

Meeting the Demands of the Moment

An Interview with **Liz Hilton Segel**,
Senior Partner, Chief Client Officer and Managing Partner, Global Industry Practices, McKinsey & Company

EDITORS' NOTE *Liz Hilton Segel is McKinsey's Chief Client Officer. She leads McKinsey's ten sector groups and 22 global industry practices and oversees the firm's client service. As Chief Client Officer, she is responsible for McKinsey's client service functions which include client experience, offerings, development, and analytics. Hilton Segel sits on the firm's 15-person global leadership team and is a member of McKinsey's Shareholders Council, the firm's board of directors equivalent.*



Liz Hilton Segel

She was previously the Managing Partner for McKinsey in North America, the Managing Partner of the Growth, Marketing and Sales Practice in the Americas, and the Managing Partner of McKinsey's New York office. In her client work, she counsels CEOs and aligns with their teams and broader organizations to build new capabilities and new businesses with a focus on growth and performance transformation. Hilton Segel serves on the board of the Partnership for New York City and is a member of the Council on Foreign Relations and the American Marketing Association's Marketing Hall of Fame Academy. She is also a founding member of the HBS Women's Association of Greater New York. Hilton Segel was recognized by Working Mother magazine as the 2018 "Working Mother of the Year" and was included in Crain's New York Business' 2019 list of "Most Powerful Women" and its 2018 list of "Notable Women in Accounting and Consulting." Previously, she served on the board of ClickFox, a customer-journey analytics technology company, and two not-for-profits: Central Park Conservancy and Prep for Prep. Hilton Segel has a bachelor's from Harvard University and an MBA from Harvard Business School.

FIRM BRIEF *McKinsey & Company (mckinsey.com) is a global management consulting firm committed to helping organizations accelerate sustainable and inclusive growth. It works with clients across the private, public, and social sectors to solve complex problems and create positive change for all its stakeholders. The firm combines bold strategies and transformative technologies to help organizations innovate more sustainably, achieve lasting gains in performance, and build workforces that will thrive for this generation and the next.*

How do you describe McKinsey's culture and values?

Our culture has changed a lot throughout our nearly 100-year history. I'd say it's also changed a lot during my 30 years at McKinsey. While we've updated our values in small ways over the years to reflect the changing times, our focus has always been on three themes: partner with our clients to achieve significant performance improvement; create an unrivaled environment for exceptional people; and adhere to the highest professional standards.

At our core, these three things are what matter, and these values inform our long-term strategy as a firm and how we operate day to day. Every year, we set aside a day to reflect on our values as a global community.

What has made McKinsey an industry leader and how do you define the McKinsey difference?

Management consulting is an industry we created. For nearly 100 years – we're soon celebrating our centennial – clients have turned to us for leading insights to help them bolster performance, build and transform businesses, and create sustainable innovations.

Our history is a testament to who we are today, and why McKinsey is uniquely positioned to help CEOs and other leaders meet the demands of the moment. We work with companies across industries to help create resilient organizations that can withstand – and grow – amid today's volatile macroeconomic environment, bridge the diversity and talent gap for a more inclusive economy, and boost and sustain financial performance.

Today, we see ourselves as a holistic impact partner to our clients. We're their strategic counselor, but we work side-by-side with their teams to help them implement change, accelerate innovation, and build new business.

One of the unique opportunities of working directly with clients is being pushed to think creatively about challenges and growth. We're always thinking about what's new and what sets a company apart from the others – what we call an institutional capability or, in essence, a company's superpower. That's why we challenge ourselves to make sure we develop institutional capabilities that have staying power.

Will you provide an overview of your role and areas of focus?

I serve as McKinsey's Chief Client Officer and Managing Partner of our Global Industry Practices. In this capacity, I lead our firm's ten sector groups and 22 global industry practices and am responsible for McKinsey's client service including client experience, offerings, development, and analytics. I counsel CEOs on building new capabilities and businesses within their organizations with a focus on growth and performance transformation. I'm also a member of McKinsey's Shareholders Council, our firm's equivalent of the board of directors, and serve on our 15-person global leadership team.

What steps do you feel CEOs can take to improve financial performance?

It often comes down to a single question: Are you inspiring the whole organization to do more than they think is possible? I encourage CEOs, their team, and my colleagues – regardless of tenure – to routinely ask this of themselves.

Leading – and delivering profitable growth – requires courageous leadership and bold action, but it starts with a growth mindset.

I find that the most effective executives are those who can diagnose critical needs within their organization, translate that into a clear vision and action plans, and invest in their people to realize transformative change.

How can companies most effectively attract and retain talent?

The heated competition for talent shows no sign of cooling. Now is the time to have a bias for action and move quickly and decisively on hiring decisions to create a first-mover advantage. The key question for hiring managers is how to find the right talent and develop the right skills to meet the demands of an ever-evolving world of work. As we look to the year ahead, companies that break from the pack will be those focused on a comprehensive set of coordinated actions to attract, retain, re-engage, and develop their workforces from providing flexible work models to experimenting and measuring employee engagement and productivity.

It's more important than ever to demonstrate to employees that they have a future in an organization by investing in their learning and growth. Employers can offer what we refer to as "micro" milestones, such as opportunities to work on a business-critical initiative or move laterally into a new role, to provide workers actionable feedback on their progress, a more dynamic career path, and a greater sense of ownership on their development.

What do you see as the keys to effective leadership?

In my role, I speak with CEOs and leaders across industries daily. When reflecting on the attributes that make a successful modern leader, I return to the core themes of authenticity, active inclusion, and well-being. Leaders must have the courage and confidence to be their true selves, even in uncomfortable situations, and find ways to allow people to feel safe talking about themselves and their values.

I'll give you an example of what this looks like in practice at McKinsey. We are building a culture that supports and encourages continual, self-authored growth, with a focus on improving ourselves versus proving ourselves. This is what we call career self-authorship. The world of work is not linear and does not come with preset career paths. Rather, we provide each colleague an evolving set of aspirations, next steps, and support partners that will grow as they grow.

McKinsey has done substantial research around resilient organizations. What makes a company resilient and how do resilient companies outperform their peers in economic downturns?

Resilience is a vital muscle for CEOs navigating disruption and aiming for growth. The pandemic asked companies to move much faster. Now, CEOs face new headwinds – pricing pressure, accelerated digitization, a tight talent market, and surging and lasting inflation, thanks in large part to depleted supply chains, especially in energy. Navigating this volatility means CEOs need to operate at speed across six dimensions of resilience: finance, operations, technology, organization, business model, and reputation.

In today's overcast world of business, an organization needs to find its umbrella. You wouldn't go out in bad weather without the proper gear – neither should you go into a business environment rife with external shocks and uncertainty without preparation. Developing resiliency across these key dimensions, while ensuring that you are resilient as a leader, can help an organization not only weather the storm, but take calculated risks, seize opportunity, and emerge stronger.

How important is it for McKinsey to build a diverse and inclusive workforce to bring diverse perspectives and experiences to the table when addressing client needs?

We have a deep and long-standing commitment to advancing diversity, equity, and inclusion in business, society, and within our firm. These aren't just moral imperatives, they are integral to our dual mission – to help our clients make substantial, lasting performance improvements and build a firm that attracts, develops, excites, and retains exceptional people.

We are dedicated to building teams that reflect the diversity of our clients and the communities in which we live and work. Our inclusive culture enriches our creativity, innovation, and problem-solving. I'll share some examples of how we put this into action:

- We are rapidly advancing our award-winning talent sourcing strategy and expanding our talent pools, shifting our talent base from “ready to work” to “ready to grow” – seeking potential over pedigree.

- We have doubled the number of sources and global institutions from which we attract talent.

- We launched the BUILD program, a two-year rotational program offered to students from New York public colleges and universities.

- We created programs for individuals from all backgrounds to engage with McKinsey, including the First Year Leadership Academy learning program for women and underrepresented populations.

We have dramatically expanded the range of roles and specialties over my three decades at the firm, but we have always believed that bringing together diverse and inclusive teams of outstanding talent is the real magic behind what we accomplish with our clients.

“We take seriously our commitment to delivering sustainable, inclusive growth for our clients and the societies in which we live and work.”

What do you see as McKinsey's responsibility to be engaged in the communities it serves and to be a force for good in society?

We take seriously our commitment to delivering sustainable, inclusive growth for our clients and the societies in which we live and work. Seven in ten people live in societies with growing inequality. That's why we're taking action to help build an economy that works for all. For example:

- We help our clients create more than 1 million net new jobs each year. And we partner with organizations dedicated to increasing economic mobility and access to jobs.

- We have helped reskill or upskill more than 1.25 million people. And we make training and education accessible to millions more through initiatives we founded and support.

- We're working toward racial equity, starting with a \$200-million pro bono commitment. And we're helping to grow diverse leaders, investing in research to inform concrete solutions, and taking action in local communities.

So far, we have contributed nearly \$620 million in cash and in-kind support toward our \$2 billion commitment to social responsibility efforts which we will fulfill by 2030.

In addition, we aspire to become the largest private sector catalyst for decarbonization. Consistent with this aspiration:

- We have been carbon neutral since 2018 and committed to achieving net-zero climate impact by 2030, in line with validated, near-term, science-based targets.

- We helped co-found Frontier, a billion-dollar advance market commitment to purchase permanent carbon removal by 2030.

- Last year, 3,500 of our consultants worked on more than 1,600 sustainability engagements with 600 clients across nearly 60 countries and in every industry.

- Starting this year, we introduced a global internal carbon fee on all McKinsey air travel to accelerate decarbonization and generate funding for carbon reduction efforts.

Do you feel that there are strong opportunities for women in leadership positions in the industry?

I do. I entered the workforce at a time when women were discouraged from wearing pants in many companies – let alone have an opportunity to lead them. Fortunately, much has changed since then. Over the past 30 years, I have watched as women and other communities have made incredible progress in the workplace and society more broadly. Today, leading companies recognize the benefits of fostering a diverse and inclusive culture which has created more opportunities than ever for women. Still, there is more that can be done.

To make meaningful progress toward gender equality and promote more women into leadership roles, companies must foster a sponsorship culture that supports women at every level. But the companies I've seen with better representation, especially with respect to women of color, go further. They identify where the rung often breaks for women in their pipeline. They double down on goals to close gaps, track outcomes, and hold leaders accountable. They also offer more specific and actionable training, including dedicated programs to provide women with the mentorship and sponsorship they deserve.

What do you tell young people about the type of career the consulting industry offers?

We've long been a destination for some of the brightest and most ambitious minds – often referred to as a leadership factory for the number of colleagues who eventually become CEOs or hold influential senior executive positions at other organizations. Even as we welcome a new generation to the workforce, we continue to see strong applicant demand, including recent graduates and members of younger generations like Gen Z.

For those interested in business, the consulting industry offers some of the best hands-on business education available. Work in consulting is never boring – it brings a strong diversity of work including with leaders of all industries, roles, and backgrounds, and brings exceptional opportunities for development.

In my career at McKinsey, I've had the chance to work side-by-side with ambitious and talented executives who run some of the world's most iconic brands – and I have worked with them to build new skills, build new businesses and, in some cases, reshape their institutions and industries. ●