

The business case for diverse leadership

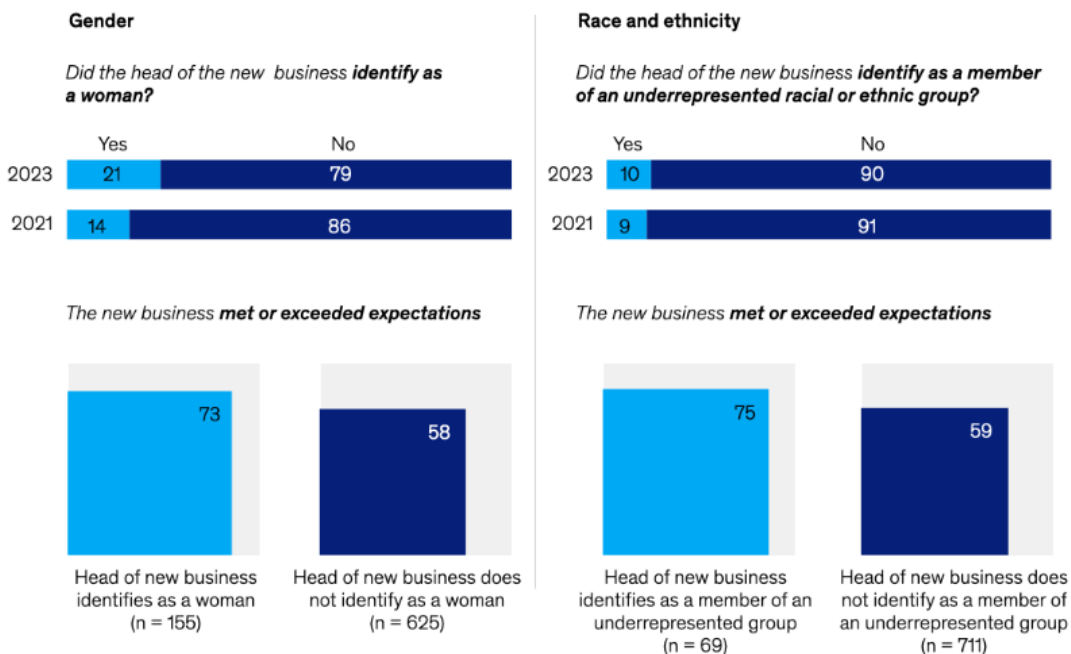


Leadership | Growth | Diversity & Inclusion

November 20, 2023 - One key way to build new businesses could be tapping underrepresented talent for leadership. According to a survey by senior partner [Ari Libarikian](#) and colleagues, new businesses led by individuals who identify as women, members of underrepresented racial or ethnic groups, or both are much more likely than other leaders to report that the businesses have met or exceeded organizations' expectations.

Responses suggest that new businesses led by women or members of an underrepresented group are more likely than others to succeed.

New business's leaders and respondents' perceptions of new business's success, %



Source: McKinsey Global Survey on new-business building, 980 senior managers and C-suite executives, June 21–Aug 20, 2023

Diversity in new-business leadership is accelerating, and it matters

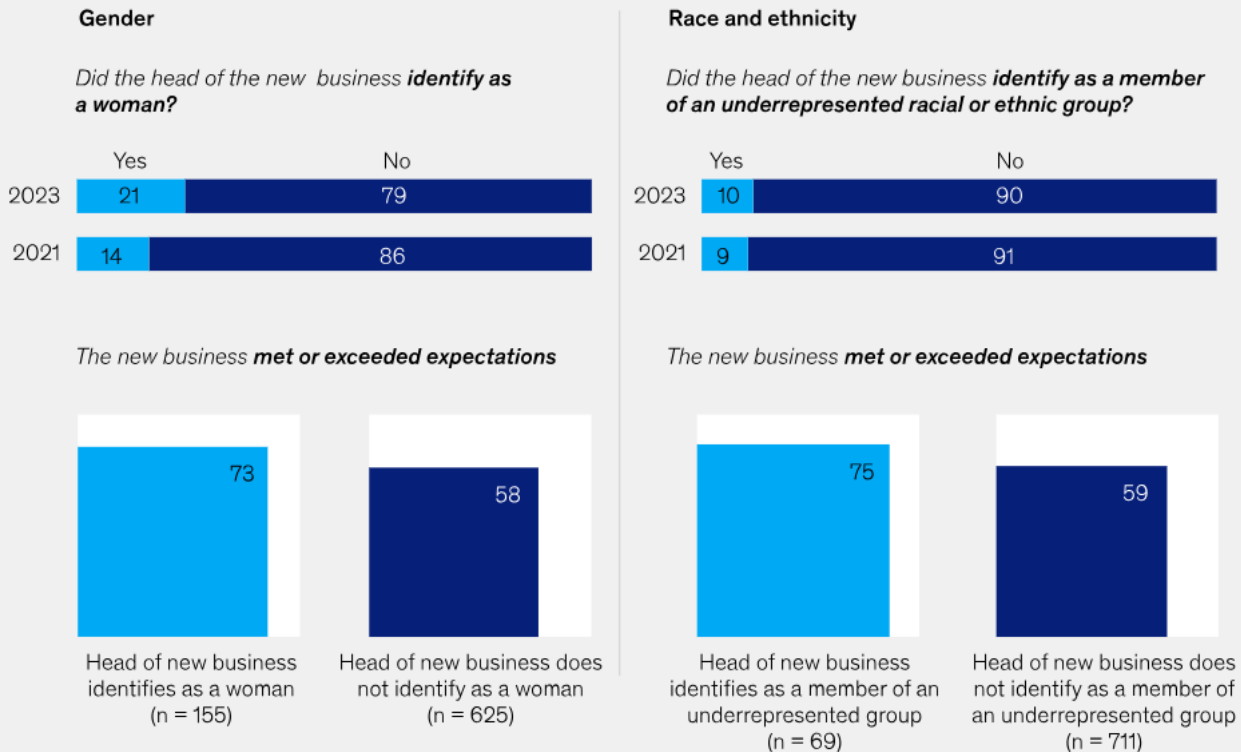
While leaders of new businesses do not yet reflect the makeup of the general population, the latest survey findings suggest that organizations are making strides. In our 2021 survey, 14 percent of respondents said that their organization's new business with which they were most familiar was led by a woman.¹ This year, that share jumped to 21 percent.

As previous research has found, there is a strong business case for diverse corporate leadership, and the latest results suggest that new businesses with diverse leaders are more likely to succeed than those without (exhibit). Respondents reporting new businesses that are led by individuals who identify as women, members of underrepresented racial or ethnic groups, or both are much more likely than others to report that the businesses have met or exceeded organizations' expectations.

Exhibit

Responses suggest that new businesses led by women or members of an underrepresented group are more likely than others to succeed.

New business's leaders and respondents' perceptions of new business's success, %



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