



Faith-Based Employee Resource Groups

**A Tanenbaum Report for
Corporate Members**

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Introduction

Tanenbaum is the only secular, non-sectarian not-for-profit organization with over fifteen years of experience providing companies with practical programs that respond to the challenges – and harness the opportunities – of religious diversity and inclusion. Tanenbaum's Corporate Members are global and national leaders that proactively tackle religious diversity at work, not just to prevent litigation, but to leverage religious differences to advance their business strategies.

This Tanenbaum Report for Corporate Members reviews a common challenge identified by Tanenbaum's Corporate Members, the question of faith-based Employee Resource Groups (ERGs), and identifies pragmatic approaches for managing them. This Report is a product of Tanenbaum's benchmarking research of Corporate Members' practices, research on religious inclusion at work, and our expertise. In brief, it explores the reasons why too few U.S. and international companies have sanctioned faith-based ERGs, and presents better practices for companies considering the implementation of effective faith-based ERGs.

Background

ERGs are known by many names and have various purposes. Some of these include affinity groups, employee networks, business resource groups or professional networks. For the purposes of this report, we will use the term "Employee Resource Group (ERG)" as an umbrella term that covers all types of formal and company-sanctioned employee groups and encompasses a wide range of business purposes.

According to Mercer's January 2011 report "ERGs Come of Age: The Evolution of Employee Resource Groups," companies throughout the U.S. and Europe are committing increasingly substantial resources to ERGs, both in terms of money and in time spent by staff and executive sponsors. According to the Mercer report, in addition to spending an average total of over six figures on ERGs each year, the companies surveyed by Mercer have an average of 1.4 full-time equivalent employees dedicated to the management, coaching and coordination of ERGs. The Mercer study also found that ERGs have taken on greater importance in advancing diversity and inclusion, corporate responsibility and business strategies, which in turn helps to justify the considerable support that ERGs receive. The study found that the more these networks direct their attention to activities that impact business results, the more successful they become at surfacing and developing talent and driving the diversity agenda.

Sixteen percent of the companies surveyed by Mercer reported having single religion ERGs, and 9% had interfaith ERGs. Based on our benchmarking, Tanenbaum believes that the number of faith-based ERGs has continued to grow since the original Mercer study was conducted in 2011. DiversityInc's Top 50 Companies ranking documents this trend. Of its Top 50 companies, 28% now have faith-based resource groups, compared to just 5% eight years ago. From a more anecdotal perspective, Tanenbaum can also report that the number of companies that have contacted

us with questions about creating and maintaining faith-based ERGs has dramatically increased over the last 3-5 years.

Despite this shift, the number of faith-based ERGs in the U.S. and Europe is still low when compared to ERGs dedicated to other identifiers that have been on the radar of Diversity and Inclusion professionals for years (such as gender or race). This can be a missed opportunity for companies that want to improve bottom line results. If managed properly, sanctioning faith-based ERGs can be an effective strategy for reducing religious bias and discrimination at work and improving talent attraction, retention and morale. Though value-adding, creating effective faith-based ERGs still requires care, and companies need to be ready to face challenges when they do so.

Identifying the Challenges

Challenge # 1: Religion is not a “Diversity Issue.”

Across the most profitable companies, it is par for the course to seek increased diversity within an employee population. Efforts related to increasing diversity usually aim to increase the number of women, veterans, employees of minority races and ethnicities, and employees with disabilities in the workforce. Companies do not typically look to increase the

number of employees adhering to a range of religious groups. In fact, for companies in the U.S., it would be difficult—if not impossible—to set a goal to increase a company’s religious diversity due to legal restrictions on asking questions about an applicant’s religious identity during the interview process. These restrictions, combined with other issues of discomfort about the topic and misconceptions about what is legally required around religion in the U.S., have discouraged companies from including religion in the diversity conversation.

For many companies, this hands-off approach to religion in the workplace has applied to their consideration of faith-based ERGs. Historically, ERGs were created to improve recruitment and retention, and to advance minorities at work. However, as Mercer’s 2011 report suggests, ERGs have come a long way since their early days. They now focus more on diversity and inclusion issues that also advance business goals. Unfortunately, religion too often has been overlooked in this evolutionary process. Companies have tended to ignore religion’s potential for contributing to inclusion and business goals, and frequently fail to see how proactively addressing religious diversity can improve everything from recruitment of the best talent to sales in new markets.

Challenge # 2: What kind of faith-based ERG should the company sanction?

When companies begin to recognize the potential of faith-based ERGs to contribute to the bottom line, they often struggle with how to move forward. Many remain hesitant, fearing that if they approve an employee’s request for a faith-based ERG, they will face an explosion of requests for accommodations or other issues. Even when they get past this concern, companies still need to identify the type of faith-based ERG (e.g., Interfaith, Multi-faith, Christian-specific, etc.) best suited for the company.

For example, many global companies struggle with requests for religion-specific ERGs (e.g. Christian, Jewish, Muslim, etc.), concerned that the employees’

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real purpose is to undercut other groups or individuals within the company. Executives are often concerned that the approval of such religion-specific groups will lead to a range of issues from proselytizing, to the denigration of colleagues' sexual orientations and gender identities, to misuse of company time and resources.

Significantly, when it comes to requests for religion-specific groups, biases and stereotypes often float to the surface. For instance, perhaps a company is open to the idea of sanctioning a Muslim ERG, but is hesitant to accept a qualified request for a Wiccan ERG due to misperceptions and misinformation about the religion. With very few available resources around this contentious and sensitive issue, attempts to leverage religious diversity through a religion-based ERG are often stalled or abandoned altogether.

Identifying Solutions

Problem: Companies have less actively explored religion's potential in contributing to diversity, inclusion, and the advancement of business goals.

Solution: As detailed in Mercer's recent study, companies are increasingly using models of ERGs that contribute directly to their business purpose. Tanenbaum recommends considering faith-based ERGs as a way to harness religion as a resource. Through benchmarking with Corporate Members and private clients, Tanenbaum has identified examples of how faith-based ERGs can contribute to business success:

1. Reducing risk: Increasing awareness around religious diversity issues decreases the likelihood of misunderstandings, conflicts and litigation. Effective faith-based ERGs can help companies identify innovative accommodations and institutionalize those practices.
2. Professional development: Faith-based ERGs, like all other ERGs, can establish mentoring programs, provide educational programs and connect employees with role models.

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3. Improving recruitment and retention: Faith-based ERGs can bolster a company's reputation for diversity and inclusion generally and with respect to religious inclusion in particular, helping companies attract the best talent. Effective faith-based ERGs will help meet the needs of employees with diverse beliefs, thereby increasing job satisfaction and retention.
4. Improving teamwork, morale and productivity: Companies and employees often lack the resources and skills they need to communicate respectfully and effectively about religion, negatively impacting teamwork, morale and productivity. Faith-based ERGs can advise on the creation and management of resources like Quiet Rooms (designated spaces for prayer as well as reflection), information on upcoming holidays and interfaith calendars.
5. Impacting the bottom line: Faith-based ERGs can help develop products, refine marketing campaigns, train sales and marketing teams working in religiously diverse and adherent areas of the world, drive community service initiatives that build the corporate reputation, and engage the communities they serve.

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Problem: When companies ultimately identify the potential of faith-based ERGs to contribute to diversity, inclusion and business goals, they still struggle to identify the “best” type of faith-based ERG to implement.

Solution: There is no “best” practice when it comes to sanctioning a faith-based ERG. However, there are some better practices and general guidelines to consider. If the faith-based group is sanctioned by the company and given resources to operate (such as staff time, office space, budgets, etc.), it is recommended that the group meet the following qualifications, regardless of the group’s scope. If a potential or existing faith-based ERG does not meet the below qualifications, your company should consider putting any faith-based ERG initiatives on hold until the issue is resolved. Issues may include a poorly defined business purpose, lack of executive support, lack of diverse ERG leadership, or evidence that the group’s activities will work in opposition to another group of employees or individual within the company.

- The faith-based ERG is open to all employees, regardless of how they identify;
- The faith-based ERG does not promote or denigrate religion;

- The faith-based ERG has diverse representation at the leadership level (including gender, race, ethnicity, national origin, sexual orientation, gender identity, ability, and religion among other identities);
- The faith-based ERG has an executive sponsor or champion;
- Joining the faith-based ERG should not be mandatory or expected for any employee;
- The faith-based ERG has a clear business purpose, and all of its activities are closely tied to such business objectives;
- The faith-based ERG is not formed in opposition to an individual, groups of individuals or specific beliefs or practices; and
- The faith-based ERG adheres to all company-wide policies.

Three models of faith-based ERGs

Companies should consider these options before determining which is best for their corporate culture:

1. Religion-Specific ERG:

The religion-specific ERG, such as a Christian, Jewish or Muslim ERG, creates religious and cultural awareness, serves as a resource for employees and the company, and enhances overall diversity in the workplace. All employees should be able to join and participate in the group’s activities, regardless of the employee’s religious affiliation or lack of affiliation.

American Express, one of Tanenbaum’s current Corporate Members, sets an excellent model for supporting religion-specific ERGs. The company’s faith-based ERGs, which include CHAI (Jewish

Network), PEACE (Arabic, Islam, Muslim Network) and SALT (Christian Network), help its employees bridge the spiritual and practical aspects of life, learning and development. Like all of American Express' 16 ERGs, its faith-based networks are highly regarded and their expertise is sought when ethnic and cultural events are planned, recruitment initiatives to advance and retain diverse groups are launched and insight is needed to better market to multicultural communities.

Religion-specific ERGs can be a very useful model for fostering a sense of community among diverse employees and helping solve real business challenges. For example, American Express has leveraged the expertise and diverse insights from their religion-specific ERGs for product development and marketing initiatives. In recent years, the company collaborated with these ERGs to brainstorm innovative ways to celebrate diverse holidays and traditions. As a result of this collaboration, American Express introduced new gift cards to celebrate cultural holidays, such as Diwali and Chanukah.

It is worth noting that, in Tanenbaum's experience, the religion-specific ERG model can be especially useful for companies with less than 1,000 employees. Companies with 1,000 employees or less may lack the religiously diverse leaders that an interfaith group demands. With that said, when forming any kind of religion-based ERG, leadership diversity should be considered a priority to ensure effectiveness and inclusion.

The religion-specific model can also be particularly useful for a company that wishes to respond to employees' grassroots requests for an ERG. If a company sanctions one religion-specific ERG, however, it may find itself at risk for litigation if it then denies another religion-specific group. This is why the qualifications that proposed groups must meet are so important. Not only must they be clear, but they also have to be even-handedly applied by the company (see qualifications above).

2. The Interfaith ERG

The Interfaith ERG (also called multi-faith or inter-belief/multi-belief ERGs) addresses the issues of employees and customers from all faiths and none. Their activities therefore can include a range of approaches. Some, such as an educational panel presentation, may be specific to one religious tradition or can include multiple beliefs. What is significant, however, is that the group's overall mission and goals more generally address interfaith issues and provide the company with support around religious diversity and identity, broadly defined.

Merck & Co., Inc., another of Tanenbaum's current Corporate Members, provides an excellent model for Interfaith ERGs through its support of the Merck Interfaith Organization (MIO) Employee Resource Business Group (EBRG). The MIO's mission ideology states that "the MIO embodies a welcoming, respectful and nurturing community of faith for Merck employees from all spiritual paths and backgrounds. As Merck employees, we celebrate our diversity, with the realization of our common humanity. We seek to do so by recognizing that it is not so much the beliefs we hold (which are deeply personal and to be respected) but how we act on those beliefs that is crucial – and that we are called by our common humanity to act with kindness, compassion and respect. MIO aspires

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—Shanti K. Samuel, Merck & Co., Inc.

to be an inclusive community that acts globally as an agent of good works within Merck, the community, and the world.” In speaking with Shanti K. Samuel, PhD and MBA, the MIO Employee Resource Business Group Lead at Merck, she expressed that “increased awareness of who we are as individuals and how that awareness is shared with our colleagues is critical for a company to succeed in global markets. In this environment of inclusion, not only is the business component taken care of but also the greater good; where we as Merck have the ability to possibly help those in need.”

The Interfaith ERG could be considered a better practice for large companies of 1,000 employees or more, especially if chapters of such a group will be formed across several office locations. In very large companies, it may be more difficult to manage the business goals of several religion-specific groups. Furthermore, given the diversity of belief and practice across the globe, large companies could be challenged with the number of employees wishing to form separately operating religion-specific ERGs. Sanctioning one interfaith group allows executives to engage in the topic efficiently and ensure that the group is delivering on its business goals. This approach also allows for the group to function as a central hub for information and resources and as a place for both general employees and executives to turn when questions about religion arise.

Diversity of religious practice at the leadership level is very important when considering the formation of such an interfaith group. Leadership should be comprised of individuals from majority and minority faiths, and should also include representation from employees who do not affiliate with a specific religious tradition.

3. Interfaith Network:

The Interfaith Network (of religion-specific ERGs) is an umbrella organization which governs and provides support for independent religion-specific ERGs or

informal religious groups. The Ford Interfaith Network provides an example of such a model. The mission of the Ford Interfaith Network is to “assist the company in becoming a worldwide corporate leader in promoting religious tolerance, corporate integrity, and human dignity. We strive to act in accordance with our beliefs and out of love for human beings and all of creation, promoting understanding and respect for the various faiths. We help management to increase and maintain religious diversity, attract, develop, and retain talented employees of faith and be more aware of religious consumers’ and investors’ needs.” As reported by the Pluralism Project at Harvard University, “the many religions represented in FIN are valued not only as part of the employee as a person, but also as ways to make Ford more successful at attracting and retaining talented employees.” The Ford Interfaith Network was created in 2000 as an umbrella group to connect the informal religion specific groups that had formed across Ford’s locations: “The individual groups then had to work out a set of guidelines and bylaws for the Interfaith Network that would allow for interfaith dialogue, strengthen the company and support the individual informal groups.” The Ford Interfaith Network operates to bring together the smaller religion-specific groups for larger initiatives that focus on similarities as opposed to differences.

Such a model may be considered a better practice for companies going through transition or growth. For example, if employees have already formed informal religious groups (such as Bible study groups or religious community outreach groups), creating an Interfaith Network can be a way to formalize the groups and more efficiently supervise their activities. In addition, Interfaith Networks provide an avenue for communication and collaboration among groups, providing support and resources. Companies that are experiencing a period of growth may find it difficult to provide executive leadership support to a growing number of sanctioned religion-specific ERGs. The creation of an Interfaith Network can be an excellent solution to such an issue.

Similar to Interfaith ERGs, the Interfaith Network's leadership team should be comprised of individuals from majority and minority faiths, and should also include representation from employees who do not affiliate with a specific religious tradition.

All three of these models can provide companies with Employee Resource Groups that offer valuable insights while providing employees with useful support. In considering which kind of faith-based ERG works best for a company, it is important to consider business priorities, size, available resources, potential leaders and potential challenges.

What's Next? Emerging Trends

The world of religious diversity and inclusion is fluid, flexible and diverse, but there are demographic and statistical trends that suggest the issues that will be emerging and need to be addressed to create religiously inclusive work environments. For instance, Pew Research has identified that the number of Americans who do not identify with any religion is growing at a rapid pace, largely driven by generational replacement. One-fifth of the U.S. public – and one third of adults under 30 – is religiously unaffiliated today. Interestingly, a new survey by the Pew Research Center's Forum on Religion & Public Life, conducted jointly with the PBS television program Religion & Ethics Newsweekly, finds that many of these unaffiliated adults are in fact religious or spiritual in some way. Two-thirds of this group say that they believe in God (68%), and one-in-five pray daily (21%). This becomes an issue when you consider Tanenbaum's findings in our 2013 Survey of American Workers and Religion. There, 40% of atheists reported experiencing or witnessing some form of religious bias at work. This shows that atheists, agnostics, and unaffiliated Americans are not outside of the religion issue at work. They are equally as likely as any other

individual to require a religious accommodation or experience belief-based bias at work.

It is very typical for companies to implement inclusive policies, requiring all ERGs to allow any employee to join, regardless of how they identify (e.g. men can join a women's ERG). However, in practice, some employees may still feel unwelcome.

When considering how a company can create, maintain or enhance a faith-based ERG, the rise of individuals who personally identify as atheist, agnostic and unaffiliated is critical to address. ERGs can promote inclusion of atheist, agnostic and unaffiliated employees through the language they use in communications and the programming that they support. Using language like "employees of all faiths and none" within a mission statement, for instance, can communicate that atheists are not only welcome, but encouraged to join a faith-based ERG. Inclusive programming, for example, could include a panel discussion which includes one or more employees speaking from the perspective of an atheist, agnostic, spiritual or unaffiliated person. Including this dimension of belief when offering programs and developing company policies and practices can reduce the escalation of religious discrimination that the data suggests.

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Conclusion:

Religious bias and discrimination are real issues in workplaces large and small. For companies to manage and move toward eliminating this source of division and disruption, it is critical for executives, human resource professionals, diversity practitioners and general employees to see that — even though religion may be a sensitive issue — it is no different than any other identifier. Faith-based ERGs are an excellent and innovative step in managing this challenge.

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