

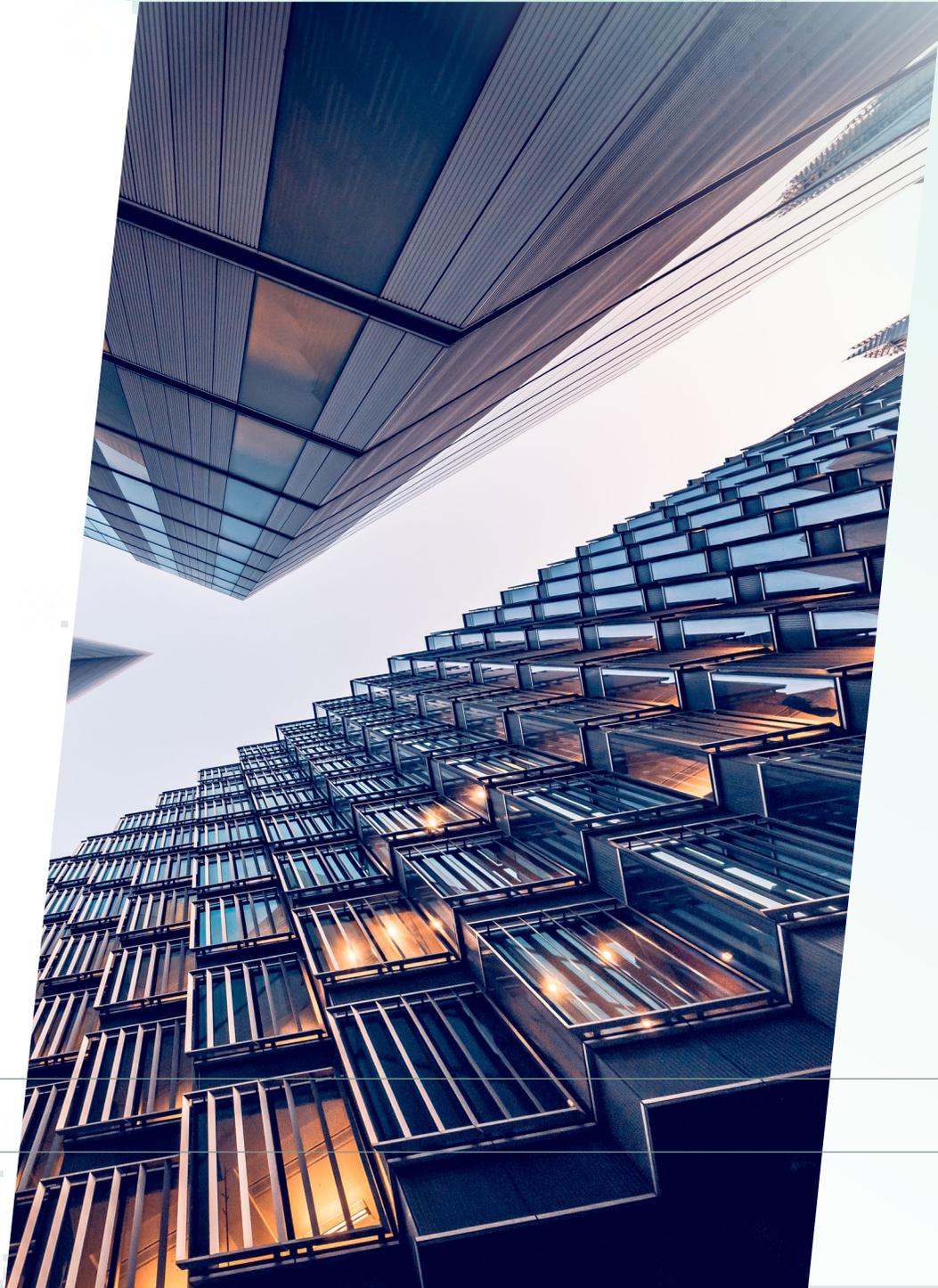


THE CEO ↗ BLUEPRINT

How data-driven
assessment enables you
to find the right CEO who
delivers lasting impact

 15 MIN

EBOOK





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FINANCIAL PERFORMANCE

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CHOOSING THE RIGHT CEO IS ONE OF THE MOST IMPORTANT DECISIONS A BOARD CAN MAKE.

A strong leader shapes strategy, culture, and long-term performance, impacting everything from financial outcomes to market positioning.

Yet, selecting the right CEO often feels uncertain. Korn Ferry's CEO outcomes research reveals the impact of using a clear, data-driven approach to finding chief executives who deliver results over time and drive sustained transformation.

Our research, covering over 500 CEO transitions and organizational outcomes of over 100 publicly traded companies, shows that using a proven integrated assessment process increases the likelihood of finding the best CEO.

Korn Ferry CEO assessments help companies find transformative leaders who can double market cap growth in the first four years. With our insights, boards can identify CEOs who break the cycle of rapid CEO attrition, drive better financial performance, and lead successful transformation.

THE RIGHT CEO WILL...

THE RIGHT CEO WILL...

...DELIVER DIFFERENTIATED FINANCIAL PERFORMANCE

CEOs who scored high on Korn Ferry assessments more than doubled market cap growth over the first four years.

Compared to low-scoring CEOs, high-scorers achieved:

HIGHER EBITDA MARGIN

18.5% vs. 14.7%



HIGHER ANNUAL REVENUE GROWTH

7.7% vs. 6.4%



MORE MARKET CAP GROWTH

23% vs. 11%



...DELIVER DIFFERENTIATED FINANCIAL PERFORMANCE

When the financial outcomes are adjusted for industry trends, the differences are even more revealing.

Compared to peer companies in their industry, high-scoring CEOs achieved in four years after the leadership transition:



**HIGHER ANNUAL
GROWTH REVENUE**



**HIGHER
EBITDA MARGIN**



**HIGHER GROWTH
IN MARKET CAP**

...DELIVER DIFFERENTIATED FINANCIAL PERFORMANCE

We also identified eight competencies **aligned with Enterprise Leadership** that influence financial performance:



STRATEGIC LEADERSHIP

Global Perspective

Strategic Vision



PEOPLE LEADERSHIP

Engages and Inspires

Communicates Effectively



RESULTS LEADERSHIP

Aligns Execution

Drives Results



ECOSYSTEM LEADERSHIP

Builds Networks

Persuades

Compared to low-scoring CEOs, CEOs who...



...show **Strategic Vision** achieved

30%

higher annual growth during the first four years.



...**Align Execution** achieved

28%

higher EBITDA margin in the first four years.



...**Build Networks** achieved

111%

more market cap growth in the first four years.

THE RIGHT CEO WILL...

...POWER TECHNOLOGICAL TRANSFORMATION

It's not just about technology – it's about making it work for the bottom line.

CEOs with higher overall assessment scores **drive ongoing technological transformation** and achieved:



ANNUAL REVENUE GROWTH

compared to 3.2% for those with lower scores.

We identified **five key leadership competencies** associated with successful technological transformation:



01

STRATEGIC THINKING

Balances immediate needs with long-term goals.



02

BUILDS NETWORKS

Excels at networking and aligning with others to drive transformation.



03

COMMUNICATES EFFECTIVELY

Shares vision and motivates teams, fostering trust and openness.



04

COURAGE

Challenges the status quo, makes bold moves, and manages pushback.



05

BEING RESILIENT

Creates a resilient and adaptable culture to handle rapid changes.

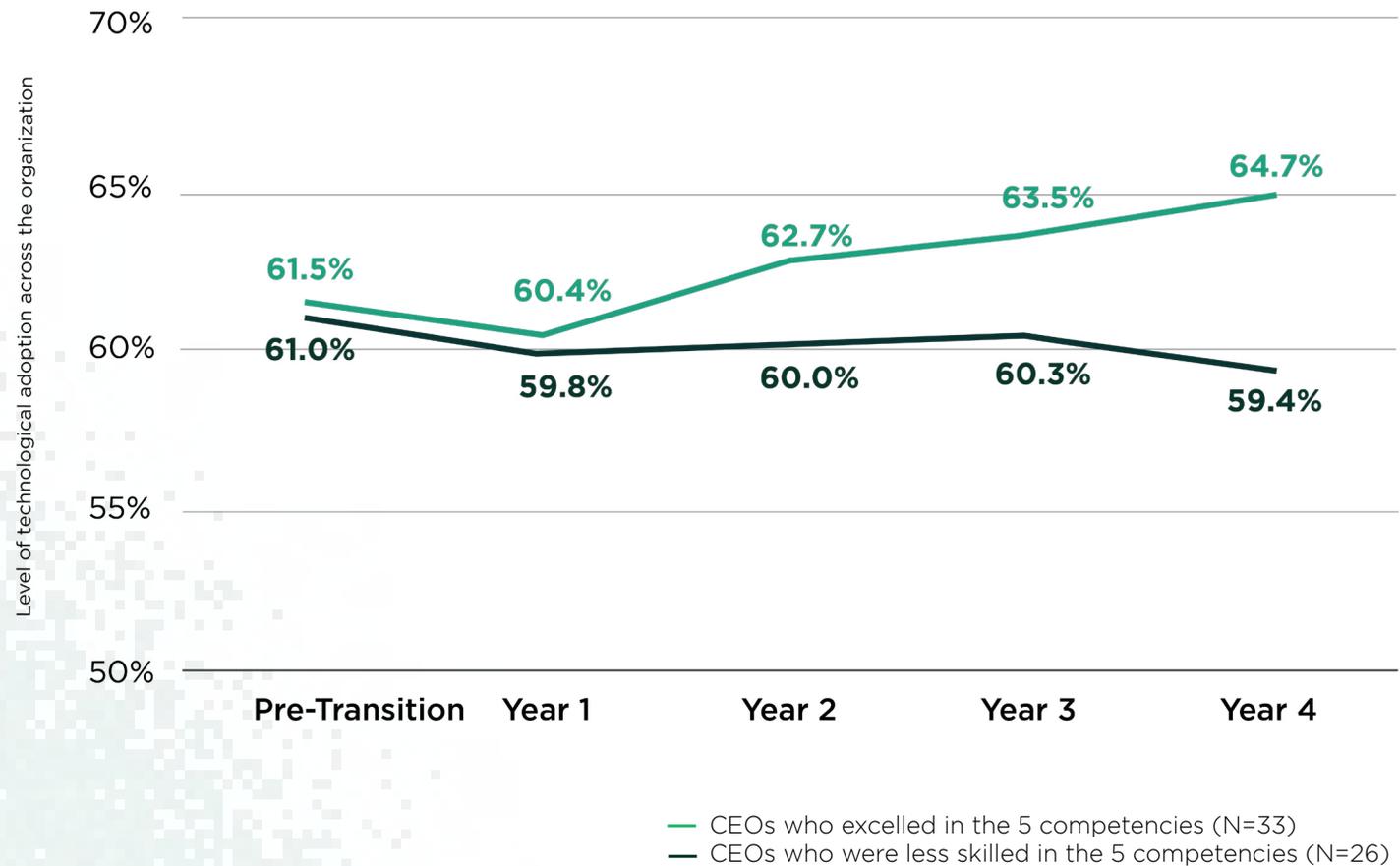
...POWER TECHNOLOGICAL TRANSFORMATION

CEOs who excel in the five competencies (*Strategic Thinking, Builds Networks, Communicates Effectively, Courage, and Being Resilient*) experienced a slight drop in tech adoption across the organization in their first year, but after that, they saw **steady improvement**.

In contrast, CEOs who scored lower in these leadership competencies saw a small decline in tech adoption but struggled to make progress afterward.

The gap between the two groups **grew to over 6 percentage points** by the fourth year, a statistically significant difference.

FOUR-YEAR INDUSTRY-ADJUSTED TECHNOLOGICAL TRANSFORMATION IMPACT AFTER CEO CHANGE



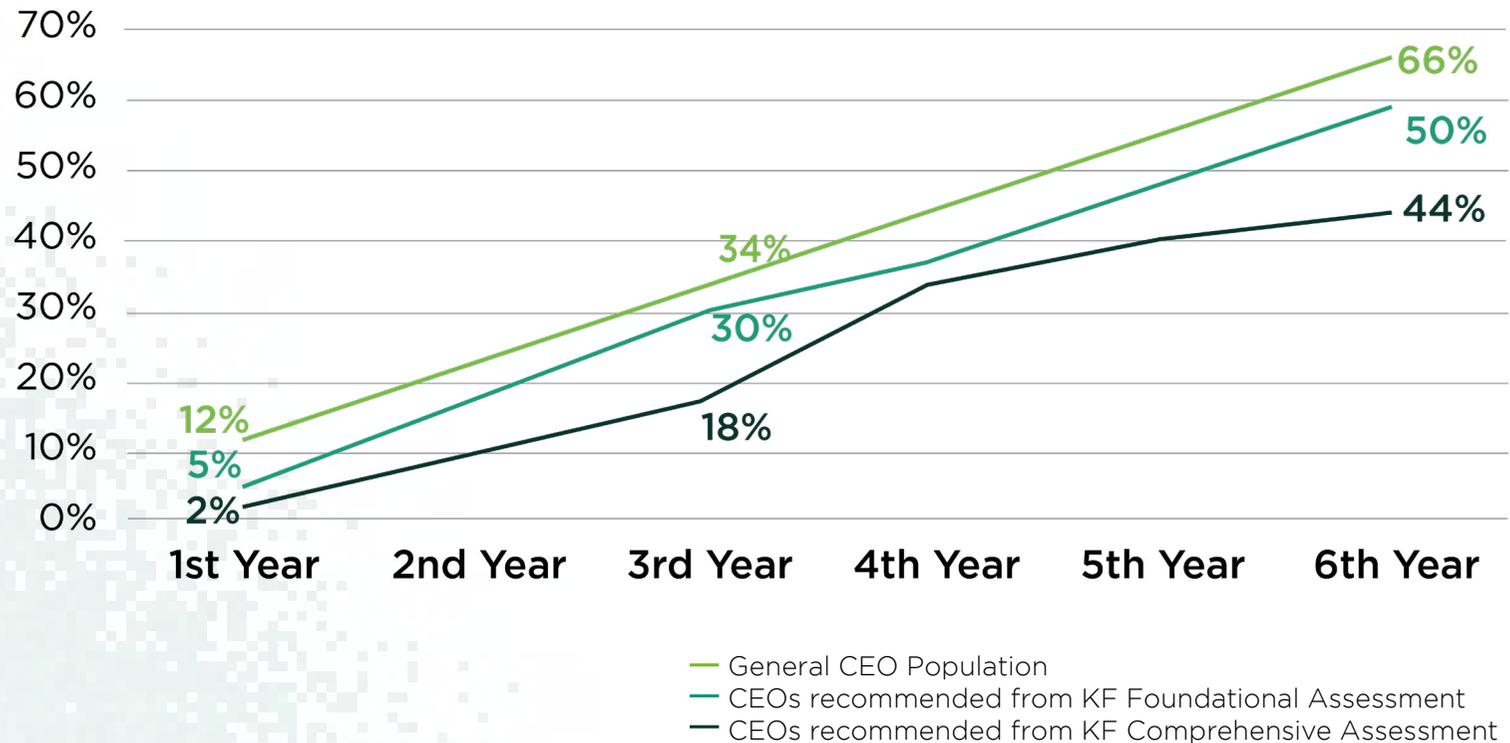
THE RIGHT CEO WILL...

...STAY LONGER

CEOs recommended by Korn Ferry based on our proprietary assessment process were less likely to leave their company within three years—only 18% departed. For comparison, about 34% of CEOs in general leave within that time.

This means using Korn Ferry's assessments **reduced CEO turnover by nearly half**. It's also worth noting that CEOs who were assessed by Korn Ferry but not recommended had turnover rates closer to the average.

Accumulative CEO attrition rates over time

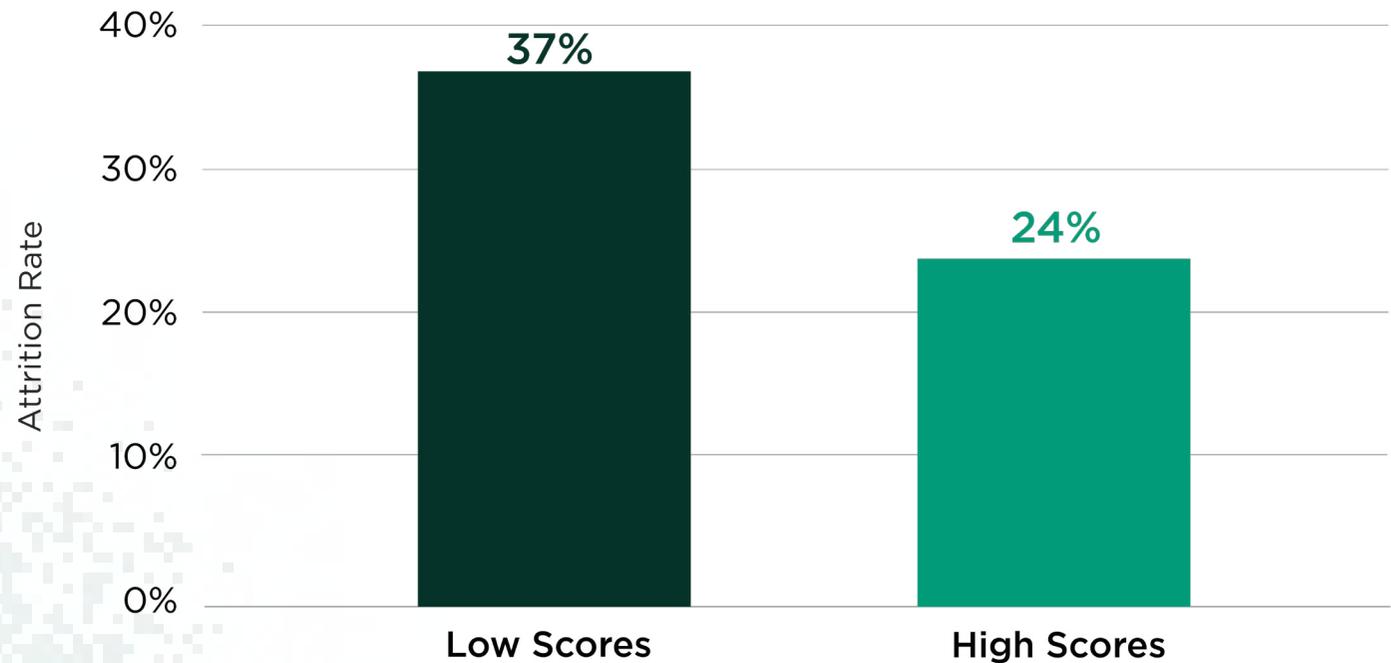


LEADERSHIP QUALITIES ASSOCIATED WITH LONGER CEO TENURE

CEOs with low scores in *Managing Conflict*, *Balancing Stakeholders*, and *Building Networks* are **54% more likely** (37% vs. 24%) **to leave** within three years compared to those with high scores.

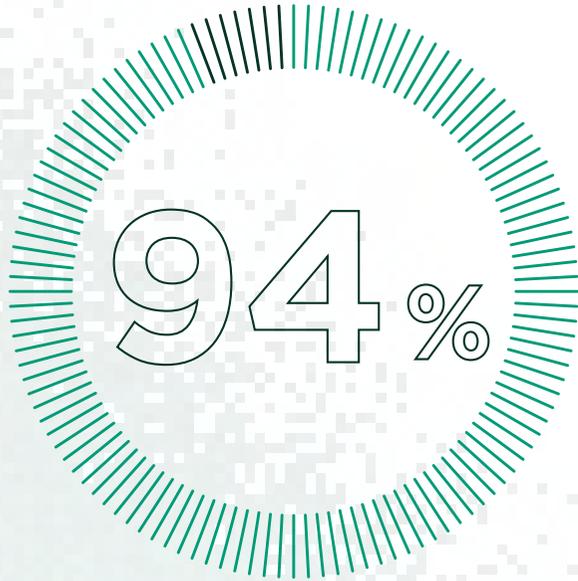
This means that when a new CEO builds strong relationships with key stakeholders, their support and effective management can be key to long-term success in the role.

Attrition rates within 3 years between low- and high-scoring CEOs



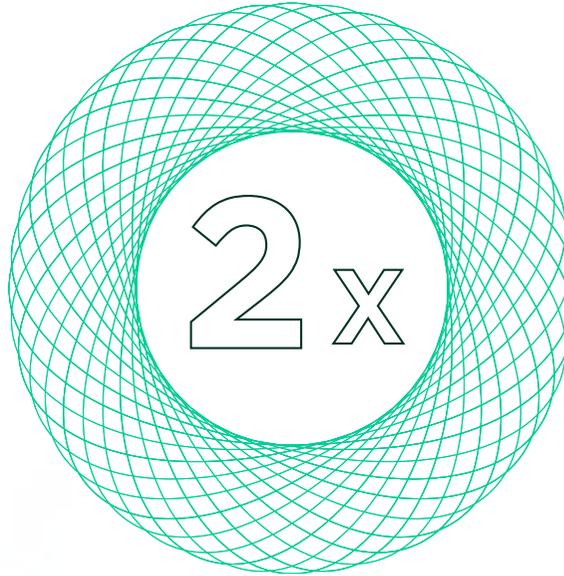
Composite of three competencies
(*Manages Conflict, Builds Networks, Balances Stakeholders*)

RISKS THAT COULD IMPACT TENURE AND PERFORMANCE



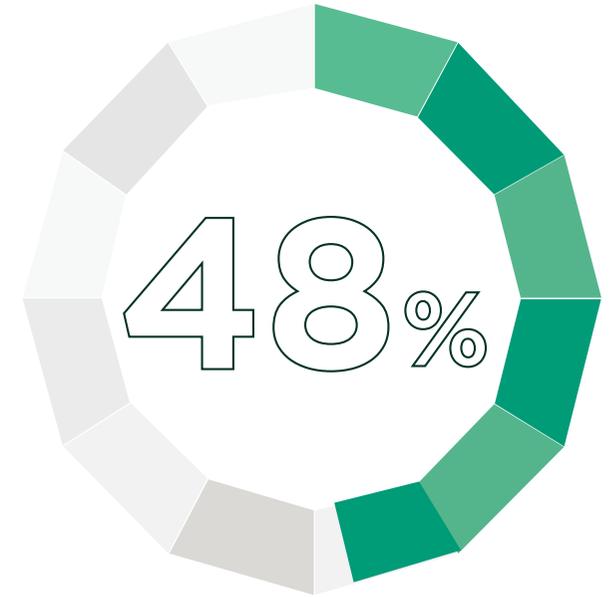
LOW EMPATHY

CEOs who are less empathetic are **94% more likely** to leave within three years (33% vs. 17%).



LOW COLLABORATION

CEOs who are less collaborative are nearly **twice as likely** to leave within three years (34% vs. 16%).



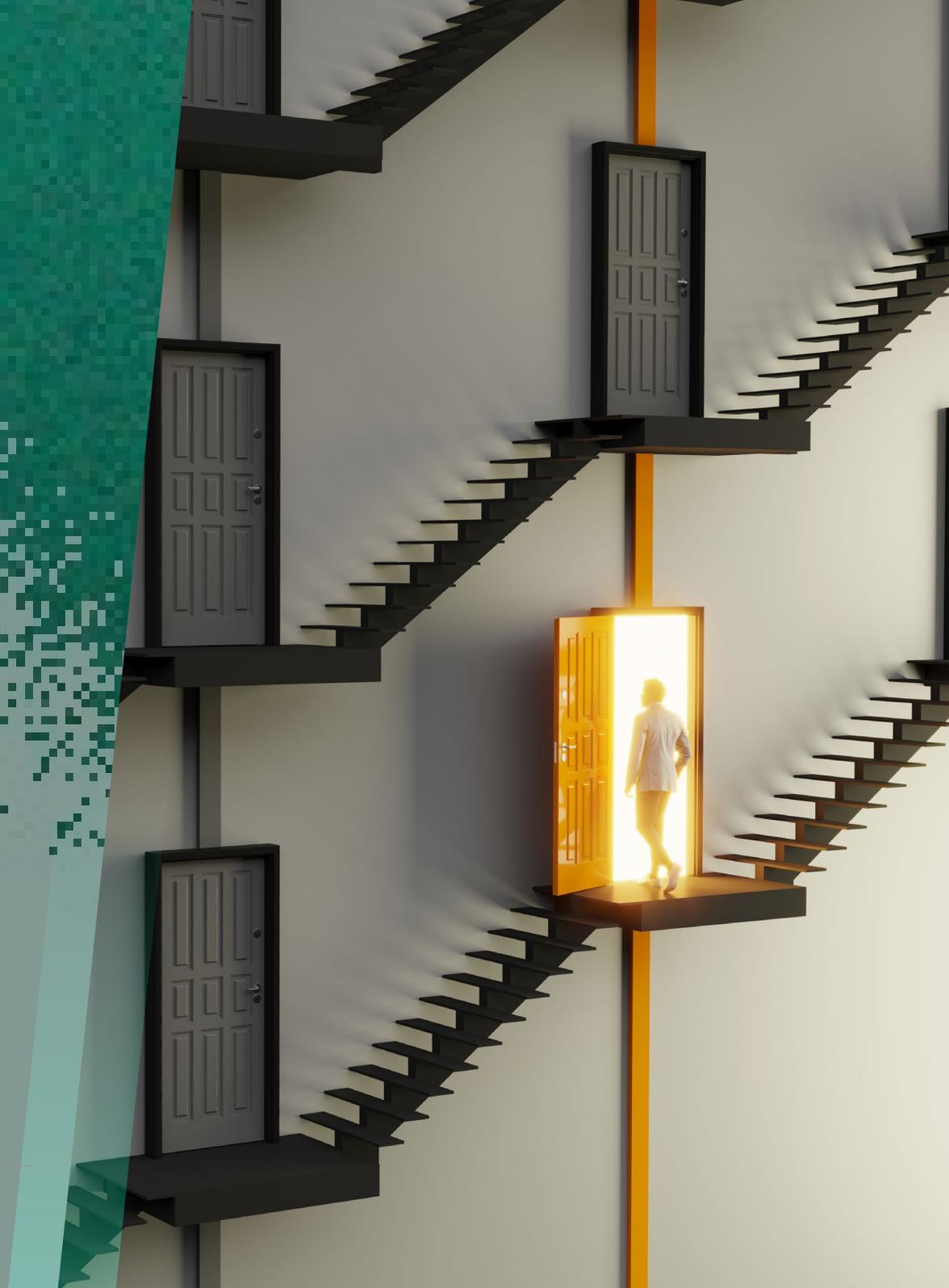
HIGH INDEPENDENCE

CEOs who are more independent are **48% more likely** to exit within three years (31% vs. 21%).

IMPROVE CEO SELECTION OUTCOMES

Boards can improve CEO selection by adopting a more predictive, comprehensive evaluation process. Past experience alone isn't enough—future success hinges on a CEO's leadership qualities and ability to tackle emerging challenges.

Contact us to discover how Korn Ferry's integrated assessments can help you find the right CEO to drive your business to new heights.





Korn Ferry is a global organizational consulting firm. We work with our clients to design optimal organization structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward and motivate their workforce while developing professionals as they navigate and advance their careers.

Business advisors.
Career makers.