

BET Founder Sees Business ‘Rooney Rule’ Adding Minorities

By Christopher Palmeri & Brian Womack - Jul 10, 2013 2:27 AM ET

Robert Johnson, the first black billionaire in the U.S., said corporations should copy a National Football League policy designed to address inequality and interview minorities for every senior job.

Johnson, the founder of Black Entertainment Television, told reporters yesterday that the voluntary measure would be similar to the NFL’s Rooney Rule, which requires franchise owners to consider members of minority groups for senior posts.

“My take on affirmative action is that it is absolutely necessary because there’s a wide disparity between African Americans and white Americans,” said Johnson, 67. “Unemployment is double for African Americans, the wealth gap approaches \$90,000. We’ve got to resolve that by providing more jobs or opportunities.”

The longtime media executive spoke to the press at the Allen & Co. conference in Sun Valley, Idaho, an annual gathering of executives from media, technology, finance, government and industry. Johnson sold his BET Holdings LLC to Viacom Inc. (VIAB) in 2001 for \$2.35 billion. He was the first black person to list a company on the New York Stock Exchange.

The issue of race can’t be separated from economic inequality, Johnson said, adding members of minority groups need to catch up in terms of access to capital and jobs.

The 10-year-old Rooney Rule, named after Pittsburgh Steelers owner Dan Rooney, is designed to ensure minority coaches are considered for promotions. It requires owners to interview at least one minority candidate for each head coach or general manager opening, according to the league’s website.

2012 Turnover

Ian Rapoport, a reporter for the NFL.com and NFL Network, said in January that eight coaches and seven general managers lost their jobs after the 2012 season, and none were replaced by a person of color.

Among companies in the Fortune 500, six are led by blacks, according to Diversity Inc., a consultant. They include Kenneth I. Chenault at American Express Co., Kenneth C. Frazier at Merck& Co. and Ursula Burns at Xerox Corp.

“The concept that there are not people out there who are ‘qualified’ is a complete misconception,” said J. Veronica Biggins, an Atlanta-based managing director at executive recruiter Diversified Search, which specializes in placing minority candidates. “For every one you can throw out there, I can come up with someone who more than met the qualifications.”

Leaders’ Role

A commitment from company leaders is needed to increase the hiring of minorities and women, said Diversified Search’s Biggins, who is a board member at Southwest Airlines and was the director of Presidential Personnel for Bill Clinton.

“Leadership from the top brings about change,” Biggins said. “If a CEO were to say to his company, ‘I want us to be very serious about this and I don’t want to look around and see people who look like me every day’ -- I’m referencing the majority of the CEOs who are white -- I bet it would bring about change.”

Johnson is founder and chairman of RLJ Cos., with interests in entertainment, real estate and investing. His companies, including publicly traded RLJ Entertainment Inc. and RLJ Lodging Trust (RLJ), follow policies similar to the Rooney rule.

“I think that same philosophy should go to corporate America,” Johnson said. “I think it would increase minority employment and we could do it without passing any laws.”

RLJ Entertainment (RLJE), based in Bethesda, Maryland, closed unchanged at \$4.95 yesterday in New York. The stock has declined 1 percent this year. Johnson controls about 41 percent of the stock, according to a company filing. RLJ Lodging Trust rose 1.8 percent to \$23.32 and has gained 20 percent this year.

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<http://www.bloomberg.com/news/2013-07-09/bet-s-johnson-wants-minorities-interviewed-for-all-senior-jobs.html>