

# AGENDA

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## Opinion

# How Boards Can Make the Right Call on Diversity

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In 2007, two African American football coaches, **Tony Dungy** of the Indianapolis Colts and **Lovie Smith** of the Chicago Bears, led their teams to the Super Bowl. Who do you think won? The Colts did — and even more important, so did diversity in the **National Football League**. In 2003, the NFL had established the Rooney Rule, which required the 32 teams to give fair interviews to qualified minority candidates whenever a head coaching or general manager position became available.

Since the Rooney Rule was adopted, the league has gone from three minority head coaches to eight minority coaches and five general managers, and teams led by African American coaches have competed in and won the Super Bowl, proving that minorities richly deserved those leadership positions.

What if CEOs and corporate boards took a page from the NFL owners' playbook and adopted a voluntary version of the Rooney Rule to level the playing field for minorities in corporate America? Because I have a track record of identifying and attracting talented African Americans to work with me, I hereby propose the RLJ Rule for business.

Although many companies have made a strong commitment to diversity over the years, minorities still lack access to business opportunities. As a result, the income gap has increased tenfold, and the wealth gap between white Americans and African Americans over the last 20 years has increased from \$20,000 to \$90,000. Black unemployment stands at nearly 17%. We need to reverse these alarming trends.

I am not a proponent of government intrusion in the marketplace, but I am a firm believer in creative and voluntary business solutions to help solve socioeconomic problems. The RLJ Rule is designed to encourage companies to establish a "best practices" policy of identifying minority candidates or vendors that are often overlooked under traditional hiring or procurement practices.

The two-pronged RLJ Rule suggests that companies (1) voluntarily implement a plan to interview a minimum of two qualified minority candidates for every job opening at the vice president level and above; and (2) interview at least two qualified minority-owned firms for vendor/supplier contracts before choosing a winner.

The purpose of this voluntary rule is not to suggest quotas or require companies to hire any individual or minority. The RLJ Rule would make certain that minorities are fairly and fully considered before any job opening or vendor opportunity is filled.

Why is adopting the RLJ Rule important?

In part, I am urging companies to adopt it as a way of ensuring fairness and equity in employment. But corporate America must also view diversity as a business imperative, no less important than financial performance, succession planning and shareholder relations. Demographic trends show that minorities are quickly becoming the largest employee pool and consumer base in the U.S. Unless corporate America reaches out and embraces this growing group, we cannot win in the global game of economic competition.

**Robert L. Johnson** is the founder and chairman of **The RLJ Companies** and founder of **Black Entertainment Television**. He also serves on the boards of **Lowe's Cos.** and **KB Home**.