

PURPOSE

Human Capital

An Interview with Lori Sabet,
Chief Human Resources Officer and Head of Corporate Real Estate, The Carlyle Group

EDITORS' NOTE Lori Sabet joined Carlyle Group in 2000 and is based in Washington, D.C. A member of the firm's management committee, she is actively involved in several human resources organizations and roundtables, and is a speaker and panelist on global human resource-related topics. Sabet is on Marymount University's School of Business Administration's Board of Visitors, is a governing body member for the Washington, D.C. Human Resources Leadership Summit, and is active with several non-profit organizations, such as Generation Hope. Sabet earned a bachelor's degree in public administration and human resource management from St. Cloud State University and holds a master's degree in human resource management from Marymount University.



Lori Sabet

COMPANY BRIEF The Carlyle Group (carlyle.com) is a global alternative asset manager with \$195 billion of assets under management. Carlyle's purpose is to invest wisely and create value on behalf of its investors, many of whom are public pensions. Carlyle invests across four segments – corporate private equity, real assets, global credit and investment solutions. The Carlyle Group employs more than 1,600 people in 31 offices across six continents.

Will you discuss your roles within the firm and are the roles interrelated?

I oversee the human capital area, which includes the human resources, equity management (long-term incentive plans) and corporate real estate (CRE) teams.

CRE is not just about the address a firm selects to have as their office, but is also about building opportunity for employees to collaborate and the environment in which they work, which builds culture, teamwork and better decision-making.

Carlyle has found that HR and CRE are heavily woven together and as we continuously review our employee value proposition, our office environment has become an integral part of that ongoing assessment. We have numerous examples of how changing an office layout or moving to a new location has improved collaboration and teamwork and therefore added value to our investors.

As the workplace continues to evolve and change, are offices as relevant as they used to be?

The key is allowing flexibility while ensuring quality. There is a swing back from employees working remotely full time. While it works for some positions, such as roles that have limited team interaction, we have found it challenging to build and maintain high-functioning groups that are reliant on collaboration to deliver at their highest level if they are all working remotely all the time. This is not in

the best interest of our investors and not best for creating a culture that enables our employees to thrive. Therefore, we provide flexibility for our employees by harnessing technology.

We also find that bringing together our employees from different funds and departments throughout the day makes a difference. We're building collaborative work areas into our work environment with simple changes like adding an extended kitchen area that employees have to pass through to get to the copier areas, the restrooms or the reception area.

How has the human resources role evolved?

We need people to do our business – we can never replace them with robots. This means that development and retention and incentivizing the right behavior are always at the forefront of our human capital strategy.

We're looking at everything human capital under our new leadership, be it our employee incentive programs, how we assess and develop talent, or the makeup and demographics of our employee population.

While diversity and inclusion has always been a priority for us, we are in the process of hiring a chief diversity and inclusion officer. Diversity and inclusion are such differentiators for us, and we're now going to have a dedicated person who will be responsible for those areas here and also ensure that the boards of our portfolio companies are diverse and reflect their customer and employee bases.

Current and potential investors frequently ask about the makeup of our employee population as part of their due diligence process. We understand that the more diverse our population is, the better we will do for our investors and, therefore, continuous advancement in this area is now just a part of our culture.

When you're hiring the best and brightest talent, does diversity automatically follow or do you need to have metrics in place to ensure you are reaching your diversity objectives?

The metrics provide proof of the end result. I don't ever want to reach the place where we receive quotas or requirements from the top as then our strategy is not aligned with our employee value proposition, the priorities of our Co-CEOs or the interests of our investors. We will always have to work at it because the talent environment is more competitive than ever today. This means we can't only go to the same resources like Wall Street or the Ivy League business schools anymore, nor do we want to. We are now much more creative and resourceful in our recruiting and develop relationships much earlier on. Today, we may have been courting someone for three years before they join the firm.

When it comes to attracting talent, how important is it to have a company with a bigger purpose than just the bottom line?

I think this is very important and can have a very positive effect on the culture and employee engagement and enablement. We have employee resource groups, which most firms offer today. The mission of the ERGs is both recruitment and retention. What makes our ERGs unique is that they are charged with four unified mission areas, one of which is giving back to the community, so each ERG partners with an organization and hosts events to raise money for that group.

We also have a great matching gift program and volunteer days.

With regard to gender equality, are opportunities available today for women to lead in the industry and what do you tell young women about career opportunities?

We have senior women heading up some of our most profitable business lines and they are pillars in their communities. The industry has also changed in its support of not just women, but men as well, and not only those who are parents. Today, when we can be connected outside the office, one doesn't have to sit at their desk for 12 hours a day. Carlyle is living proof that women can be extremely successful in private equity – just look at our website. ●