### The Performance Crisis: What's driving the decline and how leaders can reverse it

### \$2.2 trillion

In the last five years, a staggering \$2.2 trillion in GDP has evaporated because of a silent performance crisis unfolding across our workforce.

While AI capabilities surge ahead, human performance is quietly slipping. Al isn't replacing human excellence; it's demanding more of it.

To keep up, organizations must fuel their people with

meaning, agency, and the agility to shift gears in real time. The crisis is here. So is the opportunity—for those ready to adapt and lead with precision.

ABOUT THIS DATA

organizational outcomes and psychological drivers. According to Griffin et al. (2007), a one standard deviation drop in selfreported 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.

BetterUp Labs analyzed behavioral data from 410,000+ employees (2019-2025), linking real-world performance with

### The new performance equation

ERA

about efficiency. It's about shifting fluidly between three performance modes—basic, collaborative, and adaptive powered by the right human fuel: motivation, optimism, and agency. The most resilient organizations can shift gears on demand;

Our research revealed that performance now isn't just

executing when needed, aligning teams fast, and innovating ahead of change.

Basic Performance

INDUSTRIAL

Collaborative Performance

KNOWLEDGE WORK

Adaptive Performance

TECHNOLOGICAL DISRUPTION

ERA

# performance model

Why Al is forcing a new

three performance gears—basic, collaborative, and adaptive. With 60% of employees collaborating and coaching AI as a teammate, skills like context, feedback, and alignment are now essential for everyone, not just managers.

Success with GenAl depends on activating all



The Performance Crisis

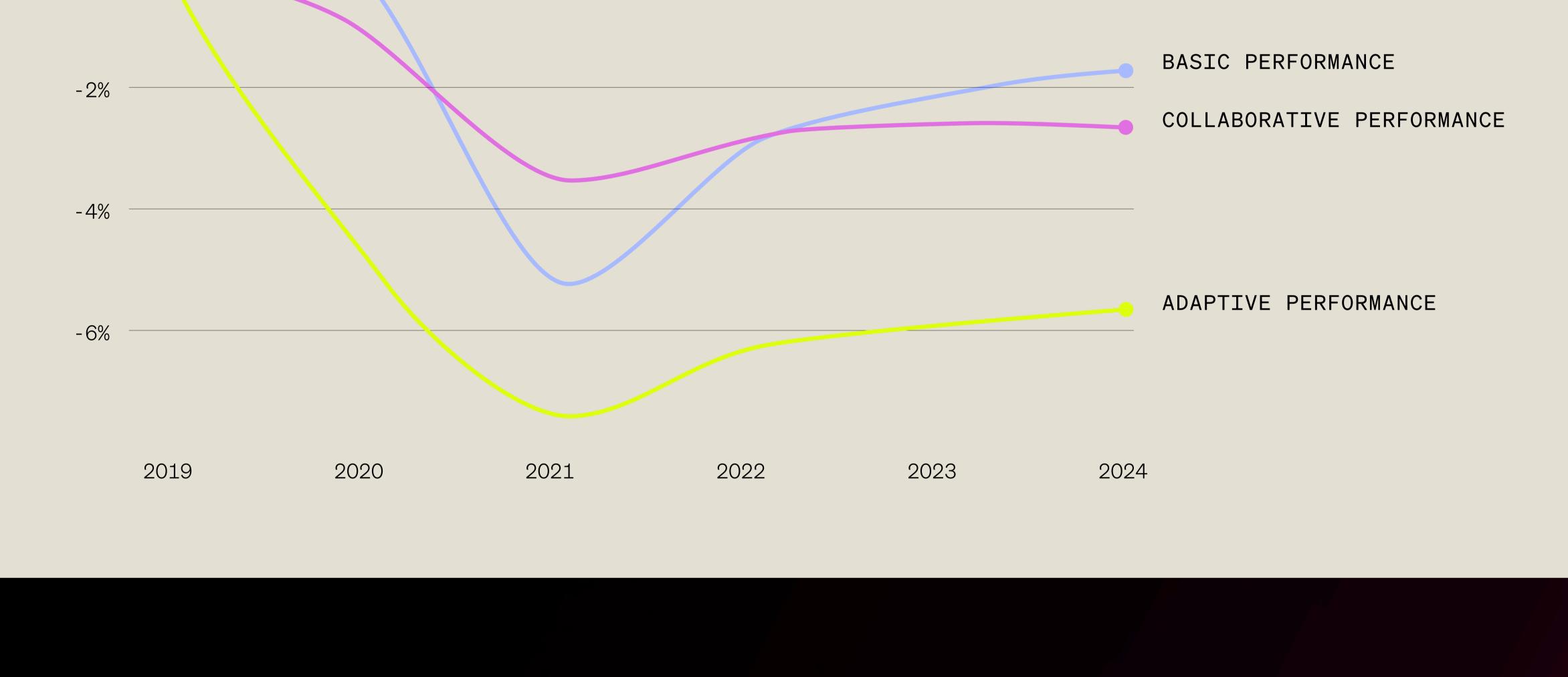
sound small, but in business terms, it's massive: half of today's workforce would land in a lower performance tier by 2019 standards.

Our data scientists uncovered that across industries

performance has declined by 2-6% since 2019. That may

0%

Percentage change in performance types from 2019 baseline



agency—is running dry.

Collaborative performance

**Basic** performance

What's fueling this performance decline?

and creativity are all down, especially adaptive performance, just when we need it most.

The fuel behind performance—motivation, optimism, and

Without it, even the best strategy falls flat. Focus, alignment,

Adaptive performance

FOCUS FUEL FUEL FUEL ALIGNMENT CREATIVITY CHAMPIONING CONNECTIVITY OTHERS AGILITY 0% 2019 -1.0% FRO -2.0% CHANGE -3.0% PERCENTAGE -4.0% -0.3% 2020 2021 2022 2023 2024 2020 2021 2022 2023 2019 2019 2021

The new model for

performance

Companies that invest in adaptive performance see

Top-performing organizations are not just training more.

They're building precision development engines:

scalable systems that adapt to each employee and

evolve with the business.

up to 37% higher innovation.

And it's working.

## What performance systems look like now

**Effectiveness** 

dynamic, real-time systems that drive growth:

Modern organizations are replacing static training with

Al-powered Coaching Personalized, on-demand development at scale

Real-time data on engagement, skills, and readiness

Insights

**Precision Talent** 

Systems Tools to drive alignment, coaching, and recognition

Manager

Micro-learning in the flow of work, not the classroom

Continuous

Development

driving performance, engagement, and growth when it matters most. Let's talk about how we can help your organization accelerate, adapt, and outperform.

Schedule a demo →