

OPINION

New York needs a Rooney Rule: Here's how to make hiring fairer to blacks



By KEVIN DAVIS
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In George Floyd's murder, we witnessed deadly racism in action. But in corporations across the United States, black people are subjected to covert racism, too, that keeps them from getting jobs, much less important promotions. To move toward racial parity in the workplace, corporations should consider a version of the [Rooney Rule](#). This NFL policy requires teams to interview ethnic-minority candidates for head coaching and senior football operation jobs. To create equitable opportunities and equalize the makeup of companies, New York should legally compel corporations to interview diverse candidates, from prospective interns to candidates for board seats.

Implementing an interview equity law would pay dividends. Corporations would have a far more diverse pool of candidates to select from for entry-level positions who can move up the ranks to management and eventually take the helm in C-Suite and board roles.

An interview equity law would go beyond affirmative action plans that encourage companies to seek out employees who belong to minority groups.

In 2018, California implemented a board diversity law focused on reaching gender equity. It mandates that every public company in the state have at least

one female director by the end of 2019. Of 625 companies listed, [282 reported](#) having at least one female director. Since being implemented, about 45% of new board seats among California-based Russell 3000 companies have been filled by women, compared with 31% nationwide, according to [Bloomberg data](#).

Skeptics claim gender boardroom diversity laws might be unconstitutional, since they force shareholders to engage in quota-style thinking. I am suggesting something less drastic: a mandate focused solely on interview practices to expose companies to the breadth of qualified, diverse candidates who can make exceptional employees and strengthen company culture. A diverse workforce enhances the organization's effectiveness and expands perspectives through a more equitable racial and ethnic composition.

Equal Employment Opportunity laws make workplace discrimination illegal, and employers are not supposed to use pre-employment questions about race to decide who to hire. Yet discrimination based on race is still pervasive, whether employers realize they are participating in covert racism or not. In fact, [a study](#) found that minorities who "whiten" resumes get more job interviews. Twenty-five percent of black candidates received callbacks from their whitened resumes, while only 10 percent got calls when they left ethnic details intact. Amended or more nuanced laws requiring parity should flip this statistic.

We need to act soon. The House Financial Services Committee recently [released a report](#) revealing that blacks and Hispanics comprise just 4% of big banks' executive leadership while whites make up 81% of the executive leadership. Only [four companies](#) in the Fortune 500 — Merck & Co., TIAA, Tapestry and Lowe's — have a black chief executive.

This is upsetting but not surprising; I worked on Wall Street for over 25 years as a trader and eventually as CEO of a major derivatives brokerage firm. The trading floor and boardroom overwhelmingly looked like me then and continues to look like me now: white and male.

As evidenced in the lack of diversity within leadership positions, corporate jobs are disproportionately inaccessible to people of color. This lack of representation limits opportunities to build social capital, or a network of relationships among people who work at top corporations.

It's a self-perpetuating cycle of discrimination.

The homogeneity I witnessed led me to create [First Workings](#), a NYC-based nonprofit that trains and places diverse high-school students from underserved communities in paid internships at dominant companies in their respective industries. Companies in Manhattan like Morgan Stanley, PJT Partners, KPMG, Nasdaq and Mintz utilize our interns to generate a deeper pipeline of more diverse talent. Over 90% of our students are black or brown.

Embracing diversity is critical not just because it is morally and ethically sound; it translates into better performance. It drives greater innovation and resonates better with customers and investors. Companies with more culturally and ethnically diverse executive teams were 33% more likely to see better-than-average profits, and at the board level, more ethnically and culturally diverse companies were 43% more likely to see above-average profits, according to McKinsey's [diversity report](#).

Current methods to diversify are not working, and while people of color are acutely in tune with severe inequities in the workplace, their white counterparts are less aware.

The best solution to mitigating racist hiring practices and reaching racial equity in corporations may be a legal intervention requiring parity in interviewing diverse candidates.

Davis is the founder and CEO of [First Workings](#), a nonprofit.