

KORN FERRY  
**Institute**

**Precision  
talent  
intelligence**

**The definitive  
four dimensions  
of leadership  
and talent.**

# Introduction

Businesses track and value their assets with precision. They can account for inventory, product quality, operations expenses, profit margin, and client demand because they have accurate metrics for each.

But when measuring talent assets? Few companies are so meticulous.

Industrial psychologists, HR firms, and leadership organizations have, through decades of work, identified hundreds of variables that affect job performance. But which are mission critical for the CEO and which drive engagement for the whole workforce? By leveraging the world's largest set of data on talent—more than 2.5 million assessments of professionals and top executives—the Korn Ferry Institute has categorized the elements of talent and isolated the most potent facets.

Our analysis has determined human performance in the workplace is governed by four factors: *competencies*, *experiences*, *traits*, and *drivers*. Research shows these four areas to be highly predictive of performance differences, and correlated with all key talent variables: engagement, retention, productivity, leadership effectiveness, and leadership potential. Companies view talent as a crucial driver of company performance and shareholder value.

It is well established that the companies that accurately evaluate, develop, and engage their people outperform their competition, and yet many still need better talent intelligence to do so. Taking all four dimensions into account gives employers a high-resolution view of how any individual's abilities fit a specific role—or a diagnosis of talent patterns across the enterprise.

This integrated approach immediately improves on standard HR analytics by focusing on the most salient findings for the individual or enterprise. It also reveals unforeseen links and disconnects between talent variables. Finally, it empowers organizations to build a transformational talent strategy that accelerates business performance.

# Four dimensions of leadership and talent.

## Competencies

Skills and behaviors required for success that can be observed.

### FOR EXAMPLE

Decision quality, strategic mindset, global perspective and business insight.

## Experiences

Assignments or roles that prepare a person for future roles.

### FOR EXAMPLE

Functional experiences, international assignments, turnarounds and fix-its.

WHAT YOU DO

WHO YOU ARE

## Traits

Inclinations, aptitudes and natural tendencies a person leans toward, including personality traits and intellectual capacity.

### FOR EXAMPLE

Assertiveness, risk taking, confidence and aptitude for logic and reasoning.

## Drivers

Values and interests that influence a person's career path, motivation and engagement.

### FOR EXAMPLE

Power, status, autonomy and challenge.

# Competencies: building blocks of job performance.

Competencies are the essential ingredients of success at work, distilled into their observable skills and behaviors. Competencies might describe management skills that contribute to better leadership, such as *resourcefulness*, *courage*, or *decision quality*. They can also include key functional or technical skills.

Most large organizations use a competency library as the basis for job specifications, leadership development plans, or annual performance reviews. Formal competency assessment, however, can add a high degree of accuracy to predicting job performance, even at the most senior levels. Recent research shows that Korn Ferry's competencies isolate and capture exactly what matters for overall performance in a role. Depending on the leadership level, proficiency with these competencies accounts for between 43% and 64% of total job performance (Barnfield et al. 2014).

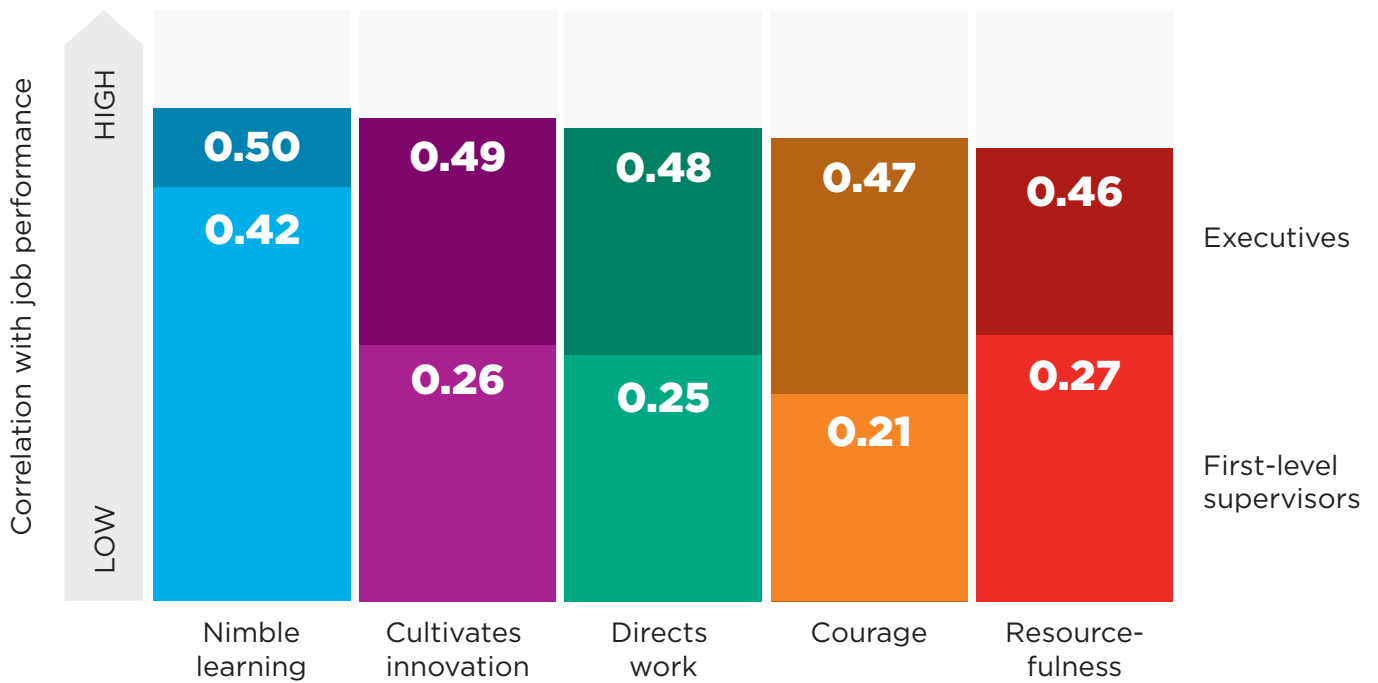
Some competencies are related to high performance at all levels of management, including *ensures accountability*, *manages complexity*, and *drives results*. Other competencies such as *nimble learning*, *cultivates innovation*, *directs work*, *courage*, and *resourcefulness* become more crucial as one moves up into the ranks of senior leadership.

Adeptness with a particular competency may indicate natural talent, but most competencies also can be intentionally built up given time and a related job assignment. Some are harder to develop than others, but with the right motivation and support (coaching, stretch assignments, feedback) nearly all individuals can make measurable progress on competencies—good news for any organization facing a skills gap.

Figure 1

**Crucial competencies for executives.**

The competencies that most correlate to superior leadership by top executives aren't the same ones that drive performance of lower-level managers.



# Experiences: getting beyond the résumé.

On any résumé, the “work experience” section always gets the most scrutiny. It’s rare, however, that hiring managers are gathering the depth of information they actually need to make decisions. Whereas previously they relied on instinct, we now know precisely which experiences are must-haves at each management level and for what type of company.

Korn Ferry’s four dimensions categorize experiences in a way that transcends job titles to capture the core quality of work history. Whether leaders held a title of senior vice president, after all, is less relevant than the fact that they led a turnaround. The former means they were promoted; the latter means they know how to manage through a downturn, get a shaky initiative back on track, or rectify poor business performance.

Organizations need to assess experiences especially closely when hiring outside executives or preparing internal successors for senior roles. Indeed, experience shortfalls often are revealed at the worst time: at a critical moment, no one is ready to take on the key job with more responsibility. Ensuring that leaders—and future leaders—amass the right set of experiences is essential. Without a sufficient history of developing strategy, leading people, or owning a P&L, how could anyone be prepared to lead a business unit?

Amassing experiences is akin to strength training at the gym: both the weight and repetitions matter. Heavyweight jobs are those that include high visibility, a risk of failure, ambiguity, and a broad scope of responsibility (Orr 2012). *Leading turnarounds*, for instance, will force individuals to enhance their leadership competencies fast, such as *building networks*, *driving vision and purpose*, *balancing stakeholders*, and *making tough decisions*. In short, the more difficult and perspective-broadening the experience, the faster it bulks up leadership muscle. But depth of experience also matters: top leaders learn more and improve with added exposure to a facet of their work, such as strategy or finance.

In a recent study, Korn Ferry isolated four experiences that demarcate great CEOs: *growing businesses*, *managing crises*, *developing strategies*, and *managing finances*. In our comprehensive leadership simulation, the highest performing CEOs (the top 20%) were those who have greater experience in those four areas. In fact, those who had reached that cutoff experience level were 8.5 times more likely to be among the top performers than all the rest of the CEOs in the study.

Figure 2

**How much experience?**

Of all the CEOs who have gone through Korn Ferry's comprehensive leadership performance simulation, the top 20% of performers had markedly more experience in four specific areas.



# Traits: strong but malleable.

Traits are personality characteristics that exert a strong influence on behavior. These include attitudes, such as *optimism* or *confidence*, as well as other natural leanings, such as *social astuteness* and general cognitive capacity. While traits are core to who a person is, they don't represent a predetermined fate.

Traits tend to show through a person's behavior, but exactly how can be shaped by one's experiences and motivations. An introvert who wants to build networks or exert more influence will make an effort to speak out or introduce himself to new people.

Traits factor heavily into questions of leadership potential because personality profiles look substantially different at each progressive level of management. For first-level supervisors, the traits that strongly correlate with engagement/performance include: *need for achievement*, *curiosity*, *persistence*, and *adaptability*. For high level executives, success is also tightly bound to a *need for achievement* and *curiosity*—but top leaders also need much higher degrees of traits such as *risk taking* and *tolerance of ambiguity*.

For organizations looking to maintain a healthy supply of leaders, individuals' traits can provide an indicator of those who have high potential for moving into top-level leadership roles.



Figure 3

**Traits: the right stuff for the right leader.**

People with the right traits for the work of leadership tend to get promoted and succeed at higher levels of management. Below, how executives score on four traits compared to first-level supervisors.



# Drivers: a renewable energy source.

Drivers are the deep internal values, motivations, and aspirations that influence a person's choices. They lie at the heart of critical questions: What is important to me? What do I find rewarding? Do I want more challenge in my work? Stability? Responsibility?

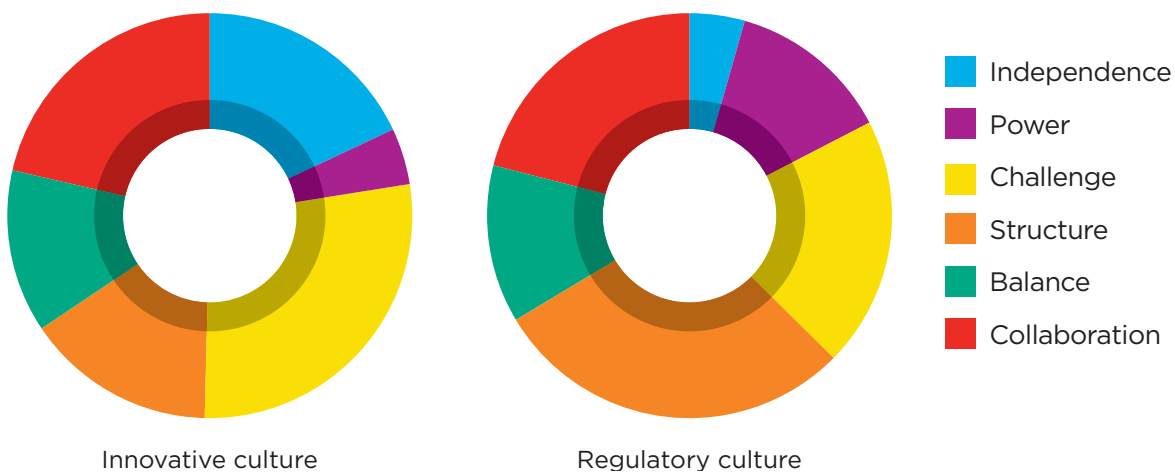
Drivers may be very specific or broad. They also may fluctuate based on an individual's circumstances or stage of life. But they are crucial to cultural fit, employee engagement, and talent retention. They are essentially the pivot point for the other three dimensions: if driven, an individual may moderate personality traits, work to improve competencies, or seek out experiences to progress toward a professional goal. He or she may put in extra time and effort, go above and beyond. Drivers open the door for an organization to connect with its people, to understand what makes them tick, and to tap into their energy.

Conversely, if there's a mismatch between an individual's drivers and, say, the organizational culture, that can cause a terrible drag on performance. Consider two happy and effective technology executives: one at an online start-up, the other at a medical device company. They may have near-identical competencies and traits, even a similar interest in technological solutions to consumer problems. Drivers are where they diverge. The start-up leader is seeking independence and an opportunity to innovate. The medical technology leader is thriving in a more hierarchical, process-oriented workplace that demands exactitude. If they traded contexts, their engagement likely would suffer, they would have less excitement for the job, and their career progress might slow considerably.

Figure 4

**What drives highly engaged leaders?**

In a culture that emphasizes innovation, such as a start-up, independence and challenge are the bigger drivers. But in a more controlled environment focused on precision, leaders are more driven by structure and power.



Organizations often overlook the importance of drivers, but understanding these motivators and career goals is essential to maintaining a pipeline of leaders and raising the level of engagement.

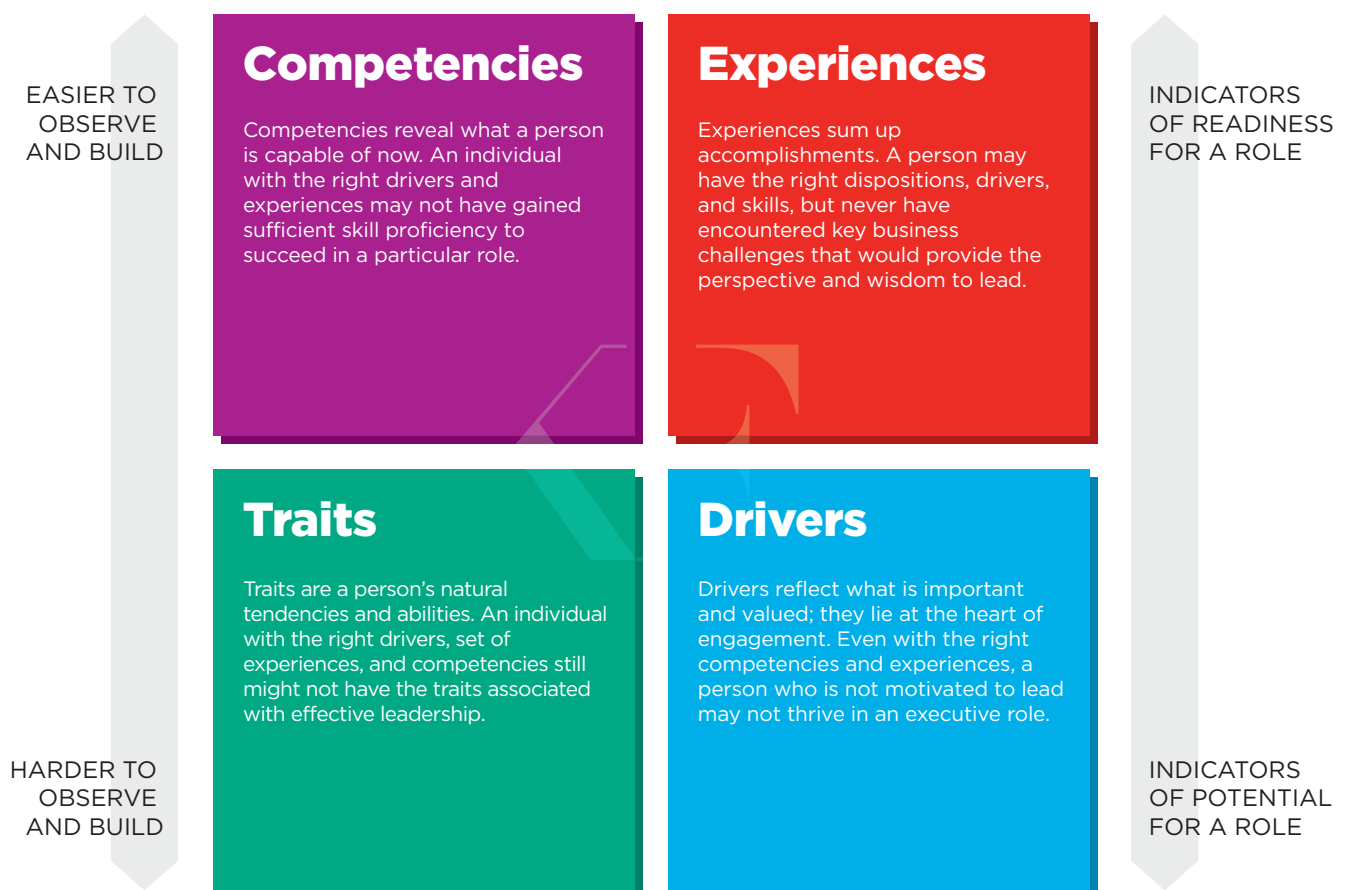
To leverage drivers, organizations can:

- Hire individuals who better fit the organizational culture.
- Coach individuals who have potential but don't envision being happy in roles that are crucial to the organization.
- Convince individuals that they can contribute more to the organization without compromising what is important to them.
- Shape and align the culture to create a better fit and attract top talent.

# Greater than the sum of its parts.

Each of these four dimensions provides valuable metrics for gauging leadership and talent. Taken holistically, they provide unparalleled accuracy. The four dimensions influence one another and interact within each person—connections that reveal deeper insight into what makes certain individuals succeed in one context and derail in another. That understanding enables better hiring and recruiting, precisely targeted career development, robust succession management, and more effective talent strategies.

Housing these four dimensions in one framework brings clarity to the most fundamental talent questions facing any organization.



**Who will succeed?** Performance in a role can be estimated by measuring competency proficiency and taking an inventory of key experiences. In the case of a transition into a new organization or a higher level of leadership, it is also important to take into account a person's traits and what drives his or her engagement.

**Who has leadership potential?** To build a strong talent pipeline, organizations first have to figure out who has the potential and motivation to lead. Assessments for traits and drivers bring these less obvious but highly predictive qualities to light. With early identification, high potentials have the runway to acquire key developmental experiences and competencies that will power success as they move up the ladder.

**Who is ready for a promotion?** Moving someone with potential into a role he isn't ready for presents risk to both the organization and the individual's career. Comparing an individual's competency scores and experiences to a statistically validated success profile brings a measurement stick to decisions that are too often left to gut instinct.

**Who is the right fit for this company?** Finding talent—particularly leaders—who are the right cultural fit fuels engagement in a job and long-term commitment to an organization. Securing the perfect fit between an individual and a role entails bringing all four dimensions to bear.

In the end, both the organization and the individual are served by a four-dimension assessment of talent. It offers detailed, strategic insights into whom an organization's most valuable players are, what position they're ready to play, or how to get them into shape.

The Korn Ferry Institute's global talent database, containing more than 2.5 million assessments of professionals and the highest-level executives, powers such precision analytics. The depth of this data allows magnification into hundreds of success profiles specific to job function, geography, industry, even business strategy. The four-dimension view transcends the obvious must-haves to home in on the variables that really make a difference.

# The foundation for strategic talent decisions.

People are vastly complex. And projecting how their talents will manifest on the job is intricate work. Yet without clear metrics, organizations cannot even benchmark their existing workforce, let alone recruit the best talent and close leadership gaps.

Organizations measure their talent assets by many means including interviews, assessments, and performance reviews. These approaches may yield grainy knowledge about skill sets and hint at greater potential, but they rarely resolve into sharp focus.

To truly decipher its talent needs, an organization should evaluate four specific dimensions of leadership and talent.

- What *competencies* does our strategy require?
- What set of *experiences* is essential for leadership roles?
- What *drives* our high performers?
- Which *traits* dovetail with effective leadership?

Precise answers to these questions are the difference between just filling another job and transforming a business through talent.

## FOUR DIMENSIONS IN ACTION.

The four dimensions of leadership and talent deliver insight on individual performance—but also organization-wide talent analytics. This provides an integrated approach to talent, improving hiring, high-potential identification, succession planning, talent development, and more.

This single language of talent can be used in ever-broadening ways:

**Compare candidates.** Hiring mistakes are costly, especially at the C-suite level. The four-dimension view reveals the distinctions that identify executives with great fit who can give an organization an edge.

**Create success profiles.** Talent needs vary by industry, market, and strategy for growth. Using Korn Ferry's global cross-industry database, outline which qualities are needed throughout the organization, and which are specific to certain mission-critical roles.

**Build a pipeline of future leaders.** Who is worth the investment—and risk—to put through development into to become executives? Target efforts on instilling the right skills in the right people to build a stable slate of ready-to-promote leaders.

**Shape culture.** People are an organization's culture. Gain clarity on what's driving engagement—and what might be driving good people away.

**Appraise the talent pool.** How does the current workforce or leadership team match up to what the strategy demands? Or to competitors? Find the gaps and start adding the skills and experiences to close them.

**Track progress.** Use talent metrics to monitor any leadership gaps. Adjust the talent strategy as needed and actively manage talent as a key business asset.

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## About Korn Ferry

At Korn Ferry, we design, build, attract and ignite talent. Since our inception, clients have trusted us to help recruit world-class leadership. Today, we are a single source for leadership and talent consulting services to empower businesses and leaders to reach their goals. Our solutions range from executive recruitment and leadership development programmes, to enterprise learning, succession planning and recruitment process outsourcing (RPO).

## About The Korn Ferry Institute

The Korn Ferry Institute, our research and analytics arm, was established to share intelligence and expert points of view on talent and leadership. Through studies, books and a quarterly magazine, Briefings, we aim to increase understanding of how strategic talent decisions contribute to competitive advantage, growth and success.

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