional development offerings meet the broad range of needs of our members. |
| Consumer Insight | - Serves in an advisory capacity to our organization on consumer insights.  
- Helps with product/service development initiatives targeting our demographic.  
- Members participate in consumer focus groups. |
| Market Penetration | - Members work various consumer expos and marketing events.  
- Is seen as a strategic partner to help drive revenue generation efforts for our company.  
- Members are actively involved in consumer referral initiatives. |
| Community       |  |  |
| External Focus  | - Members actively volunteer in community events.  
- Members serve as liaisons between community organizations and our company.  
- Helps to elevate and enhance our company’s reputation in the community. |
| Collaborations  | - Collaborates and benchmarks with other external ERGs.  
- Effectively collaborates with external thought leaders to raise awareness of important issues  
- Partners with internal functions (HR, Marketing, Finance, etc.) to increase performance |
| Affinity Impact | - Helps to remove career obstacles faced by our members.  
- Educates others about issues impacting our affinity group.  
- Helps to boost the sense of pride felt by members of our affinity group. |
| Culture         |  |  |
| Systems         | - Goals are aligned with our firm’s business strategy.  
- Has a strong relationship with our executive sponsors.  
- Membership, event and budgeting processes are clear. |
Case Study
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Please be sure to complete and hand in your evaluations at the end of the day to qualify for raffle drawing.