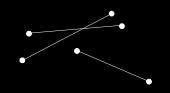
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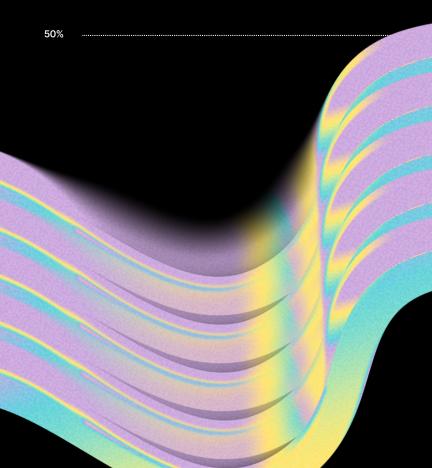
The science





of sustainable

high performance



2025 RESEARCH REPORT

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Letter from our CPO: Justin Angsulvat

There's a moment in Ted Lasso where the AFC Richmond team is struggling, and Coach Lasso reminds them of something simple but profound: "It's not about one of us. It's about all of us." And that quote has stuck with me.

For decades, we've treated high performance as an individual achievement. We've built systems that single out the best and push them harder. And then we wonder why they burn out. We've rewarded relentless drive while overlooking the power of shared accountability, structured recovery, and team-based success.

At Culture Amp, we believe performance needs to be designed. That's why we've been working "in the lab," experimenting with new ways to understand, approach, and evolve performance management. We've been testing how feedback, goal-setting, and leadership behaviors shape sustainable high performance. This report is the result of that work. I may be biased, but it is groundbreaking research that challenges old paradigms and offers new ways forward – helping thousands of organizations put them into practice.

This report challenges a deeply ingrained assumption: that high performance is a personal trait, something a few exceptional employees possess while others simply don't. Our research tells a different story. Performance isn't fixed. Instead, it is cyclical. It's shaped by environment, leadership, and team dynamics. The best teams know this, and they design for it.

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Sports teams have high performance figured out. They rotate players and utilize the bench as a strategic lever. We don't see the same mentality in the business world. But why not?

This report is a call to action. It's about shifting from a culture of burnout to a culture of sustainable high performance. It's about designing workplaces where high performance is an ongoing reality shared across all levels of an organization.

At Culture Amp, we believe that when organizations invest in people, people drive organizations forward. And if we get this right, in both perspective and practice, we'll build companies where high performance can multiply.

The future of work won't wait. Neither should we.



JUSTIN ANGSUWAT

Chief People Officer at Culture Amp

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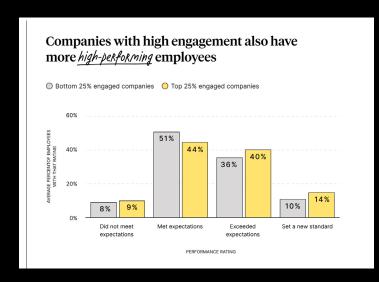
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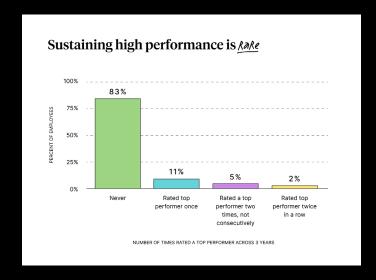
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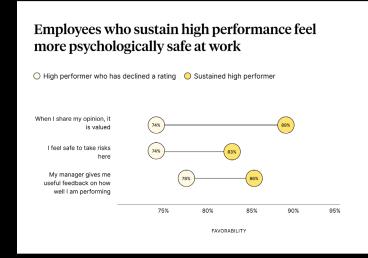
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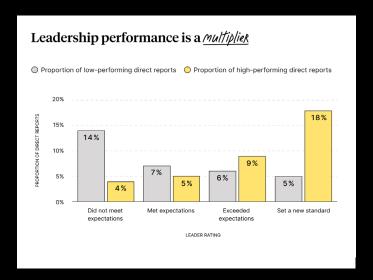
Four charts that define sustainable high performance today

High performance is an outcome of the workplace environment, but only 2% of employees sustain high performance over multiple cycles. Our data suggests that engagement, psychological safety, and strong leadership create the conditions that make this possible. If companies want sustained high performance, they have to design for it.



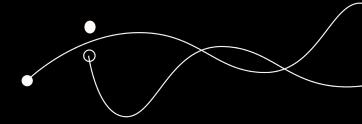






In this Report, we take a closer look at these and other insights emerging from Culture Amp data.

As workplaces change, performance must evolve



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Leaders and employees are unhappy with how performance is managed. 27% of employees don't believe the process is fair and 58% of HR executives say it fails to drive meaningful outcomes.

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Performance management has come a long way. It was originally built to assess potential and progress and guide pay decisions in a world where budgets could accommodate rising talent. Over time, it evolved to include growth and development.

But when the macroeconomic environment puts a **squeeze on resources**, organizations tend to revert to old habits. They limit high ratings and prioritize financial stability over talent development. That makes sense, but the world of work has changed.

Globalization, economic downturns, and now generative AI are transforming industries, forcing organizations to rethink how they operate. Meanwhile, the labor market is shifting.

According to Glassdoor's Lead Economist, Daniel Zhao, **half** of the workforce plans to pivot careers in 2025, signaling dissatisfaction with the status quo. The pressure to perform has never been higher, and employees aren't responding well to the way they're being evaluated.

Culture Amp data shows that one in four employees question whether their performance evaluation was fair (27%). Meanwhile, according to <u>Deloitte</u>, 58% of HR executives say their performance management systems are failing to drive engagement and performance.



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"Employees concerned for their jobs will be more sensitive to signs that their employers are looking to cut them. Poor performance reviews or PIPs will be looked at skeptically and questioned, especially if it comes after a period of strong performance. While employers and managers may feel their performance ratings are objective, employees who have historically been strong performers may feel like they're being unfairly expected to achieve even more with less in the current environment."



DANIEL ZHAO

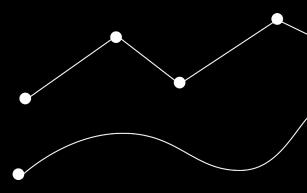
Lead Economist, Glassdoor

The dissatisfaction among both employees and leaders makes it clear: Performance management is stuck between where it was and where it needs to go.

This affects everyone, but the toll it takes on high-performing employees deserves special attention. How can companies use performance management to encourage high performance, recognize high-performing employees, and support them in continuing to perform at that level?

The systems that worked in the past weren't designed for today's pace of change. At Culture Amp, we're exploring what it takes to design sustainable high performance with impact – not just for the next quarter, but for the next decade.

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Burned-out employees cost companies up to \$21,000 per employee annually, while organizations that prioritize performance management are 4.2x more likely to outperform competitors.

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As businesses strive to deliver meaningful results, boosting employee performance is critical. But this **doesn't mean working them to the bone**. In fact, that's a sure way to create a culture of burnout, quiet quitting, resenteeism, and rage quitting.

Burnout is a byproduct of how organizations manage performance. It occurs worldwide and is costly for employee and employer alike. According to Deloitte, poor mental health costs employers £51 billion per year – and that is just in the UK. A US-based study found that burned-out employees cost their company between \$4,000 and \$21,000 per employee per year.

"The modern CFO's job is to maximize value creation, and that starts with people. Employees execute on strategy and drive innovation, but without visibility into their performance, the leaders are left to make decisions in the dark. Tools that give insight into employee performance - along with what motivates and engages them in their work - is critical. We can't improve what we can't see."



CAROLINE RAWLINSON

Chief Financial & Operating Officer at Culture Amp

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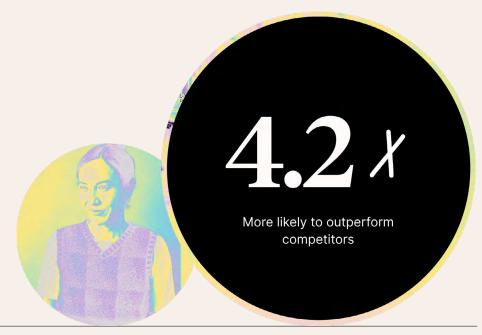
Taking a strategic approach to performance can help companies avoid burnout and see stronger, more consistent business outcomes. The financial upside of investing in performance is just as striking.

Over the last two years, companies who were above average in recognizing the right people for their performance outperformed below average companies by **5% in share price** in the following 6 months.

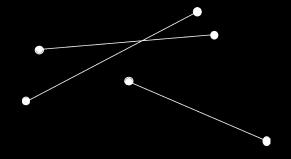
<u>Mckinsey's 2024 performance report</u> found that organizations that priortize employee performance are:

- 4.2x more likely to outperform their peers
- Achieve an average of 30% higher revenue growth
- Experience 5% points lower attrition than competitors

In the next section, we'll explore the factors that contribute to high performance and what organizations can do to create an environment of sustainable performance that delivers results.



The Reality of high performance



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High performance takes longer than expected to achieve. And only 2% of employees can sustain it cycle to cycle. Psychological safety may be the key. 01 Letter from our CPO:
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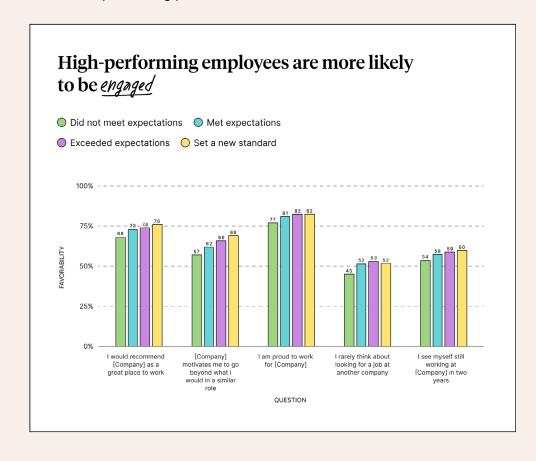
Leaders at every level talk about high performance as a goal, but what do we actually know about it? What factors contribute to it, and how does it shape the employee experience?

To answer these questions, we analyzed engagement and performance data across 1.5k organizations worldwide and over half a million employees, looking for patterns in how high-performing employees experience their workplaces compared to their peers.

We compared sentiment data, workplace experience scores, and performance ratings, uncovering insights into what drives high performance and how organizations can create the conditions for it to proliferate.

Employee performance doesn't exist in a vacuum

One of the most consistent findings in our research was the strong link between engagement and performance. High-performing employees are more engaged at work. We saw a particularly stark gap between low- and high-performing employees when we looked at their motivation to go above and beyond, with high-performing people 12% points more motivated than their lower-performing peers.



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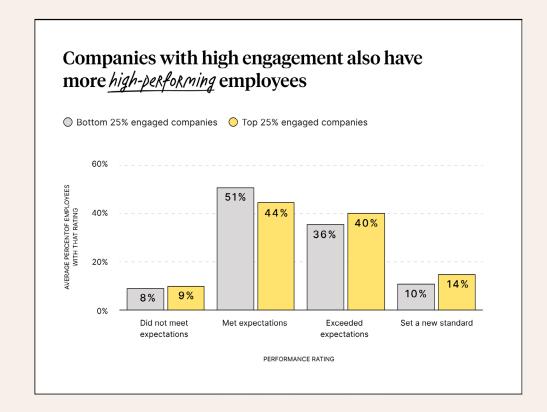
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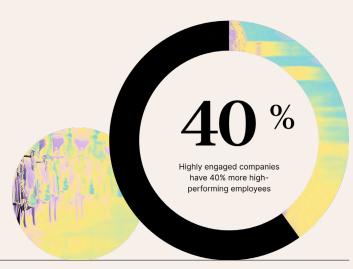
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This insight is intuitive – of course people who are recognized for their high performance feel more engaged at work. We know from our prior studies that high-performing employees are more energized and uniquely motivated by constructive feedback. What might be less intuitive is the impact of higher engagement on employee performance.

High performance and engagement are reciprocal

When we looked at companies that scored in the **top 25%** for engagement, we found that they had a significantly higher proportion of high-performing employees than companies in the **bottom 25%** for engagement.





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<u>Engaged employees</u> tend to be more motivated, better focused, and more resilient, all of which contributes to strong performance. So, it makes sense that companies with more engaged employees would also have more high-performing employees.

This **reciprocal relationship** between engagement and performance sends companies everywhere a message that engagement and performance are not at odds but deeply interconnected.

Companies don't have to choose between engagement and performance

Some businesses fear that prioritizing engagement might come at the expense of performance. We found the opposite: Companies that actively cultivate engagement create conditions where high performance is more likely to thrive.

TURN INSIGHT INTO ACTION

Connect the dots between employee engagement and performance with Culture Amp

Learn more



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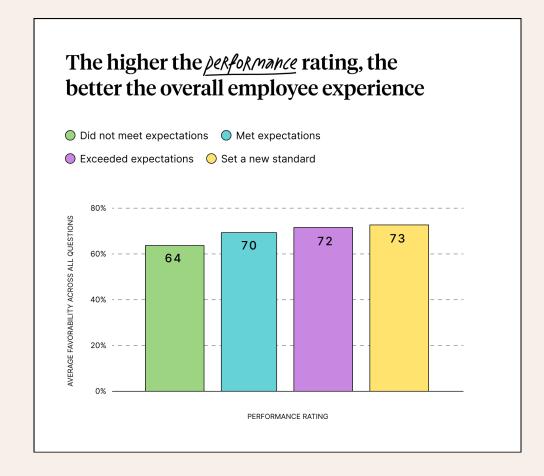
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The employee experience gets better with higher performance

Beyond engagement, we examined how high-performing employees experience work differently from their peers. Across multiple dimensions, high-performing employees consistently report better workplace experiences. We created a composite of all templated survey questions (106 questions in total) and compared favorability across performance rating groups.



While this data does not establish cause and effect, it does indicate that employees who feel supported, valued, and aligned with their work are more likely to perform at high levels.

However, as <u>we've noted in the past</u>, workplace conditions can undermine high performance. And it turns out, the workplace environment has more to do with high performance than we thought.

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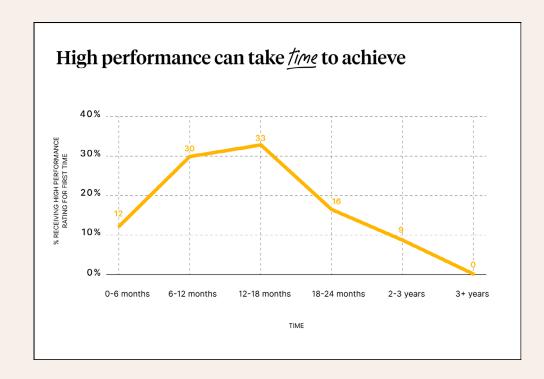
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Stop seeking unicorns - high performance is not a character trait

One of the biggest mistakes we see companies making in their approach to performance management is thinking of high performance as a character trait.

Believe it or not, even your lowest-performing employees can reach the top. When we examined how long it takes employees to earn their first high performance rating after joining a company, the data revealed something surprising: **One in four** employees didn't reach that milestone until **after 18 months** in their role.



Putting ourselves in the shoes of the employees, this finding is a bit of a relief. Isn't it? It suggests that high performance ratings reflect both employee effort and the environment around them. If high performance was a character trait, it would not take years for it to be recognized for the first time. 01 Letter from our CPO:
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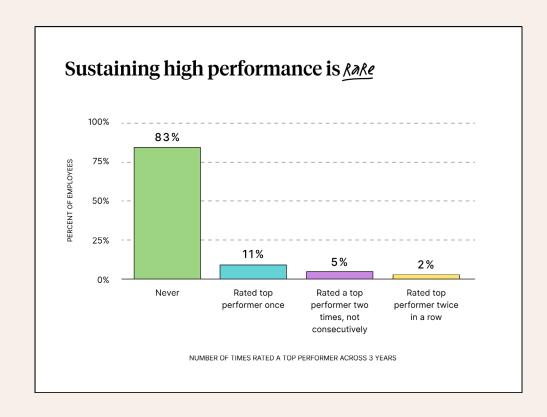
If high performance isn't a character trait, what is it?

High performance goes beyond success in role, beyond exceeding expectations. There is a timing to it – and perhaps even a bit of luck. High performance requires channeling effort into the right areas at the right time, which can feel elusive to employees.

Even the best employees can't sustain high performance

In an era where generative AI is producing at a pace humans simply can't match, the pressure to perform efficiently has never felt heavier. Like mathematicians watching the invention of the calculator, this can feel discouraging.

Across companies using Culture Amp to measure performance, 83% of employees never received a high performance rating over 6 cycles. Another 11% saw a high performance rating once in that same time period. And only 2% of the employees we looked at were able to sustain two high performance ratings consecutively.



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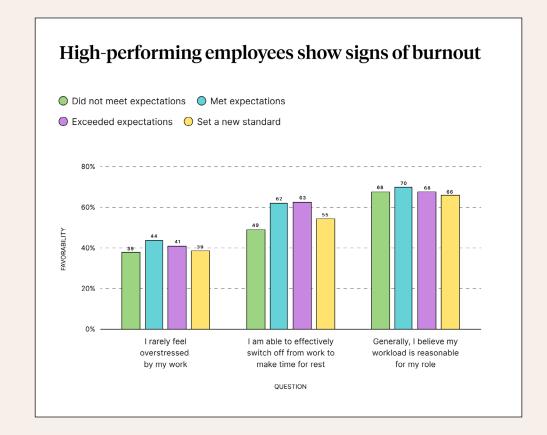
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Surely, companies just need to refine their talent acquisition strategies to find more of these high-performing unicorns, right? As a society, we love stories about hard work and perseverance and how uniquely driven people make it to the top. Those stories can certainly be motivating, but they don't reflect reality.

The data reveals that companies aren't creating the conditions in which employees can sustain high performance.

Despite being more engaged, high-performing employees show signs of burnout.

When we compared the experience of high-performing employees with that of their lower-rated peers, questions about stress and workload surfaced.



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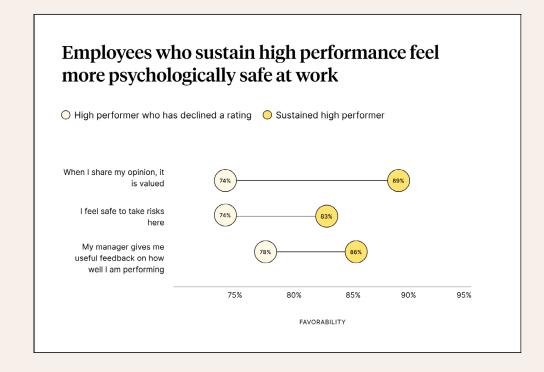
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This finding validates <u>research we did in 2022</u> that showed that topperforming employees tend to overwork themselves and need protected breaks. In this most recent study, though, we found a compelling nuance.

We looked at the small group of employees who had **sustained high performance** for two or more cycles in a row and compared them with those who had a decline in rating. And there was one noticeable differentiator: psychological safety.

Psychological safety could be the key to sustained high performance

Psychological safety – the belief that employees can take risks, voice concerns, and make mistakes without fear of retribution – creates a working environment where people can continuously grow, adapt, and improve.



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Organizations that score highly on psychological safety metrics are cultivating an environment where employees can maintain high performance over time.

When it comes to feeling safe to take risks, sustained high-performing employees score 9% points higher than their high-performing peers who experienced a decline in rating. They also have a stronger sense that their opinion is valued (15% points difference in favorability).

Google's Project Aristotle found that psychological safety was the #1 factor in high-performing teams. In fields like aviation and healthcare, when people are actively encouraged and feel safe to report mistakes, there are fewer errors, stronger collaboration, and ultimately, better outcomes.

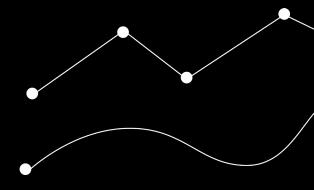
"We build psychological safety through *open doors*. You can go into any person's office and they'll make time for you and actually listen. I think "open door" is code for 'am I being seen and heard'? It is the prerequisite. You can't build psychological safety if the ability to truly listen across the organization isn't consistently applied."



JASMINE PARK

VP of People, Culture & Inclusion, Indianapolis Colts

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Data shows that when designing for high performance, companies should build out their onboarding offerings, add transparency of company goals and encourage employees to align their own goals to them, and create robust mechanisms for giving and receiving feedback. 01 Letter from our CPO:
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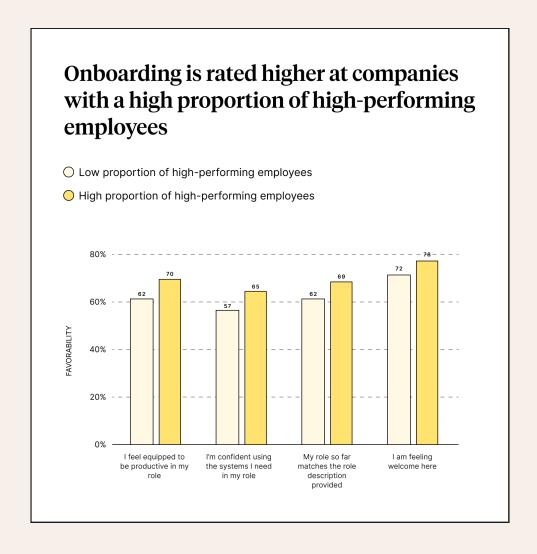
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When designing for high performance, what conditions help teams thrive? To reverse engineer this answer, we compared companies with a high proportion of high-performing employees to those with a low proportion. The data highlights several key factors that contribute to a culture of sustained high performance.

1. Setting employees up for success starts with onboarding

Companies with a high proportion of high-performing employees have stronger onboarding processes. Our data shows that onboarding is a databacked strategy for driving high performance.

At companies with more high-performing employees, new employees are more likely to feel equipped for productivity in their role than employees do at companies with a lower proportion of high-performing employees.



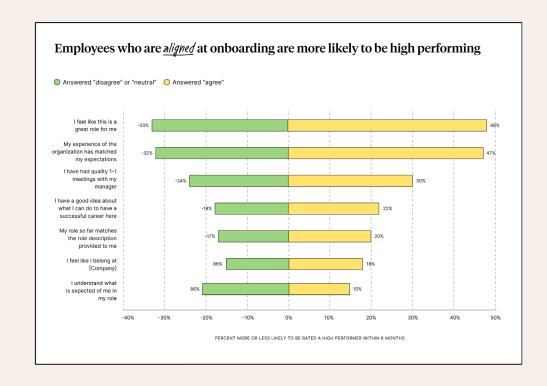
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In particular, we found that **early alignment** plays a substantial role in teeing up high performance.

Employees who agree with the question "I feel like this is a great role for me" in onboarding are 48% more likely to perform at a high level. Those who are neutral or disagree are 33% less likely to do so.



DID YOU KNOW?

Goals are the connective tissue that support organization-wide alignment

Culture Amp gives teams the tools to map goals across teams and departments to ensure everyone understands how their work contributes to the company's success.

Learn more



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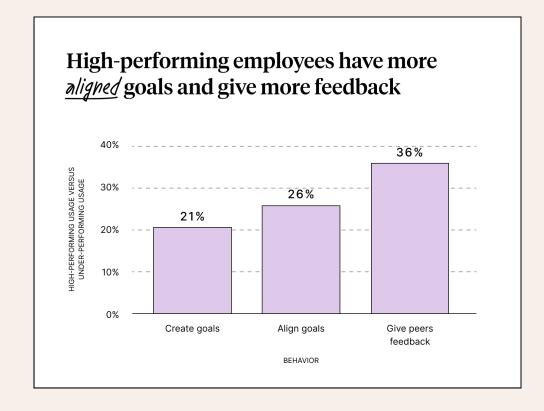
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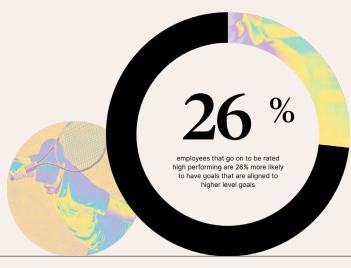
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2. Goal setting and peer feedback drive alignment and results

Employees who become high-performing create and align their goals to company objectives more often than their lower-performing peers by 21% and 26% respectively. They also provide 36% more feedback than lower-performing employees.



These behaviors of high-performing employees speak to broader workplace norms and practices. Companies that have transparent, clear, and accessible company-wide goals create the anchors of success that high-performing employees are looking for.



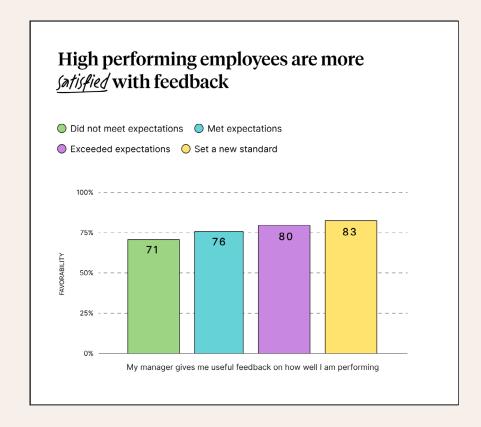
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3. Ongoing feedback is the link between results and growth

High-performing employees are more satisfied with the quality of feedback they get from their manager – 83% favorability compared to just 71% for lower-performing peers.



This effect holds true longitudinally. <u>Employees who receive more effective</u> <u>feedback are more likely to see their performance ratings improve over time</u>, reinforcing the idea that performance is situational. It's shaped by the feedback and guidance employees receive.

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"The linkage analysis Culture Amp's People
Scientists ran demonstrated that the quality of our
managers' constructive feedback predicts future
performance more accurately than past ratings. It
confirms what we already knew — that continuous,
effective feedback is essential, especially when it
comes to supporting our high performance culture.
Running linkage analyses like this has helped us to
prove assumptions that might be based on anecdotal
evidence or external research."



MELISSA SHILCOCK

Global Head of Organisational Effectiveness, Group M

TRANSFORM WORKPLACE CULTURE

How can organizations drive change at scale?

Culture Amp's tools make it simple to regularly share feedback in the moment and create a culture of continuous improvement

Learn more



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When we think about high performance, we often focus on individual talent or effort. But research, ours included, suggests that long-term success is shaped more by the systems, behaviors, and cultural norms that surround employees.

At the organizational level, McKinsey has found that up to 50% of a company's success can be attributed to its practices and ways of working. At the team level, the impact is even more pronounced – 69% to 76% of the difference between low- and high-performing teams can be explained by team behaviors.

If team dynamics and cultural conditions are the strongest predictors of performance, then organizations need to rethink how they define, measure, and cultivate success – not just for individuals but for teams as a whole.

High performance isn't accomplished alone

Picture this: You have a top-performing employee on your team – the kind of person who consistently delivers, sets a standard, and operates at a level others don't quite match. They're someone you rely on when the stakes are high.

But lately, something's different. They're slower to respond. Their work is still high quality, but a bit less sharp. They seem tired. Maybe even a bit disengaged.

You reassure them and offer support. If you can, you provide a bonus or recognition. They smile and say they're fine, but you see what's happening. They're burning out – and you're worried, because you don't want to lose them.

This is the trap of thinking about high performance at the individual level. We build our teams around a few key players, expecting them to always be out front, always pushing, always delivering. But this unrealistic expectation leads to burnout of your best employees.

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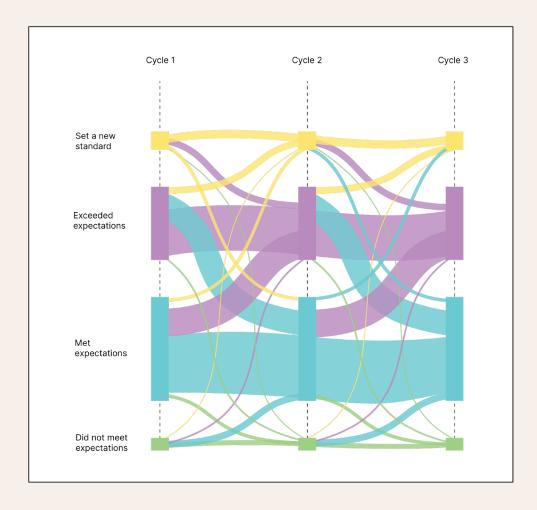
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Recognize that high performance is cyclical

Don't take our word for it – look at the data. This chart, which represents half a million employees from over 1,500 companies over three years, shows that people constantly cycle in and out of high performance.



Cycle by cycle, the wavy lines show how employees at a particular rating are rated at the next consecutive cycle, and so on.

The fact that employees cycle in and out of performance levels isn't a problem – in fact, we think it's **exactly what the world of work needs!**

The only problem here is that we've conditioned employees to see stepping back from peak performance as a failure, so they experience these natural performance cycles as negative.

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We need to think of performance as a team effort

Instead of treating the cyclical nature of performance as a problem, let's think of it as an **operating principle.**

Professional cycling teams often move in a peloton formation. The lead rider takes the brunt of the wind, allowing teammates to conserve energy. Throughout the ride, they switch positions, ensuring that no single rider carries the burden alone. Rotating to the back isn't a sign of weakness; it's **how the team wins.**

Similarly, employees naturally cycle in and out of high performance.

Sometimes, they're leading. Sometimes, they're taking time to recover.

Sometimes, they're setting up someone else to shine. But **instead of designing for how work happens**, organizations have created a performance culture that only celebrates the lead rider.

This needs to change.

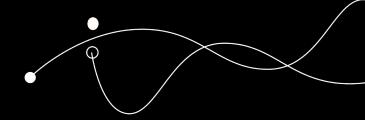
But things are so competitive right now!

Don't we know it? The global macroeconomic environment has been aggressively challenging, and companies have had to make sacrifices. Layoffs, restructuring, and budget reductions have made extrinsic employee motivators like promotions, raises, and bonuses seem untenable. With fewer rewards to go around, the idea of setting up more employees to take the lead spot seems impractical. **We really get it.**

But research tells us that teams, not individuals, are the best place to drive high performance. High-performing organizations have more than a few star employees; they build teams that create and sustain high performance over time.

If we've convinced you, but you are unsure of where to begin, **start with your leaders.**

Leaders are multipliers



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Leader performance is a multiplier, as employees mimic the behaviors they see modeled. High-performing leaders have 4.5x more high-performing employees.

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The macroeconomic environment, AI wave of disruption, social fallout from the pandemic, and heightened global politics are forcing leaders to distribute their power and attention across so many verticals that **they're getting stuck.**

Martin Moore, CEO of CS Energy, calls this experience "leadership quicksand" and coaches other leaders to pull themselves out of it by breaking old patterns of behavior that aren't working in this hyper-pressurized environment.

Creating new patterns of behavior that adapt to shifting business needs is difficult. Some leaders manage it while others struggle.

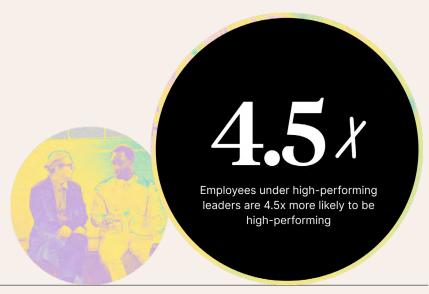
The takeaway? Leadership performance is variable, too.

When we looked at the distribution of high-performing employees under leaders across four ratings, the results were both gripping and intuitive.

Leader performance is a multiplier

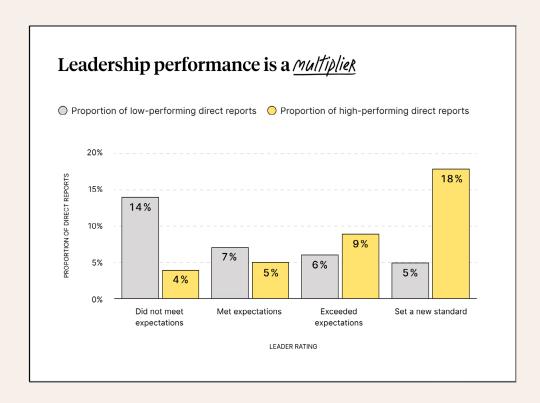
Leaders who received the rating of "set a new standard" have a much higher proportion of high-performing direct reports (18%) than lower-rated leaders. They also have the lowest proportion of low-performing employees (only 5%).

The inverse is also true. Low-performing leaders have the highest proportion of low-performing employees under them (14%).



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A leader's influence extends beyond their own work – it sets the pace for the entire team.

- Employees under high-performing leaders are 4.5x more likely to be highperforming.
- Underperforming leaders are nearly 3x more likely to have underperforming employees.



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"When our people analytics team looked at Culture Amp's own internal data, we found something interesting: high-performing leaders consistently gave more feedback and helped protect their teams from the stress of heavy workloads—no matter the individual's performance level. It's true that great employees can reflect positively on their leaders, but our insights highlight how essential leaders are in setting the stage for everyone else to succeed."



AMY LAVOIE

VP of People Science, Culture Amp

A leader's actions, decisions, and behaviors create patterns that their team follows. People take cues from their leader and adopt the same level of urgency, accountability, and quality – or lack thereof.

Employees mimic what they see leaders doing

In 2023, we found that <u>employee behavior reflects that of their manager</u>. For example, when managers take time to give continuous feedback, their direct reports are 19.7 times more likely to do the same. The mimicking of behaviors happens **for better or for worse**.

Along this same line of thinking, we checked out the broader employee experience under a high-performing leader.

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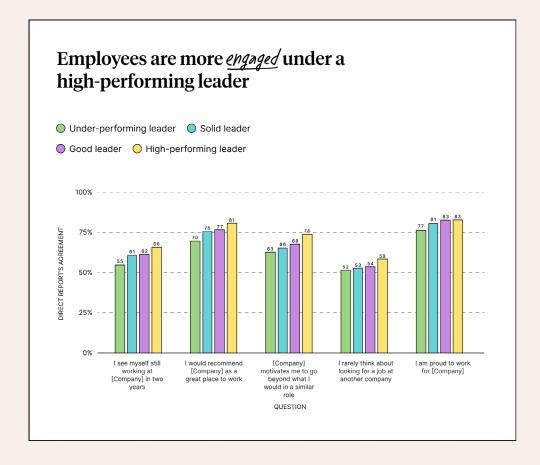
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Motivation soars under high-performing leaders

Employees are 10% points more engaged under high-performing leaders overall, and we see even higher numbers for motivation and long-term commitment to stay.



But does engagement translate to actual turnover? It turns out that, **yes**, high-performing leaders see lower turnover than low-performing leaders. Under high-performing leaders, turnover averages 16% globally. Under low-performing leaders, it climbs to 19%.

These shifts may seem small, but over time, they compound. A stable, engaged team retains knowledge, builds momentum, and delivers stronger results.

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High-performing leaders truly are doing something different

We compared "great" leaders, those rated as "setting a new standard," to leaders who were rated just below that at "exceeding expectations" – we'll call them "good" leaders. Employees under high-performing leaders appear to have a great leader advantage.

Even compared to good leaders, high-performing leaders give their direct reports a leg up.

Employees under high performing leaders have higher favorability when it comes to:

- Perception of leaders
- Engagement



High-performing leaders' employees are 5% points more favorable about their development and 7% points more informed about what is happening in the company. We also see that ever-important psychological safety popping up. High-performing leaders' direct reports are 5% points more comfortable voicing a contrary opinion without fear of retribution.

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The sweeping benefits under high-performing leaders across the entire employee experience suggest that these leaders are actually doing something different. They've avoided the leadership quicksand, mitigated the multitude of mounting pressures, and come out with stronger teams.

Leaders are one of our greatest **strategic levers** in propelling and sustaining high performance.

"It takes a village to grow high-performance talent!

This is something that we don't always appreciate in corporate life. How can we, as a People Community, escalate acceptance of the combined impact that people leaders, performance coaches, and mindset specialists have both individually and collectively?"



ALLISON ROBISON

Executive General Manager, Cricket Australia

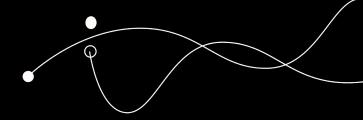
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With easy-to-understand insights and actionable recommendations to help your teams reach their full potential and drive measurable business impact.





High performance in practice



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While managing performance at the team level may sound revolutionary for businesses, high-performance environments like sports already recognize that sustainable excellence requires a focus on the collective, structured recovery periods, and valuing psychological safety.

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Team-based, sustainable high performance has already been implemented in industries where consistency, resilience, and shared leadership are essential.

Of course, <u>sports teams come to mind</u>, but there are more. Aviation, emergency response, and elite military units have all built performance systems designed for endurance and sustained high performance.

Finding value in the bench

Professional sports teams offer one of the clearest models for sustainable, team-based high performance. They set clear, measurable goals. They embrace a growth mindset through feedback and coaching. They understand that a team's collective strength comes from players leaning on each other's capabilities.

Most importantly, they utilize the bench as a strategic advantage.

Yes, the bench is sometimes used as a punitive measure against players who act up or underperform. That's not what we're talking about here. We're using the bench to describe the whole team and their combined abilities. The bench provides a psychological safety net – a reminder that a player doesn't have to push through exhaustion, injury, or a bad game alone.

When strategically implemented, the bench extends careers, prevents burnout, and keeps the entire team performing at a high level.



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Conclusion

For too long, we've treated high performance as a fixed trait that some employees have and others lack. But performance isn't static. It ebbs and flows, shaped by the environment, the support systems in place, and the conditions employees are working within.

Sustained high performance is a **collective outcome** that happens where organizational strategy, team dynamics, and individual behaviors all converge – and it requires collective effort.

For companies, the biggest challenge is finding ways to act on this information. Most of what we've uncovered is intuitive: Teams perform better when they support each other, when rest is built into the system, and when accountability is shared. **But the most obvious truths are often the hardest to implement.**

Leaders have the power to change the way performance works in their organizations. It starts with asking different questions.

What should leaders ask themselves?

- Are we designing performance systems that recognize and support natural cycles of peak effort and recovery?
- How do we rethink accountability not just as pressure, but as a shared commitment within a team?
- Are we making high-performance sustainable, or are we pushing people until they break?

The way we think about sustainable high performance has to shift. The best-performing teams already know that high performance is a collaborative effort. It's time for the rest of us to catch up.

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This study examined performance management data from **over 567,000 employees across 1,517 companies,** providing a broad, cross-industry global perspective on the factors that drive and sustain high performance.

Regionally, 19.8% of companies we sampled are in APAC, 20.7% from companies in EMEA, and 59.5% from companies in North America. 65.8% of these companies had under 200 employees, 27.9% had 200-1000 employees, and 6.3% had 1000+.

Our sample also spanned industry. Of those industries represented most: 28% of companies are new tech, 19% are companies in professional services, 9% in creative and media, 6% in the construction and heavy industries, 5% in technology, science, research, 5% in retail, and 5% in healthcare.

To ensure consistency across organizations, we standardized performance rating scales into the following four categories:

- Needs Development (1) Employees identified as underperforming (median: 4% of workforce)
- Consistently Meets Expectations (2) Employees meeting role expectations (median: 45%)
- Often Exceeds Expectations (3) Employees consistently surpassing expectations (median: 33%)
- Sets a New Standard (4) Employees recognized as top-performing (median: 8%)

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This research spanned talent groups at Culture Amp, bringing together expertise from our internal People team and people scientists across our research, product, and customer-facing teams. It integrates insights from a literature review, internal people analytics of performance trends, and a replication and expansion by the research team of Culture Amp's 2022 study on high performance.

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A Culture Amp research report

