3 reasons why your employees may be underperforming - Culture Amp

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Executive Summary

Culture Amp's research analyzes underperformance among 200,000+ employees across 741 companies to identify root causes beyond individual capability gaps. The study reveals three primary factors driving low performance: lack of clear goal-achievement strategies, role misalignment due to recruiting miscommunication, and inadequate managerial support. The research employs longitudinal tracking and standardized performance ratings to demonstrate that 70% of underperformers who remain with their organization for one year improve to solid performer status. The findings challenge traditional assumptions about underperformance being solely employee-driven, instead highlighting systemic organizational factors including strategic communication gaps, role clarity issues, and managerial capability deficits as primary contributors to performance problems.

Key Insights

1. 70% of underperformers who remain with their company for one year improve to become solid performers, indicating performance is fluid rather than fixed
2. Underperforming employees show uniquely high correlation between motivation and having a clear strategy for goal achievement, more so than other performance groups
3. Role misalignment from recruiting miscommunication is the second most predictive factor for underperformer commitment issues, above job search likelihood

Practical Takeaways

- Conduct process-mapping exercises with underperforming employees to identify gaps between their current approach and optimal task completion paths
- Implement early-tenure check-ins during onboarding asking 'Is the role meeting your expectations?' and 'What has surprised you about the role?' to catch role misalignment issues

Critical Analysis

Strengths include large sample size (200,000+ employees), longitudinal methodology, and standardized performance ratings across companies. The research challenges conventional wisdom about underperformance causation. However, the study comes from Culture Amp, creating potential bias toward solutions that align with their platform capabilities. The methodology lacks detail on performance rating consistency across organizations, and the 'bottom bucket' definition varies widely (0-20% range). The proposed solutions, while logical, aren't empirically tested within this study.

Organizational Practice

Organizations define underperformers as employees rated in the bottom performance bucket by managers and peers, typically comprising 0-20% of workforce with 4% median. Companies track these employees longitudinally and find 70% improve to solid performer status within one year when retained.

Strategic Implications

The research suggests organizations may be misattributing underperformance to individual deficits when systemic factors like strategic clarity, role alignment, and managerial capability are primary drivers. This implies performance management systems may need to shift focus from individual remediation to organizational support structure improvements.

Validation Status: passed
