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JOURNAL REPORTS: LEADERSHIP

# High Finance and Family-Friendly? KKR Is Trying

The buyout firm is experimenting with some unusual perks, but the culture isn't easy to change



Angela Johnson was on maternity leave when she learned KKR had extended its paid leave. PHOTO: BESS ADLER FOR THE WALL STREET JOURNAL

By **RACHEL EMMA SILVERMAN**

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KKR & Co. is undertaking an experiment intended to make high finance more family-friendly.

Last year, the New York-based investment firm began offering new parents an unusually generous package of benefits. As one of the perks, for instance, the firm pays to fly nannies and infants on business trips during the baby's first year.

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## SURVEY SAMPLER

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- Answer selected questions from the Lean In/McKinsey survey at the end of this article, and compare your responses with the survey results.

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the policy changes are a welcome start toward making it easier for people at KKR to manage family life with the demands of the private-equity business, where extensive travel and workweeks of 70-plus hours are the norm. But the tensions of being a working parent in finance are far from resolved, the firm acknowledges.

Among the company's goals: to attract and keep more talented women, who make up 18% of the firm's 510 core investment professionals and about 31% of its personnel overall, and to encourage more fathers to take meaningful parental leave. KKR says the number of female employees has increased about 4% since the start of the year.

At a time when companies like Amazon.com Inc., Microsoft Corp. and Credit Suisse Group have expanded benefits for new parents, KKR's offerings are notable. In addition to its flying caregivers, the firm officially recast maternity and paternity leave as gender-neutral "parental leave," expanded paid leave for primary caregivers to 16

weeks and retained coaches to advise employees going on and returning from leave. The firm also pays shipping costs so that mothers can send breast milk home and even offers unlimited coverage for fertility treatments, a spokeswoman says.

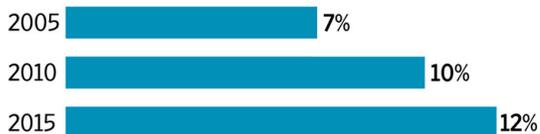
“These are important building blocks, but they are not the be all and end all,” says Robert Gottlieb, human-resources chief at KKR, which has about 1,200 employees world-wide. “The fact is, we still have a distance to go on a lot of things, but we’ve come a great distance from where we were.”

He’s not aiming to soften the workload, but the firm is starting to explore ways to make jobs more manageable for workers with families, like allowing some employees to work more from home, reallocating staffing on certain projects and developing alternative career paths for those who may not want to pursue the partner track.

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## Quality Time

The percentage of private-industry workers with access to paid family leave in the U.S. The U.S. is the only industrialized country that doesn’t mandate some form of paid parental leave.



Source: Bureau of Labor Statistics  
THE WALL STREET JOURNAL.

KKR’s driven work environment is “frankly a competitive advantage,” says Mr. Gottlieb. “I don’t know if we are looking to be less intense. We can certainly be more flexible. I think we need to wrestle with that more.”

When his wife wanted to accelerate her career, Mr. Gottlieb spent two years as a carpool-driving, stay-at-home father after leaving a top human-resources position at

Goldman Sachs. He drew on that experience when interviewing for the job at KKR, and told superiors he wanted to find ways to make the firm more family-friendly.

## Tweaking the culture

Typical of KKR’s hard-driving employees is Angela Johnson, who was a principal at the firm when she went into labor during a conference call in the spring of last year.

Ms. Johnson, 35 years old, was on maternity leave when her boss called to tell her that KKR had extended its paid leave, making her eligible for four additional weeks of leave.

She wrestled with the option at first. Ms. Johnson says she had already coordinated her return with colleagues and had practiced leaving her daughter with her nanny during the day to prepare them. Four co-workers were covering her position for her in her absence, and she didn’t want to stress her colleagues further, Ms. Johnson recalls. She did agree to the extra time off, but spread the extra weeks throughout the rest of the year. She was promoted to a director role soon after she returned to work.

A few years ago, KKR’s leaders realized the firm was losing younger female associates who didn’t yet have children but who had concerns the company wouldn’t be amenable to their family needs.

An outside consultant’s research several years ago found that some women at KKR who did have children felt uncomfortable taking all their maternity leave, and that “there was a tacit expectation that they sort of had to work while on maternity leave, not because anyone told them to, but because they felt they needed to,” says Mr. Gottlieb.

KKR’s employees are “super dedicated and driven,” says Michelle Friedman, the consultant who uncovered those sentiments. “While the employees love that part of the culture, it had resulted in a tough place to be an active parent in,” but that’s changing, she says.

Mr. Gottlieb says the challenges of working parenthood are far from solved. But cultural shifts, some subtle, are under way. Until recently, employees rarely turned on out-of-office email notifications when on vacation or parental leave; now workers regularly do

## Learning to Be Flexible

### The percentage of companies surveyed offering

Extended maternity leave (exceeds legal requirements)	53%
Extended paternity leave (exceeds legal requirements)	45%
Emergency backup child-care services	38%
Subsidies for child care	31%

### Average weeks of paid parental leave among surveyed companies

<b>~10 weeks</b>	<b>~4 weeks</b>
Paid maternity leave	Paid paternity leave

### The share of companies surveyed that offer these

Personal leave of absence	95%
Guarantee that employees will receive equivalent pay when returning from a leave of absence	89%
Guarantee that employees will keep similar or better position when returning from leave of absence	88%
Ability to work part time or on a reduced schedule as needed by the employee	73%
Telecommuting: Opportunity to work from home at least one day a week	72%
Programs to smooth transition to and from extended leave	45%
Sabbaticals	23%
Screening of review criteria for biases against employees who use flexible work choices	16%

Source: LeanIn.Org and McKinsey & Co. Women in the Workplace 2016 study of 132 companies  
THE WALL STREET JOURNAL.

nice to go to a hotel and just be able to sleep for the whole night,” she says with a laugh.

Ms. Bagley’s load remains heavy—she typically works about 70 hours a week, though her hours vary widely—but she has made adjustments so she can spend more time with her family. She participated in KKR’s pilot program to use a parental-leave transition coach when she returned to work. In several phone and in-person sessions, she and her coach discussed how to restructure her workdays so she could get home for her son’s early-evening bedtime. She tries to arrive at work by 7:30 a.m. to beat Bay Area traffic and logs in more from home at night now, she says.

Ms. Johnson, who took her nanny and infant daughter along on several trips, found that traveling with a baby brought unexpected dividends. At a real-estate investing conference in San Francisco last fall, Ms. Johnson had tried to network with some potential investors during the daytime sessions but found it difficult to get their attention.

At cocktail hour that evening, those same prospects made a beeline toward her, because she was carrying 6-month-old Madison. As Ms. Johnson puts it, “She’s a great marketer.”

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so. “Small victories,” Mr. Gottlieb says, “but there is definitely a palpable difference.”

He expects more changes at the firm, but adds that anyone interested in working in finance must “absolutely be prepared to juggle and balance in ways that other 9-to-5 careers don’t require.”

## Infants on the road

Brittany Bagley, a KKR director based in Menlo Park, Calif., took her nanny and infant son with her for out-of-town board meetings. Bonding with her son after a day of meetings was really nice, recalls Ms. Bagley, 33. But things like comforting a crying baby at night and traveling with baby gear instead of just a personal carry-on added to her workload. “Sometimes it’s