FROM DATA TO DECISIONS ↗

Why Measurement Discipline Drives Performance

CONTENT

INTRODUCTION

Most organizations have access to more data than ever before, yet relatively few consistently turn that data into better decisions. The challenge is not data availability alone, but having a disciplined approach to defining meaningful outcomes, measuring them consistently, and using those insights to act.

Our research identifies the capability behind this gap as **Measurement Discipline.**

The value of disciplined performance measurement is well established, but many organizations still struggle to put it into practice. Knowing that outcomes should be measured is not the same as knowing which outcomes matter most, how they should be measured, or how those measures influence decisions instead of simply reporting results.

This study builds on decades of performance management research showing that organizations perform better when they focus on meaningful outcomes, integrate financial and non-financial measures, and use performance information to guide decisions (Kaplan & Norton, 1992; Meyer & Gupta, 1994; Bloom et al., 2019, 2020). Korn Ferry Institute examines how organizations operationalize these principles in practice by asking:

- What outcomes are organizations choosing to prioritize and measure?
- What distinguishes measurement systems that influence decisions from those that primarily document past performance?

The findings that follow trace how organizations define strategic success, translate those priorities into measurement, and use measurement to improve decisions and performance.

Measurement Discipline is the ability to use trusted outcome data to make better decisions, improve performance, allocate resources effectively, and demonstrate business value.

STRATEGY IS CUSTOMER-LED, BUT PEOPLE GO UNMEASURED

Organizations cannot measure everything. Their strategic priorities determine where they focus attention, investment, accountability, and, ultimately, measurement. **Customer Focus** is the most-selected strategic priority **(58%)** followed by:

- **AI, Technology, and Digitization (49%)**
- **Expansion and Growth (47%)**
- **Financial Health (40%)**
- **Operational Optimization (38%)**

The pattern is familiar: win with customers, enable with technology and efficiency, and maintain financial discipline.

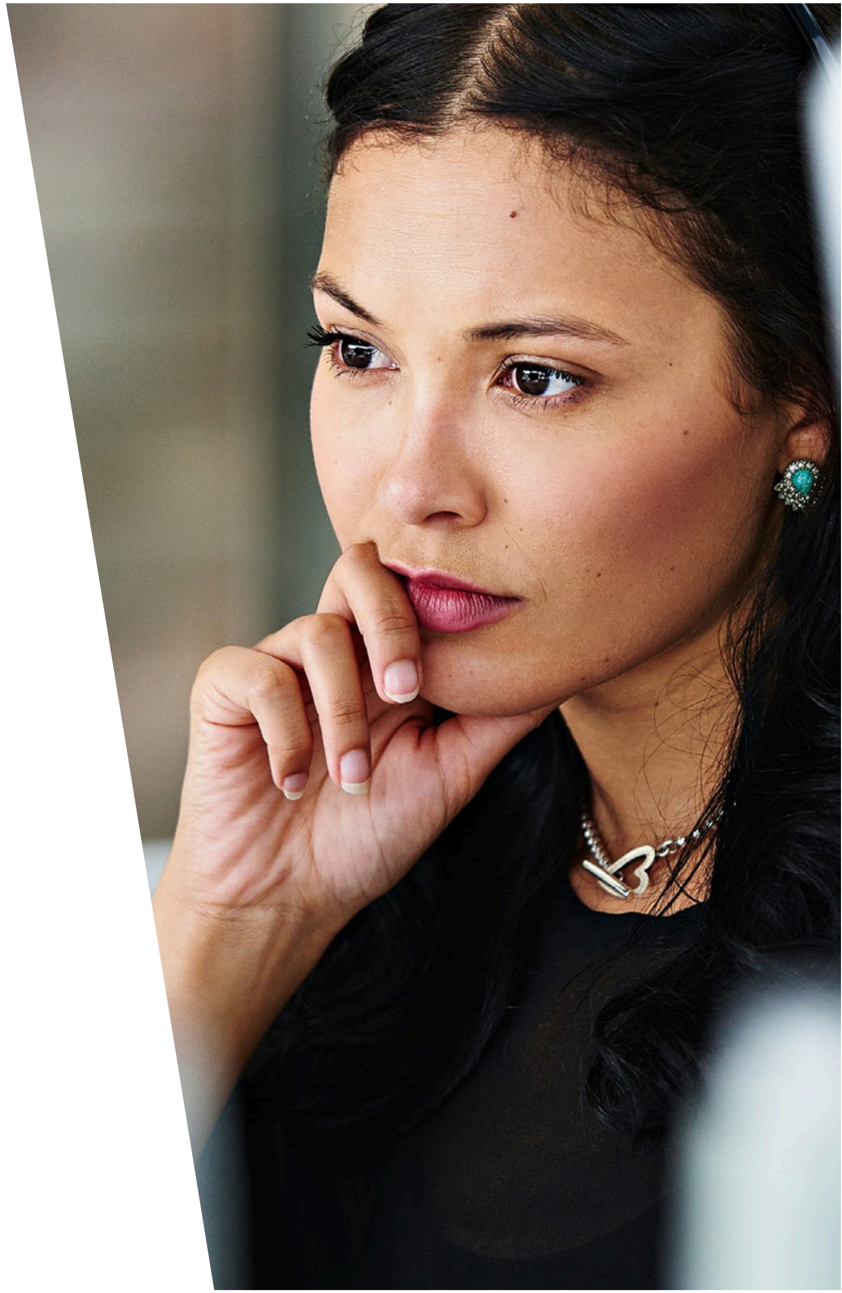
Human Capital is a top three priority for only **15%** of organizations, along with **Risk Management (14%)**, **Corporate and Social Responsibility and Governance (14%)**.

This does not mean these areas lack importance. It suggests that many organizations continue to view them as capabilities that support strategy rather than as strategic priorities, despite their role in enabling customer loyalty, growth, and financial stability.

Strategic priorities establish what organizations intend to achieve. The next question is whether those priorities are reflected in what organizations consistently measure.

Despite differences in strategic priorities, organizations rely on a remarkably similar set of primary metrics. Financial (46%) and performance metrics (34%) are the most frequently used measures to assess business impact, whereas measures related to a wide variety of other organizational aspects, such as reputation, employee experience and retention, and innovation, are used much less often.

In short, organizations pursue different strategic objectives, but they tend to measure success in the same way.



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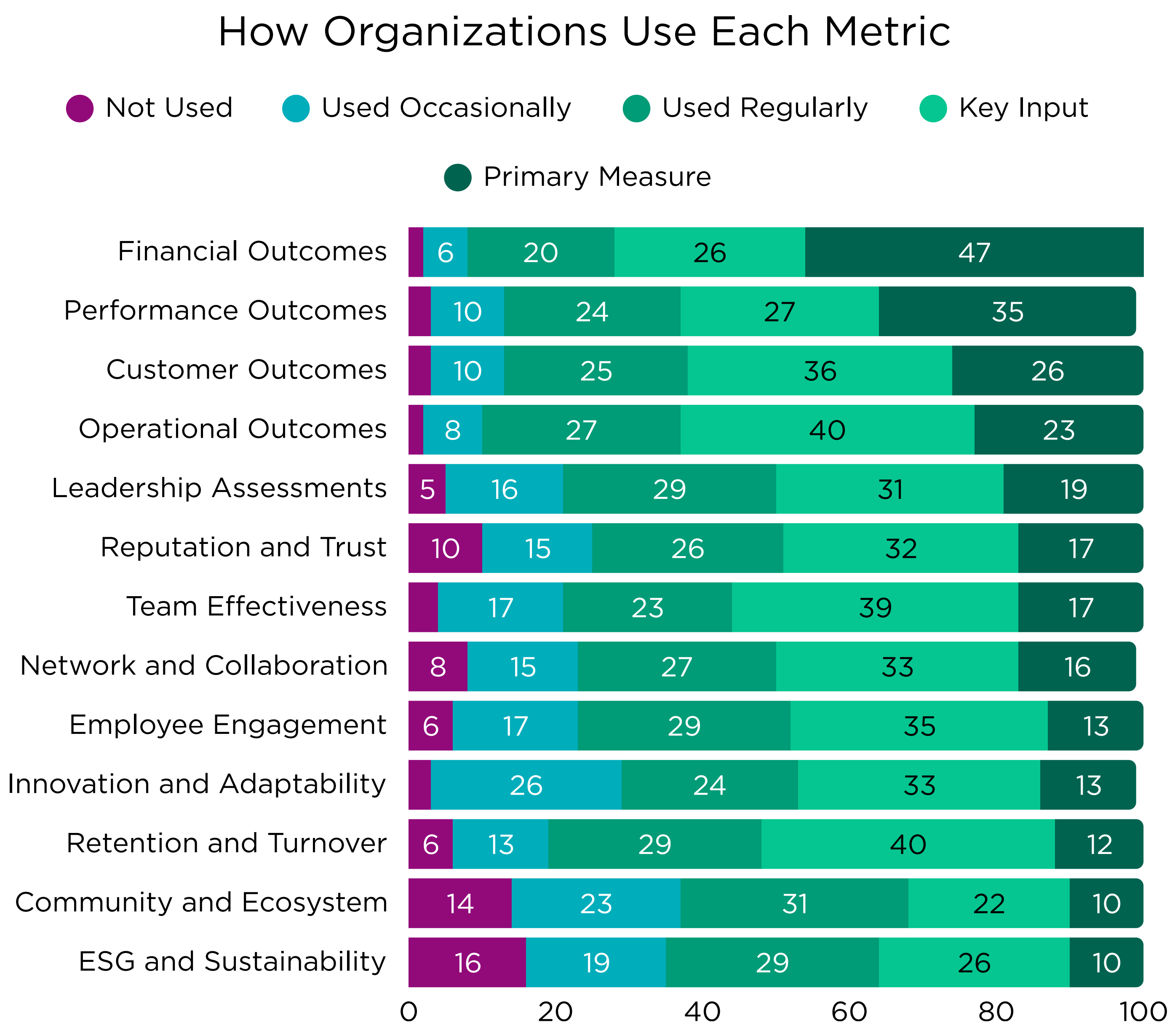
DIVERGING STRATEGIES, CONVERGING METRICS

Leaders believe they pursue differentiated strategies while still managing against a common, legacy scoreboard. Strategy is evolving faster than the way organizations define business impact.

***Data Paradox:* *Financial (46%)* and *Performance (34%)* metrics continue to anchor primary decision-making, while the remaining data points rarely drive actual strategy.**



DON'T JUST OPTIMIZE THE PRESENT: MEASURE THE FUTURE

When leaders describe success today, the focus remains on performing today, with an emphasis on financial (e.g., ROI and revenue) and customer measures (e.g., customer retention). When asked what will define success in five years, the emphasis shifts:

Perform (today): Financial (67%) and customer outcomes (54%)

Transform (future): AI (40%), innovation (4x more prominent), and adaptability (11x more prominent)

Financial and customer measures remain important, but they become substantially less dominant (~ 50% lower occurrence) as leaders look to the future.

At the same time, innovation and adaptability become much more prominent signals of future success. Recognizing this shift is not the same as measuring it.

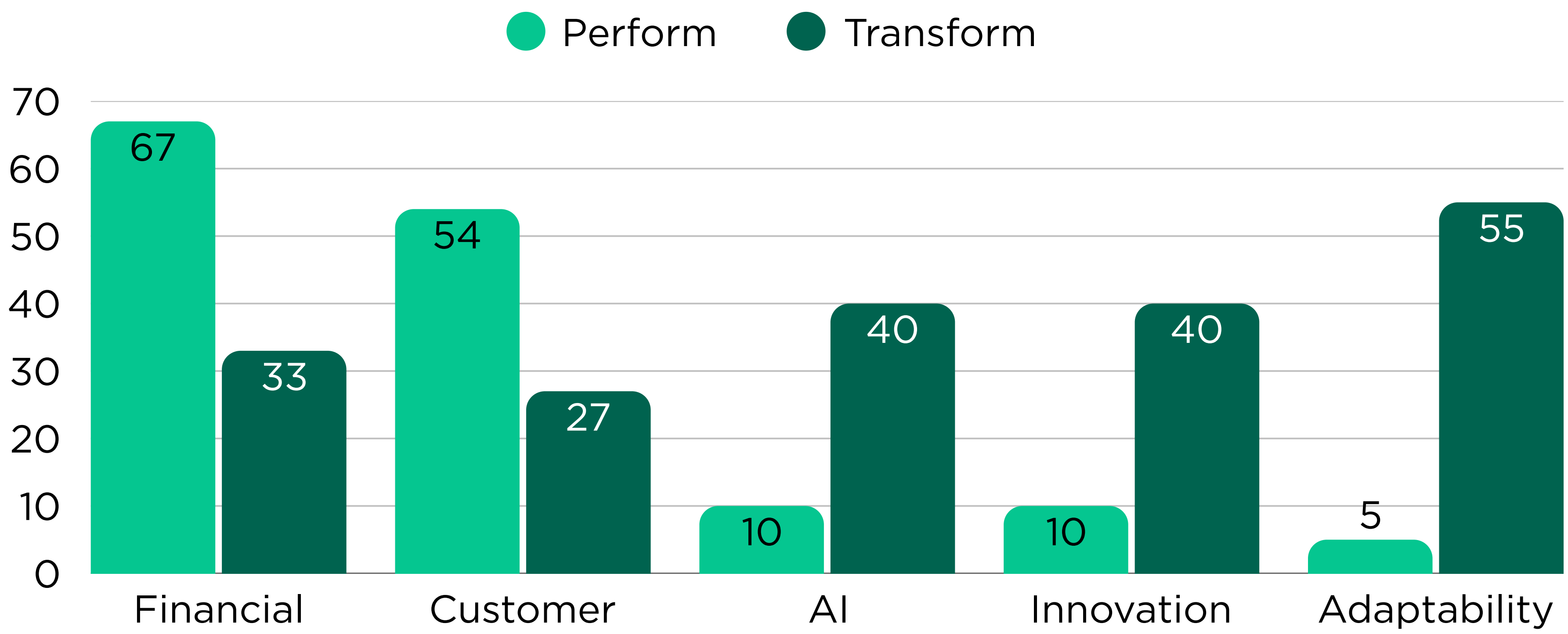
The implication is clear: organizations cannot choose between performing today and transforming for tomorrow.

They must do both. Measurement systems need to reflect that dual mandate by tracking current results as well as the capabilities that will drive future performance, including AI, innovation, adaptability, and organizational capacity.

Otherwise, organizations risk managing tomorrow's strategy with yesterday's metrics.

Defining Success: Today vs. in Five Years

How leaders' measures of success shift from performing today to transforming for the future



AI MATURITY BROADENS THE IMPACT PROFILE

AI is not just another priority — it is a capability that expands the range of outcomes organizations can achieve. Yet most organizations remain early in that journey. Only about 1 in 10 leaders classify their organization as Leading in AI maturity, with the majority still in Developing or Emerging stages.

The business impact profile shifts meaningfully as maturity increases.

Among organizations with minimal or emerging AI maturity, only 11% report accelerated innovation.

For advanced or leading organizations, that figure rises to 52%. The pattern appears across other outcomes.

10%

Leaders who classify their organization as leading in AI maturity

As AI maturity increases so does:

- Improved customer experience from 28% to 61%
- Quality from 26% to 59%
- Talent productivity from 17% to 35%
- Risk management from 11% to 35%

At the same time, the share of organizations reporting no realized business outcomes falls from 13% to zero.

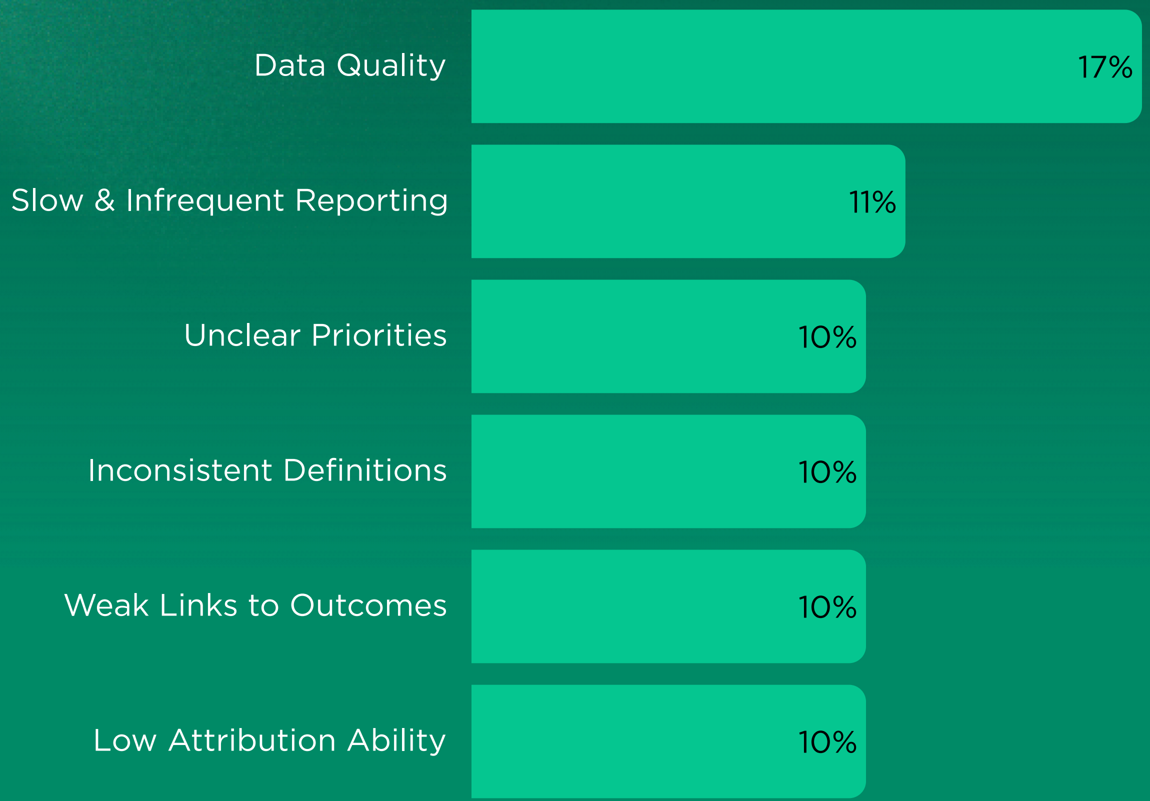
THE COST OF MEASUREMENT BARRIERS

Poor measurement has direct financial consequences.

Poor data quality (17%) is the most common barrier to measuring and reporting organizational impact. Tied for second at around 10% each are: weak attribution between outcomes and initiatives, difficulty linking indicators to outcomes, inconsistent metric definitions and/or measurement, and slow or infrequent reporting.

Highest Priority Barriers

for measuring and reporting organizational outcomes



Without trusted, connected data, organizations struggle to understand which initiatives create value.

99%

of leaders report a negative financial impact from disconnected data

34%

are confident their insights are reliable

Korn Ferry's 2026 Global Talent Analytics Survey

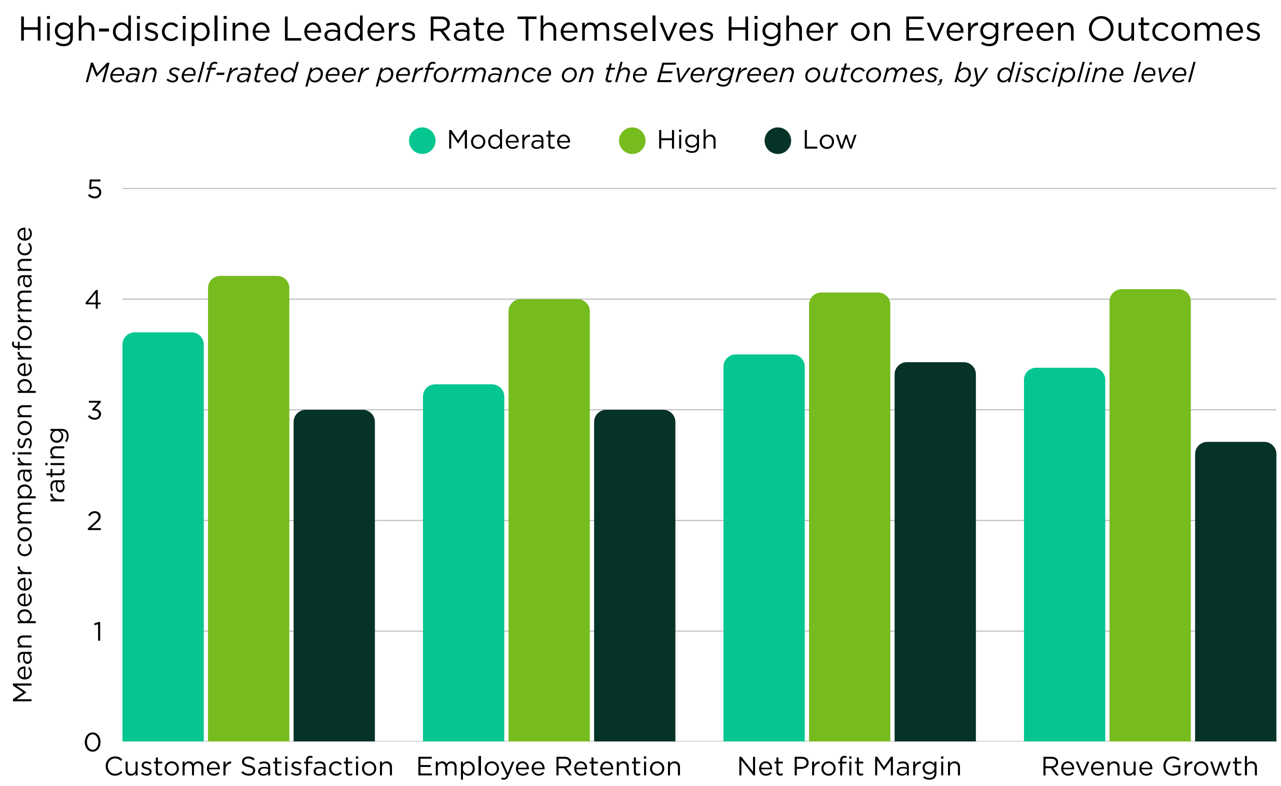
As measurement systems mature, the challenge shifts from data quality to interpretation, credibility, and use.

DISCIPLINE TRACKS WITH PERFORMANCE

Measurement Discipline shows the strongest relationship with relative peer performance (r ≈ .59). The advantage comes not from collecting more data, but from using outcome measures to inform decisions. High-discipline organizations use their metrics more, and that use correlates with performance.

The Evergreen outcomes (revenue growth, net profit margin, employee retention, and customer satisfaction) make this concrete. Revenue growth is the clearest case: 35% of high-discipline organizations report much-better-than-peer growth, compared with just 3% of medium-discipline organizations. The same pattern appears for net profit margin, employee retention, and customer satisfaction.

These findings suggest that Measurement Discipline is more than a reporting capability—it is a management capability that enables better decisions and stronger business performance, consistent with the resource-based view of competitive advantage.



TRUST AND ATTRIBUTION ARE THE REAL BOTTLENECKS

Data availability is rarely the primary constraint; the limiting factor is whether leaders trust the data and can link it to specific actions.

Trust is the strongest single variable in the measurement system. It closely aligns with how much organizations use their metrics and how they perform against peers. Yet few companies name low trust as a barrier; only 7% rank it among their top three. This makes it easy to mistake for a solved problem.

What makes the rest of the system usable is trust. Organizations can produce reports without trust but rarely turn them into decisions. When numbers do not align across teams, belief drops and the data stops driving decisions. Trust comes from consistency: the same definitions, visible logic from action to outcome, and the same answer every time.

Skipping it leads to the illusion of insight. Without trust, measurement systems tend to remain descriptive rather than decision-oriented.

Attribution is a related bottleneck: only about 22% strongly agree they can credibly link outcomes to specific initiatives. Without that connection, organizations struggle to evaluate effectiveness, allocate resources, or build accountability. This is one reason many remain stuck in reporting rather than decision-making.

METRICS INFORM; SYSTEMS PERFORM

Organizations do not need more metrics. They need a more coherent measurement system. High-performing measurement systems:

- Identify strategic outcomes
- Apply shared definitions
- Connect measures to decisions
- Build trust in reporting

ORGANIZATIONS THAT DO MEASUREMENT DISCIPLINE EFFECTIVELY:

01

DEFINE WHAT SUCCESS LOOKS LIKE.

Choose three to five enterprise outcomes tied to strategic priorities. Pair financial and performance measures with metrics that enable credible paths from actions to strategic outcomes (e.g., leadership effectiveness, employee engagement, innovation, adaptability).

02

STRENGTHEN THE SYSTEM.

Build the foundation: shared definitions, data quality, ownership, cadence, and attribution. Pressure-test where you stand with a workforce data diagnostic. Then, decide whether each metric drives a decision or simply fills a dashboard.

03

TREAT TRUST IN METRICS AS A BUSINESS ISSUE.

Standardize definitions and logic so the same outcome metric is measured reliably across the organization.

04

ALIGN MEASUREMENT TO STRATEGY.

Audit your metrics and keep what reflects strategy. Cut legacy reporting. Most systems overweight financials and underweight innovation, capability, and adaptability.

05

DESIGN MEASUREMENT TO DRIVE DECISIONS.

Tie metrics to decision triggers, tradeoffs, and ownership. As AI reshapes the workforce, those who deliberately measure the future will act on the shift first.

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How we did it. *In March 2026, the Korn Ferry Institute surveyed 146 senior leaders from a CloudResearch panel spanning multiple industries, functions, and regions. The self-report, cross-sectional survey asked leaders about their organization's measurement practices, strategic priorities, AI maturity and impact, and performance relative to peers, along with open-text views on what defines success today and in the future.*

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