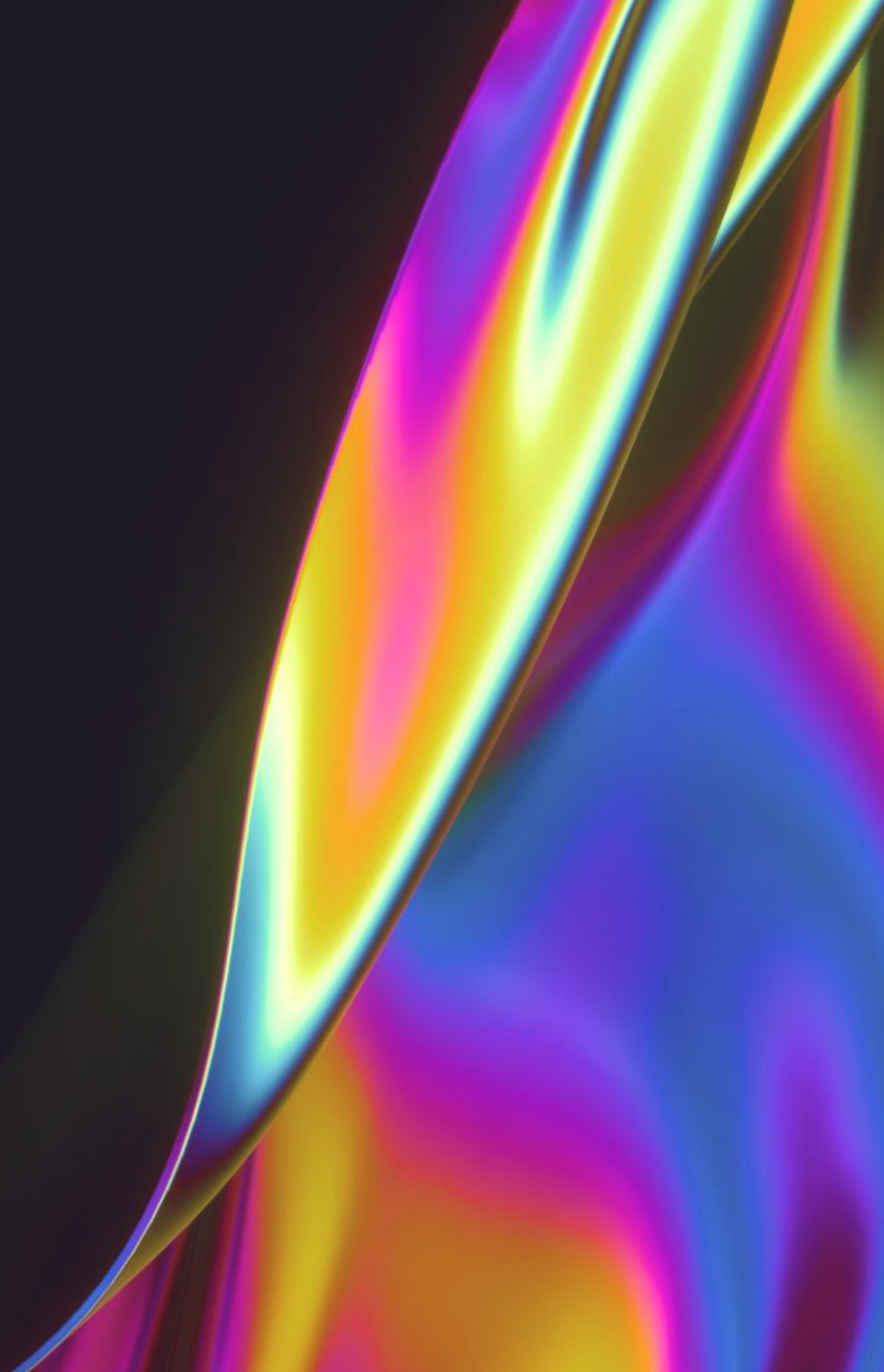


BetterUp[®]

The next evolution
in management



The rapid rise of AI is changing more than just how we do our jobs—it's also upending 50+ years of conventional wisdom around managing for performance.

What mindsets will your workforce need to adapt and perform in this time of change? And how must management evolve in response? Read on for our full research findings.

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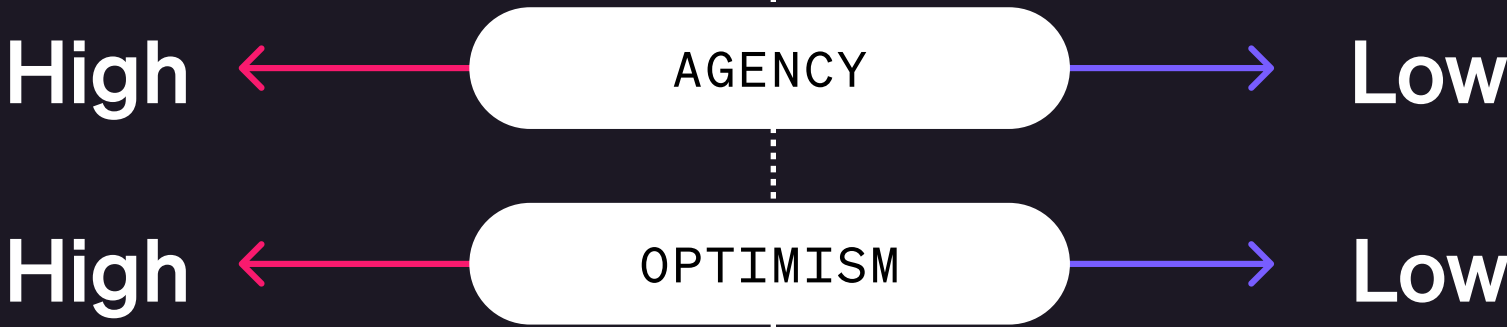
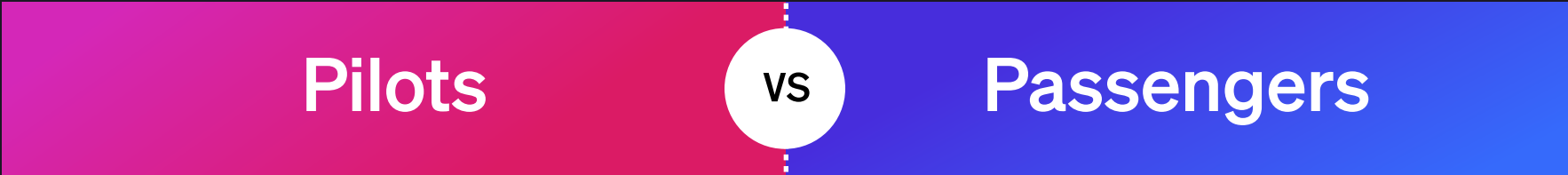


Since the start of 2023, BetterUp Labs has partnered with Stanford's Social Media Lab to track over 12,000 workers across 18 industries, aiming to understand how AI is transforming their work and what they need from their managers and organizations in response.

Pilots vs Passengers

The mindsets that define success in the age of AI

Our research reveals two types of people in the Age of GenAI: Pilots and Passengers. Pilots thrive because they embrace two vital mindsets: optimism and agency—taking charge with confidence, while Passengers, unsurprisingly, are along for the ride and tend to follow the lead of others.

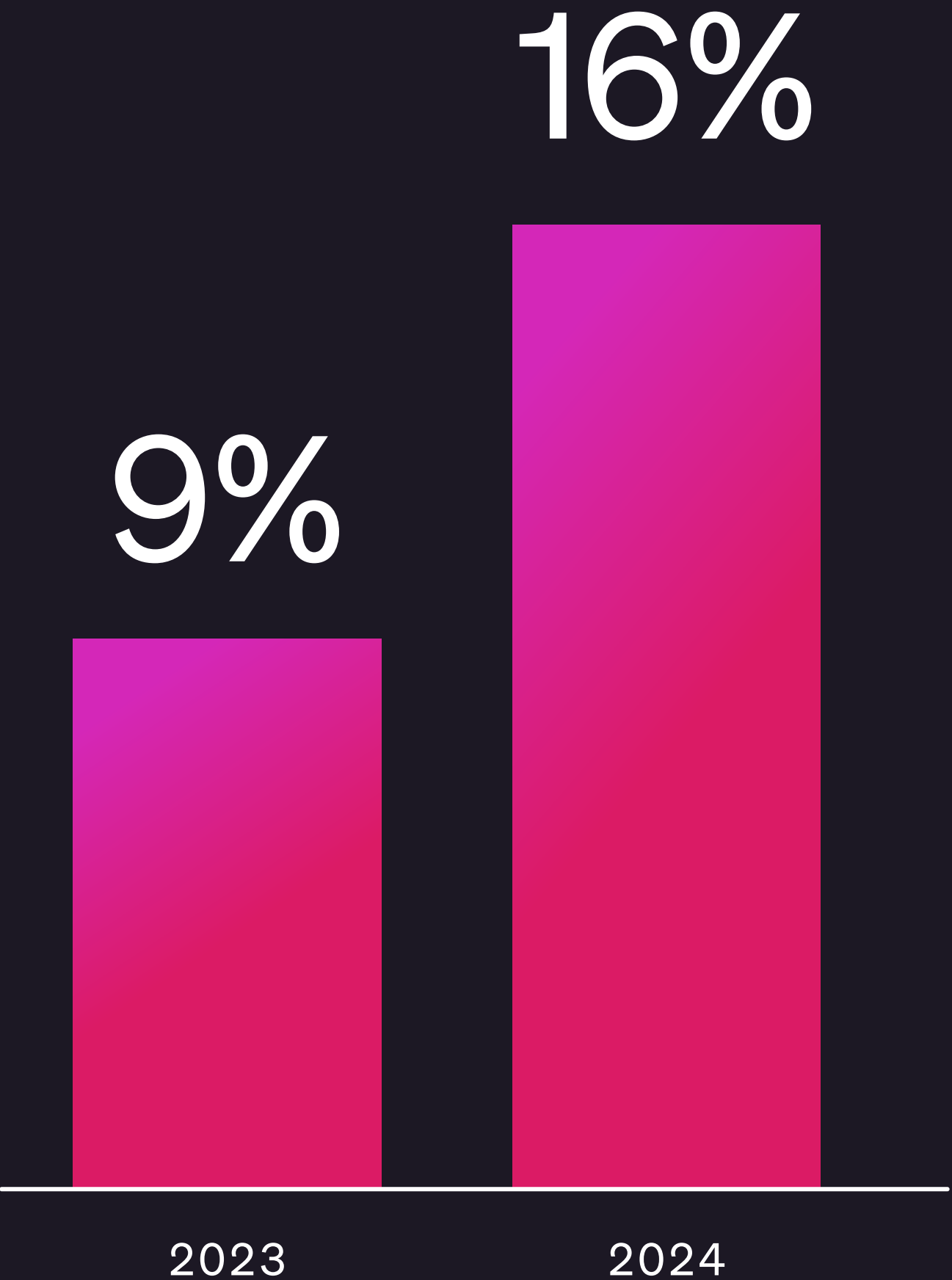


With GenAI adoption in the US accelerating at an unprecedented rate of nearly 40%¹—faster than previous tech transformations like computers or the internet—the urgency for companies to act has never been greater. As the old adage goes, the best time to prepare was yesterday; the next best time is now.

This urgency is further validated by new data from Accenture: the number of companies with fully modernized, AI-led processes has nearly doubled, rising from 9% in 2023 to 16% in 2024.¹

These organizations are not only leading the pack but also achieving substantial results—2.5x higher revenue growth, 2.4x greater productivity, and 3.3x more success at scaling generative AI use cases—highlighting the significant competitive advantage of investing in a workforce ready and willing to embrace AI today.

The number of companies with fully modernized, AI-led processes



AI-led organizations saw:

2.5x ↑
REVENUE GROWTH

2.4x ↑
PRODUCTIVITY

3.3x ↑
SUCCESS AT SCALING GENERATIVE AI USE CASES

1. Alexander Bick, Adam Blandin, and David J. Deming, "The Rapid Adoption of Generative AI," September 2024.
2. Accenture, "Reinventing Enterprise Operations with Gen AI," October 2024.

The economic impact of GenAI

Our economy stands to gain \$10.3 trillion if workers embrace the promise of Artificial Intelligence (AI). As this potential grows, and the technology evolves, public focus has remained on the technology itself—including the impressive computing power, the sophistication of the models, and vast amounts of training data.

This default focus on the technology overlooks the real potential: the human side of AI. It is our psychology—mindsets and values—that will determine if we can rise to the challenge of responsible adoption to reap maximum benefits.

If AI adoption is key to business success, the question becomes clear: how do we equip our workforces with the mindsets and skills needed to thrive alongside this transformative technology?

EVEN WITH
POTENTIAL GAINS OF

\$10.3T

THE REAL AI REVOLUTION
WILL BE HUMAN.

“The future of work is one where we don't lose the qualitative element of work, given how important it is for general wellbeing.”



Jan-Emmanuel De Neve, PhD

Oxford University Professor



Watch the BetterUp on-demand Original Series, The economics of workplace wellbeing, to hear more on the subject from Jan-Emmanuel De Neve.



Pilots drive progress

The essential mindset for GenAI transformation

To thrive in today's world, companies must adopt GenAI.

But GenAI adoption requires more than technology—it demands the drive and vision of those empowered with agency and fueled by optimism.

The question is: How do we cultivate more Pilots within our organizations.

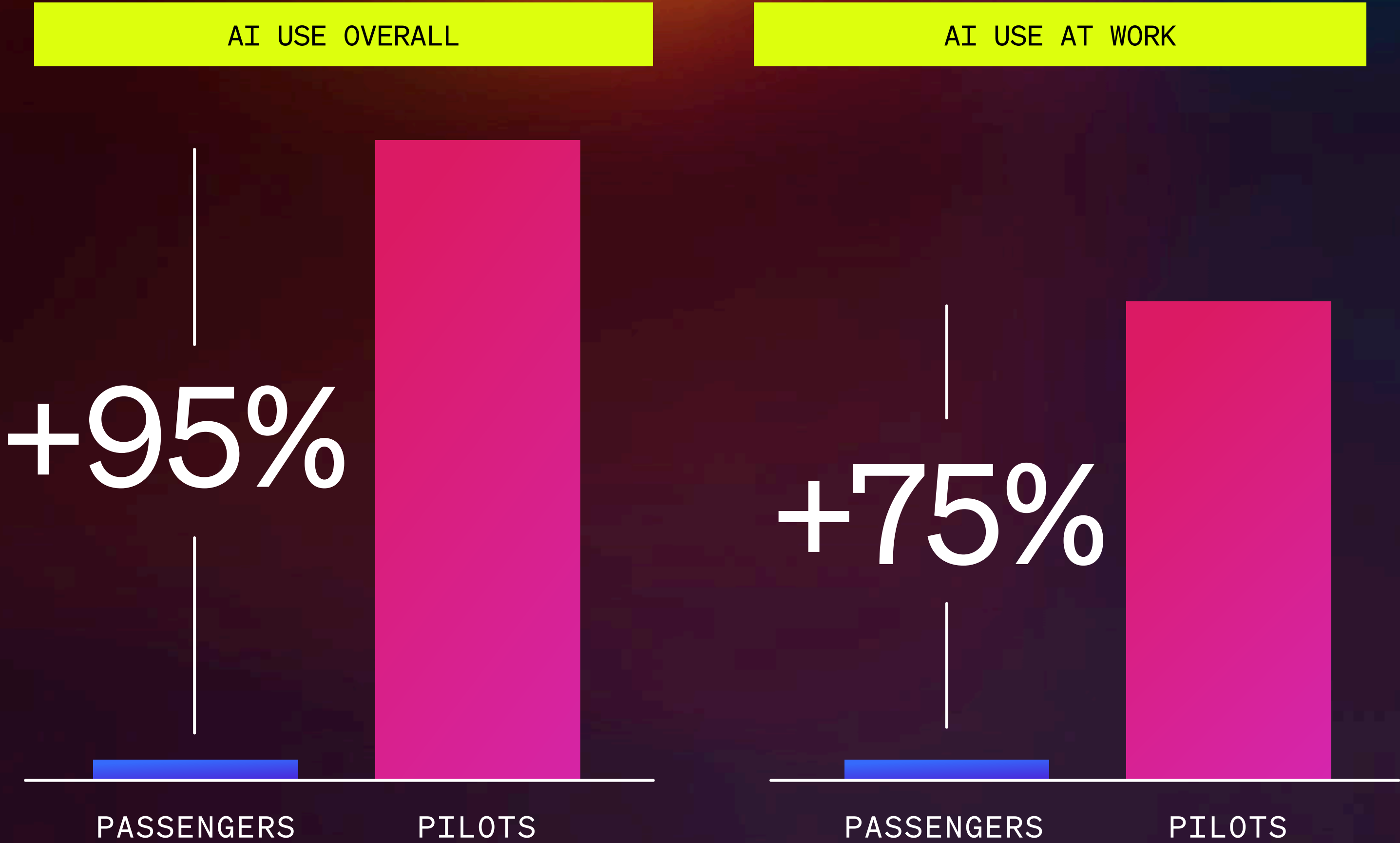
Pilots vs Passengers

AI mindsets are the sets of beliefs and expectations that people are forming in order to understand their relationship to this powerful new technology that has the potential to transform how we do our work.³

A Pilot mindset is characterized by high agency and high optimism, whereas a Passenger mindset is the opposite. Pilots describe themselves as good at using AI to enhance their work, whereas Passengers feel like AI takes away their power.

3. Fortune, [“How HR leaders can leverage A.I. to transform work—and where they often go wrong,”](#) April 2023

Pilots embrace AI and change



Beyond their embrace of AI, these personas have other profound implications for your organization...

Pilots power your business

3.6x MORE PRODUCTIVE



These energized, optimistic Pilots are more than three times as productive as Passengers.

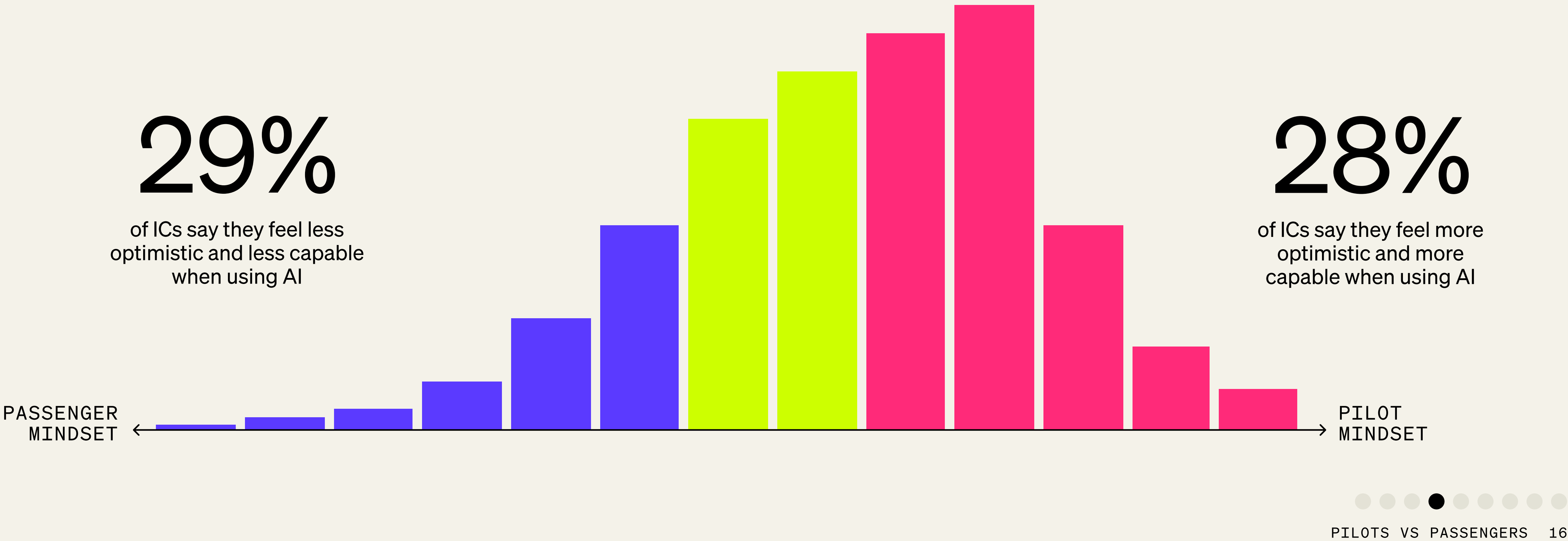
3.1x MORE LOYAL



Pilots are more than three times as likely to stay at your organization as Passengers.

But...only 28% of us are Pilots

Across the workforce, 72% of us aren't working with the optimism, agency, or confidence we need to make the most of this technological inflection point. How can you reliably transform more Passengers into Pilots? And what economic impact might we expect if we could?



Can Passengers become Pilots?

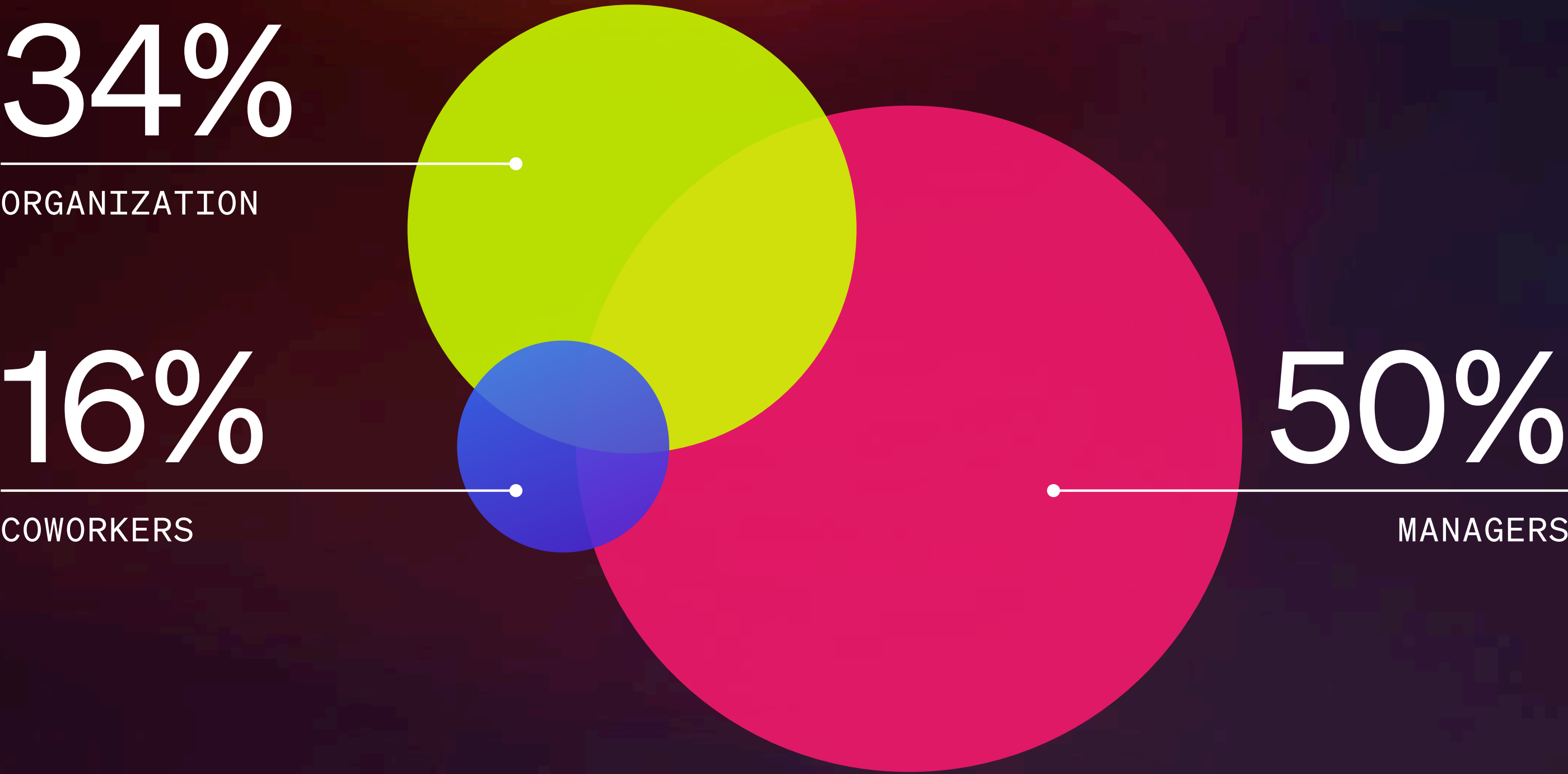
the *answer* is
unambiguously yes.

Managers create more Pilots

We know many things drive mindsets for employees. Organizational culture. Peers and coworkers. But far and away the greatest influence on mindsets are your frontline managers.

Managers are the biggest lever to shift mindsets.

What drives employee mindset change?



Pilot mindsets trickle down

In our data, we see a ripple effect of Pilot mindsets. That is, Pilot managers have reports who are almost 3 times as likely to be Pilots themselves. Numerous studies show that manager emotion and their attitudes are contagious. That means when leaders have high agency and high optimism, so do their reports.



Watch the BetterUp on-demand Original Series, [The manager ripple effect: Amplifying leadership impact age of AI](#), to hear more on the subject from Jennifer Garvey Berger, author, co-founder, and CEO of Cultivating Leadership and BetterUp Science Board Member; Jolen Anderson, Chief People & Community Officer at BetterUp; and Ana Maria Sencovici, Chief Talent & Diversity Officer at Royal Caribbean Group.

The power of Pilot leadership



In 2025, the #1 manager job to be done is build more Pilots.

The good news is that this is doable.

The challenge is that
managers are struggling.

And struggling managers
have struggling teams.



How AI is changing managers

AI has already changed what we want and need from managers. This is a major evolutionary moment for leadership that is being triggered by the advent of AI. Understanding that shift is possibly the most important job for people leaders today, and underlies the job your CEOs and boards are asking you to do.

Technology and management have always evolved together, each shaping the other. Advances in technology continuously shift expectations of management—they're deeply intertwined. It's time for people leaders to take the next step.

As technology becomes
more and more intelligent,
we need managers to
become more human.

Uniquely human managers lead best

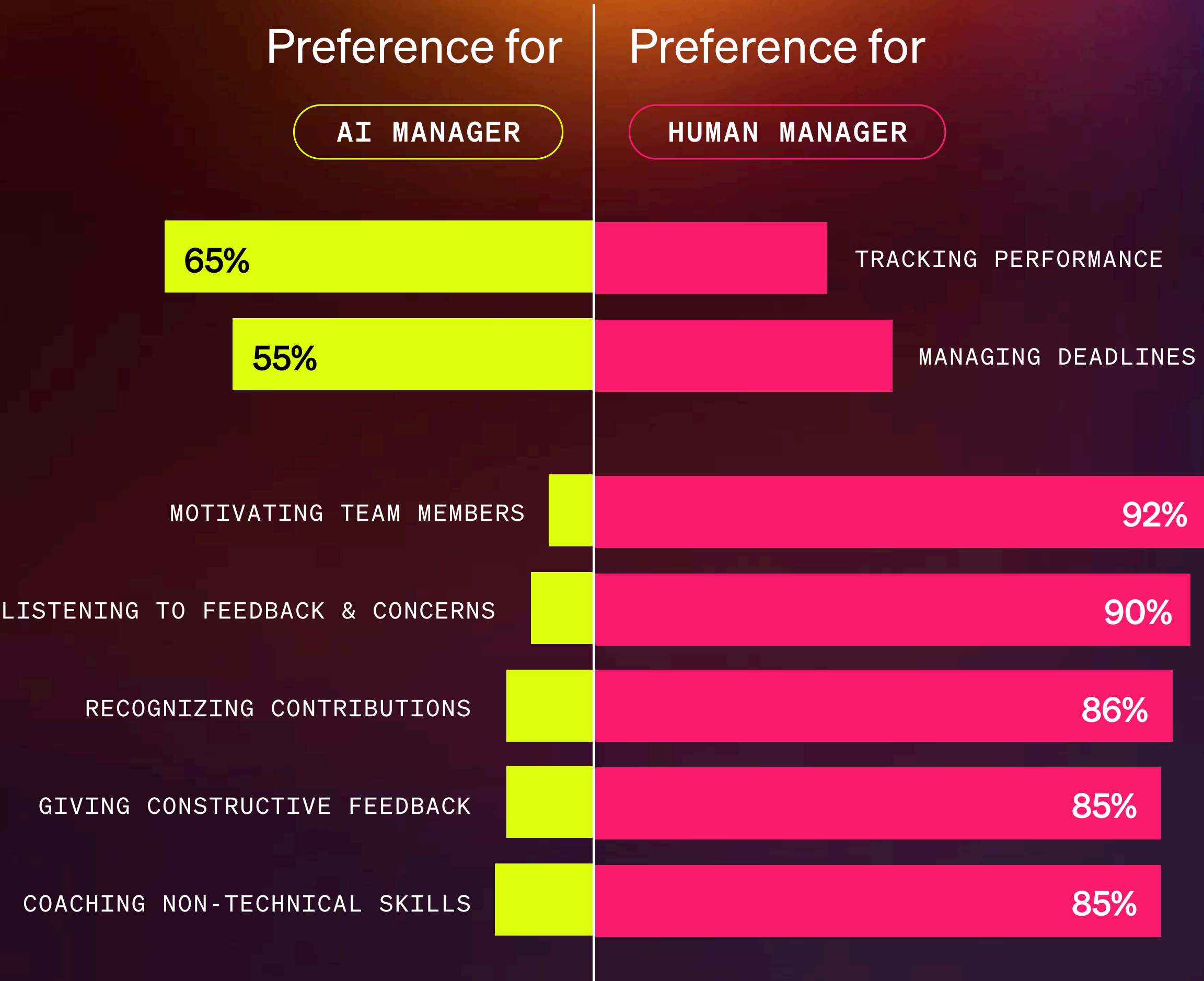
The majority of employees (65%) report that tracking performance and managing deadlines could be better handled by AI than human managers. Since these tasks make up the bulk of management today, using AI to handle them would free managers to spend more time developing and coaching their teams—leading to stronger growth and a more engaged, motivated workforce.

But employees still strongly prefer a real-life manager for aspects of management like motivation (92% of employees), giving and receiving feedback (85% and 90% of employees, respectively), and coaching non-technical skills like communication and interpersonal abilities (85%). These are precisely the human skills that AI struggles with, reinforcing the need for real human connection and insight in effective management.

Our research shows the real challenge with AI isn't about replacement—it's knowing when and how to use it. Employees increasingly say they value human support from their managers, prioritizing empathy, communication, and leadership, while they prefer AI handles routine managerial tasks. This shift underscores where managers should focus and how AI can lighten the load.

What do employees need from managers right now?

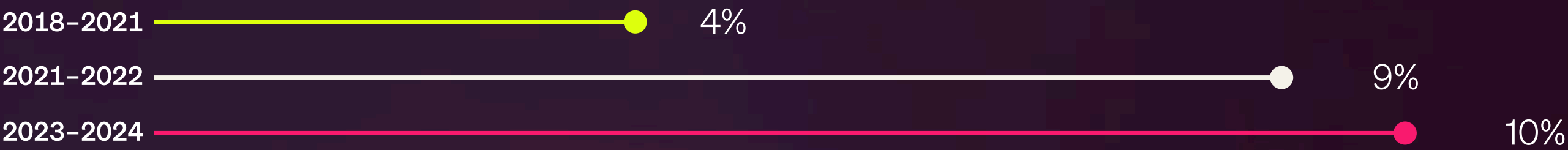
This real-time view shows which supervisory tasks frontline employees want their manager to do vs having AI handle.



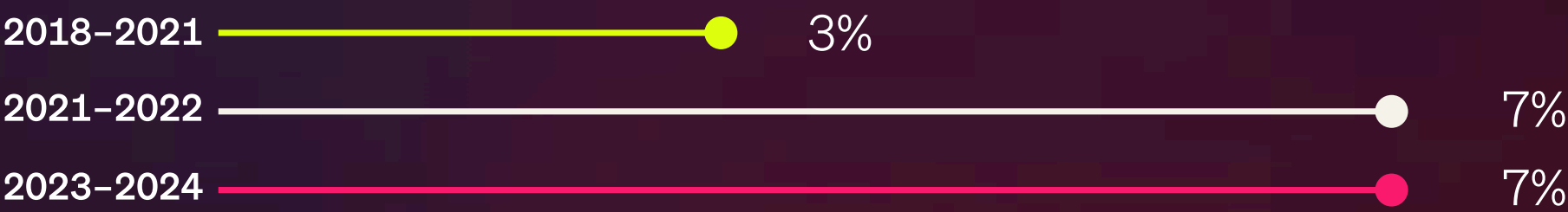
Surge in demand for uniquely human management

In the era of GenAI, people want to be seen, heard, and valued as humans. Managers who are equipped with the right mindset to take full advantage of AI, and to refocus their energy into building and utilizing their own deeply human skills in motivating, recognizing, and supporting their team, will have the greatest impact.

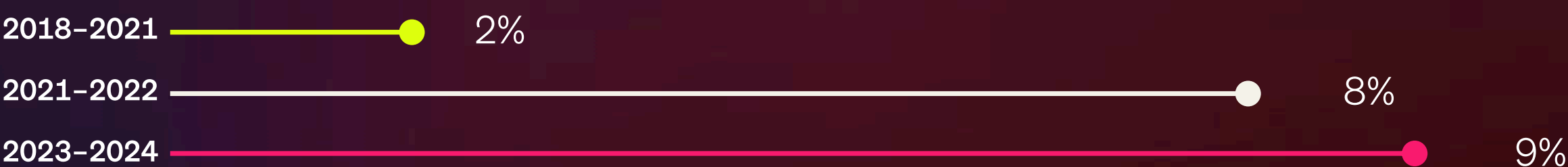
Mentorship and support:



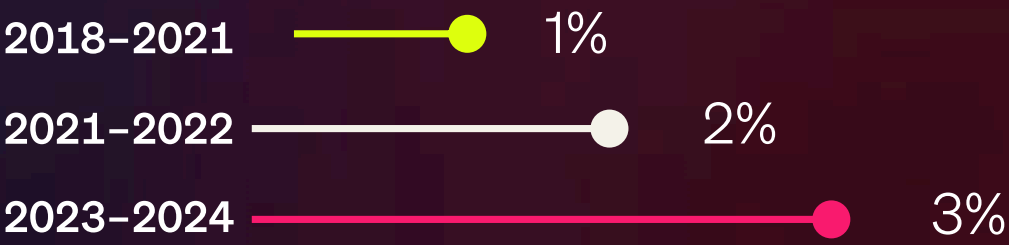
Authenticity:



Empathy:



Emotional regulation:



Teams thrive under uniquely human managers

Even in a world of manager burnout. Even amid a dramatically accelerating pace of change. Our data shows that managers can, and do, every day, develop deeply human skills. It's possible. And when they do, their teams perform 34% better, are 21% more innovative, and see a 15% boost in overall productivity.

JOB PERFORMANCE

TEAM INNOVATION

PRODUCTIVITY

+15%

+21%

+34%



Coaching managers creates more Pilots

Managers, as the frontline change makers in any corporation, are crucial for creating Pilots. What managers believe about AI and how they communicate can strongly influence their employees' perspectives on leveraging AI.

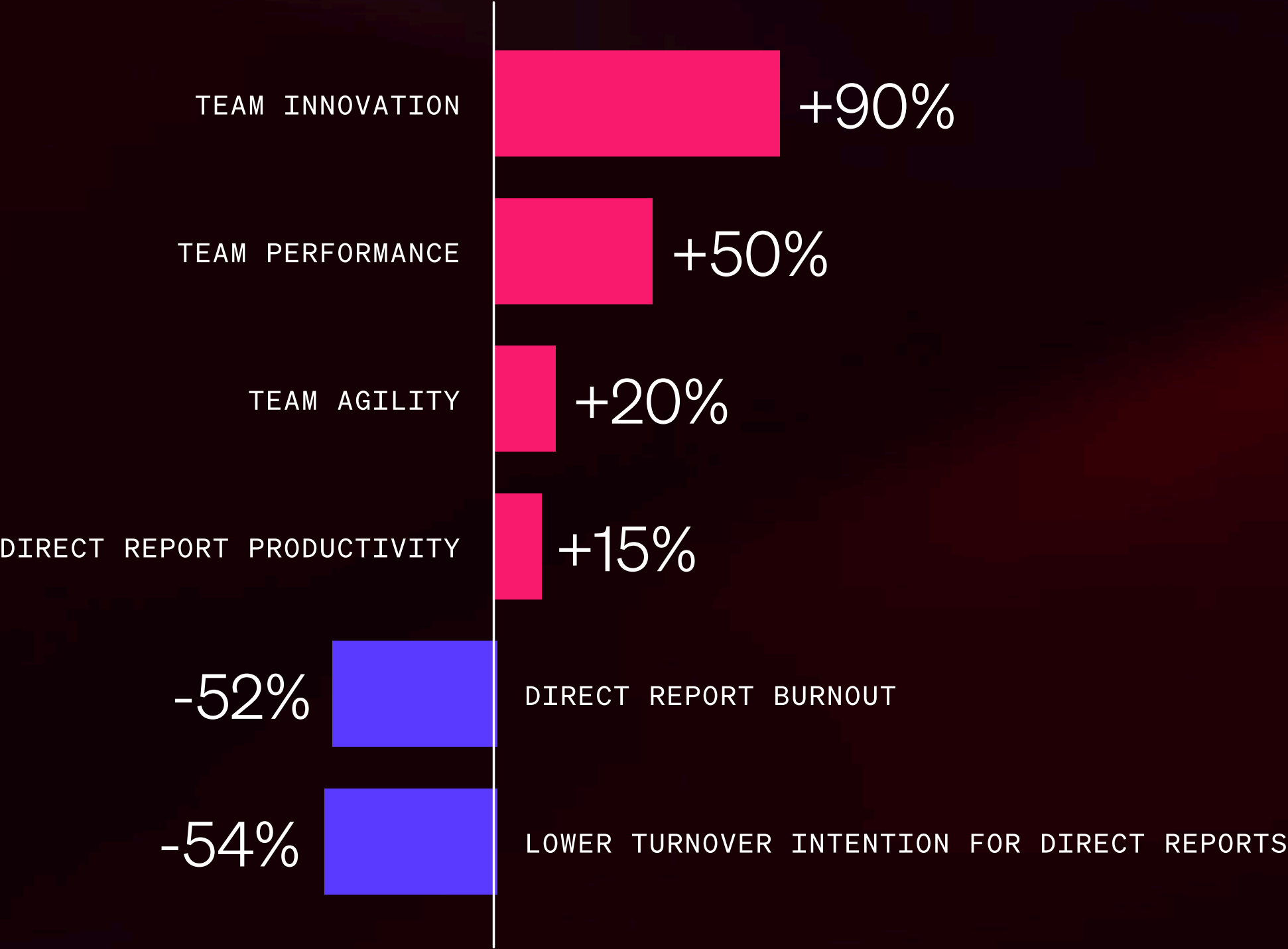
Managers with high agency and optimism have direct reports with high agency and optimism. Our research finds that frontline managers who report up to a Manager with a Pilot mindset are 2.8x more likely to adopt one themselves. Individual Contributors who report into a manager with a Pilot mindset are 1.9x more likely to adopt one themselves.

Invest in coaching to cultivate the Pilot mindset

Continuous learning and coaching are critical for employee development in today’s rapidly changing technological landscape. Optimism and agency, two foundational components of the pilot mindset, can improve in as little as four months with coaching. Regular coaching has been proven to help employees build both technical and soft skills, preparing them for future challenges and opportunities.

A ripple effect of change

With the help of 12+ months of ongoing development via coaching, managers drive:



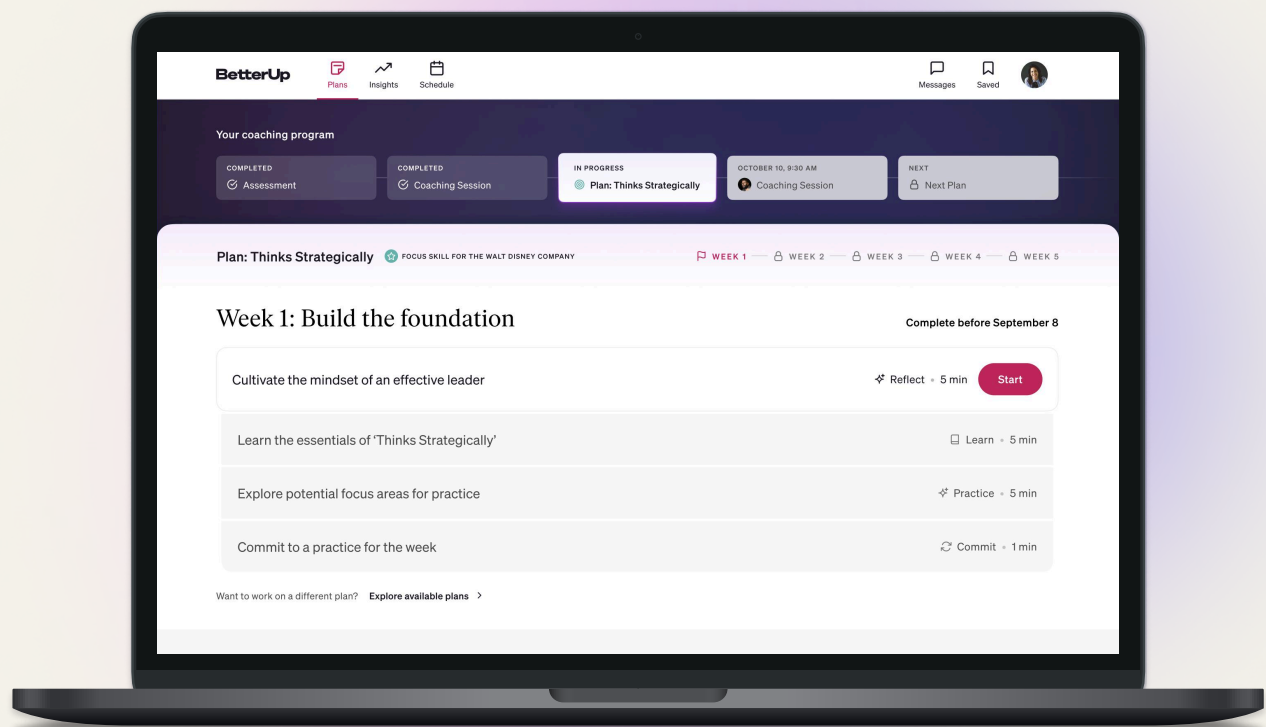
Ready to improve manager effectiveness at scale?

BetterUp can help.

BetterUp Manage™

BetterUp Manage™ delivers precision management development at scale, strengthening the management capability of organizations to drive business results. Every manager in your organization becomes more effective by:

- + Supporting managers through difficult situations they encounter daily and critical moments that matter so they show up as their best
- + Equipping managers with the skills to maximize team performance, closing the gap between business strategy and talent execution.
- + Supercharging managers with tools to help them continue to learn, grow, and perform in the flow of work.



Additional resources

The Pilot mindset: leading your team to thrive with AI

Watch now

The 5 deeply human skills managers need now

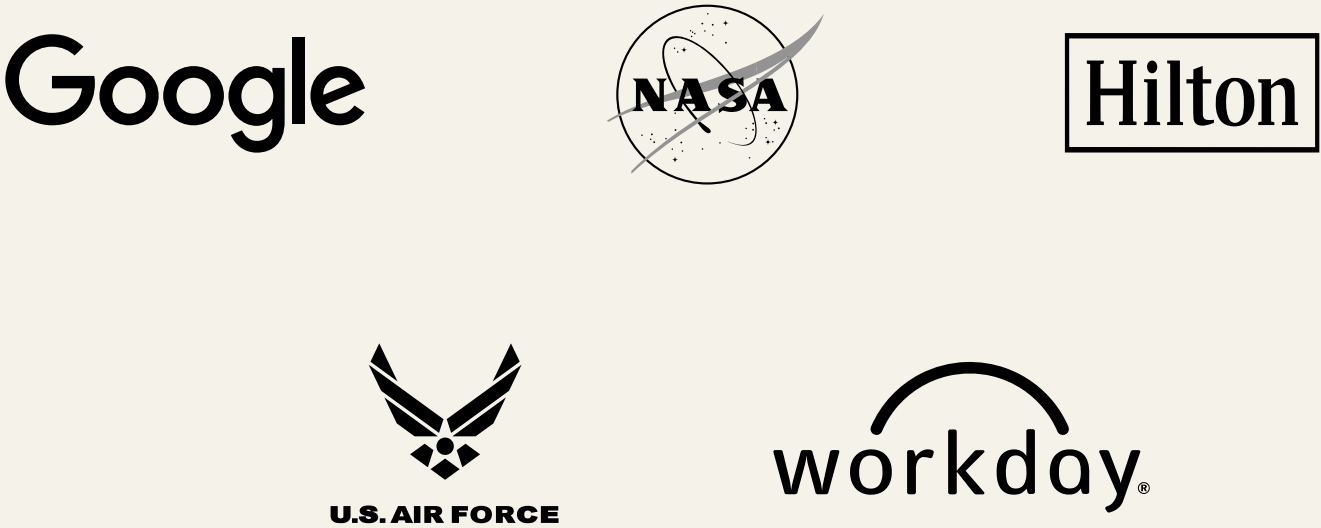
Read now

How to lead your team to thrive with AI

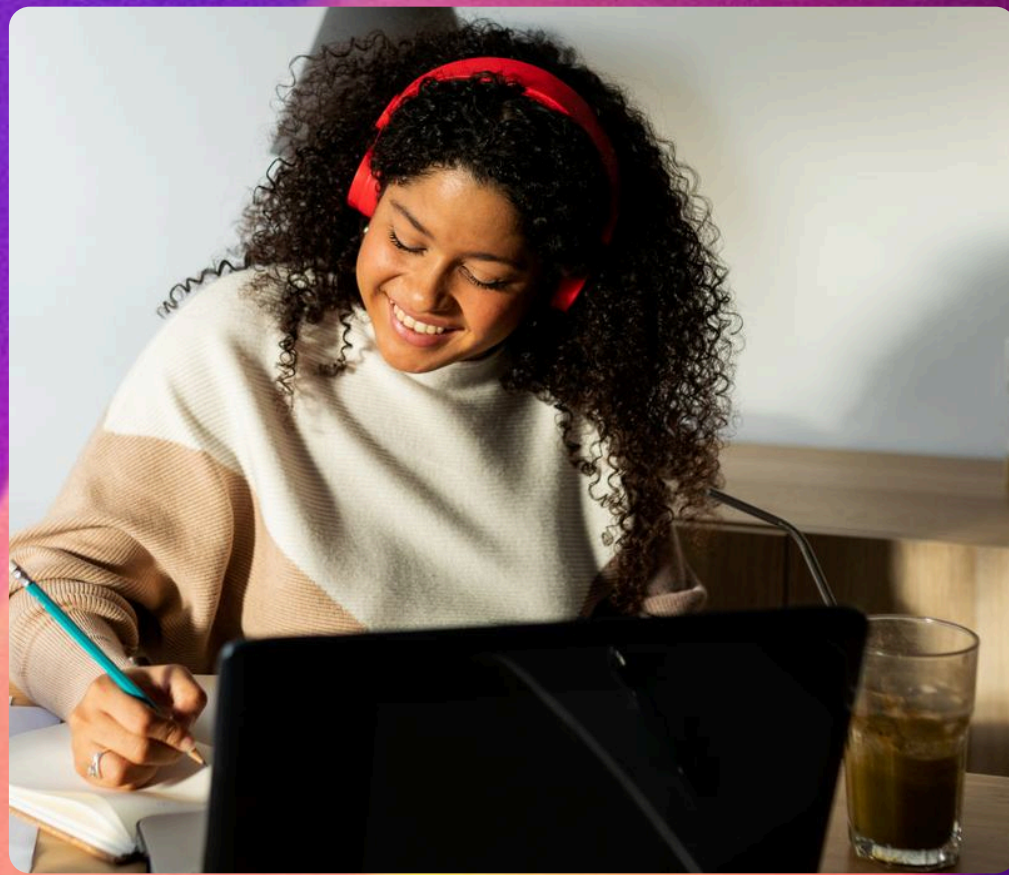
Read now

Trusted by industry leaders

BetterUp partners with leading companies to drive the deep and lasting change in mindsets, behaviors, and skills needed to foster a culture of high performance.



BetterUp is the only platform that braids coaching, science, and AI fueled experiences to build the agility, resilience, and adaptability your managers need to lead teams through whatever comes next.



Test drive what real, lasting, and measurable change can look like for your organization:

Request a demo