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Upfront

Fostering Diversity

Employee network groups keep minority managers on the job

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SOCIAL NETWORKS

Fostering Diversity

Employee network groups keep minority managers on the job

Managers seeking to reduce job turnover among minority employees should facilitate the formation of workplace groups based on ethnicity, race, gender, and sexual orientation, according to a recent study in *Human Resource Management* (Winter 2002).

Raymond A. Friedman of Vanderbilt's Owen Graduate School of Management and Brooks Holtom of Georgetown University's McDonough School of Business, argue that organizations that support such "employee network groups" are much more likely to retain minority workers than those that don't.

"As firms wage the war to attract and retain top minority talent," the authors write, "it appears that the relatively low cost of supporting employee network groups provides a significant return."

Employee network groups are formal or informal assemblies, usually initiated by employees but backed by the company, aimed at providing social support and career building.

Meetings often take place once a month over lunch or after work, and are usually run by group members. Senior executives or human resources managers are sometimes invited to give a talk or hear employee concerns. Group events range from scholarship fundraisers for minority students to seminars and workshops (on financial planning or ethnic literature, for instance).

Friedman first became interested in employee network groups after hearing about the Black Caucus at Xerox Corporation. "Network groups

were growing in numbers and influence within corporations, yet little was really known about them," he said. They were touted as a support mechanism for minority employees, but Friedman wondered whether they were actually having a positive impact on minority retention. Previous research suggested that minority employees were particularly susceptible to turnover because, relative to their white co-workers, they find it

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more difficult to initiate and foster social ties within organizations.

The authors surveyed 5,793 employees at a large U.S. company that operated in 12 states and employed more than 100,000. The company's 20 network groups, the earliest of which dated to 1974, included associations for African American, Hispanic, Asian, Native American, gay, lesbian, disabled, and female employees. Employees were asked how much they agreed with statements designed to assess turnover intentions, social inclusion,

and general satisfaction with network groups, such as "I would be happy to spend the rest of my career at this company."

The study's results showed that minority managers who belonged to employee network groups had lower turnover intentions than their non-member counterparts. These managers were more likely to have mentors and report feelings of increased social inclusion. Across all employee ranks, the increased satisfaction with network groups led to lower turnover intention.

The authors recommend that companies encourage and support minority networks, especially for managers, providing employees with contacts for group leaders at other organizations and having top management attend some sessions.

"The most important step is to let employees know that the company welcomes groups and will not respond with anger and suspicion when the groups form," the authors write, "as occurred early in the history of network groups ... and still occurs to this day among those who see network groups as being 'unionlike.'"

Friedman and Holtom note that the overall trend points to the importance of social embeddedness in retaining minority employees of all ranks. "The more connected a person is professionally and socially at work," the authors conclude, "the more likely it is that they will stay in their organizations."

—Jan Chong