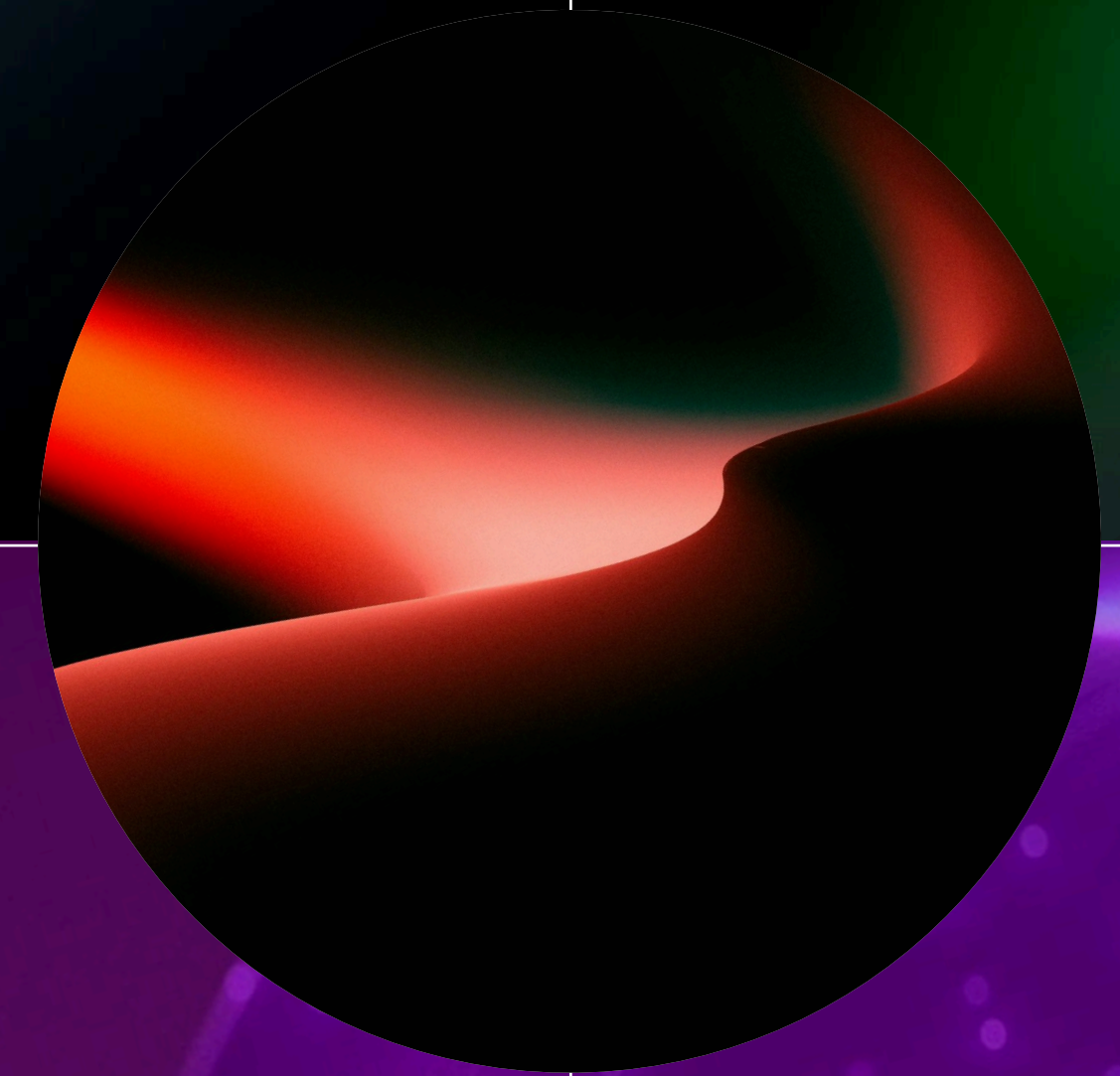


**BetterUp<sup>®</sup>**

# The case for conditions

Why your AI investment will  
only perform as well as your  
people investment allows.



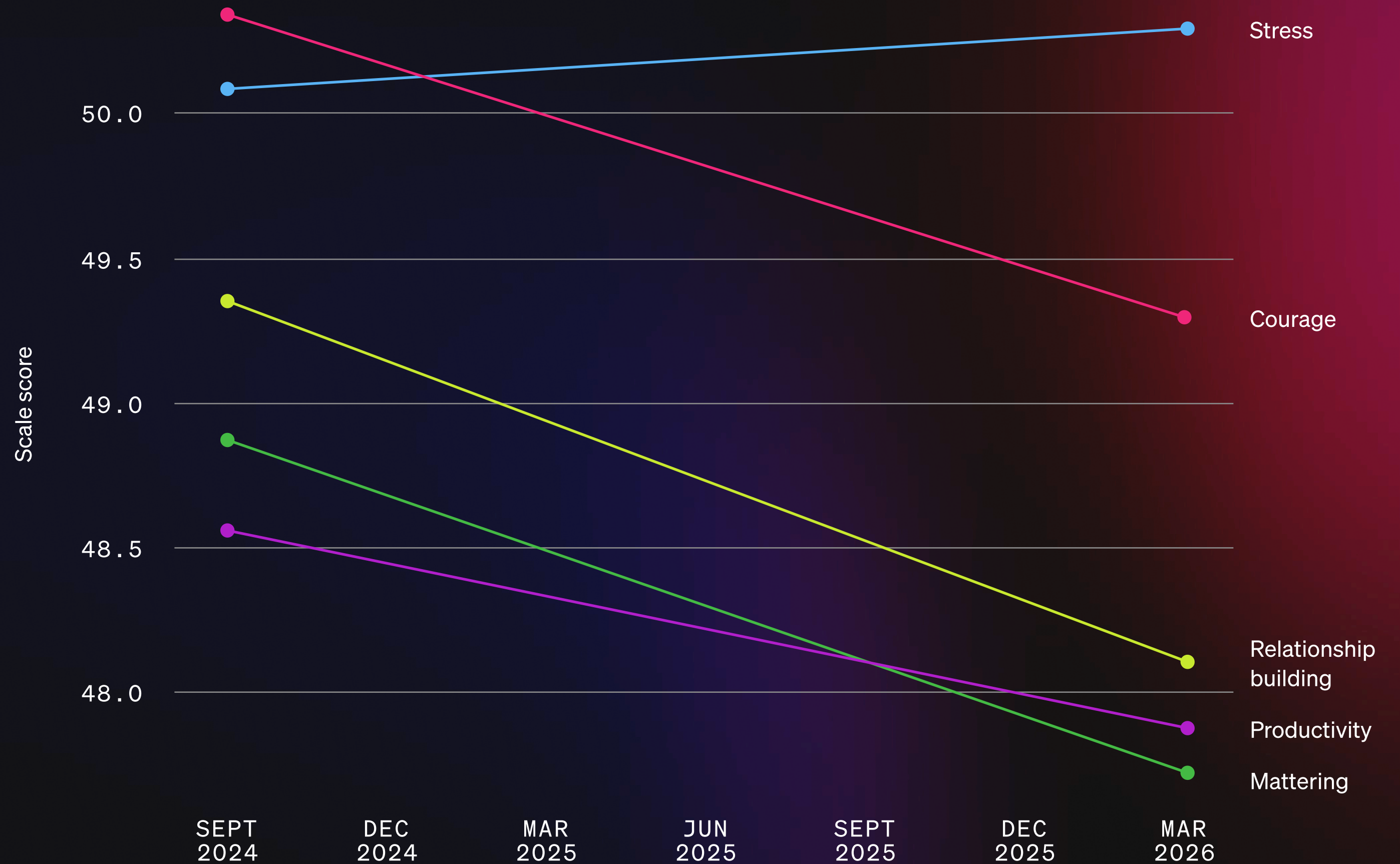
## Your workforce's sense of mattering is in freefall.

Mattering, the feeling that what you contribute actually counts, is declining faster than productivity, courageous conversations, stress, and relationship development.<sup>1</sup> In fact, it's among the fastest-falling metrics that we track.

That fear of irrelevance isn't abstract; it underlies every AI conversation in your organization right now. It is the most consequential force for your people for a good reason.

Because, in the age of AI, employers aren't quite sure how much their employees actually matter anymore.

### Human performance indicators over time



1. BetterUp member data 2024–2026, n = +92200 workers.

# Why should I keep investing in people?

Since 2023, companies have attributed about 100,000 job cuts to AI.<sup>2</sup>

Whether all of those cuts are genuinely AI-driven is debatable, but what's not, is that "AI" has become the acceptable justification for reducing headcount.

CEOs are asking HR leaders why they should keep investing in people when AI can do so much of the work.

And that framing is exactly what's eroding mattering across your workforce.

You are being asked to provide the business case that answers this question while your existing employees sit at their desks and wonder if their contributions still matter.



2. Challenger, Gray & Christmas. "Job Cut Announcement Report: March 2026." Challenger, Gray & Christmas, Inc., April 2, 2026.

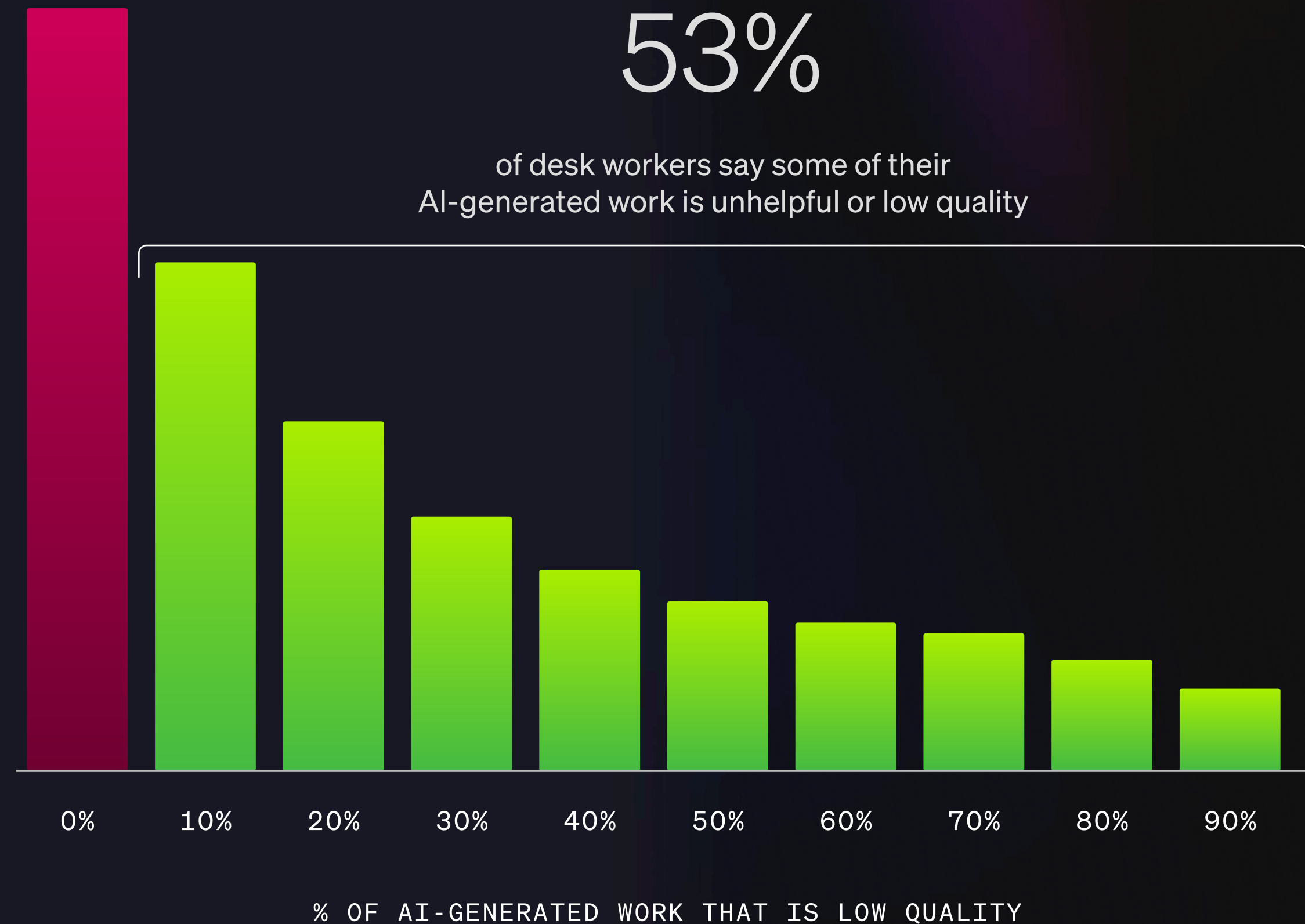
## When mattering drops, you can see the effects in the work people produce.

53% of desk workers say they've sent workslop,<sup>3</sup> AI-generated work that looks polished, sounds finished, and wastes the recipient's time.

When people don't know what their work is uniquely for, they're more likely to outsource the thinking and submit the output.

Our instinctive reaction is to think that the person who sent it was lazy. But that's the wrong conclusion.

### Half of employees admit to sending workslop



3. Liebscher, A., Lee, A., Rapuano, K., Kellerman, G. & Niederhoffer, K. & Hancock, J. (2026). "Workslop: Examining the prevalence, antecedents and consequences of low-quality AI-generated content at work." Preprint, submitted February 5, 2026.

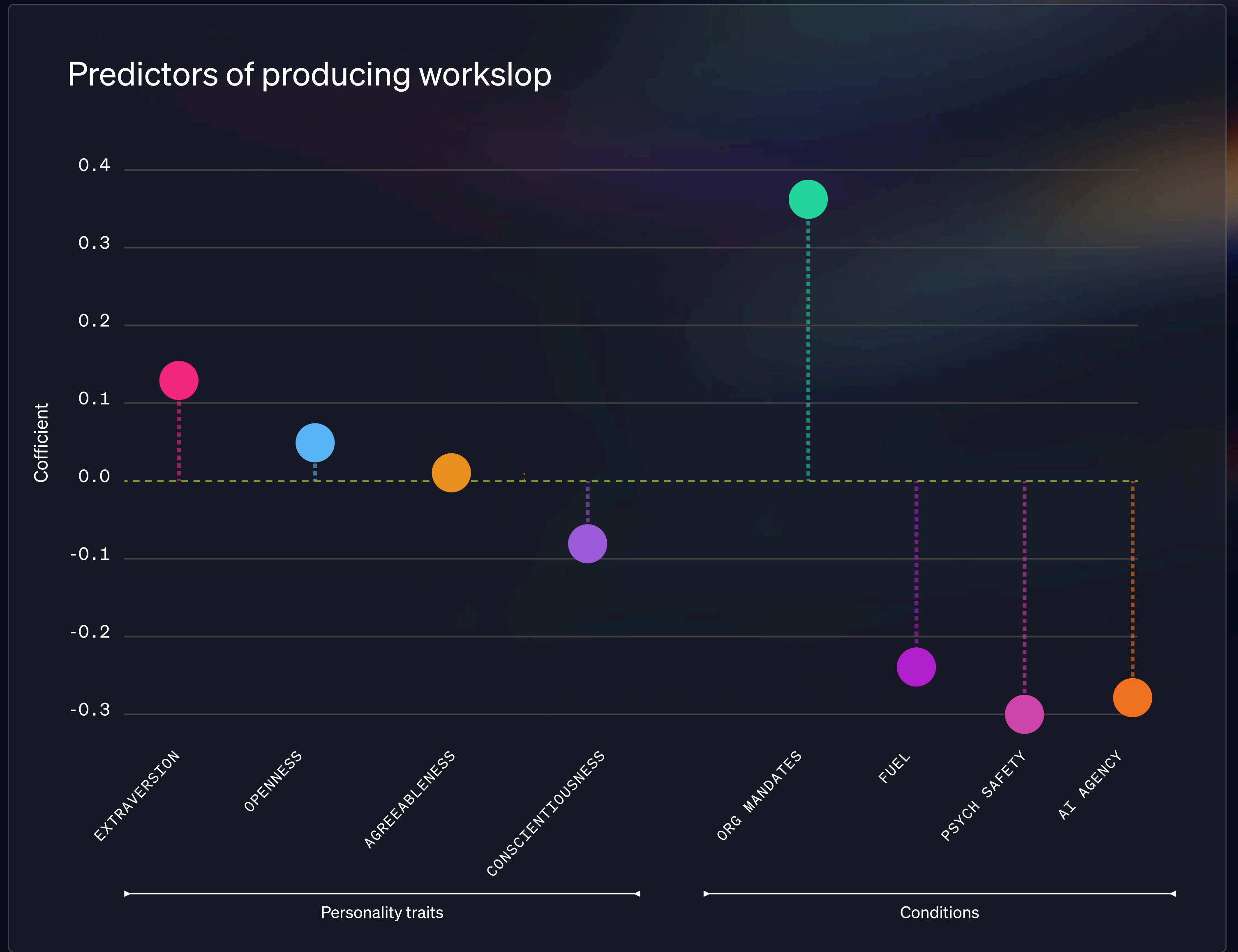
## Conditions, not character, determine how people use AI.

Standard personality traits like conscientiousness and openness to experience barely move the needle.

### The biggest predictors are environmental:

- How leadership communicates about AI
- Whether it is mandated or encouraged
- How much trust exists in the environment
- How much psychological fuel people have

Workslop is a conditions problem — and conditions can be changed.



The most important way to  
change people is by changing  
the conditions around them.

Conditions are the signals, norms, and psychological resources around a person.

They determine whether individual capabilities are expressed.

### Conditions operate at three levels.<sup>4</sup>

#### Organizational context

Leadership signals shape how people interpret AI in their work. The email that says “AI is here to make you better at your job” and the one that says “we expect everyone to demonstrate AI proficiency by the end of quarter” send a very different message.

LEADERSHIP SIGNALS

#### Team norms

Managers create a culture that people feel every minute of every day. It’s the difference between whether someone knows they can raise a hand and say, “maybe we don’t use AI for this task,” or whether they’ve learned that hand-raising has a cost.

MANAGER CULTURE

#### Individual fuel

The amount of bandwidth your people have influences whether they believe their contributions matter. Every person in your organization has capabilities, skills, experience, and judgment. The conditions determine whether those things get expressed or muted.

THE FUEL LAYER

4. Edmondson, A.C. & Lei, Z. (2014). “Psychological Safety: The History, Renaissance, and Future of an Interpersonal Construct.” *Annual Review of Organizational Psychology and Organizational Behavior*, 1, 23-43.

## Individual traits, even the ones you can screen for, depend on the environment.

Leaders' first instinct is to just hire the right people. Find the most curious, AI-native leaders and let them do their best work.

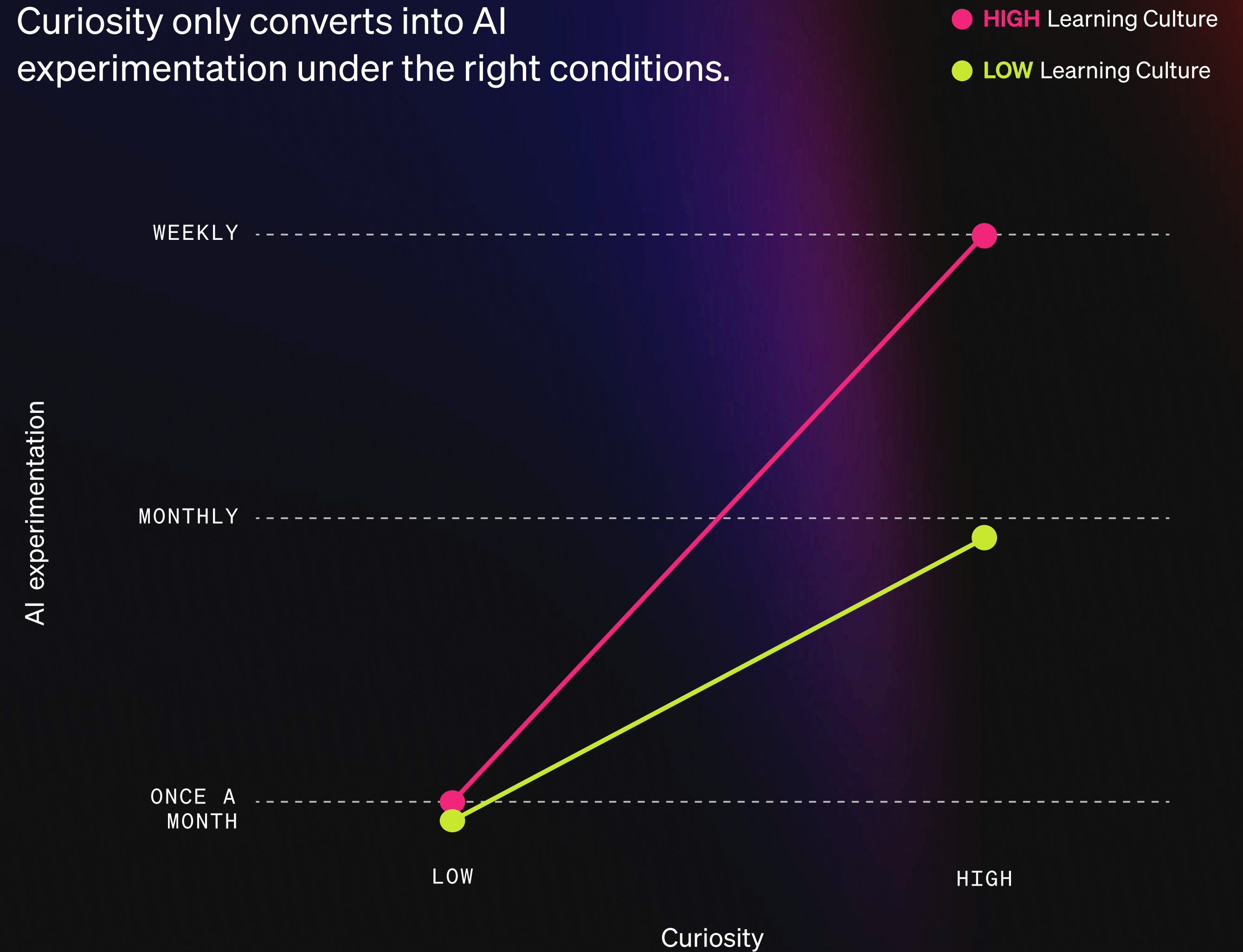
But conditions influence even the traits you have historically screened for.

For instance, BetterUp Labs research shows that high curiosity predicts more AI experimentation, but only in the right environment.

As expected, in a high-learning culture, curiosity converts into experimentation. But in a low-learning culture, the same curiosity doesn't go as far.

The curious person in a low-learning culture looks very similar to the incurious person. The environment flattened them. The curiosity was there, but the culture wouldn't let it thrive.

Curiosity only converts into AI experimentation under the right conditions.



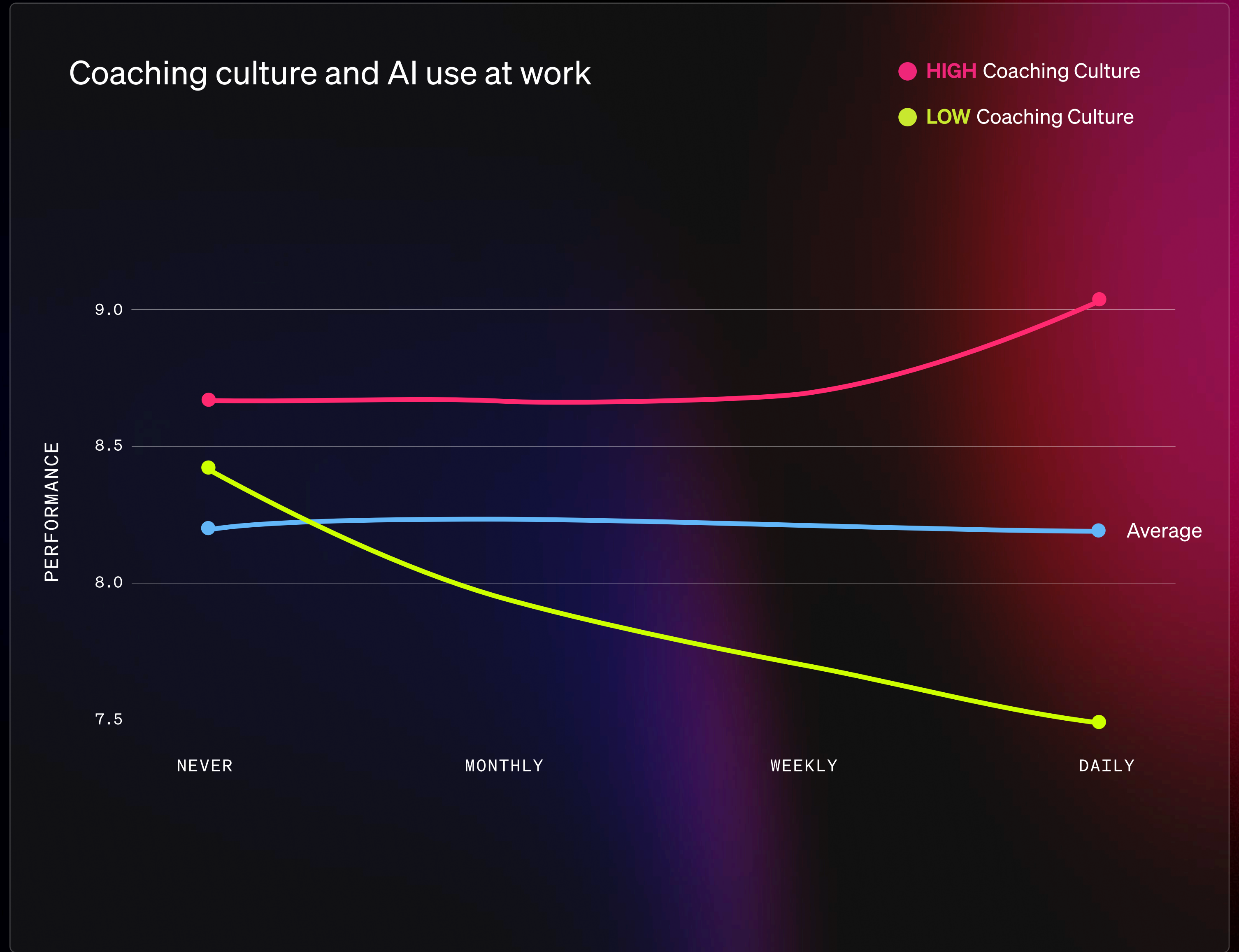
Viewed through a broader organizational lens, the research shows that the relationship between AI usage and performance is basically flat.<sup>5</sup>

But when you split the data by organizational culture, major differences in performance emerge.

In a high coaching culture, one built on trust, feedback, and ongoing development, more AI usage produces significantly higher performance.

Without it, more AI usage produces nothing. In some cases it makes things worse.

That difference is invisible to every AI readiness metric in the market. Those metrics focus on the tool, not the environment around it.



5. BetterUp Labs' 2026 manager AI readiness survey (unpublished).

Your AI dashboard likely isn't reporting on these “invisible variables.”  
This is an expensive miss.

Better conditions produce better financial outcomes: return on invested capital (ROIC), return on assets (ROA), free cash flow (FCF).

These are the numbers your CFO cares about, driven by a variable that isn't on any financial reporting tool in any boardroom.

High coaching culture organizations:

↑ 231% Higher ROIC

---

↑ 145% Higher operating ROA

---

↑ 111% Higher FCF yield

When you measure managers on AI investment *and* people investment simultaneously, four archetypes appear.<sup>6</sup>

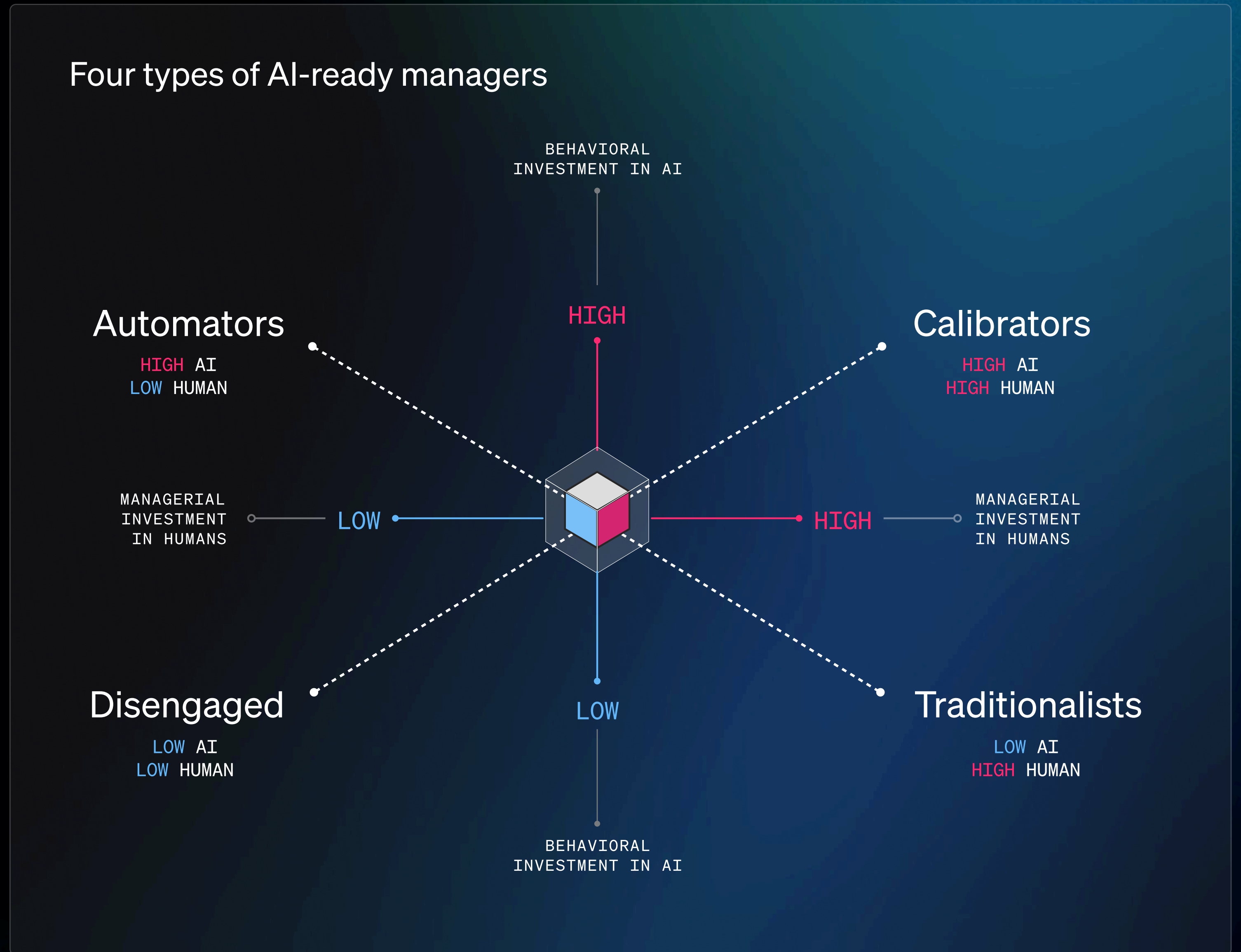
- Calibrators (high AI, high human)
- Automators (high AI, low human)
- Traditionalists (low AI, high human)
- Disengaged (low across the board)

Calibrators and Automators look identical on most dashboards today.

They have the same AI adoption scores and yet they produce opposite results on every measure.

These are not personality types.

Calibrators come from organizations that built three things: clear strategy, a culture of trust and development, and AI maturity. They are outputs of the environment the organization built around them.



6. BetterUp Labs' 2026 manager AI readiness survey (unpublished).

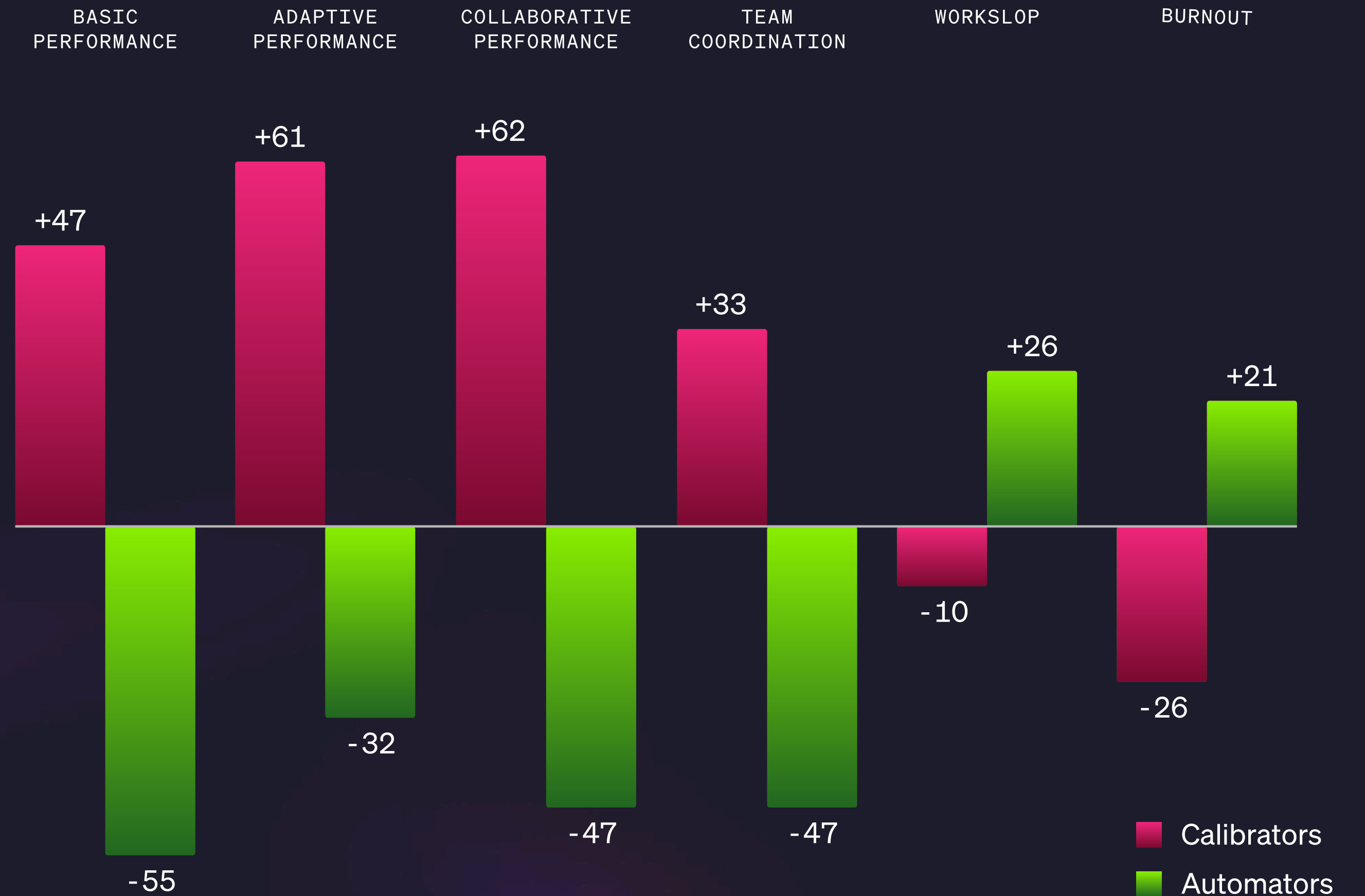
But your AI dashboard can't tell your best managers from your worst ones, because it doesn't measure the conditions.

They have opposite outcomes on every dimension.

- Calibrators win on performance, well-being, and team coordination.
- Automators produce the highest burnout of all four types, the most Workslop, and the lowest baseline performance.

The manager you've been rewarding on your AI adoption dashboard may be the one doing the most damage.

### Calibrators vs. Automators



Calibrators do  
things differently.

Three behaviors set them apart.

BEHAVIOR 1

## They protect relationships.

When managers substitute AI for the human conversation (the mentor check-in, the career guidance, the personalized feedback), coordination drops, burnout jumps, and intent to leave rises by almost a third.

↓ 12%

Team coordination

↑ 26%

Burnout

↑ 29%

Intent to leave

BEHAVIOR 2

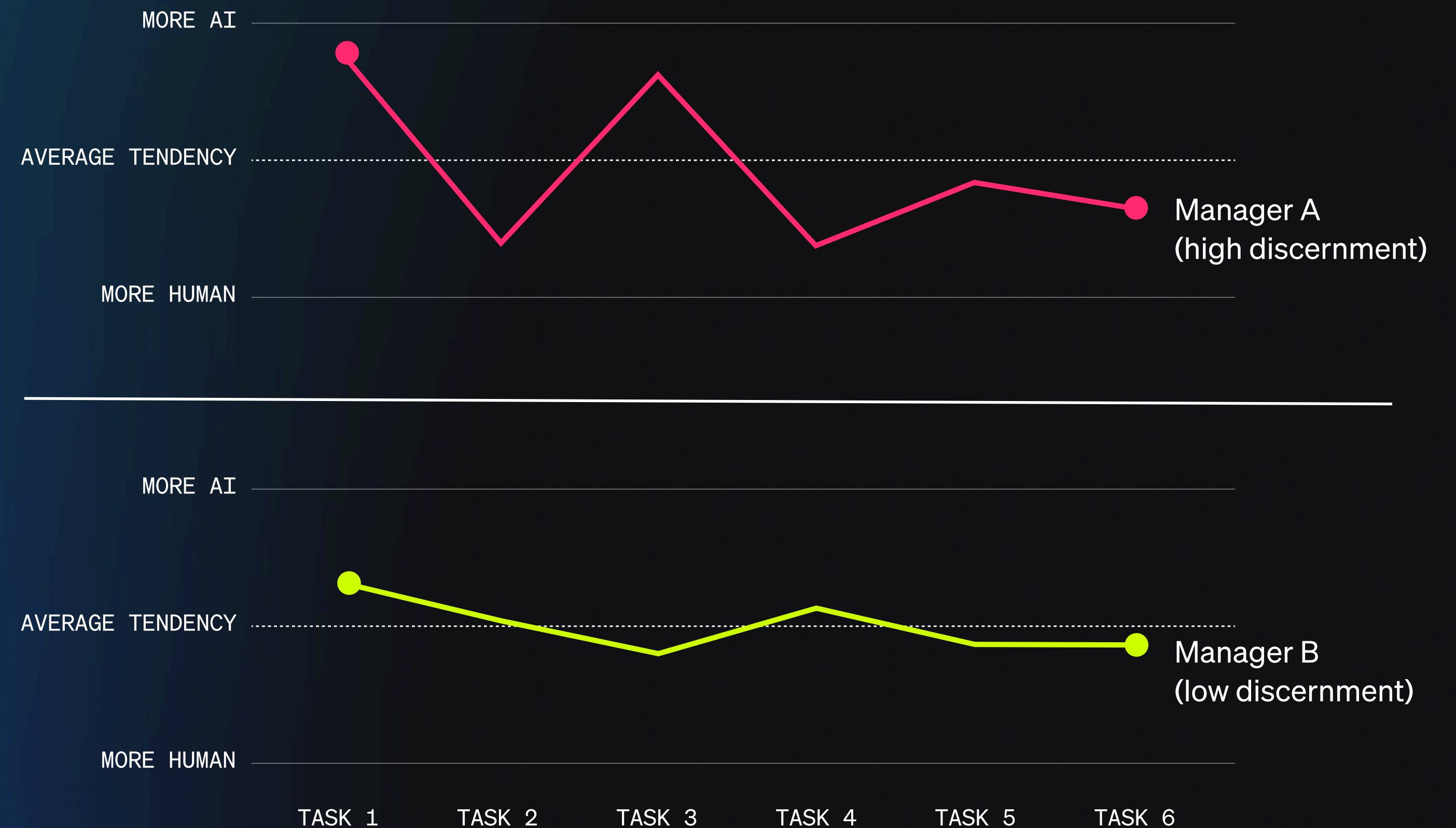
## They route by context, not by habit.

The best performers varied the way they delegated tasks. They were flexible and when a new situation arose, they made a different kind of decision. Flat delegators produced worse outcomes on every measure.

Research by Anders Ericsson, known for the 10,000 hours rule, shows why: expertise doesn't develop through repetition under stable conditions. It develops through practice under dynamic conditions, where scenarios change and stakes feel real.

Every time a Calibrator routes a task differently, they're creating exactly that environment for their team.

### High performers show situational delegation



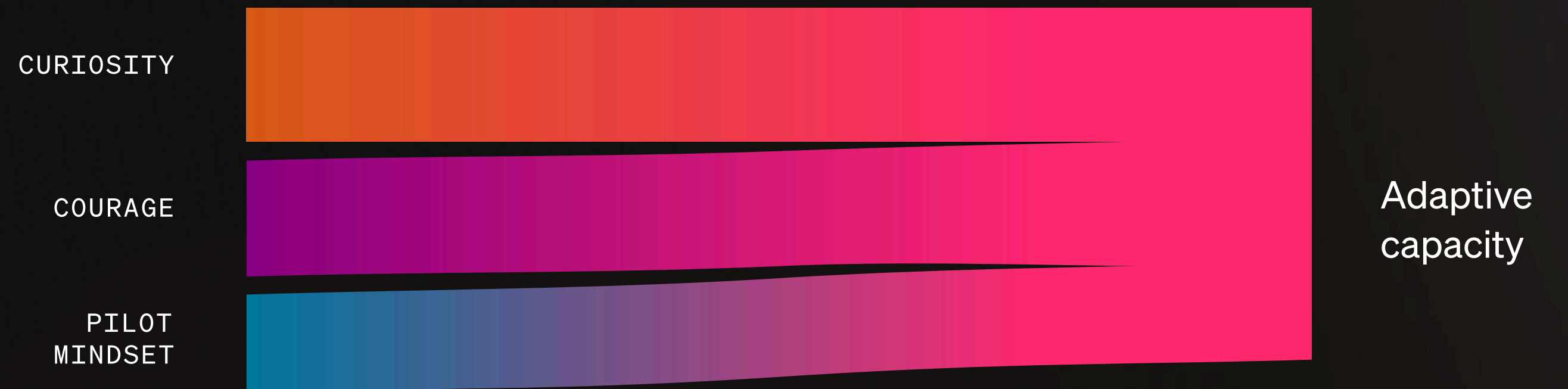
## Calibrators have adaptive capacity.

They can make the right decision in the right context. That's crucial for building a workforce that can reshape itself as the environment around it changes.

Adaptive capacity is built from three things:

<b>Curiosity</b> The capacity to play, tinker, and experiment before you know the answer.	<b>Courage</b> The capacity to walk into the difficult conversation and protect relationships when the easy way out is right there.	<b>Pilot mindset</b> The capacity for optimism and agency that keeps people adjusting in real time rather than waiting for certainty.
--	--	--

Contribution toward adaptive capacity



Coaching is the most effective intervention we've found to build these capacities.

Right now, your people need all three.

- Courage is what lets a manager push back on an AI mandate that doesn't make sense for their team.
- Curiosity is what lets someone experiment with a new tool instead of resisting it.
- Pilot mindset is what keeps people making decisions under uncertainty instead of freezing and waiting for permission.

↑ 44%

Courage

↑ 43%

Curiosity

↑ 26%

Pilot Mindset

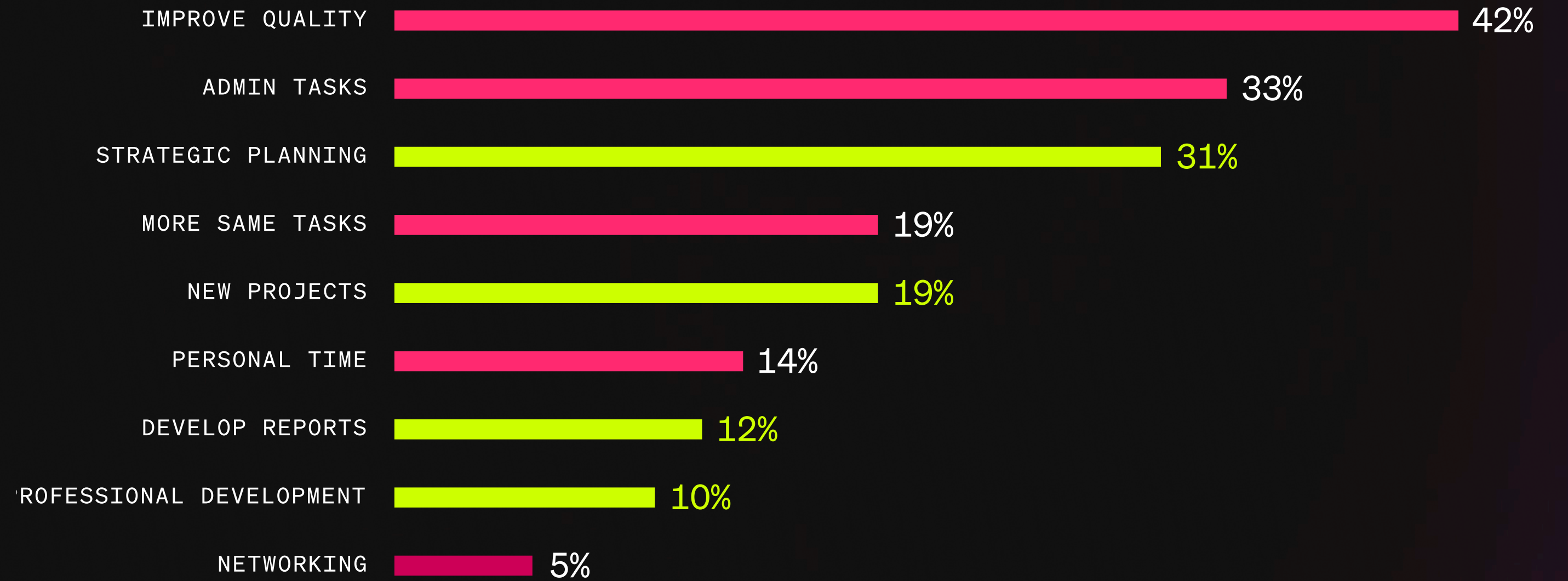
BEHAVIOR 3

## They reinvest time savings into people, not tasks.

AI saves managers about six hours a week. Most of the time goes right back into tasks: 42% into improving existing work, 33% into admin.

But the managers who put the time back into developing their people, their own growth, and strategic planning increased their team's AI performance by 65%.

### Where does AI-saved time go?



↑ 65%

increase in team AI performance among managers who reinvested in people and strategy

# Every one of these routing decisions pushes your organization toward automation or augmentation.

Leaders may think they are deciding whether to lean into augmentation or automation in a boardroom meeting, but that's not where the decision is truly realized.

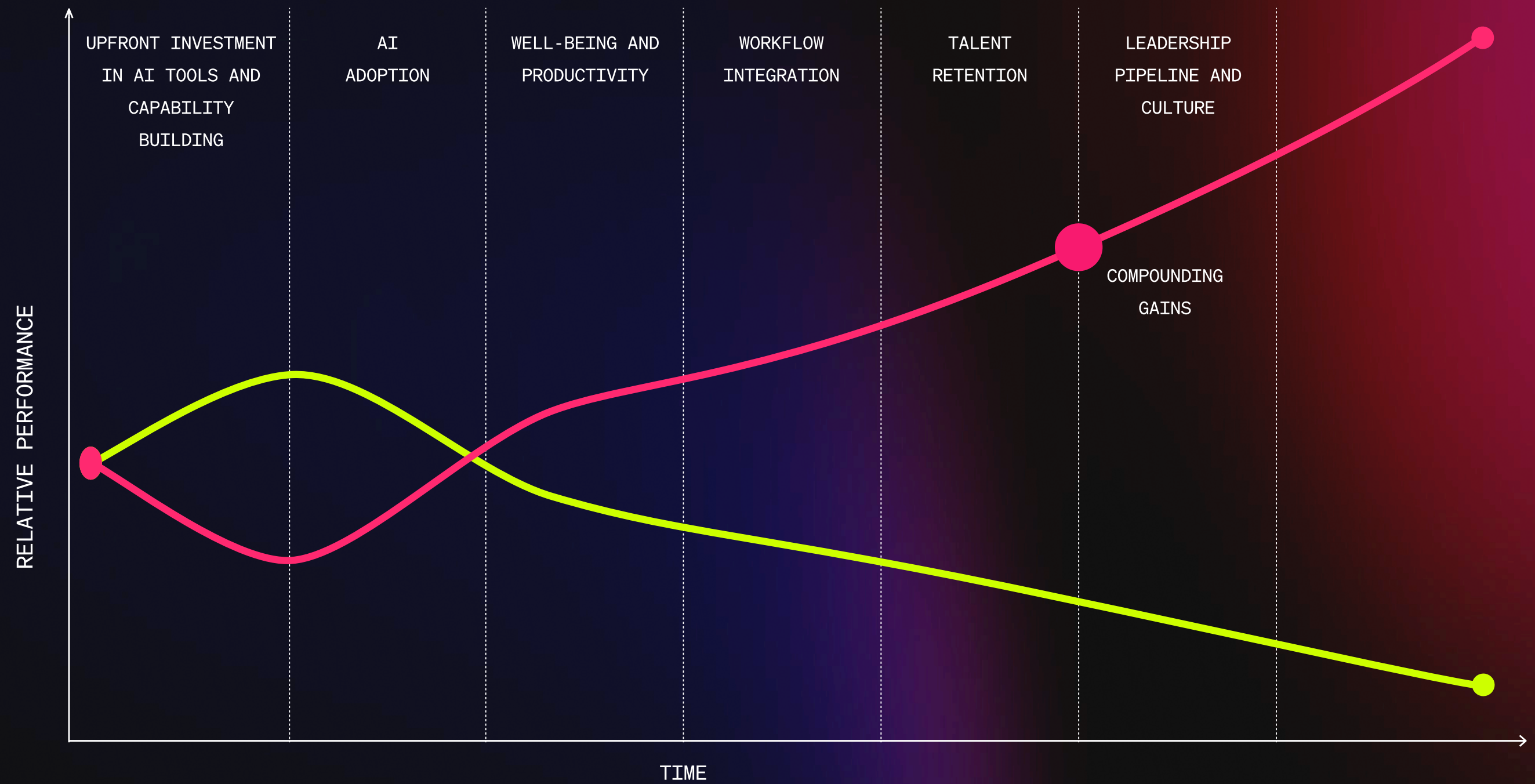
The path emerges from thousands of decisions your managers make about time, relationships, and what gets routed to a tool versus a person.

The effect compounds over time and puts your organization on the path towards automation or augmentation.

The automation path looks like a winner early on. But it declines as trust erodes, workslop rises, and the leadership pipeline empties.

The augmentation path dips first then compounds through retention, productivity, and a bench that fills.

## Augmentation vs. automation



**One thing increases your odds of landing on the augmentation path by 46%: how much your people trust you and your fellow leaders.**

↑ 46%

Most companies don't choose the automation path. They drift into it — and their people see it before they do.

Few leaders would say they're choosing automation over augmentation. Most believe they're doing both. But investing in AI efficiency while quietly reducing headcount sends an unambiguous signal to the people still in the building: you are next.

That inconsistency erodes trust because it reveals motivation. When employees watch the company invest in tools while cutting people, they don't hear “augmentation.” They hear: we're keeping you until the tool is ready. What follows is predictable: trust drops, mattering drops, workslop rises, the best people leave first, and the leadership pipeline thins.

Every signal your organization sends is either telling your people “you matter” or “you don't.”

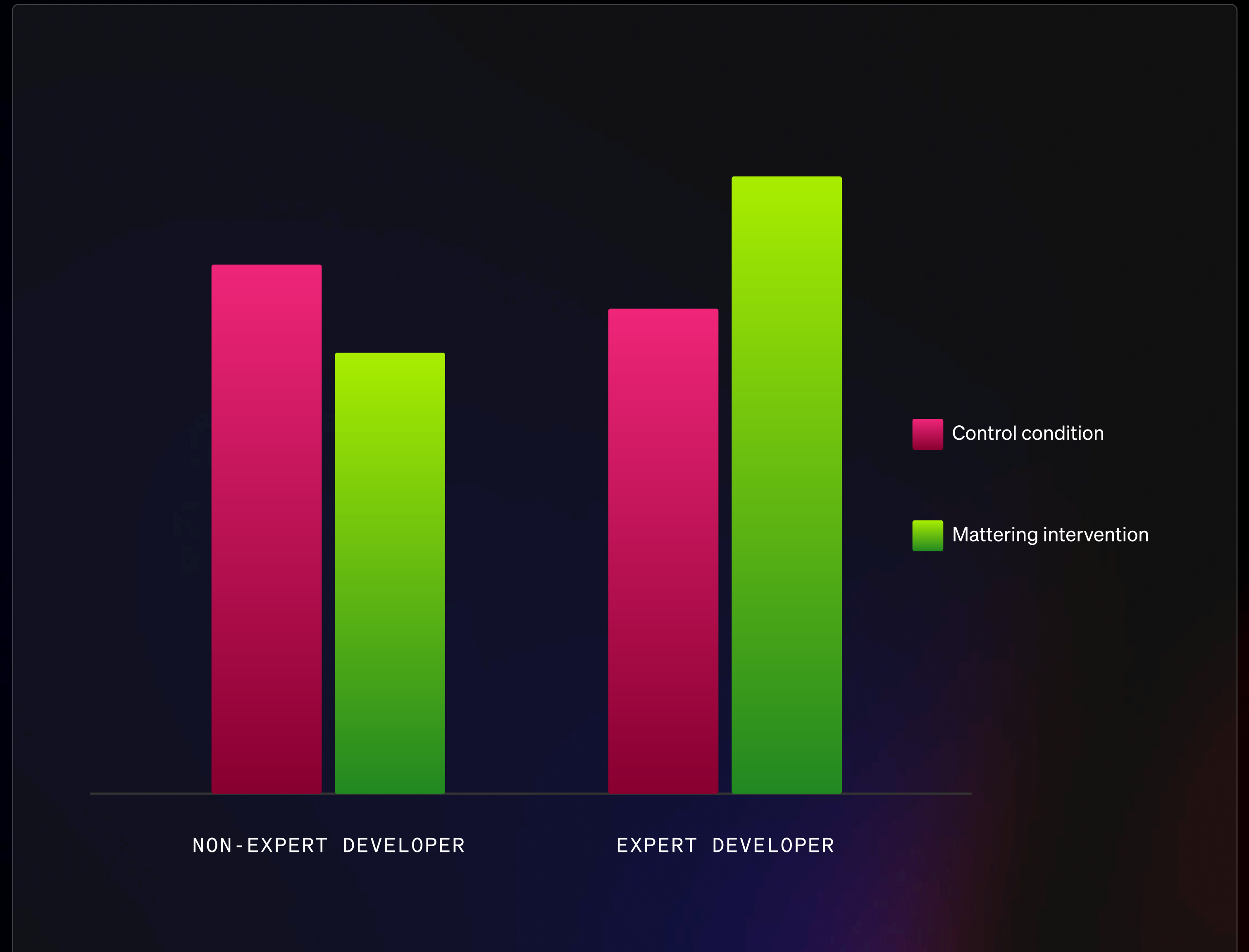


## But mattering can be activated and built up in the right conditions.

BetterUp Labs tested this directly in a controlled experiment. We asked software developers to review AI-generated code and catch errors before it shipped.

The task was identical for everyone, with one exception. One group received a brief message beforehand telling them their judgment was needed and their team was counting on them.

For developers who had built their identity around their craft, that small intervention made them catch significantly more errors. For less proficient developers, it didn't move the needle.



It turns out mattering activates discernment in people who have real capability.

It doesn't manufacture capability where none exists. When you tell someone they matter, it has to ring true. Mattering is the operating condition that turns capability into action.

You can build the conditions that make people feel like they matter. And the people who feel like their work matters create the highest quality work, are more productive, collaborate better, are more adaptive and innovative, experience less burnout, and are more likely to stay at organizations.



# The investment in people and the conditions around them is what determines whether AI creates value or destroys it.

Here are three places to start making a change:

- 1** **Protect the conditions:** The coaching culture research showed the same tool, the same adoption rate, and opposite outcomes because the condition was the only variable.  
  
Treat your culture the way your CTO treats the tech stack: with budget, rigor, and the same urgency you bring to every other system that runs your business. When someone proposes a reorg, a mandate, or a new AI policy, ask first: what conditions does this create?
- 2** **Change what you measure:** Calibrators and Automators have identical AI adoption scores. Your current dashboard cannot tell them apart but they produce opposite results on every measure. Stop asking whether your people are using AI. Start asking what is happening to your people as they use it.
- 3** **Build Calibrators, don't screen for them:** The workslop research showed that the biggest predictors of who outsources their thinking were not personality traits. They were environmental. You cannot screen your way to a Calibrator. The organizations that produced them built three things: a clear strategy, a culture of trust and development, and AI maturity. Build the environment and the managers follow.

Your AI results are already being shaped by conditions you may not be measuring.

[Request a demo →](#)