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**The Role of Employee Resource Groups (ERGS) in Advancing  
Diversity, Equity, and Inclusion Across IT Industry**

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**ABSTRACT**

Employee Resource Groups (ERGs) are employee-led, voluntary initiatives that play a pivotal role in fostering Diversity, Equity, and Inclusion (DEI) within Industry. These groups create a platform for employees to connect, share experiences, and advocate for their needs, contributing to a more inclusive workplace culture. By aligning with DEI objectives, ERGs enhance Industrial performance through initiatives that promote equity, address unconscious biases, and celebrate diverse perspectives.

ERGs often focus on various identity-based dimensions such as gender, ethnicity, sexual orientation, or disability, as well as professional interests. They support professional development through mentorship, networking, and skill-building programs, empowering members to advance in their careers. Additionally, ERGs contribute to employee engagement and retention by fostering a sense of belonging and psychological safety. ERGs also serve as valuable conduits for leadership, providing feedback on employee experiences and influencing policies that promote inclusivity. They enhance cultural awareness and sensitivity among the broader workforce and support community outreach and social responsibility initiatives.

A sample of 100 employees from the IT industry were surveyed using the convenient sampling method and the responses were analysed using SPSS software. This study underscores the strategic importance of ERGs in advancing DEI goals, highlighting their contributions to creating equitable workplaces, nurturing future leaders, and strengthening Industrial

cohesion and innovation. These findings demonstrate ERGs' critical role in transforming Industrial culture and driving meaningful change.

***Keywords: Diversity, Equity, and Inclusion (DEI), Employee Resource Groups (ERGs), Belonging, Workplace Culture, Professional Development***

## **INTRODUCTION**

Diversity, Equity, and Inclusion is referred to as DEI. It is an Industrial structure designed to support equitable treatment and full inclusion of all individuals, especially those who have traditionally been marginalized or subjected to discrimination on the basis of identity or handicap.

Diversity is the existence of differences in gender, race, sexual orientation, handicap, age, culture, class, religion, or opinion among the employees of an Industry. Fairness and justice, such as equitable pay and treatment, are the main topics of equity. It is giving marginalized communities access to resources and decision-making power. By fostering an inclusive workplace culture, all workers will feel heard and have a sense of belonging.

Employee Resource Groups (ERGs) are employee-led, voluntary Industry that bring people together in the workplace through commonalities in interests, experiences, or traits. They are essential to promoting DEI (diversity, equity, and inclusion) in the workplace. By giving workers, a forum to interact, exchange stories, and speak up for their concerns, these groups help to foster a more welcoming workplace.

ERGs are commonly established based on many identities, including but not limited to ethnicity, gender, sexual orientation, disability, and other demographic criteria. This facilitates the ability of employees to connect with like-minded individuals and find assistance. Groups for women, LGBTQ+ people, veterans, or members of particular racial and ethnic communities are examples of identity-based ERGs. These groups provide a forum for members to share their particular experiences and issues in the workplace.

ERGs might be centred on interests or professional growth in addition to identification. Interest-based employee resource groups (ERGs) unite workers who have similar interests or passions, such as sports, the arts, or environmental action, and create bonds that improve engagement and camaraderie at work. Career advancement Conversely, ERGs are intended to assist staff members in developing their careers by offering resources for skill development, mentor ship, and networking opportunities. This is especially useful for aspiring young professionals or those looking to advance in their jobs.

## **LITERATURE REVIEW**

Employee Resource Groups (ERGs) have emerged as critical drivers of Diversity, Equity, and Inclusion (DEI) within organizations, particularly in industries like IT where diversity challenges persist. This review examines key dimensions of ERGs, including their evolution, contributions to organizational culture, strategic impact, challenges, and best practices.

ERGs initially formed as informal networks focused on creating community and support for underrepresented employees. Over time, they have evolved into formalized groups with significant influence on corporate strategy and DEI initiatives (Gonzalez, 2020). In the IT sector, where diversity issues are well-documented, ERGs now play a vital role in promoting inclusion and influencing policy. This evolution reflects a shift from grassroots efforts to strategic partnerships with senior leadership.

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ERGs foster an inclusive organizational culture by creating spaces where employees feel safe and valued. They enhance a sense of belonging and provide platforms for employees to voice concerns and share experiences (Smith & Johnson, 2019). In IT companies, ERGs have been instrumental in addressing issues such as gender imbalance, racial disparities, and bias in hiring and promotion practices (Turner & Davis, 2021). The presence of active ERGs correlates with higher employee engagement and job satisfaction, which are essential for retention in competitive IT markets. Beyond cultural impact, ERGs contribute to business outcomes by influencing talent acquisition, retention, and leadership development (Harper, 2020). ERGs often serve as a bridge between diverse talent pools and hiring managers, ensuring that recruitment strategies are inclusive. Additionally, ERGs play a role in leadership development, offering mentorship and training opportunities that help underrepresented employees advance within the organization. Williams & Clark (2022) highlight how ERG participation can help companies tap into diverse markets by leveraging insights from ERG members. Despite their benefits, ERGs face significant challenges. One of the primary issues is securing adequate funding and resources. Many ERGs operate with limited budgets, which restricts their ability to implement impactful programs (Baker, 2018). Another challenge is gaining executive support. Without buy-in from senior leadership, ERGs may struggle to influence policy and decision-making. Additionally, ERG leaders often face burnout due to the voluntary nature of their roles and the emotional labor involved (Robinson & Chen, 2019). For ERGs to thrive, organizations must implement best practices that support their objectives. Effective ERGs typically have clear governance structures, strategic alignment with corporate goals, and strong executive sponsorship (Mitchell, 2021). In the IT industry, where rapid innovation and competition require agility, ERGs can drive innovation by fostering diverse perspectives. Patel (2023) highlights case studies of successful ERGs in tech firms, emphasizing the importance of leadership support and measurable outcomes.

Assessing the impact of ERGs is essential for demonstrating their value. Metrics such as employee engagement, retention rates, and career progression of ERG members can provide insights into their effectiveness (Mitchell, 2021). Organizations that prioritize data-driven approaches to DEI are better positioned to leverage ERG contributions for strategic advantage. As the IT industry continues to evolve, ERGs will need to adapt to changing workforce dynamics and emerging DEI challenges. Lopez & Singh (2023) suggest that the future of ERGs lies in deeper integration with business strategy and greater focus on intersectionality. Technology-driven solutions, such as AI-powered analytics, can help ERGs track progress and identify areas for improvement. ERGs are invaluable assets in advancing DEI within the IT industry. Their contributions extend beyond fostering community to shaping corporate strategy and enhancing business outcomes. For IT firms to fully realize the potential of ERGs, they must invest in resources, provide leadership support, and prioritize metrics for success. As the industry moves forward, ERGs will remain central to creating inclusive workplaces that attract and retain diverse talent.

### RESEARCH DESIGN

The study employs a **descriptive research methodology**, which provides a structured framework for collecting and analysing data to explore the role of Employee Resource Groups (ERGs) in promoting Diversity, Equity, and Inclusion (DEI).

Sample Size and Sampling Technique

Sample Size: 100 participants.

Sampling Technique: Convenient sampling was used, which involves selecting participants who are readily available and willing to participate in the study.

**Data Collection**

**Primary Data:** Collected directly from respondents using a survey method. A structured questionnaire was shared with participants through Google Forms.

**Secondary Data:** Sourced from various official websites, published articles, and other relevant documents to supplement the primary data.

**Research Objective**

The research objective of the study is to explore the role of Employee Resource Groups (ERGs) in promoting Diversity, Equity, and Inclusion (DEI) within organizations. Specifically, it aims to examine how ERGs foster DEI practices by creating a supportive and inclusive environment that values diverse perspectives. The study also seeks to understand how ERGs contribute to employee career advancement and competency enhancement through initiatives like skill-building programs, networking opportunities, and focused mentoring. Additionally, it investigates the effectiveness of ERGs in attracting candidates from diverse backgrounds and improving employee retention by cultivating an inclusive workplace culture. Lastly, the research examines the impact of ERGs on the sustainability and execution of DEI efforts, highlighting areas for improvement to optimize their contributions to organizational DEI objectives.

**Theory*****Social Identity Theory (SIT)***

Social identity theory defined a group as a collection of people who categorize themselves as belonging to the same social category and internalize the category's social identity-defining attributes to define and evaluate themselves—attributes that capture and accentuate intragroup similarities and intergroup differences (Tajfel & Turner, 1986).

***Intersectionality Theory***

It is the study of overlapping or intersecting social identities and related systems of oppression, domination, or discrimination. The theory suggests that—and seeks to examine how—various biological, social and cultural categories such as gender, race, class, ability, sexual orientation, religion, caste, age, nationality and other sectarian axes of identity interact on multiple and often simultaneous levels (Kimberlé Williams Crenshaw-1989).

***Theory of Belongingness***

It is theorized that the need to belong involves the psychological experience of social connectedness obtained through emotion sharing. According to Lee and Robbins (1995), a sense of belongingness evolves from infancy to maturity through companionship, affiliation, and connectedness.

***Industrial Support Theory (OST)***

It was originally developed by Eisenberger, Huntington, Hutchison, and Sowa in 1986. It is a psychological theory that focuses on the relationship between employees and their Industry. OST suggests that employees form general beliefs about the extent to which their Industry values their contributions and cares about their well-being. These beliefs, known as perceived Industrial support (POS), influence employees' motivation, job satisfaction, and job performance.

## RESEARCH DESIGN

This study adopted a descriptive & quantitative research design as the variables under investigation were continuous in nature. The research methodology used for this study is **Descriptive**, which is a systematic framework and approach that researchers use to conduct research, collect and draw conclusions based on data.

**Data Source:** Primary data is obtained directly from the respondents through survey method. Secondary data is obtained by IT INDUSTRY websites, articles and other publications.

**Data Collection:** Data is collected in primary source by implementing survey method having shared questionnaire in the form of Google Forms

### Sample Details:

**Sample Size:** The sample size of 100 was set where the employees of IT INDUSTRY were invited to participate in.

**Sampling Technique:** Convenient sampling technique is used, which focuses on selecting participants who are readily available and willing to take part in the study.

The collected data was classified using excel spreadsheets and various statistical techniques and data visualization methods are used to ensure that the research objectives are depicted as intended.

## RESULTS & DISCUSSION

### Hypothesis Set - 1

<b><i>H0 : The effectiveness of ERG in identifying and developing future leaders within the organization does not vary with age.</i></b>
<b><i>H1 : The effectiveness of ERG in identifying and developing future leaders within the organization varies with age</i></b>

**Table 4.27**

<b>Descriptives</b>								
<b><i>Do you think ERGs help in identifying and developing future leaders within the organization?</i></b>								
<b><i>Age</i></b>	<b><i>N</i></b>	<b><i>Mean</i></b>	<b><i>Std. Deviation</i></b>	<b><i>Std. Error</i></b>	<b><i>95% Confidence Interval for Mean</i></b>		<b><i>Minimum</i></b>	<b><i>Maximum</i></b>
					<b><i>Lower Bound</i></b>	<b><i>Upper Bound</i></b>		
<b><i>18-24</i></b>	<b><i>37</i></b>	<b><i>2.41</i></b>	<b><i>0.798</i></b>	<b><i>0.131</i></b>	<b><i>2.14</i></b>	<b><i>2.67</i></b>	<b><i>1</i></b>	<b><i>5</i></b>
<b><i>25-34</i></b>	<b><i>49</i></b>	<b><i>2.2</i></b>	<b><i>1</i></b>	<b><i>0.143</i></b>	<b><i>1.92</i></b>	<b><i>2.49</i></b>	<b><i>1</i></b>	<b><i>5</i></b>

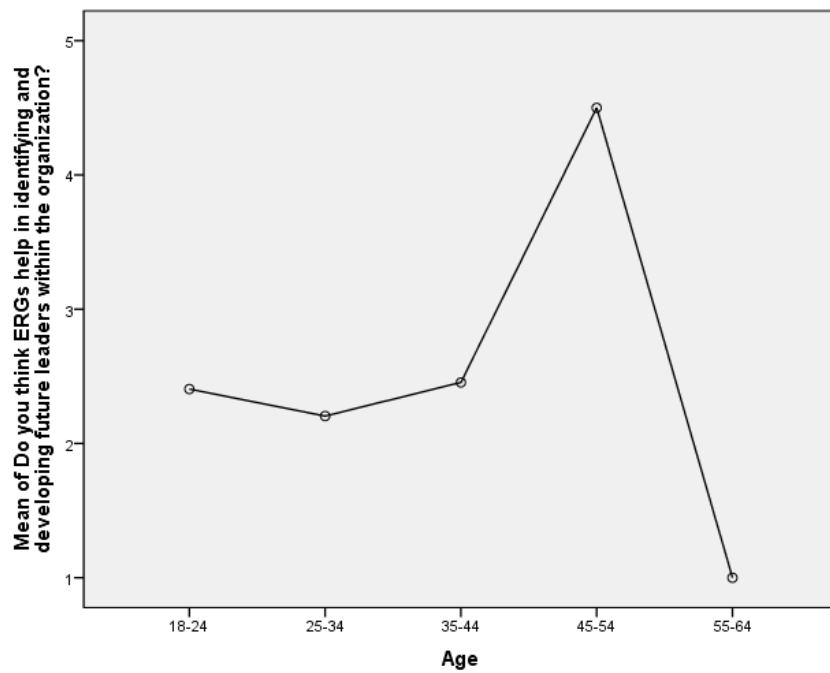
<b>35-44</b>	<b>11</b>	<b>2.45</b>	<b>1.128</b>	<b>0.34</b>	<b>1.7</b>	<b>3.21</b>	<b>1</b>	<b>5</b>
<b>45-54</b>	<b>2</b>	<b>4.5</b>	<b>0.707</b>	<b>0.5</b>	<b>-1.85</b>	<b>10.85</b>	<b>4</b>	<b>5</b>
<b>55-64</b>	<b>1</b>	<b>1</b>	<b>.</b>	<b>.</b>	<b>.</b>	<b>.</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>100</b>	<b>2.34</b>	<b>0.987</b>	<b>0.099</b>	<b>2.14</b>	<b>2.54</b>	<b>1</b>	<b>5</b>

**Table 4.28**

**ANOVA**

	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
<b>Between Groups</b>	<b>12.335</b>	<b>4</b>	<b>3.084</b>	<b>3.483</b>	<b>0.011</b>
<b>Within Groups</b>	<b>84.105</b>	<b>95</b>	<b>0.885</b>		
<b>Total</b>	<b>96.44</b>	<b>99</b>			

**Graph 4.27**



### ANOVA Interpretation:

The ANOVA results, with an F-value of 3.483 and a significance level (p-value) of **0.011**—below the traditional threshold of 0.05—show a **statistically significant variation** in the perceptions of the usefulness of ERGs among the various age groups.

This implies that the perceptions of at least one age group are very different from each other. While the within-group sum of squares (84.105) reveals significant variety among individual responses within each age group, the sum of squares between groups (12.335) illustrates variability in replies dependent on age.

Overall, these findings imply that organizations should consider adjusting their ERG initiatives to better engage younger employees and enhance their perceptions of the leadership development opportunities provided by these groups, while also taking into account the positive feedback from more seasoned employees who may have more program experience.

### Hypothesis Set - 2

<b><i>H0 : The influence of EGRs on company policies relating to DEI does not vary with the age of members in ERG</i></b>
<b><i>H1 : The influence of EGRs on company policies relating to DEI varies with the age of members in ERG</i></b>

**Table 4.29**

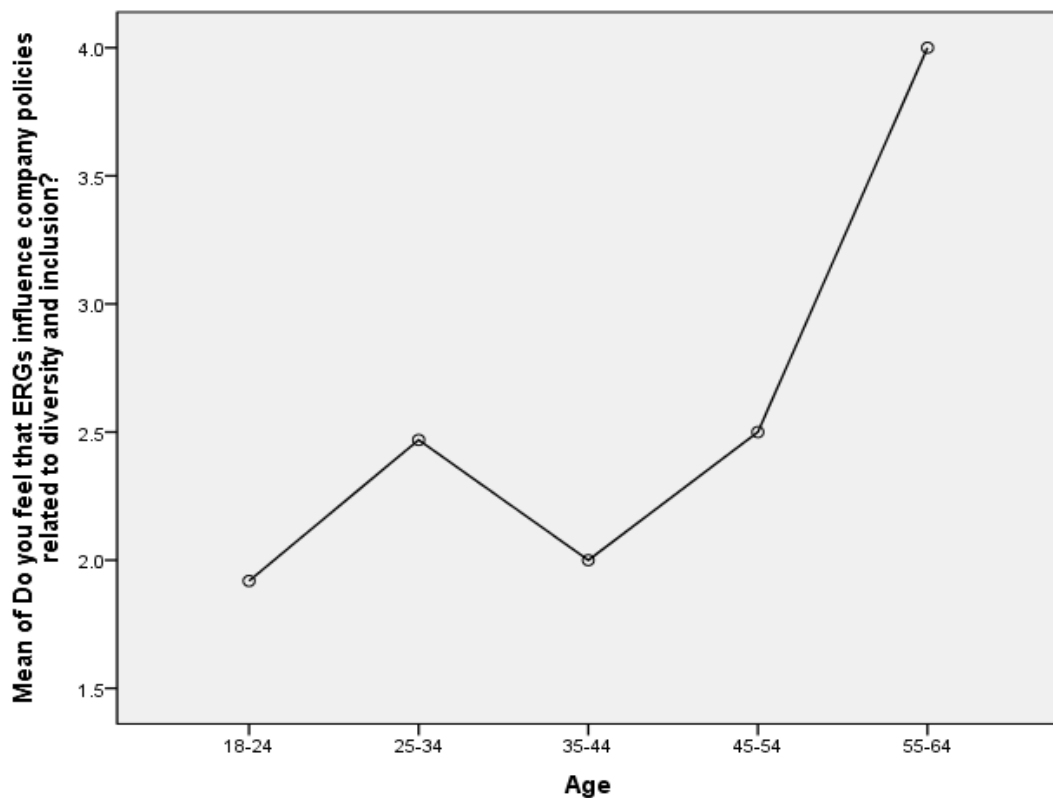
<b>Descriptives</b>								
<b><i>Do you feel that ERGs influence company policies related to diversity and inclusion?</i></b>								
<b>Age</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error</b>	<b>95% Confidence Interval for Mean</b>		<b>Minimum</b>	<b>Maximum</b>
					<b>Lower Bound</b>	<b>Upper Bound</b>		
<b>18-24</b>	<b>37</b>	<b>1.92</b>	<b>0.722</b>	<b>0.119</b>	<b>1.68</b>	<b>2.16</b>	<b>1</b>	<b>3</b>
<b>25-34</b>	<b>49</b>	<b>2.47</b>	<b>0.96</b>	<b>0.137</b>	<b>2.19</b>	<b>2.75</b>	<b>1</b>	<b>5</b>
<b>35-44</b>	<b>11</b>	<b>2</b>	<b>1.183</b>	<b>0.357</b>	<b>1.21</b>	<b>2.79</b>	<b>1</b>	<b>4</b>
<b>45-54</b>	<b>2</b>	<b>2.5</b>	<b>0.707</b>	<b>0.5</b>	<b>-3.85</b>	<b>8.85</b>	<b>2</b>	<b>3</b>
<b>55-64</b>	<b>1</b>	<b>4</b>	<b>.</b>	<b>.</b>	<b>.</b>	<b>.</b>	<b>4</b>	<b>4</b>
<b>Total</b>	<b>100</b>	<b>2.23</b>	<b>0.941</b>	<b>0.094</b>	<b>2.04</b>	<b>2.42</b>	<b>1</b>	<b>5</b>

**Table 4.30**

**ANOVA**

	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
<b>Between Groups</b>	<b>10.249</b>	<b>4</b>	<b>2.562</b>	<b>3.142</b>	<b>0.018</b>
<b>Within Groups</b>	<b>77.461</b>	<b>95</b>	<b>0.815</b>		
<b>Total</b>	<b>87.71</b>	<b>99</b>			

**Graph 4.28**



**ANOVA Interpretation:**

**Between Groups:** sum of squares is 10.249, which indicates that there is a notable amount of variability in the responses based on group membership. The degrees of freedom (df) for these groups is 4, which suggests that there are five distinct groups being compared. The F-statistic calculated is 3.142, with a significance level (p-value) of **0.018**. This p-value is below the conventional threshold of



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0.05, indicating that there are **statistically significant** differences in perceptions among the groups being analyzed.

**Within Groups:** sum of squares is 77.461, with a mean square of 0.815, reflecting variability in responses within each group.

All things considered, these results emphasise how critical it is to comprehend the many viewpoints that exist within a company and imply that specific tactics might be required to meet the varying requirements and viewpoints of different staff groups.

### Hypothesis Set - 3

<b><i>H0 : There is no significant association between open communication about DEI in the workplace and effectiveness of ERGs in promoting diversity within the organization.</i></b>
<b><i>H1 : There is significant association between open communication about DEI in the workplace and effectiveness of ERGs in promoting diversity within the organization.</i></b>

**Table 4.31**

### **CORRELATION**

		<b><i>Do you feel that ERGs facilitate open communication about diversity and inclusion issues?</i></b>	<b><i>Do you believe Employee Resource Groups (ERGs) are effective in promoting diversity within your organization?</i></b>
<b><i>Do you feel that ERGs facilitate open communication about diversity and inclusion issues?</i></b>	<b><i>Pearson Correlation</i></b>	<b><i>1</i></b>	<b><i>.257**</i></b>
	<b><i>Sig. (2-tailed)</i></b>		<b><i>0.01</i></b>
	<b><i>N</i></b>	<b><i>100</i></b>	<b><i>100</i></b>
<b><i>Do you believe Employee Resource Groups (ERGs) are effective in promoting diversity within your organization?</i></b>	<b><i>Pearson Correlation</i></b>	<b><i>.257**</i></b>	<b><i>1</i></b>
	<b><i>Sig. (2-tailed)</i></b>	<b><i>0.01</i></b>	
	<b><i>N</i></b>	<b><i>100</i></b>	<b><i>100</i></b>

Correlation is significant at the 0.01 level (2-tailed).

### Interpretation:

The results of the correlation analysis show a statistically significant positive association between the idea that Employee Resource Groups (ERGs) are helpful in encouraging diversity within the organisation and the perception that ERGs promote open discussion regarding diversity and inclusion concerns. A moderately **positive** association is shown by the Pearson correlation coefficient of **0.257**. This implies that people are more likely to believe in the efficacy of ERGs in fostering diversity inside the organisation when they have a stronger sense that these groups encourage candid conversations on diversity and inclusion.

With a significance level of **0.01** this connection is considered **statistically significant**, meaning that the likelihood of this relationship being the result of random chance is less than 1%.

This research emphasises how crucial it is for ERGs to foster communication, and it suggests that encouraging candid conversations about diversity and inclusion can have a beneficial impact on how effective ERGs are seen. Establishing an atmosphere that encourages this kind of communication could be advantageous for organizations, as it may result in more backing for ERGs and their diversity-promoting efforts.

### FACTOR ANALYSIS:

Factor analysis is carried out to identify the factors of ERG in promoting DEI in organizations. Here, principle component analysis using VARIMAX rotation was used to extract the factors of ERG in promoting DEI.

In this study, the KMO and Bartlett's Test, Extraction Communalities and Rotated Varimax factor loadings were used to finalize the factors of ERG in promoting DEI in organizations.

The KMO and Bartlett's test tables, Communalities tables and Rotated Components matrix are as shown below.

**Table 4.32**

<b>KMO and Bartlett's Test</b>		
<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		<b>0.871</b>
<b>Bartlett's Test of Sphericity</b>	<b>Approx. Chi-Square</b>	<b>543.707</b>
	<b>df</b>	<b>190</b>
	<b>Sig.</b>	<b>0</b>

20 items were used in the analysis. The appropriateness of factor analysis was determined using KMO and Bartlett's test indicating the sample adequacy. KMO value 0.871 is reported to be high and Bartlett's test ( $P = 0.000$ ) suggests that factor analysis can be undertaken.

**Table 4.33**

<b>Communalities</b>		
	<b>Initial</b>	<b>Extraction</b>
<b><i>Do you believe Employee Resource Groups (ERGs) are effective in promoting diversity within your organization?</i></b>	<b>1</b>	<b>0.683</b>
<b><i>Do you feel that ERGs create a sense of belonging among employees?</i></b>	<b>1</b>	<b>0.656</b>
<b><i>Do you feel that ERGs facilitate open communication about diversity and inclusion issues?</i></b>	<b>1</b>	<b>0.699</b>
<b><i>Do you believe ERGs are impactful in fostering professional development opportunities for their members?</i></b>	<b>1</b>	<b>0.673</b>
<b><i>Do you believe ERGs educate the broader workforce about different cultures and perspectives?</i></b>	<b>1</b>	<b>0.536</b>
<b><i>Do you think ERGs help in identifying and developing future leaders within the organization?</i></b>	<b>1</b>	<b>0.72</b>
<b><i>Do you feel that ERGs influence company policies related to diversity and inclusion?</i></b>	<b>1</b>	<b>0.592</b>
<b><i>Do you find the role of ERGs important in improving employee retention rates?</i></b>	<b>1</b>	<b>0.705</b>
<b><i>Do you feel that ERGs help in creating a safe space for employees to express their concerns?</i></b>	<b>1</b>	<b>0.748</b>
<b><i>Do you find ERGs effective in fostering connection among employees?</i></b>	<b>1</b>	<b>0.637</b>
<b><i>Do you feel that ERGs provide valuable feedback to leadership regarding employee experiences?</i></b>	<b>1</b>	<b>0.552</b>
<b><i>Do you feel that ERGs support the onboarding process for new hires?</i></b>	<b>1</b>	<b>0.738</b>

<i>To what degree do you believe ERGs enhance collaboration across different departments?</i>	<b>1</b>	<b>0.506</b>
<i>Are you satisfied with the resources provided by ERGs for personal development?</i>	<b>1</b>	<b>0.646</b>
<i>Do you think ERGs have an impact in promoting cultural awareness and sensitivity?</i>	<b>1</b>	<b>0.781</b>
<i>Do you feel that ERGs help in addressing unconscious biases within the workplace?</i>	<b>1</b>	<b>0.722</b>
<i>Do you believe ERGs contribute to the overall employee engagement levels?</i>	<b>1</b>	<b>0.836</b>
<i>Are you satisfied with the communication from ERG leadership regarding their initiatives?</i>	<b>1</b>	<b>0.712</b>
<i>Do you find ERGs effective in creating a more equitable workplace?</i>	<b>1</b>	<b>0.566</b>
<i>Do you believe ERGs are involved in community outreach and social impact initiatives?</i>	<b>1</b>	<b>0.59</b>

Since the Extraction Values in the communalities table is greater than 0.05, these are selected for factor analysis.

**Table 4.34**

<b>Total Variance Explained</b>									
<b>Com pone nt</b>	<b>Initial Eigenvalues</b>			<b>Extraction Sums of Squared Loadings</b>			<b>Rotation Sums of Squared Loadings</b>		
	<b>Total</b>	<b>% of Variance</b>	<b>Cumulative %</b>	<b>Total</b>	<b>% of Variance</b>	<b>Cumulative %</b>	<b>Total</b>	<b>% of Variance</b>	<b>Cumulative %</b>
<b>1</b>	<b>4.476</b>	<b>22.382</b>	<b>22.382</b>	<b>4.476</b>	<b>22.382</b>	<b>22.382</b>	<b>2.214</b>	<b>11.071</b>	<b>11.071</b>
<b>2</b>	<b>1.885</b>	<b>9.424</b>	<b>31.807</b>	<b>1.885</b>	<b>9.424</b>	<b>31.807</b>	<b>2.036</b>	<b>10.179</b>	<b>21.25</b>
<b>3</b>	<b>1.66</b>	<b>8.3</b>	<b>40.107</b>	<b>1.66</b>	<b>8.3</b>	<b>40.107</b>	<b>2.025</b>	<b>10.126</b>	<b>31.376</b>
<b>4</b>	<b>1.452</b>	<b>7.262</b>	<b>47.369</b>	<b>1.452</b>	<b>7.262</b>	<b>47.369</b>	<b>1.892</b>	<b>9.459</b>	<b>40.834</b>
<b>5</b>	<b>1.282</b>	<b>6.41</b>	<b>53.779</b>	<b>1.282</b>	<b>6.41</b>	<b>53.779</b>	<b>1.774</b>	<b>8.869</b>	<b>49.704</b>

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6	1.172	5.861	59.64	1.172	5.861	59.64	1.749	8.747	58.451
7	1.072	5.358	64.998	1.072	5.358	64.998	1.309	6.547	64.998
8	0.996	4.978	69.976						
9	0.857	4.284	74.26						
10	0.785	3.925	78.185						
11	0.768	3.841	82.026						
12	0.646	3.231	85.257						
13	0.526	2.628	87.885						
14	0.501	2.506	90.391						
15	0.436	2.18	92.571						
16	0.375	1.874	94.445						
17	0.331	1.653	96.098						
18	0.308	1.539	97.637						
19	0.264	1.321	98.958						
20	0.208	1.042	100						

Principle component analysis extracted 7 factors with the cumulative 64.998 variance. The variance ranged between 11.071 and 64.998. Thus, the extraction of 7 factors explained almost 70% of the variance which is generally seen as satisfactory in social sciences.

**Table 4.35**

<b>Factors</b>	<b>Item No.</b>	<b>Factor Loadings</b>	<b>No. of Items</b>	<b>Percentage of Variance explained</b>
<b>Perceptions of ERGs' Impact on Diversity, Inclusion, and Professional Development</b>	<b>ERGs influence on company policies related to diversity and inclusion</b>	<b>0.692</b>	<b>4</b>	<b>11.071</b>
	<b>ERGs are involvement in community outreach and social impact initiatives</b>	<b>0.625</b>		

	<i>ERGs effectiveness in creating a more equitable workplace</i>	<i>0.577</i>		
	<i>ERGs are impactfulness in fostering professional development opportunities for their members</i>	<i>0.574</i>		
<i>Impact of ERGs on Employee Engagement and Retention</i>	<i>ERGs contribution to the overall employee engagement levels</i>	<i>0.742</i>	<i>2</i>	<i>10.179</i>
	<i>Role of ERGs in improving employee retention rates</i>	<i>0.726</i>		
<i>Role of ERGs in Fostering a Supportive Work Environment</i>	<i>Role of ERGs in creating a safe space for employees to express their concerns</i>	<i>0.723</i>	<i>3</i>	<i>10.126</i>
	<i>ERGs effectiveness in fostering connection among employees</i>	<i>0.718</i>		
	<i>Role ERGs facilitation in open communication about diversity and inclusion issues</i>	<i>0.644</i>		
<i>Perceptions of ERGs in Personal Development and Cultural Awareness</i>	<i>Level of satisfaction with the resources provided by ERGs for personal development</i>	<i>0.758</i>	<i>2</i>	<i>9.459</i>
	<i>ERGs role in educating the broader workforce about different cultures and perspectives</i>	<i>0.644</i>		
<i>Impact of ERGs on Cultural</i>	<i>ERGs impact in promoting cultural</i>	<i>0.833</i>	<i>2</i>	<i>8.869</i>

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<b>Awareness and Bias Mitigation</b>	<b>awareness and sensitivity</b>			
	<b>ERGs help in addressing unconscious biases within the workplace</b>	<b>0.636</b>		
<b>Role of ERGs in Onboarding and Leadership Development</b>	<b>ERGs support in the onboarding process for new hires</b>	<b>0.796</b>	<b>2</b>	<b>8.747</b>
	<b>ERGs help in identifying and developing future leaders within the organization</b>	<b>0.659</b>		
<b>Perceptions of ERG Leadership and Diversity Promotion</b>	<b>Level of satisfaction with the communication from ERG leadership regarding their initiatives</b>	<b>0.782</b>	<b>2</b>	<b>6.547</b>
	<b>Employee Resource Groups (ERGs) effectiveness in promoting diversity within your organization</b>	<b>0.624</b>		
<b>Total</b>		<b>11.753</b>	<b>17</b>	<b>64.998</b>

According to this investigation, employee development, diversity, and inclusion attitudes are all greatly impacted by ERGs, which account for over 65% of the variation in general perceptions. ERGs' impact on participation, workplace culture, and support for professional development and cultural sensitivity are important considerations.

#### **Interpretation:**

The results of the correlation analysis show a statistically significant positive association between the idea that Employee Resource Groups (ERGs) are helpful in encouraging diversity within the industry and the perception that ERGs promote open discussion regarding diversity and inclusion concerns. A moderately positive association is shown by the Pearson correlation coefficient of 0.257. This implies that people are more likely to believe in the efficacy of ERGs in fostering diversity inside the industry when they have a stronger sense that these groups encourage candid conversations on diversity and inclusion.

This research emphasizes how crucial it is for ERGs to foster communication, and it suggests that encouraging candid conversations about diversity and inclusion can have a beneficial impact on how effective ERGs are seen. Establishing an atmosphere that encourages this kind of communication could

be advantageous for Industry, as it may result in more backing for ERGs and their diversity-promoting efforts.

## **MAJOR FINDINGS**

The findings of the study highlight the following:

**ERGs and Diversity:** A majority of participants believe that ERGs are highly effective in promoting diversity within the organization.

**Sense of Belonging:** ERGs significantly contribute to creating a sense of belonging among employees.

**Communication on DEI Issues:** Respondents view ERGs as platforms that facilitate open communication about diversity and inclusion issues.

**Professional Development:** ERGs are recognized for fostering professional development opportunities, including skill-building and mentoring.

**Cultural Awareness:** The study found that ERGs play a pivotal role in educating the broader workforce about diverse cultures and perspectives, enhancing inclusivity and sensitivity.

**Policy Influence:** ERGs are perceived as influential in shaping company policies related to diversity and inclusion, improving organizational practices.

**Retention and Engagement:** Participants acknowledge that ERGs help improve employee retention and engagement by providing support, professional growth opportunities, and inclusive policies.

## **RECOMMENDATIONS**

**Tailor ERG Activities for Different Age Groups:**

Offer career growth, mentoring, and skill-building for younger employees.

Focus on leadership opportunities and team collaboration for older employees.

**Improve DEI Communication:**

Create spaces for open and inclusive conversations about diversity.

Train ERG leaders to guide these discussions effectively.

**Track and Share ERG Success:**

Measure ERG impact using surveys and data like retention rates.

Share results with employees to build trust and show progress.

**Encourage Teamwork Across Departments:**

Involve ERGs in projects that connect employees from different parts of the organization.

**Support ERG Leaders:**

Provide training to help leaders handle diverse opinions and promote inclusion.

## **LIMITATIONS**

Research on Employee Resource Groups (ERGs) highlights key limitations affecting their impact and applicability. Studies often rely on small, homogeneous samples and self-reported data, introducing bias and limiting insights into diverse industries. The lack of longitudinal research hampers



understanding of ERG sustainability over time, while variability in structure and leadership support complicates comparisons. Challenges like role conflicts, burnout, and the absence of standardized success metrics further restrict their effectiveness. Additionally, some ERGs unintentionally foster exclusivity, and their success heavily depends on Industrial culture and leadership buy-in. These issues underscore the need for more diverse and objective research to enhance ERGs’ long-term impact.

### **SCOPE FOR FURTHER RESEARCH**

Study how ERGs spread awareness and inclusion across the organization.

Explore how ERGs help attract and keep employees while boosting their skills.

Look at how ERGs shape company policies to be more inclusive.

Examine how ERGs maintain their impact on diversity efforts over time.

Compare ERG effectiveness in different industries and company sizes to find broader patterns.

### **CONCLUSION**

The study highlights differing perceptions of Employee Resource Groups (ERGs) across age groups, with younger employees viewing ERGs as less impactful on leadership development and DEI policies, while older employees show greater support due to familiarity with company culture. Open DEI discussions strongly correlate with ERG effectiveness in fostering diversity, emphasizing the need for transparent communication. Industry can enhance ERG contributions by incorporating mentorship and career development for younger workers, prioritizing open DEI conversations, and tailoring initiatives to diverse employee needs. These changes can boost participation, inclusion, and growth across the workforce.

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