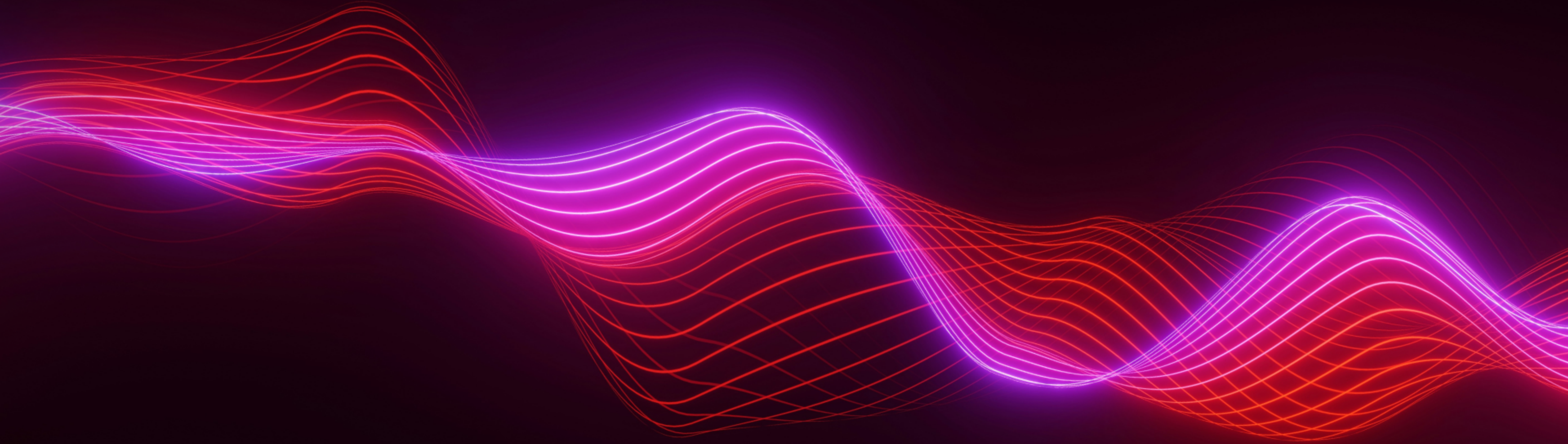




Winning in the age of AI: Transforming workforce performance

Artificial intelligence is fundamentally transforming the nature of work, exposing a growing gap between organizational ambition and human capacity. In this shifting landscape, maintaining a competitive edge requires more than speed—it demands adaptability, precision, and continuous transformation.

To better understand the scale and shape of this shift, BetterUp Labs conducted a comprehensive study leveraging over 200M data points, and 17 million coaching outcomes. The findings point to a widespread performance challenge and signal the need for new, evidence-based approaches to enabling workforce potential.

89M

Developmental
assessments

22M

Intervention
insights

22M

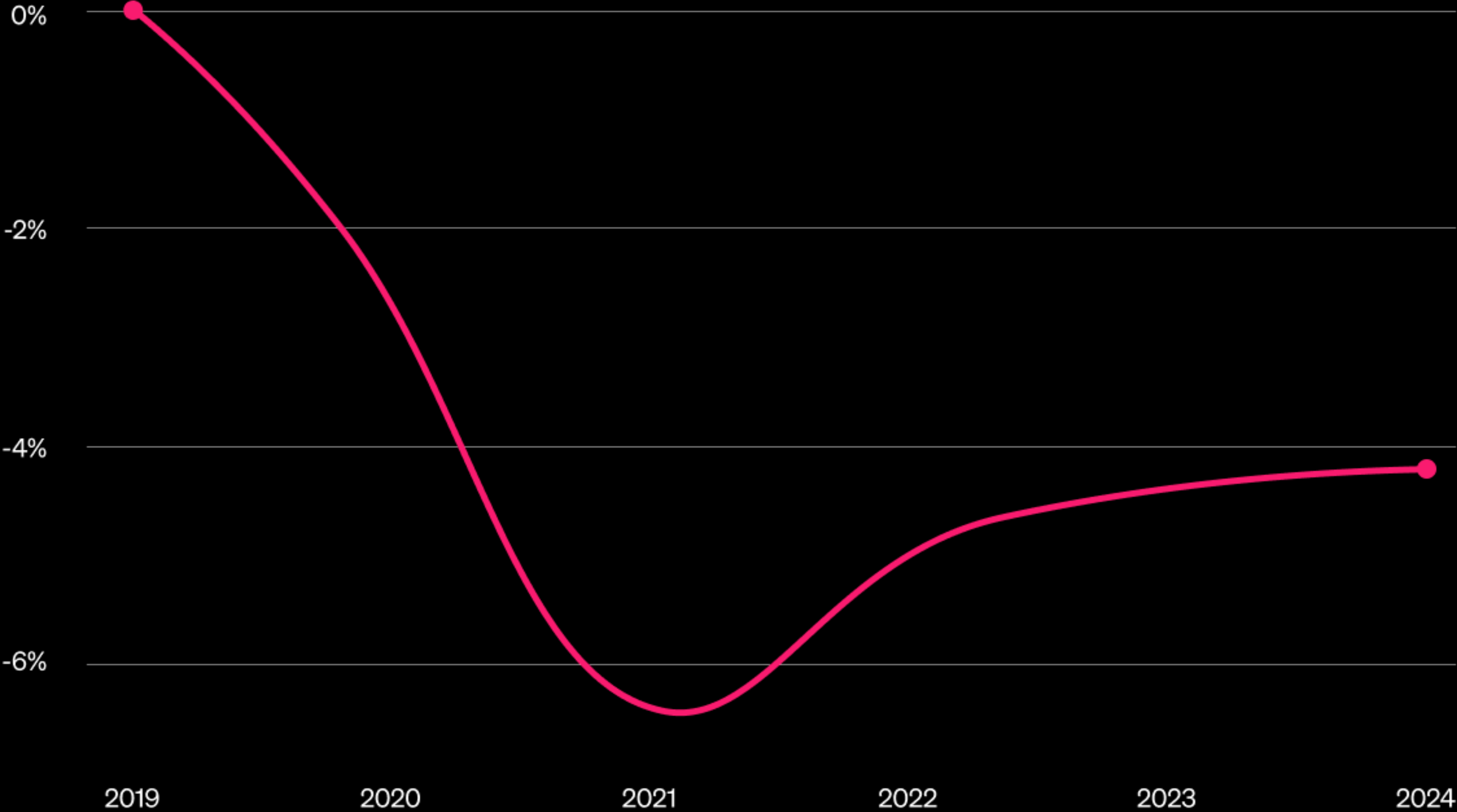
Human growth and
coaching outcomes

Since 2019, workforce performance has declined across industries, placing trillions of dollars in global productivity at risk. Even modest declines in individual performance, when multiplied across a global workforce, can lead to serious competitive, economic, and health consequences.

Headlines frequently feature CEOs calling for improved performance. To examine the scope and drivers of the decline, BetterUp Labs analyzed whether the drop was concentrated within specific industries, seniority levels, or performance tiers.

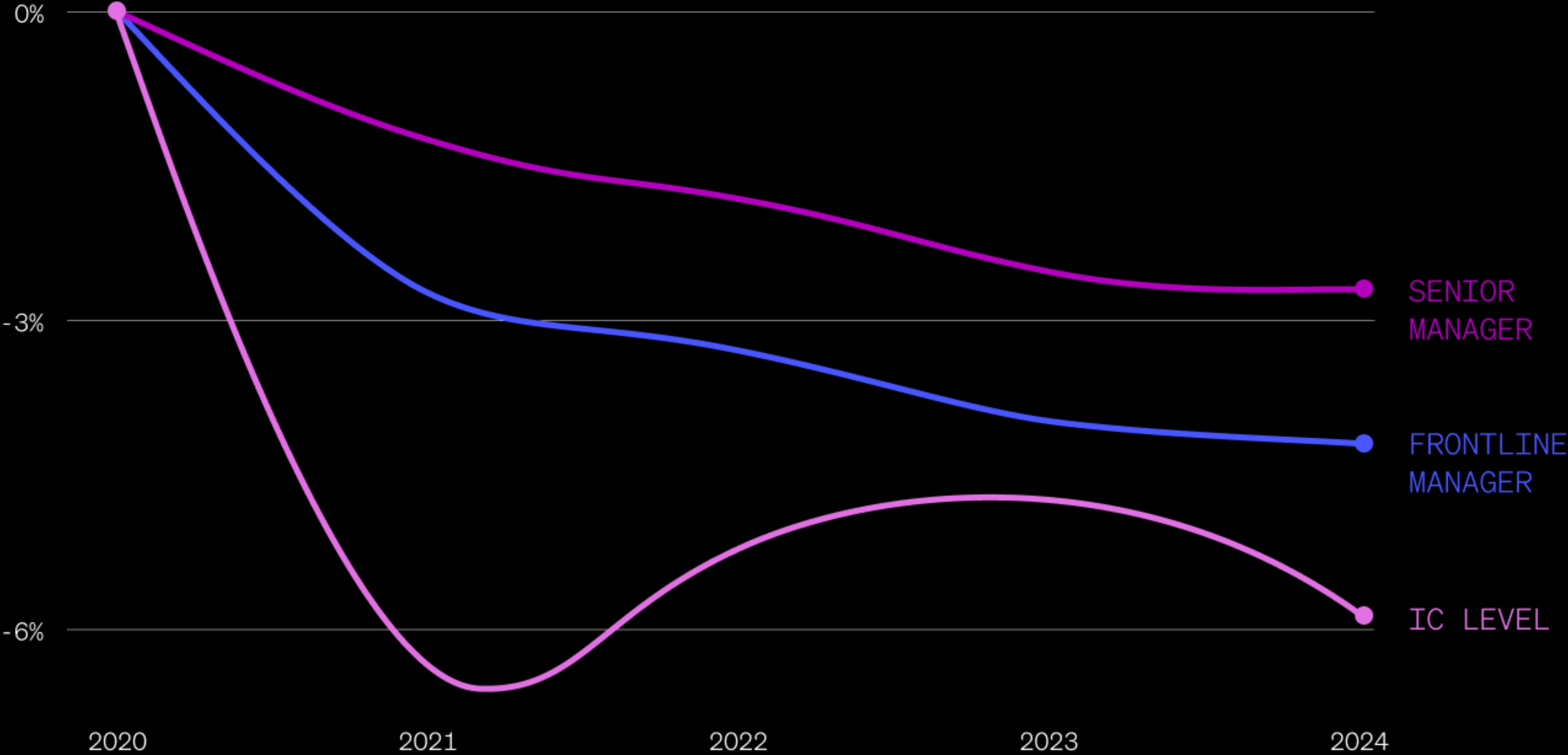
The findings are clear: performance is down across the board.

The crisis: Performance is declining



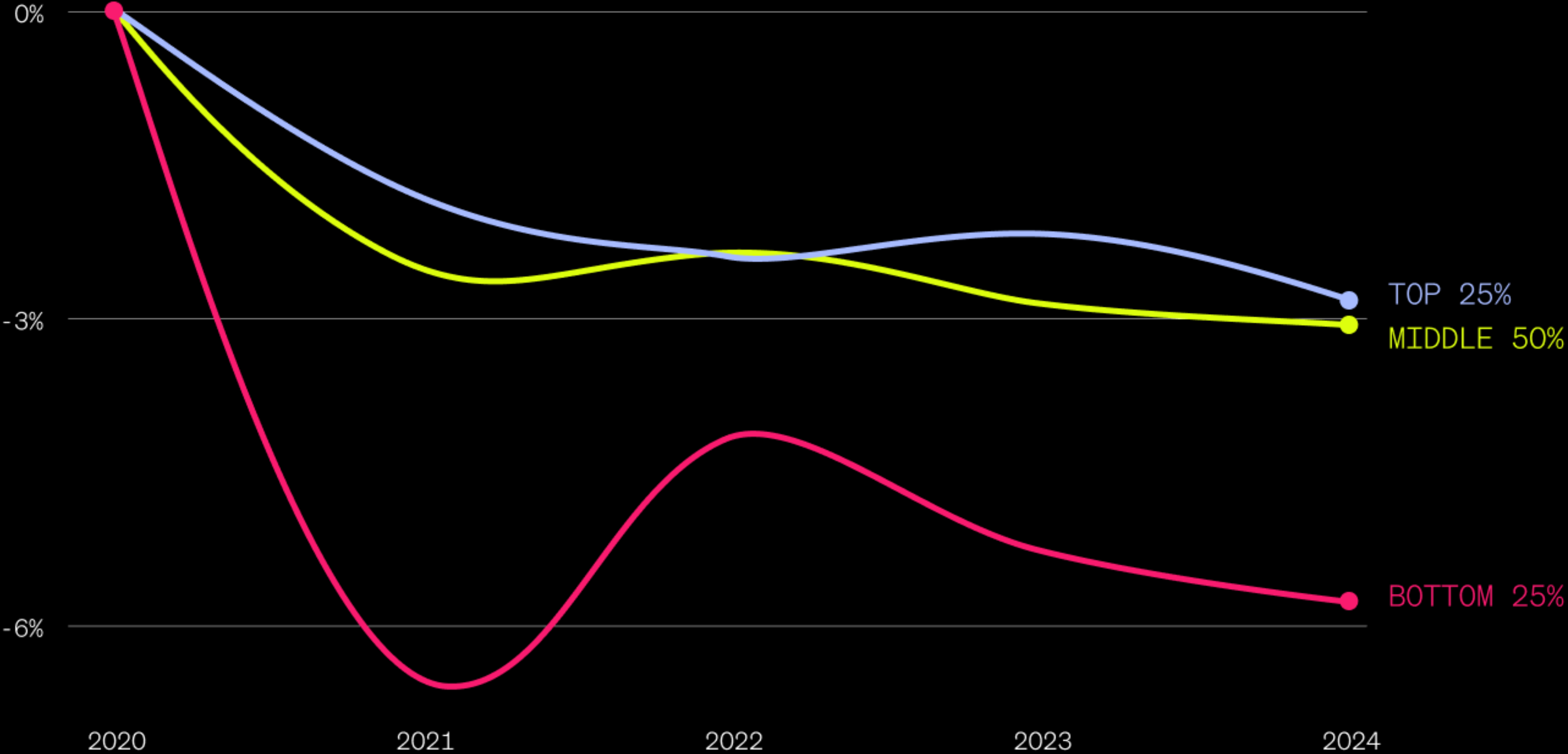
Source: BetterUp Labs
Performance is measured using the Whole Person Model (WPM) assessment, BetterUp's proprietary measure of the full range of personal and professional development for working adults. N = 410,000 BetterUp members between 2019-2024.

Declines in performance over time



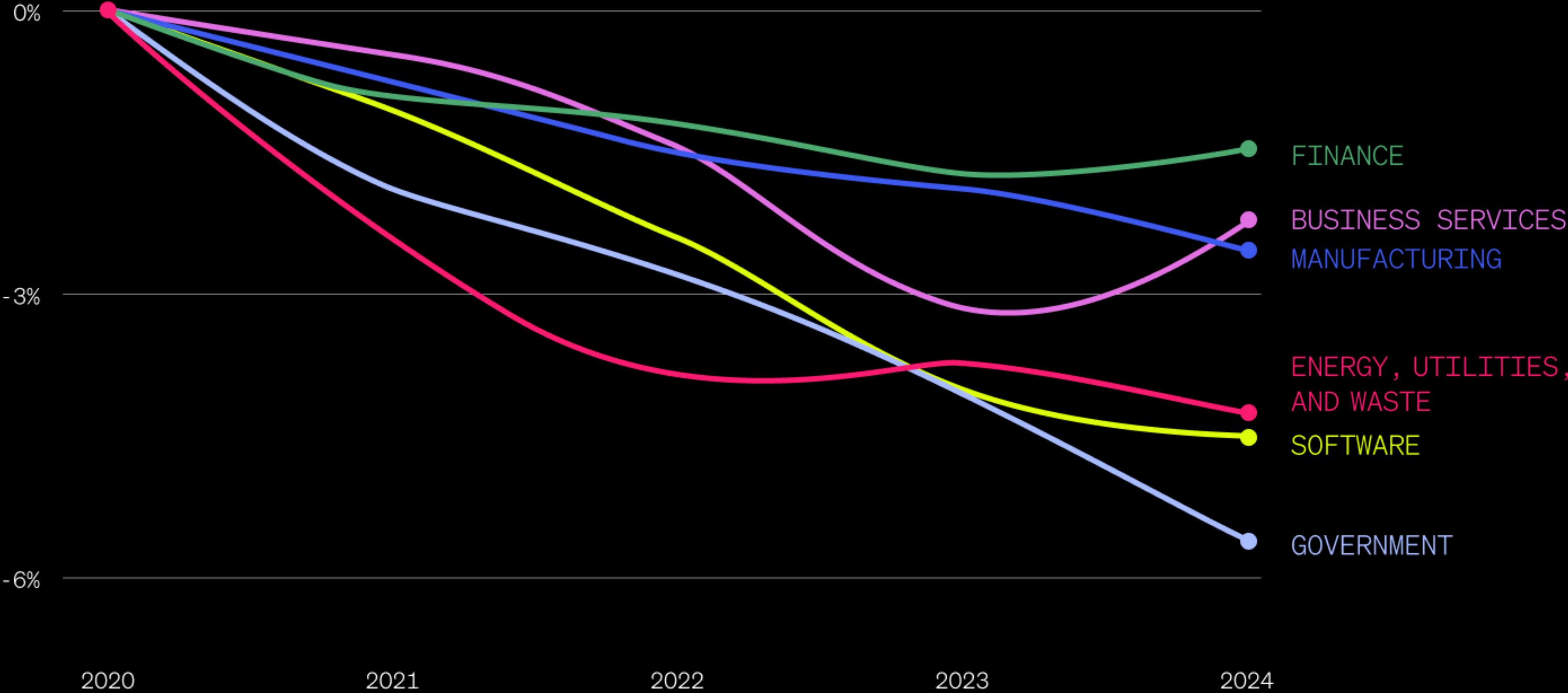
Source: BetterUp Labs
Performance metrics based on self-reported data collected from over 410,000 BetterUp members between 2019 and 2024.

Declines in performance over time



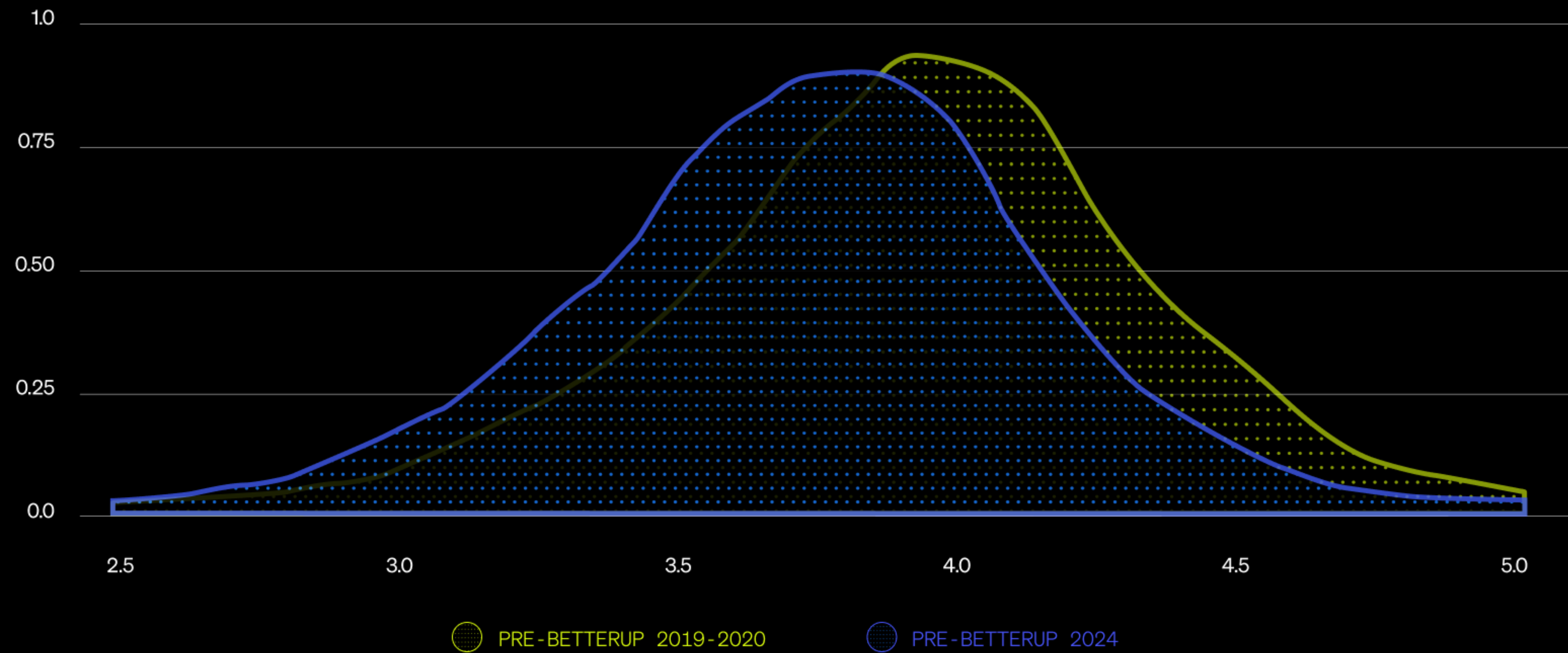
Source: BetterUp Labs
Performance is measured using the Whole Person Model (WPM) assessment. N = 410,000 BetterUp members between 2019-2024.

Declines in performance over time



Source: BetterUp Labs
Top six industries with the largest sample sizes in our database of over 410,000 employees from 2019-2024. Performance and its drivers, using the Whole Person Model (WPM) assessment, measures the mindsets, behaviors, and outcomes that are central to both personal well-being and success at work.

Performance distribution



Source: BetterUp Labs
Overall performance in 2019 (yellow) vs. 2024 (blue), reflecting composite scores across three performance dimensions: adaptive, basic, and collaborative, based on BetterUp's Whole Person Model. Data represent 410,000 employees from 2019 to 2024, highlighting a notable downward shift in scores over time.

Performance is not unitary

What it means to “perform” has evolved over time—shaped by the shifts in context, tools, and expectations of each era. From the Industrial Revolution to the rise of digital technologies, transformative periods have required organizations to redefine excellence.

The era of GenAI is no exception. As new capabilities reshape how work gets done, the definition of performance is once again shifting.

ERA
INDUSTRIAL
KNOWLEDGE WORK
TECHNOLOGICAL DISRUPTION

Basic
performance

Collaborative
performance

Adaptive
performance

Historically, performance was defined by productivity. During the Industrial Era, tasks were completed quickly, consistently, and with adherence to process. This mode of working is referred to as basic performance.

While the broader definition of performance has evolved, basic performance continues to play a foundational role. It remains essential to reliable execution.

Recent performance data reveals its core drivers: the mindsets, skills, and behaviors that power it. In 2025, the leading driver of basic performance is focus.

Focus is the capacity to define what matters, prioritize it effectively, and execute with discipline.

Source: Campbell J. P., McCloy R. A., Oppler S. H., Sager C. E. (1993). A theory of performance. In Schmitt N., Borman W. C. (Eds.), Personnel selection in organizations (pp. 35-70). San Francisco, CA: Jossey-Bass

TYPE 1

Basic Performance

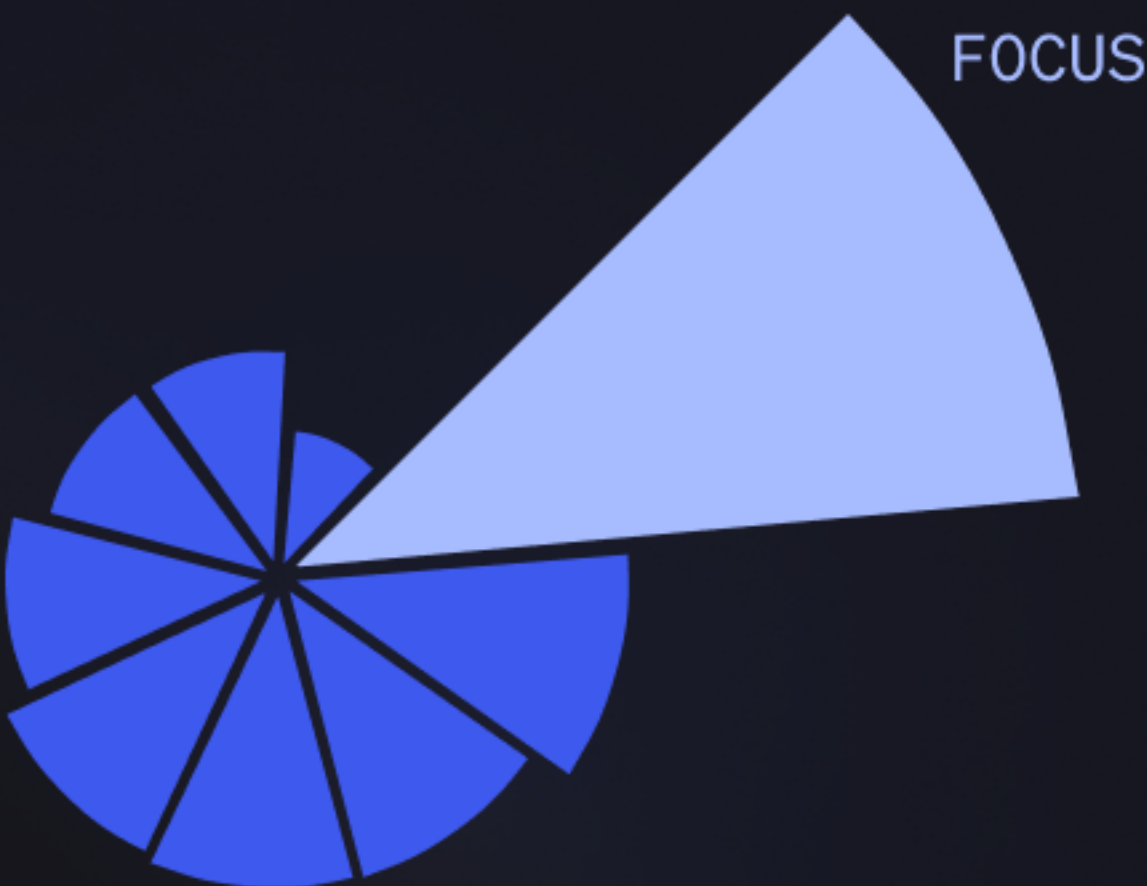
DRIVERS OF BASIC PERFORMANCE

Focus

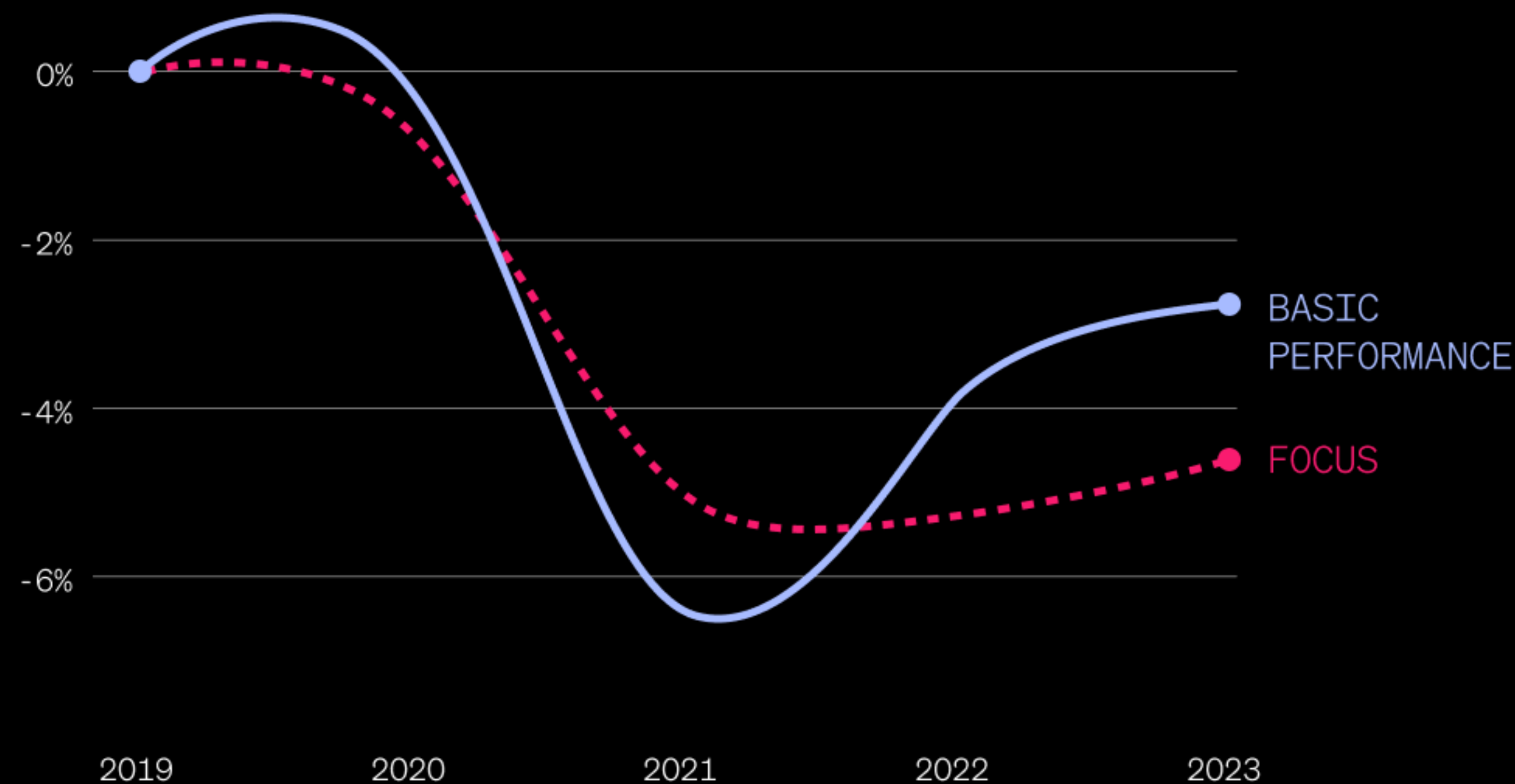
Basic performance = task execution.

In 2025, its top driver is focus.

Basic performance
top driver



Basic performance



Source: BetterUp Labs
Basic Performance and its top driver, Focus are measured using the Whole Person Model (WPM) assessment.
N = 410,000 BetterUp members between 2019-2024.

As the nature of work shifted toward knowledge and collaboration, a new form of performance emerged. Scientifically, this is referred to as contextual performance. BetterUp defines this as collaborative performance to reflect the interpersonal and organizational behaviors that drive collective success.

In 2025, two key drivers power collaborative performance: alignment and championing others.

TYPE 2

Collaborative Performance

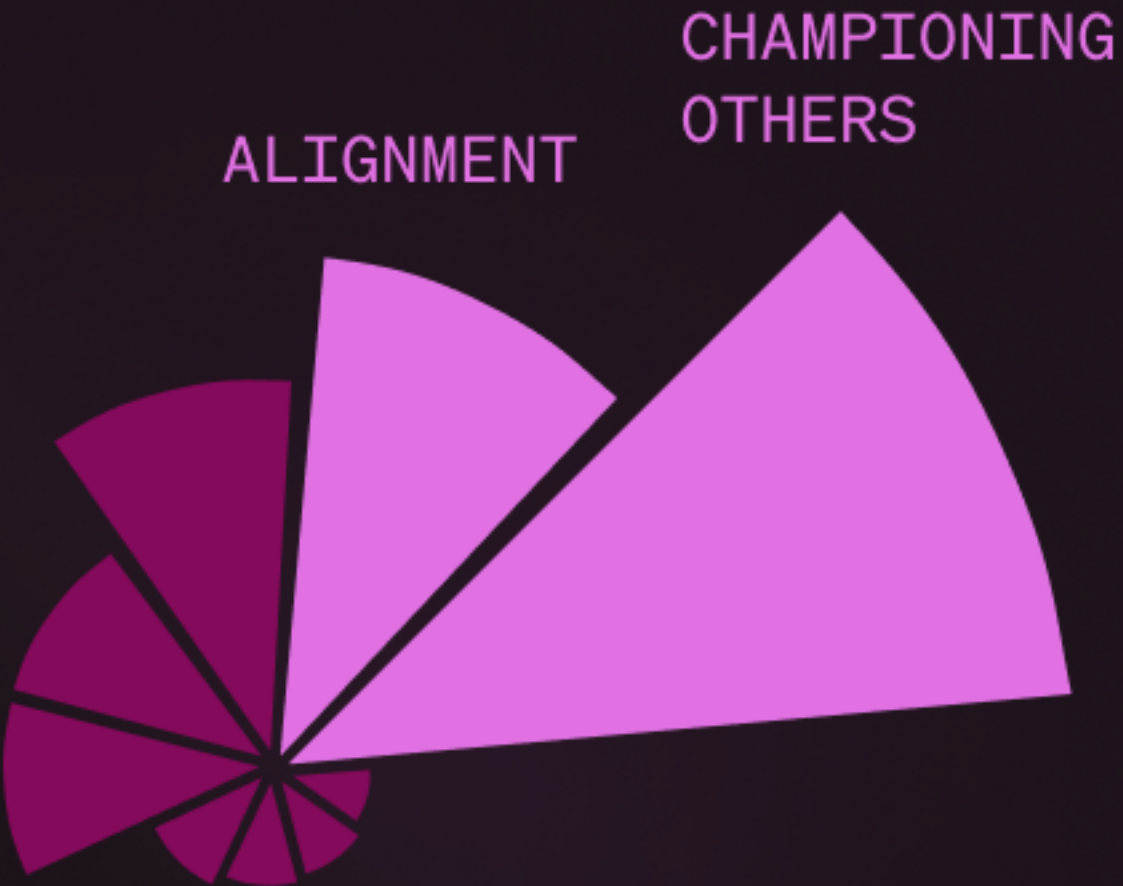
DRIVERS OF COLLABORATIVE PERFORMANCE

Alignment
Championing others

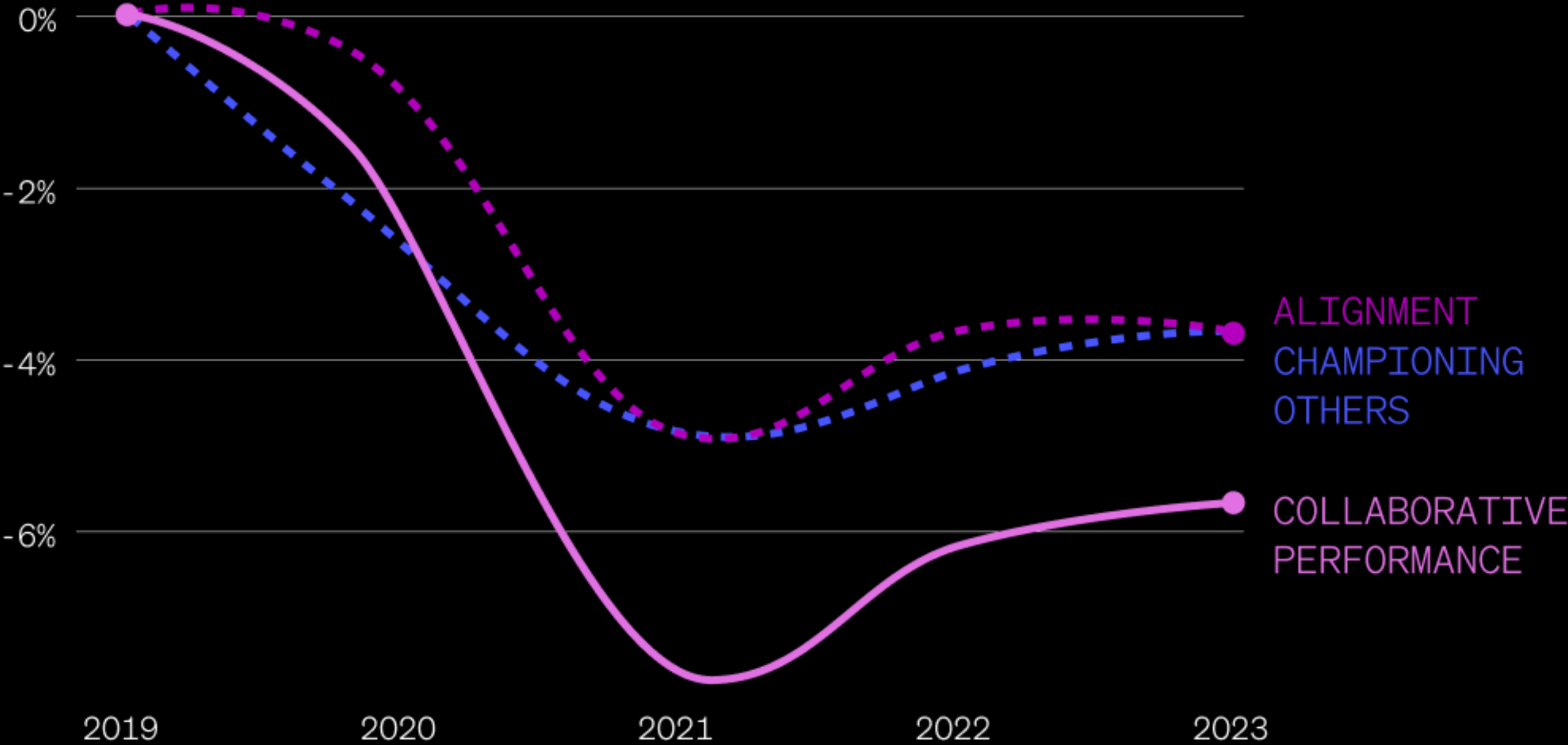
Collaborative performance thrives on teamwork.

In 2025, it's driven by alignment and championing others.

Collaborative performance top drivers



Collaborative performance



Source: BetterUp Labs
Collaborative Performance and its top drivers, Alignment and Championing Others are measured using the Whole Person Model (WPM) assessment. N = 410,000 BetterUp members between 2019-2024.

In today's increasingly volatile, uncertain, complex, and ambiguous (VUCA) world, agility and innovation are not optional; they're essential. Researchers introduced adaptive performance to address the growing need for flexibility in the face of novel challenges, factors that aren't accounted for in previous models .

In 2025, adaptive performance at work is fueled by three key drivers: creativity, connectivity, and agility.

TYPE 3

Adaptive Performance

DRIVERS OF ADAPTIVE PERFORMANCE

Creativity

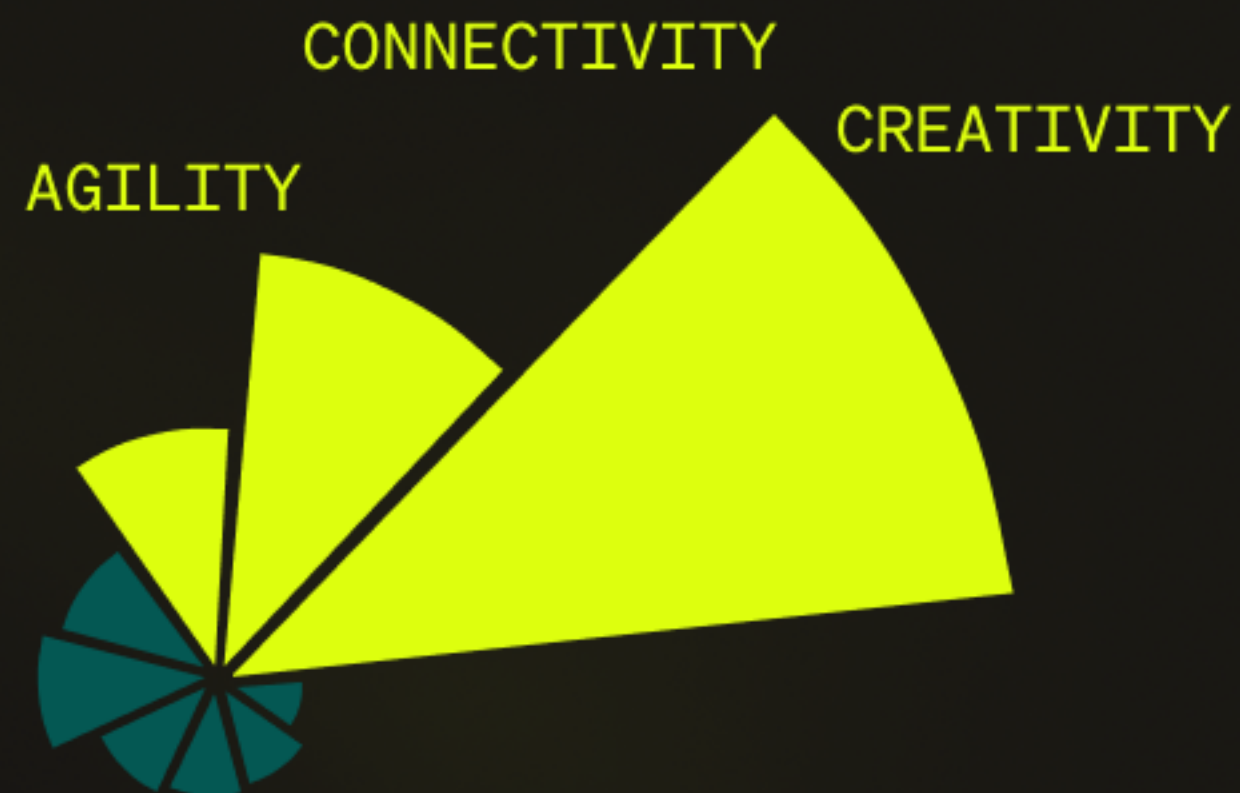
Connectivity

Agility

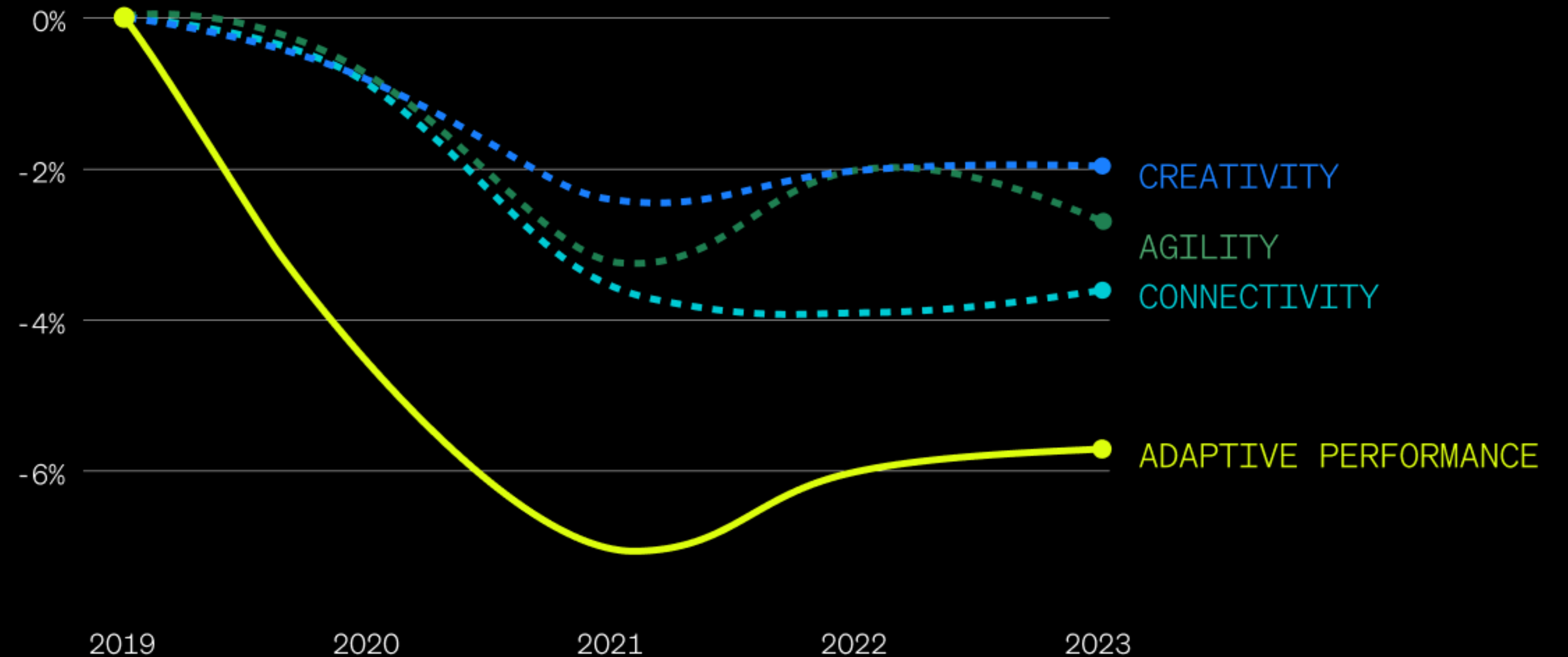
Adaptive performance is essential in a VUCA world.

In 2025, it runs on creativity, connectivity, and agility.

Adaptive performance top drivers



Adaptive performance



Source: BetterUp Labs
Adaptive Performance and its top drivers, Creativity, Agility, and Connectivity are measured using the Whole Person Model (WPM) assessment. N = 410,000 BetterUp members between 2019-2024.

Among the three types of performance, adaptive performance is experiencing the sharpest decline.

This trend is especially concerning given that adaptive and collaborative performance represent the most human-centric aspects of work. These forms are more complex and enable the shift from transactional execution to transformational impact.

The data shows a clear trend: the more human the performance, the steeper the decline.

Agility—the ability to fluidly move between performance types—is also under strain, further compounding the challenge. This dynamic makes adaptive performance particularly critical: it serves two essential functions.



Basic performance

Collaborative performance

Adaptive performance

Adaptive Performance **counts twice**

First, it's a distinct and essential form of performance. It drives innovation and resilience in a rapidly changing environment. According to BCG, the 50 most innovative companies—those highest in adaptive performance—outperformed the market in total shareholder returns by 68%.

Second, adaptive performance underpins agility, enabling individuals and teams to move between basic, collaborative, and adaptive modes of work. This “gear-shifting” capacity is vital for sustaining performance across all dimensions in a fast-changing world.

**Performance's hidden
power source is eroding**

Performance runs on fuel—and we're running low

Beneath basic, collaborative, and adaptive performance lies a shared underlying capacity: the psychological and emotional resources that enable individuals to engage, contribute, and sustain high performance. This capacity can be understood as a form of fuel, comprised of three core elements: motivation, optimism, and agency.

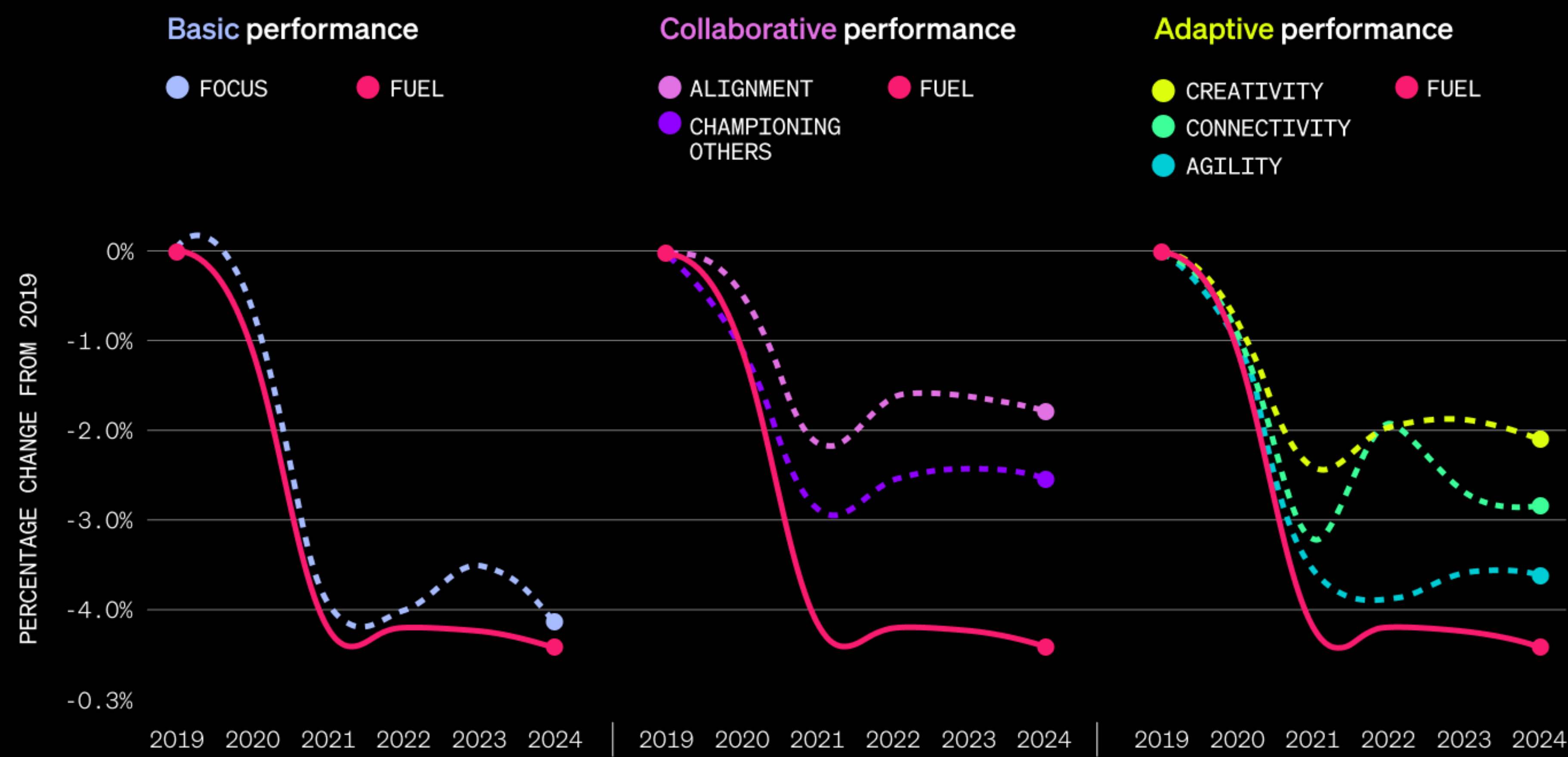
When fuel is high, drivers like focus, creativity, and agility fire on all cylinders. When depleted, even the best strategies and interventions stall.

BetterUp Labs data indicates that this foundational capacity of fuel is eroding more rapidly than any other factor currently measured. Reversing the performance crisis starts with one imperative: refuel the workforce.



Fuel—motivation, optimism, and agency—drives all types of performance. It is the most influential factor in performance outcomes, and it is also declining at the fastest rate.

Since 2019, nearly every key employee indicator related to performance capacity has shown a downward trend.



Source: BetterUp Labs
Each type of performance and its top drivers are measured using the Whole Person Model (WPM) assessment. N = 410,000 BetterUp members between 2019-2024.

An in-depth analysis of fuel levels reveals a concerning trend. Since 2017, nearly every indicator of employee performance has declined. The most pronounced decreases are found in the foundational elements of fuel: motivation, optimism, and agency.

This pattern suggests a broader issue than burnout alone. The data points to a more systemic depletion of human capacity.



Source: BetterUp Labs
N = 191,241 BetterUp Members between 2017-2024

The GenAI era demands more humanity—not less

This trend is particularly significant in the context of one of the most disruptive transformations in the modern workplace: the implementation of GenAI. Unlike traditional technology rollouts, GenAI represents a fundamental shift—one that redefines the nature of performance itself.

BetterUp Labs has conducted extensive research to understand the conditions required for effective GenAI integration at scale. The findings are clear: rather than resolving the current performance crisis, the rapid adoption of GenAI is, in many cases, intensifying it.

When viewed solely through the lens of basic performance, GenAI may appear to be a comprehensive solution. To its credit, GenAI has demonstrably improved efficiency in completing routine and repetitive tasks.

In our experimental research where people solved a complex decision-making task either in collaboration with an AI, or not, those who used AI performed 10% better.

However, basic performance reflects only one dimension of the broader performance model and represents a relatively narrow portion of the capabilities required in today's complex work environments.

Basic performance increased

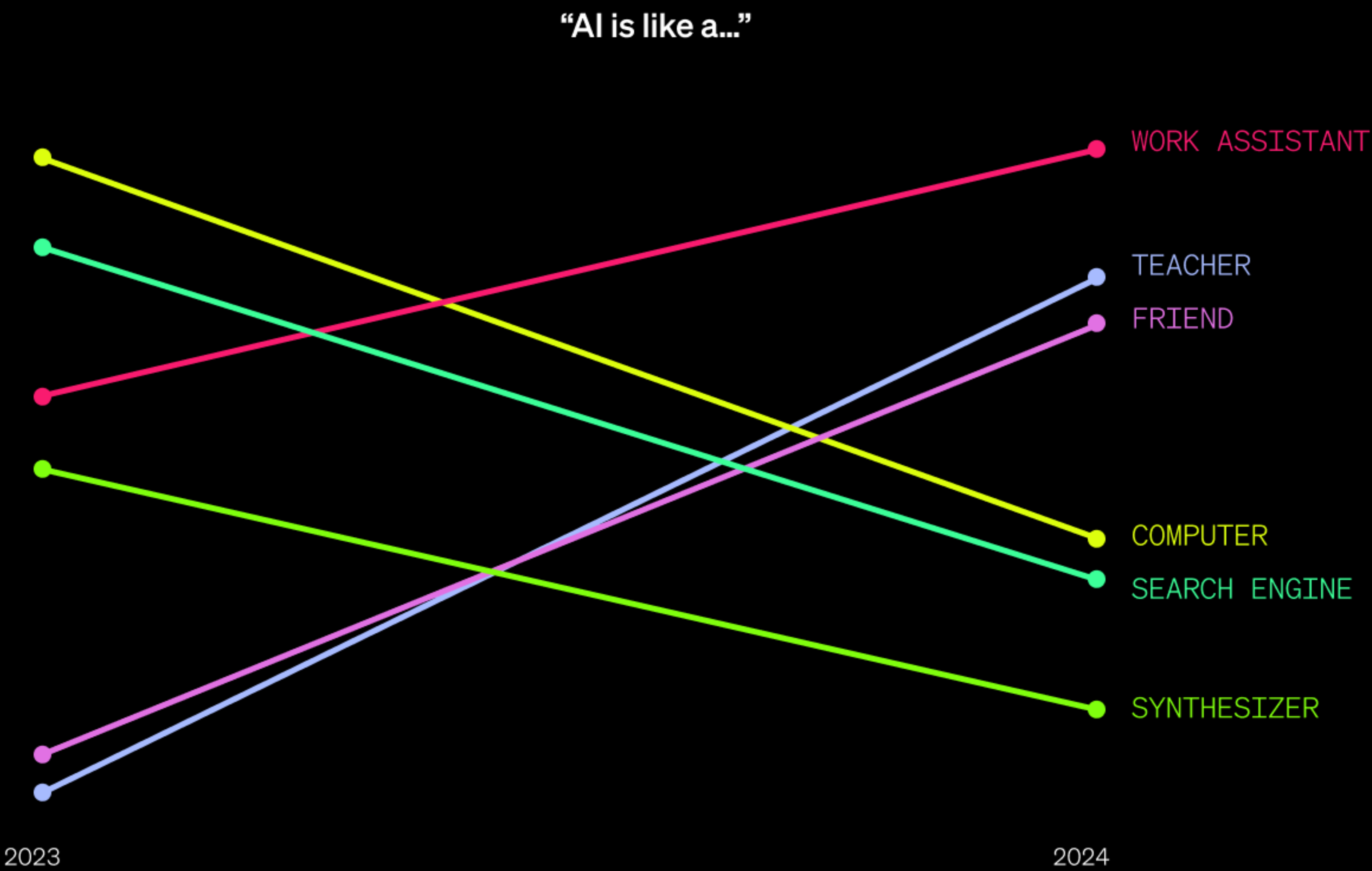
+10% pts

with AI

Since 2023, BetterUp Labs has analyzed more than 14,000 employee perceptions of AI. An increasing number of individuals now describe AI using human-oriented language, indicated a perceptual movement from machine to teammate.

This shift in perception may help explain why many employees instinctively view human skills—such as coaching, feedback, and rapport-building—as essential to working effectively with AI agents.

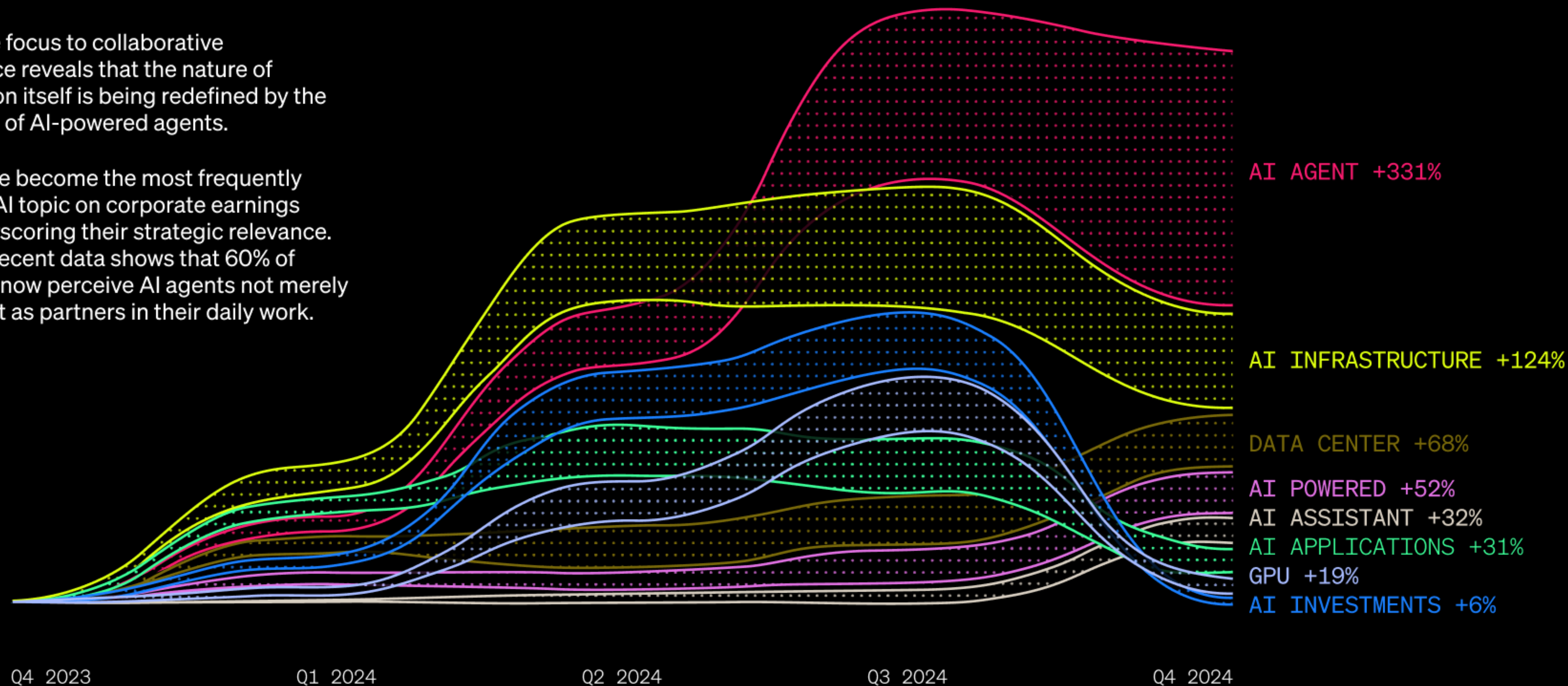
In practice, the widespread deployment of GenAI has introduced a new dynamic in the workplace: every employee now assumes a form of management responsibility. As collaboration with AI agents increases, workers increasingly perceive these tools as integral members of the team, rather than as passive systems.



Source: Cheng, M., Lee, A.Y., Rapuano, K., Liebscher, A., Niederhoffer, K., & Hancock, J. T. (2025). Understanding the evolution of public perceptions of AI through natural language processing. Manuscript submitted for publication. See also: Fortune coverage [here](#).

Shifting the focus to collaborative performance reveals that the nature of collaboration itself is being redefined by the emergence of AI-powered agents.

Agents have become the most frequently discussed AI topic on corporate earnings calls, underscoring their strategic relevance. Moreover, recent data shows that 60% of employees now perceive AI agents not merely as tools, but as partners in their daily work.



Source: LOT Analytics
Note: Excludes topics with a negative change in proportion of mentions

The introduction of GenAI has expanded management responsibilities beyond traditional people leaders. In this new environment, all employees must be prepared to manage AI agents as part of their workflows.

Despite the complexity of this shift, employee sentiment remains largely positive. According to recent data, 57% of individuals report feeling excited about the change, and 66% express appreciation. Many view the responsibility of managing AI as an opportunity for growth.

Collaborative performance:
The rise of AI-powered agents reshaping teamwork

HOW WOULD YOU FEEL IF YOU WERE MANAGING AN AI AGENT?



Percentage of people wh endorse high vs. low values of each feeling with respect to managing an AI agent to do [your] work tasks for you

Source: Liebscher, A., Rapuano, K., Niederhoffer, K., Lee, A., Hancock, J. (2025) Human and AI collaboration in decision making. Manuscript in preparation for publication.

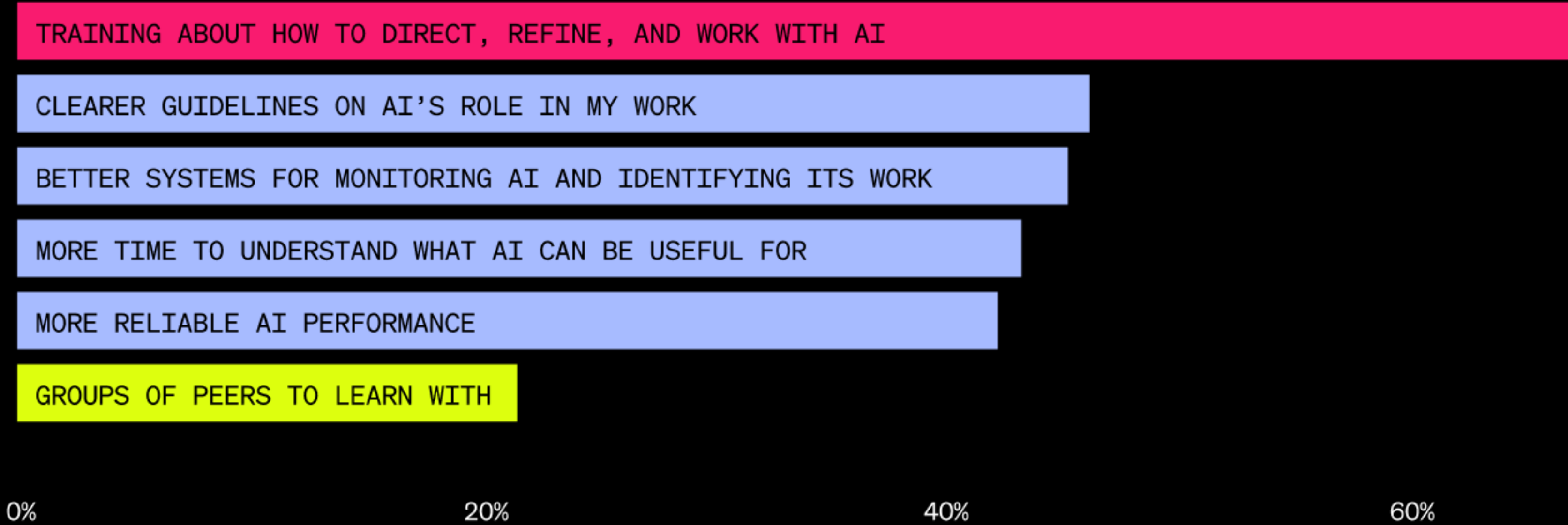
While workforce perceptions of AI are generally positive, the data indicates a clear need for support in building the skills required to manage it effectively.

In our research, 67% of employees reported needing training on how to manage AI.

Organizations are still in the early stages of understanding what effective collaboration with AI agents looks like. Emerging patterns suggest that managing AI more closely resembles managing a human teammate than operating a traditional machine or tool.

Collaborative performance:
People need help understanding how to collaborate with AI

WHAT WOULD MAKE YOU MORE CONFIDENT IN YOUR ABILITY TO
MANAGE AI AGENTS EFFECTIVELY AT WORK?



Source: Liebscher, A., Rapuano, K., Niederhoffer, K., Lee, A., Hancock, J. (2025) Human and AI collaboration in decision making. Manuscript in preparation for publication.

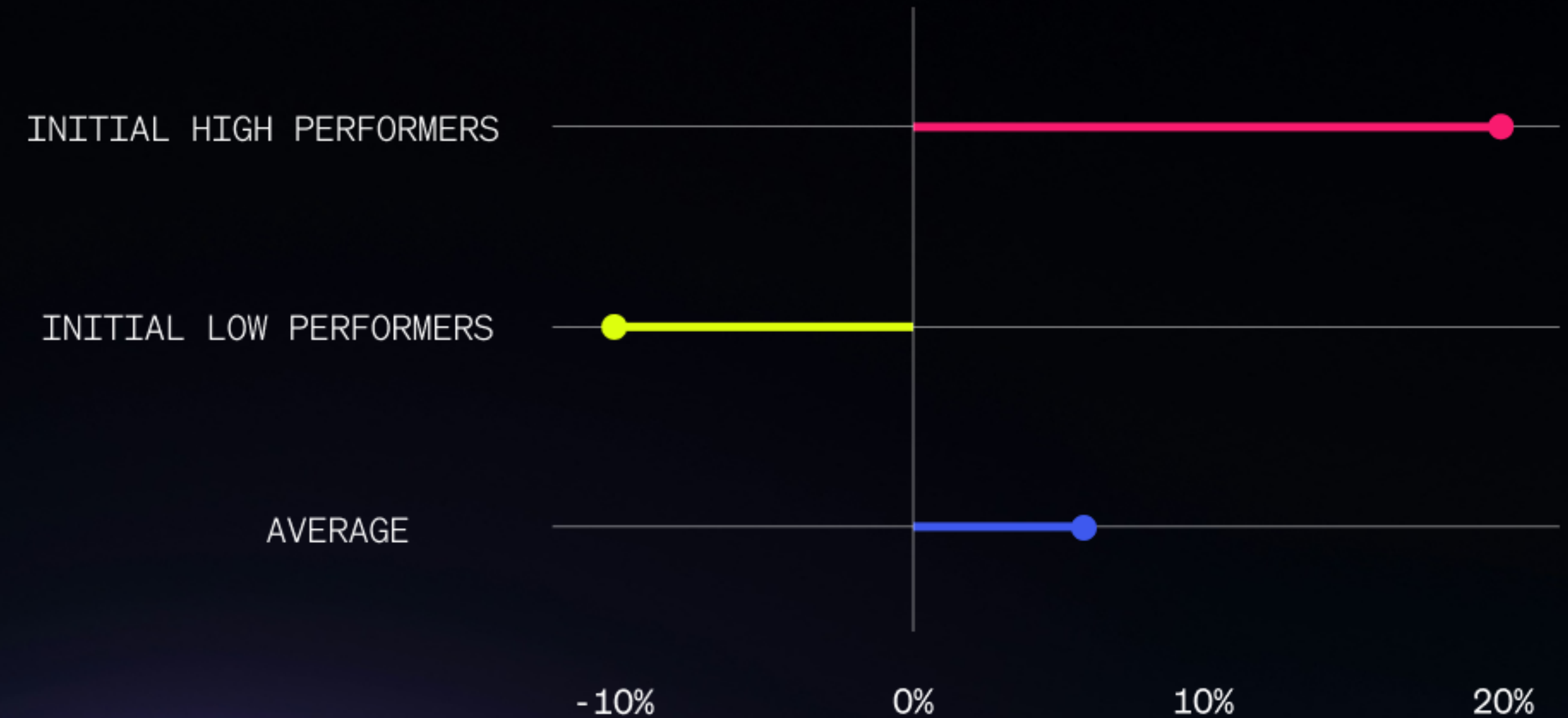
A similar sense of urgency is emerging in the domain of adaptive performance.

Generating breakthrough solutions with AI demands one of the most deeply human skills: imagination.

A study from Haas and Harvard business schools found that AI can boost adaptive performance in roles that require creativity—but only if the person already has strong creative skills.

In other words, AI doesn't replace capability—it amplifies it.

Does AI boost complex, **adaptive** performance of entrepreneurs?



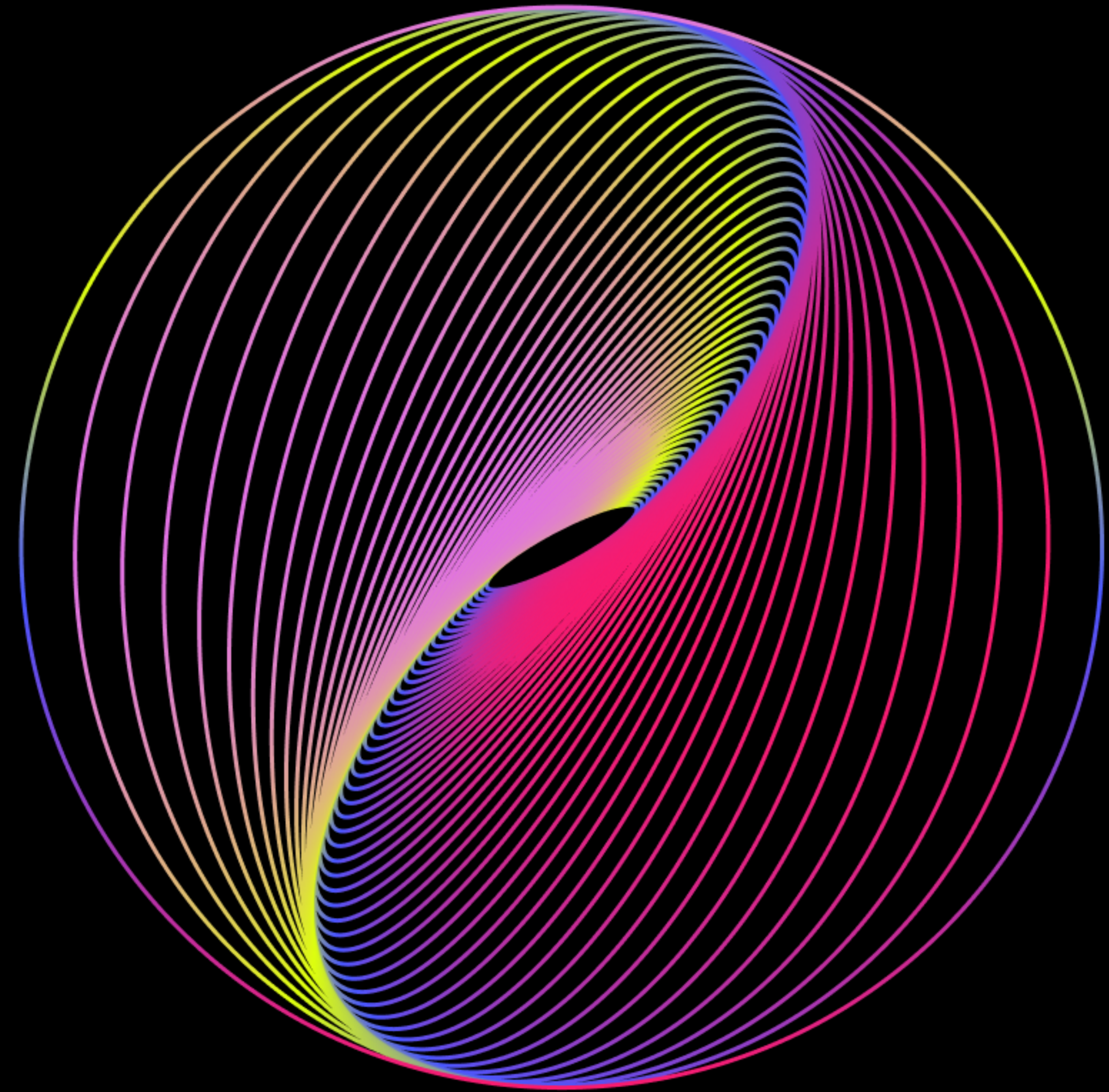
Source: BetterUp Labs

In 2024, BetterUp Labs, in collaboration with Stanford's Social Media Lab, identified two distinct approaches to AI adoption—Pilots and Passengers—based on monthly data from over 12,000 employees tracked between 2023 and 2024.

Pilots are optimists. They exhibit high agency and leverage AI to fuel their creativity, using it more effectively.

Passengers, on the other hand, tend to rely on AI to avoid doing the work themselves.

Optimism and agency, the defining mindsets of Pilots, are among the most critical psychological attributes for navigating an AI-driven workplace. Notably, these are also the capacities currently in most significant decline, further underscoring the urgency to rebuild the psychological fuel required for adaptive performance.



Fostering a creative and productive outlook toward AI depends on two primary factors. The first is mindset. Individuals who exhibit Pilot mindsets—marked by optimism and agency—engage with AI more proactively and effectively.

However, current data shows that both optimism and agency are in decline. These same psychological capacities are foundational to adaptive performance: the ability to remain curious, adjust quickly, and succeed in the face of change.



Pilots

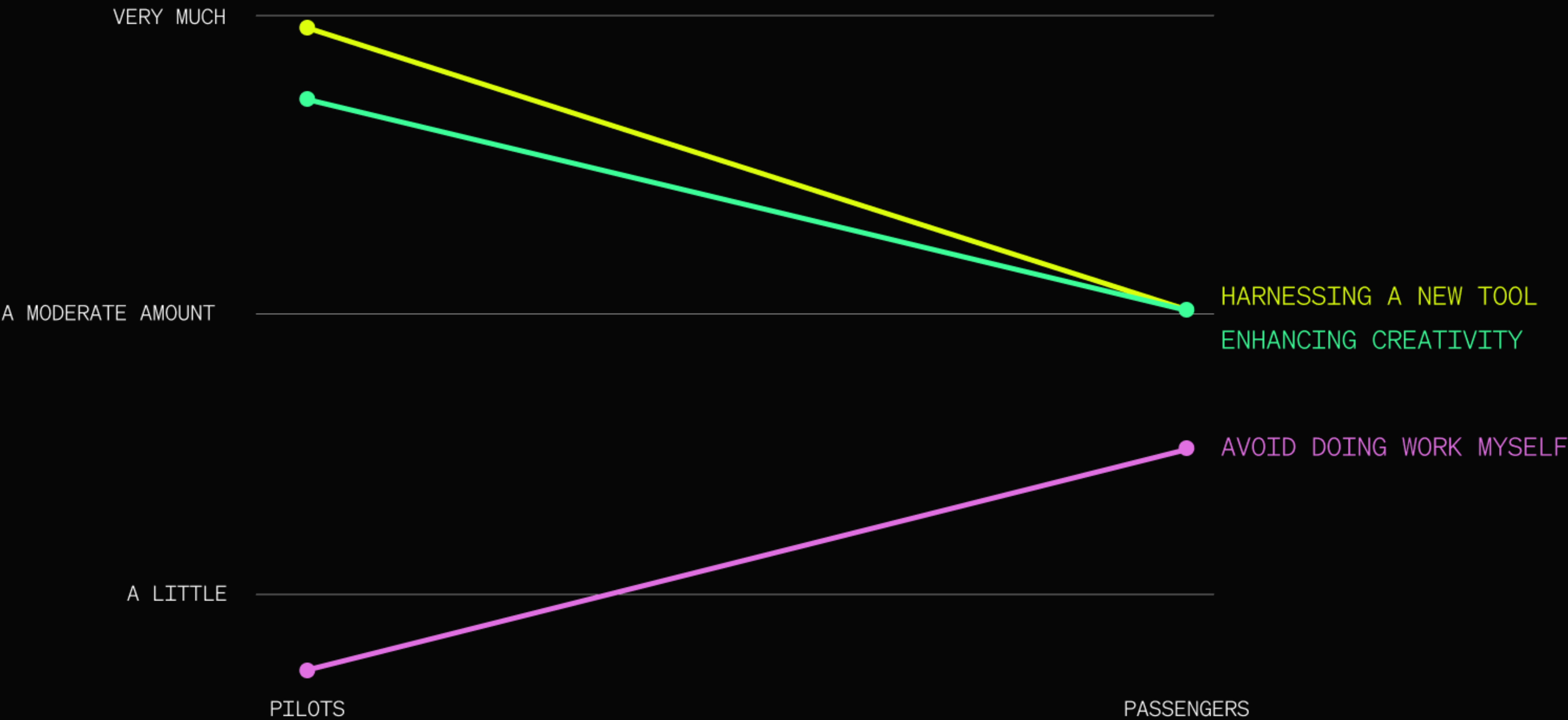
are using AI exponentially more across the board



Passengers

are pessimistic and possess low agency

“How often do you use AI because you are...”



Source: BetterUp Labs
Liebscher, A., Rapuano, K., Niederhoffer, K., Lee, A., Hancock, J. (2025) Human and AI collaboration in decision making. Manuscript in preparation for publication.

The second lever for enabling adaptive performance lies in leadership—specifically, how leaders communicate and shape the environment for innovation.

Language plays a critical role. Supportive communication encourages risk-taking and reinforces belief in employees' capacity to engage with new challenges. When leaders express confidence in their employees' ability to manage AI, they help cultivate a stronger sense of agency.

This process is self-reinforcing: agency tends to generate more agency. In effect, leadership communication becomes a means of restoring the motivational fuel that enables adaptive performance.

Unlocking the full potential of GenAI requires a Pilot mindset, defined by optimism and agency. Yet the paradox is clear: GenAI is increasing demand for the very psychological resources—motivation, optimism, and agency—that are currently in decline.

Effective leadership communication
is key to unlocking Pilot potential

6x

Organization requires use
of AI tools

21x

Organization requires AI and
employees are satisfied with
communication

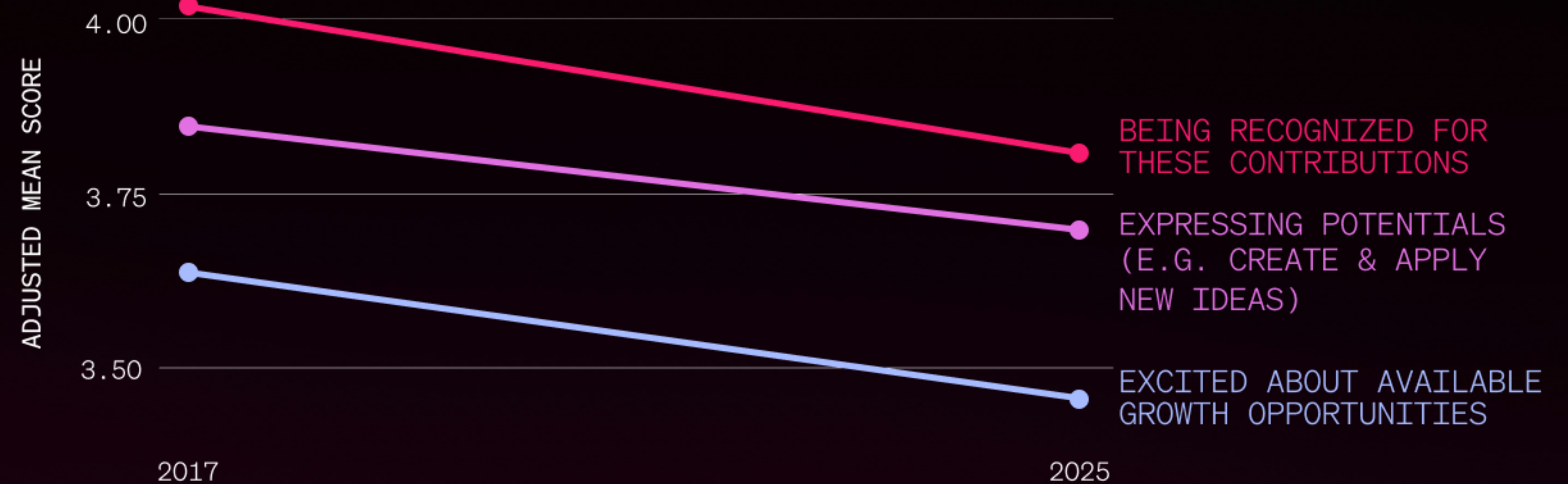
Within the broader construct of fuel, motivation—defined as the underlying reason individuals strive to perform—represents approximately 82% of the overall capacity, according to Gabriella Rosen Kellerman, Ph.D., Chief Innovation Officer at BetterUp.

This points to a central issue behind stalled AI adoption and underwhelming transformation outcomes: a widespread decline in motivation.

In a world of constant change, mattering is increasingly called into question. Strategic initiatives are frequently abandoned or redirected, contributing to uncertainty and disengagement.

At the same time, limited recognition and diminishing excitement about growth opportunities are compounding the decline in motivation.

Percentage change in mattering dimensions from 2017



Source: BetterUp Labs
n=4,148 across 4 surveys (two surveys in 2017 and two in Q1 2025)

**Refueling starts
with mattering**

Skills training alone won't save performance

This is a deeply human crisis,” explains Gabriella Rosen Kellerman, Ph.D., Chief Innovation Officer at BetterUp. “We can’t expect adaptive performance if people don’t believe their efforts matter.”

The implications are significant. In a landscape defined by constant disruption, transactional solutions such as skills training alone are no longer sufficient. Enabling adaptive performance requires a more nuanced approach—one that accounts for its complexity and directly addresses the underlying human drivers that make it possible.

\$2,200,000,000,000

The cost of doing nothing is simply too high

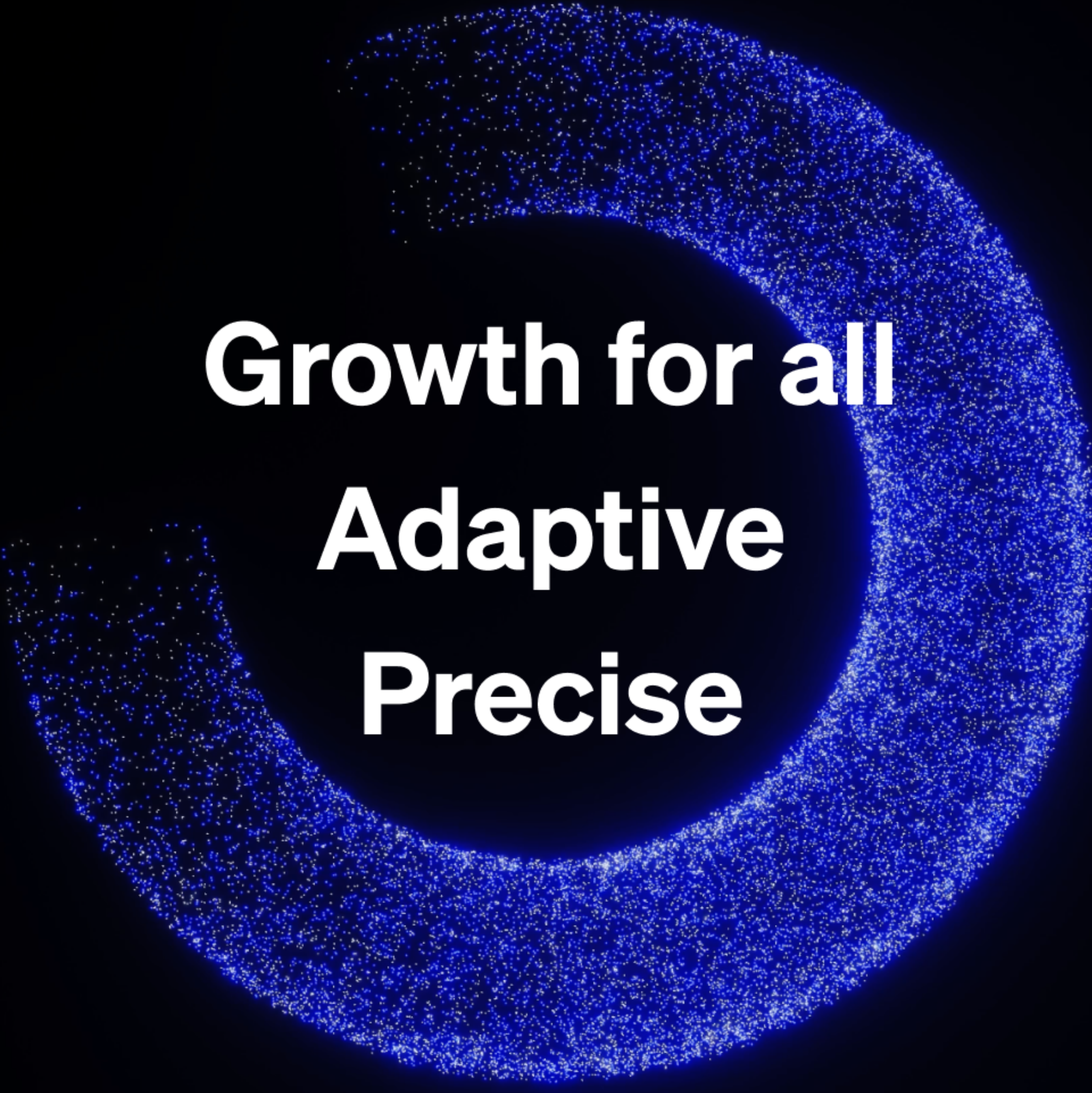
When growth stalls, so does performance. \$2.2T in GDP lost
—and counting. Transformational performance demands
deeper, human-centered solutions.

According to Griffin et al. (2007), a one standard deviation drop in self-reported performance corresponds to a 7.81% decrease in actual work output. To estimate the economic impact, we applied this 7.81% decline to U.S. labor productivity —\$114.48 per hour based on 2024 GDP—and standard annual work hours (2,087 hours per worker), as reported by the Bureau of Labor Statistics. This analysis yielded an estimated \$2.2 trillion loss in GDP due to declining performance.

To meet the demands of adaptive performance, organizations need a new approach—one that is:

- **Universal:** Scalable support must extend to every employee. As motivation declines and AI reshapes work, all individuals must be equipped to lead, grow, and adapt.
- **Adaptive:** Solutions must evolve in real time alongside shifting priorities and business conditions. Traditional, one-time transformation models lack the speed and flexibility required. Tools and interventions must match the agility expected of the workforce.
- **Precise:** Interventions must be tailored—by role, strategy, market, and individual capabilities. This mirrors the concept of precision medicine in healthcare: diagnose the need, apply targeted interventions, and rigorously measure outcomes.

This integrated approach is what BetterUp defines as precision development at scale.



Growth for all

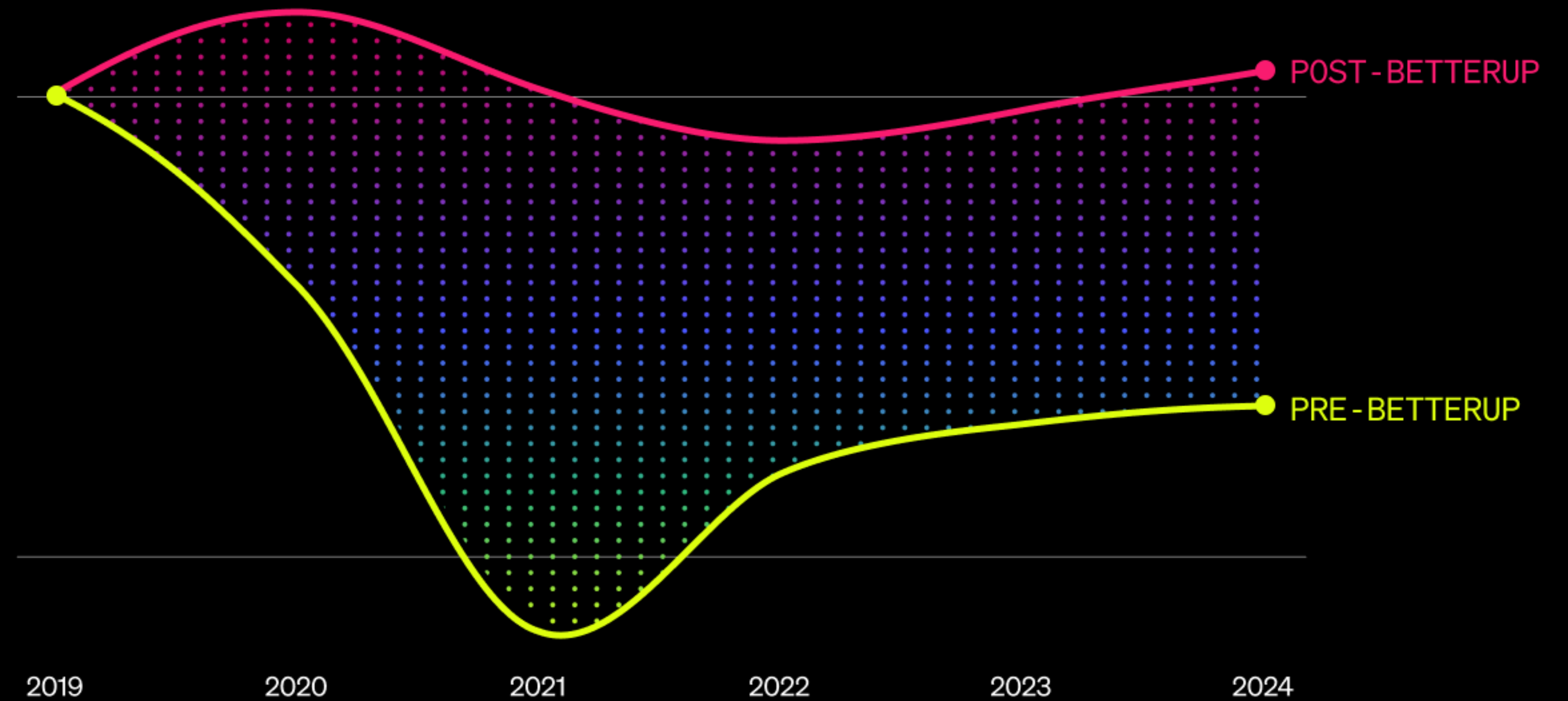
Adaptive

Precise

For more than a decade, BetterUp has identified workforce needs, delivered targeted interventions, and measured outcomes at scale across millions of employees.

Our Human Transformation Platform is designed not only to address performance decline but to shift the entire curve—unlocking new levels of performance for individuals, teams, and organizations.

Transformational performance with BetterUp

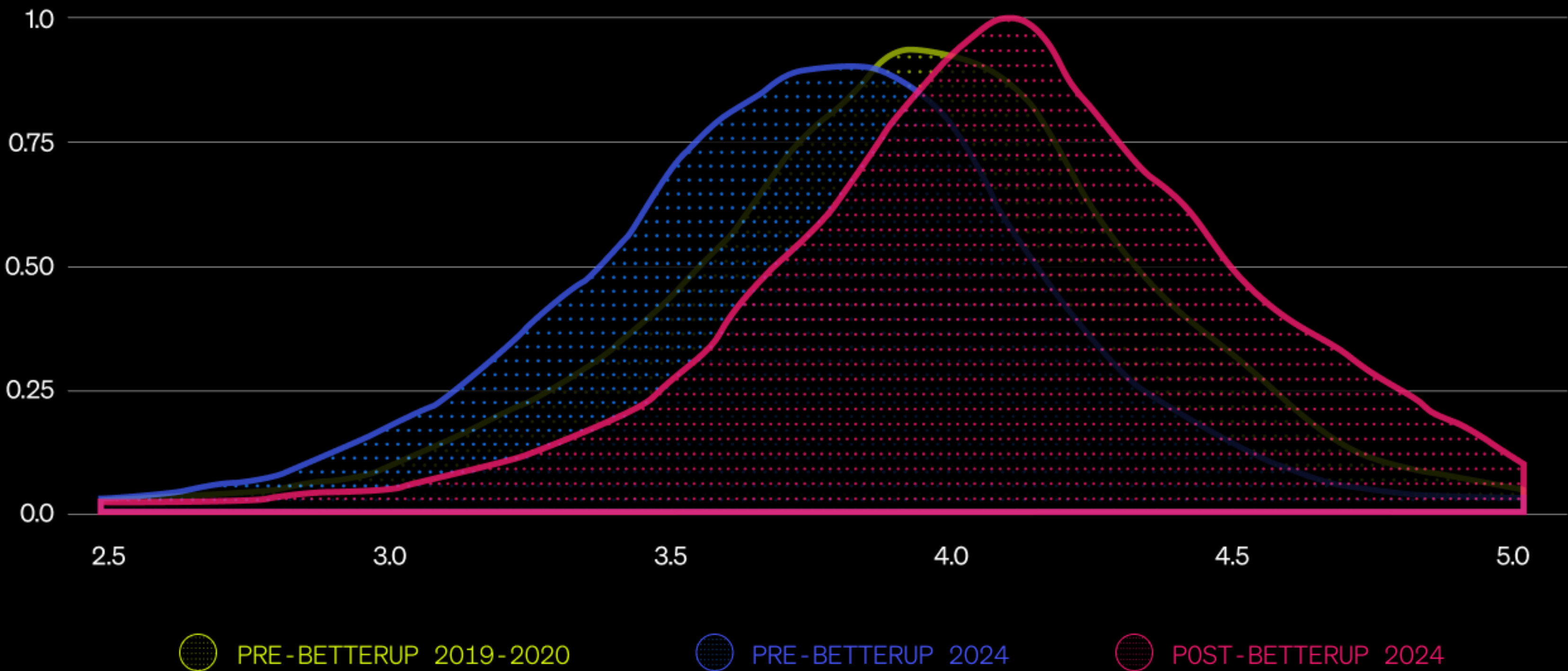


Among employees supported by BetterUp, 57% have moved to a higher performance decile since 2019.

In 2024 alone, 30% moved up by three deciles.

These gains have translated into hundreds of millions of dollars in additional revenue and competitive advantage for BetterUp customers.

Performance distribution



\$29M

Gain per 1000 employees

+36%

Basic
performance

+15%

Collaborative
performance

+36%

Adaptive
performance

The Human Transformation Platform

The operating system for precision development—at scale.

BetterUp's AI-powered platform delivers real-time, personalized support within the flow of work, fueled by more than 200 million data points on human transformation.

With built-in Performance Intelligence, people data flows into one unified platform—enabling organizations to stay adaptive, aligned, and performing at their best.

This is human development, redesigned for impact.

[Schedule a demo](#)