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Leading A Team With
Key Performance Indicators (KPIs)

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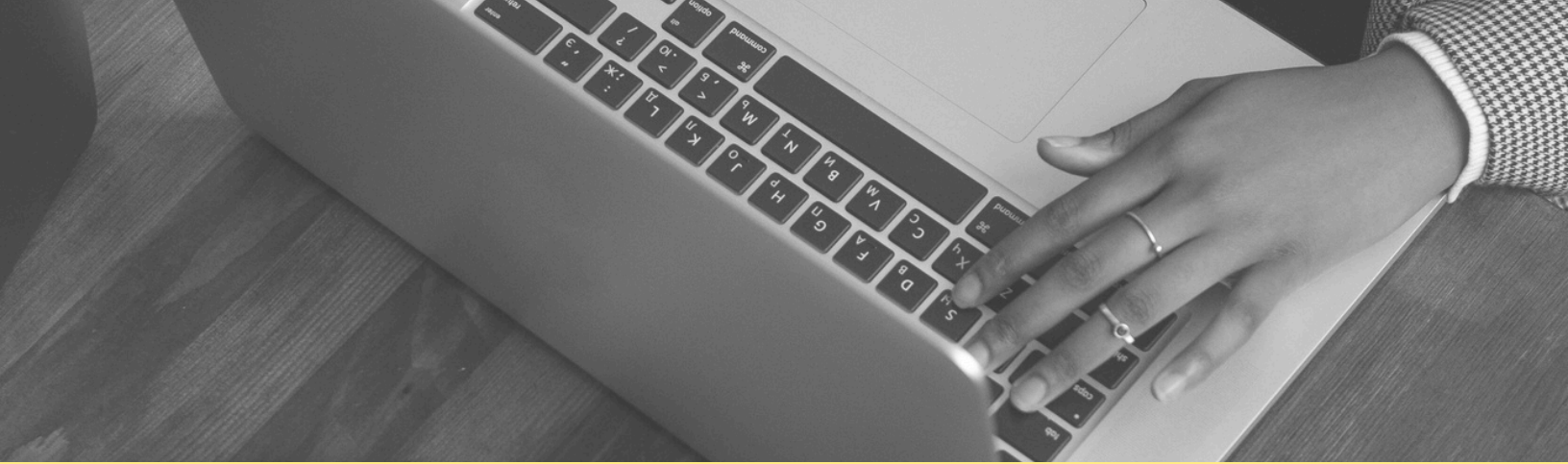
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By: Riley Stout

In the modern era, numbers and counting are essential to scientific study and technological advancement. In the coming years, the integration of performance metrics will only deepen as AI and other cutting-edge technologies take form. We must lead with metrics.

One individual most notable for her proper use of numerical measures was Florence Nightingale. She was a British volunteer providing medical care to soldiers in the Crimean War of 1853. Upon her arrival, she was devastated to find the medical treatment of soldiers "utterly chaotic, unsanitary, and inhumane"[1].

Resolving these unbearable, unsanitary conditions was well beyond the scope of the meager medical staff and volunteers: the overflow of raw sewage from public drains[2], the cross-contamination of overused supplies[3], and exhausted overworked medical staff[3].

To overcome these insurmountable challenges, she counted the probable causes of death for each patient. She sent an extensive report of her findings back to the British Parliament: a rose chart[4].

Finding that the highest cause of death was from poor sanitation and preventable diseases as opposed to battle wounds, the British Parliament not only sent the proper support to resolve the issues that she revealed but also supported Nightingale in founding the first nursing school in 1860[3]. For this achievement, Nightingale is considered the mother of modern nursing and a pinnacle figure in public health.

[Figure 1] : Florence Nightingale[5]

Florence Nightingale demonstrates the immense power that proper metrics have on not only caregiving but also the survival of common people.

In every organization across the globe, leaders are looking for ways to provide meaningful impact. This article will explore how leaders can effectively utilize key performance indicators (KPIs) to drive team success, improve decision-making, and foster a performance-oriented workplace culture.

KPIs, when used appropriately, are a vital framework for aligning business goals, tracking progress, and enabling leadership clarity. They are an essential tool in modern organizations and should be properly implemented in your organization.

This article will address the following points:
1. The benefits of KPIs in your organization.
2. The consequences of misusing KPIs.
3. How to align KPIs for your team.

The Advantages of KPIs in Leadership

A *key performance indicator (KPI)* is a measurement of an individual or team that is used to track progress and make decisions. There are many examples in business: income, retained earnings, the company's value of assets, or the number of new clients; however, we use similar metrics in our everyday life: grades in a class, your waistline in inches, how much money you made this month, the remaining time left on the microwave, and the number of hours spent with your family.

Key Performance Indicators (KPIs) are guiding metrics that are fundamentally unavoidable and underutilized. Drawing attention to these measures will not only enable thoughtful decision-making but open to insight you would otherwise miss.

Today, business success is fostered by settling into seemingly perpetual and growing trends. More than ever, AI and new technologies create market uncertainty and turbulence. What is to be done?

Successfully implementing KPIs has substantial leverage in competitive markets, foundations for growth, internal complexities, and mindful action[6]. Additionally, individuals who utilize KPIs are bound to outperform and advance in their careers despite challenges and setbacks.

Dashboards display KPIs and are vital for monitoring performance. A study by the Massachusetts Institute of Technology's Center of Information Systems Research (CISR) investigated the impact of effective dashboard implementation on various organizations' internal and external performance[7]. In the study, organizations were ranked for their dashboard usage and their performance in their respective industry. Some results are displayed in Figure 2.

Those who measured their dashboard usage to be in the bottom quartile (white) are measured against the top quartile (yellow). The top quartile of dashboard usage ranked up to 42% higher in leadership quality than those in the bottom quartile; furthermore, top-performing '*dashboarders'* dominate in their industries as opposed to their non-dashboarding counterparts.

Dashboards primarily direct employees to actionable areas of improvement. Figure 2 therefore reveals that focusing on effective KPIs empowers leaders to implement thoughtful leadership and meaningful organizational change.

KPIs have many benefits, but what do they do?

By bringing numbers to the forefront of communication, KPIs establish three objectives: *clarity, alignment, and accountability*.

Clarity is obtained when KPIs reveal insights into the capacity and scope of operations. By integrating KPIs, ambiguity is eliminated by setting expected performance.[8]

Alignment is from selecting essential KPIs that correspond to the success and expectations of the

The Role of KPI Dashboards on Performance
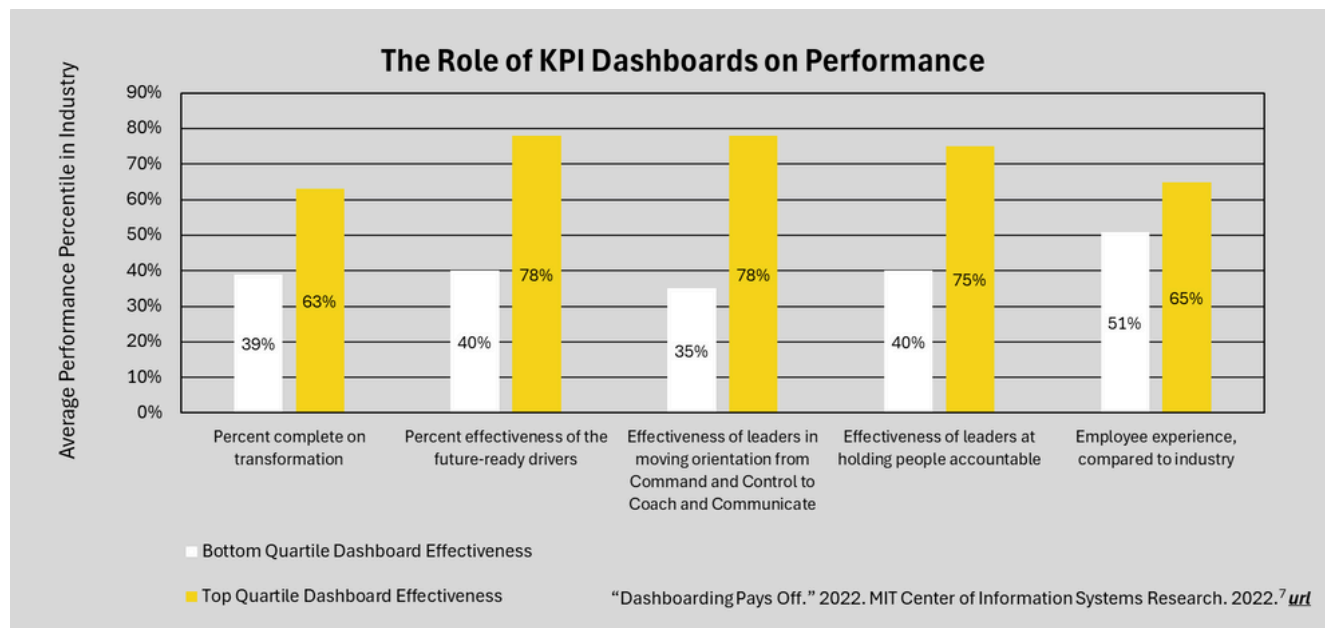
[Figure 2] : Bar Graph of KPI's Effect on Performance[7]

organization. Employees align resources and energy to accomplish key tasks.[9]

Further, **Accountability** is from an objective comparison of KPIs to either historic or parallel performance. KPIs answer the questions of "Did you do your job?" and "How can we improve?"[10]

Despite numerous advantages of KPIs, the misuse or mis-implementation of KPIs has the opposite effect. Immaturely using KPIs kills team unity.

The Dangers of Misusing KPIs

KPIs are powerful and influential to organizations for better or for worse. Mis-implementation, misuse, and misinterpretation of KPIs can have serious negative consequences at all levels of a business. Avoiding KPIs altogether is also consequential.

KPIs are key—performance—indicators, they indicate performance. In the example of a microwave oven, if you were to microwave a plate of food for 45 seconds then you likely can see the progress of the microwave. You can see as the seconds count down. You understand that when you see "20" flash on the screen, that's how many

seconds you have left: 20 seconds. That does **not** mean that when you take your food out it will be the desirable temperature. It does **not** mean the microwave is working properly. More importantly, it does **not** mean that you won't ever have to clean the microwave. Even more tragically, it does **not** mean you didn't put metal in the microwave (a dangerous and unadvised feat).

Teams, like a microwave, have so many unexpected and consequential operations that they cannot be measured by a singular metric. A team, like a microwave, must be used properly.

An ideal team is much like an ideal microwave. An ideal microwave doesn't require a time input, it measures the temperature of the food and warms it up to the most desirable temperature, it monitors for foreign objects that shouldn't be microwaved (i.e. metals, foams, plastics) and notifies you when this or other critical errors have been made. It cares less about performing in an exact timeframe and more about the desirable results despite the varying (and sometimes counterproductive) demands. A team (or magic microwave) knows its relationship with the world: capabilities, ideal performance, and ways to improve.

Do not incite fear alongside your KPIs. Sometimes we get carried away. Pushing a metric too hard can discourage, decrease innovation, or—even worse—motivate with fear. Worrisome, fearful employees don't look to improve the business. They don't innovate. They don't pursue excellence for the sake of excellence. They try to survive. They look for greener pastures, a cave to hide in, and to slaughter the attacking pressures. If your team was a microwave, yelling out the time displayed on the screen is not productive.

Over-pushing KPIs is putting your team between a rock and a hard place. Instead, your use of KPIs should be holistic: reflect the exact nature of the larger company objectives, advocate for the team, and be accompanied by an abundance of supporting resources. Holding KPIs over the heads of employees can feel like a guillotine. Don't let any metric, KPI, goal, or figure stand between you and common human decency. **Respect your peers; I repeat—do not incite fear alongside your KPIs.**

Alternatively, a lack of KPIs is another issue. Imagine if a microwave never told you how much time it has left. You're in the dark. You are left to your own intuition or ability to count – no real bearing on how far along or how complete the task has become.

Leaders who feel they have no control lack meaningful KPIs. They may see improvement, but they don't know by how much. They complete meaningful tasks, but they often are unaware of the scope of their work, its impact, or the progress they drive—or don't. They struggle to tell you how they feel about their job, or how they are doing because none of their views are based on objective measures. These are "gut feeling" leaders. None of their decisions will be supported by their peers because "gut feelings" are seldom transferable. These leaders lose respect from both their superiors and their subordinates because the only real skill they have is "gut feelings" which, in all reality, is abundant. **Be better than a "gut feeling" and make decisions based on objective KPI measures.**

Using KPIs and not over-pushing them gives you the best of both worlds. While it is a good idea to measure what you can to gain insight, not every KPI leverages a better strategy. Starting is half the battle; however, co-workers appreciate developed ideas, a thoughtful implementation strategy, and forewarning.

The Influential Power of KPIs Among Peers

When properly used, KPIs lead for you: inform, communicate, motivate, innovate, investigate, diagnose, and empower. Superiors appreciate the insight. Subordinate perspectives broaden.

Imagine a peer who leads another team in your company. Your boss asks them how their team is doing; they answer with a simple "It's going well, no problems to report." What they really want to know is actually so much more. Whether they realize it or not, they want to know how much the team is growing, whether you are doing well or poorly in changing markets, the level of competencies your team has, and the secrets to your success—and failures.

A comprehensive report of KPIs will not only impress, but also your boss can carry that information to their boss and prove competence and comprehensive understanding of the current state of your sector of the organization. Their future decisions regarding your team will likely be based on what you provide them. This is not only a way to empower your superiors with detailed insight, but you also have control of that insight.

Empower your subordinates to also make decisions based on objective KPI measures. By displaying KPIs to your subordinates you empower them to make educated and informed decisions. The change from, *"I think I need to …"* to *"I know I need to …"* is subtle yet potent. Identifying the objective need for a task is the same as setting that task up for completion. To-do lists, schedules, and job descriptions are only a few tools that outline this fundamental principle.

Displaying team performance automates self-correction. As humans we have the inherent desire to achieve; sometimes this desire is overshadowed by the desire to not fail. To avoid that fear of failure, we must align company failure with our team's failure.

Identifying the right KPIs for a team requires a deep understanding of the team's designated tasks.

We do this by identifying the few essential functions that must be completed to operate—**Priority 1**. For a standard team, this is ideally between 50% to 90% of a workday and may fluctuate due to company demands.

Helpful secondary activities, maintenance, and supporting other groups in the organization are also tasks to identify—**Priority 2**. These activities may range between 5% to 35% of a workday and also may fluctuate due to varying demands.

Lastly, tertiary activities are neither essential nor urgent—**Priority 3**. These activities are not money-making activities. They are "downtime". Although not directly profitable, some of the greatest innovations surface during such periods. By planning for these periods (and applying KPIs to direct focus), you can reveal opportunities for improvement. These "downtime" activities are often 0% to 20% of overall operations. See Figure 3.

By categorizing your activities into these three levels of priority and applying appropriate KPIs to each, you can lighten the corporate pressures of performance while demonstrating achievement to your superiors: essential task completion (Priority 1), supporting activities (Priority 2), and innovative opportunities (Priority 3). Additionally, your team has the comfortable clarity of directing their focus toward the essential tasks (Priority 1), receiving recognition to accomplish secondary tasks (Priority 2), and communicating growth opportunities to you and your superiors (Priority 3). A summary of your team's achievement might look like the following:

The Asset Team Weekly Report: [DATE RANGE]
1. **Team-Assigned Tasks Complete:** 72/72 (100%)
2. **Additional Supporting Activities:** 43 man-hours
3. **New Peer-Reviewed Ideas:** 3 (detailed below)
...

[Figure 4] : *Example Report*

Depending on your organization, your activities—and KPIs measuring them—may look extremely different. Chances are, you either already know what they are, or you have a good idea. Regardless of the situation, KPI measures should be informative and objective.

Developing KPIs suited to your needs can be challenging, here are principles to consider:

Category	Est. Time	Focus	Reveal
Priority 1	50-90%	Inside Team	Are we completing our duties?
Priority 2	5-35%	Outside Team	Are we fulfilling our purpose?
Priority 3	0-20%	Future	Are we looking toward the future?

[Figure 3] : *Table of KPI Category Emphasis*

- **Perpetual:** will this measure be consistently revisited in the foreseeable future?
- **Pertinent:** does this measure delineate exceptional from poor performance?
- **Quantifiable:** can I formulate a percentage, ratio, graph, or other telling information from this measure?
- **Emotionally Independent:** Giving yourself a subjective score, such as a 5-star rating, is not telling. If used, these emotionally based measures are best from customers about their quality of service or employees' sentiment regarding their superior.
- **Omnipresent:** Is the measure fundamental to everything that you do? Is it present and applicable in every portion of your job?

After you take a second to identify which measures may be best for your purposes, we can take a look at how this may be applied to the individual members of your team. Using the KPIs from the example report in Figure 4, we can partition, schedule, and delegate as appropriate. This may come in the form of an individual's "Weekly Summary" demonstrated below in Figure 5:

John Doe's Weekly Summary for [DATE RANGE]

Priority 1:

Task	Recomended Completion time	Due Date	Completed ✅
Task 1	[Date & Time]	[Date & Time]	☐
Task 2 ...	[Date & Time]	[Date & Time]	☐

Priority 2:

Task	Estimated Time Worked (hrs)				
	Mon	Tue	Wed	Thu	Fri
Assisting Department B					
Cleaning Workplace					

Comments/Ideas for Innovative Improvement:

_____

[Figure 5] : Example Assignments

Designing a clear connection between subordinate performance and the overall team performance bridges divides, increases job significance, enables supportive communication, and provides projections for growth.

Moving Forward

Depending on the design of your organization, your and your team's performance likely is already being measured. Either by objective measures or the "gut feelings" of your superiors, you are already being judged. Do your co-workers a favor: take control of your performance and your boss's perception of you by thoughtfully applying KPIs.

About The Author

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Riley Stout is a driven analytical thinker with a diverse background in engineering, business strategy, and vocal performance. Currently completing his bachelor's degree through BYU, he combines technical expertise with real-world leadership experience. With a passion for continuous improvement, Riley is committed to driving success by aligning goals with measurable outcomes.

Riley also enjoys singing, frisbee golf, personal fitness, and nerdy board games. Riley often finds himself deep into spreadsheets, programming, 3D modeling, and other technical projects.

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"In God we trust. All others must bring data."
— W. Edwards Deming (Statistician and Quality Management Pioneer)

"What gets measured gets managed."
— Peter Drucker ("The Father of Focused Innovation")

"Without data, you're just another person with an opinion."
— W. Edwards Deming (Statistician and Quality Management Pioneer)

"If you don't know where you are going, you will probably end up somewhere else."
— Laurence J. Peter (Author of The Peter Principle)

"You can't improve what you don't measure."
— Michael Dell (Founder & CEO of Dell Technologies)

"However beautiful the strategy, you should occasionally look at the results."
— Winston Churchill (Former UK Prime Minister)

"Every line is the perfect length if you don't measure it."
— Marty Rubin (Writer and Thinker on Metrics and Life)

"If you torture the data long enough, it will confess to anything."
— Ronald Coase (Nobel Prize-Winning Economist)

"A goal properly set is halfway reached."
— Zig Ziglar (Motivational Speaker and Author)

"There's no sense in being precise when you don't even know what you're talking about."
— John von Neumann (Mathematician, Computer Scientist, and Physicist)

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