

• TEAM PERFORMANCE • GUIDE

## How to improve team performance, *for good*

Most attempts to lift performance reach for pep talks and targets, then fade within a fortnight. Lasting improvement is quieter and more deliberate: understand what is really holding the team back, build the capability to fix it, and track the change. This is how to do it without the hype.



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**Reading time** 12 min · **Method** Upleashed 0 to 5 capability framework · **Updated** May 2026

### THE SHORT ANSWER

To improve team performance, start by diagnosing the real constraint rather than pushing harder on effort. Performance comes down to three things: clear direction, genuine capability, and a working environment. Measure where your team's capability actually sits, close the gaps that matter most, remove the obstacles in people's way, and track the results over time. In short: **diagnose the constraint, build the capability, clear the path, and measure the change.**

#### KEY TAKEAWAYS

- **Performance is not effort.** A team can work flat out and still underperform if direction, capability or conditions are wrong.
- **Diagnose before you act.** Most performance problems are a capability, clarity or environment problem, not a motivation problem.
- **Capability is the lever you control.** Build the specific skills the work needs and performance follows; it is measurable and improvable.
- **Engagement compounds it.** Gallup's research links the most engaged teams to materially higher productivity and profitability.
- **Track the change.** Measure capability and outcomes over time so you know what is working and can prove the gain.

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## What "team performance" *actually is*

Team performance is how well a group turns its effort into results that matter. It is tempting to treat it as a simple function of how hard people try, but effort is only one input, and rarely the one holding a team back.

### Performance is a system, not a slogan

A useful way to think about it: performance is the product of **direction** (does everyone know what good looks like and why it matters?), **capability** (can they actually do the work to the standard required?), and **environment** (do the tools, processes and conditions let them?). Weakness in any one drags down the whole. A brilliant, motivated team with the wrong tools will still struggle, and no amount of cheerleading fixes a genuine skills gap.

### Effort is not the same as performance

This is the trap most managers fall into. When results dip, the instinct is to ask for more effort. But a team can be working flat out and still underperforming because the bottleneck is elsewhere: unclear priorities, a missing skill, a broken process. Pushing harder on effort when the real constraint is capability just burns people out while the underlying problem remains. Improving performance starts with finding the actual constraint.

## The lever you most control is capability

Of the three drivers, capability is the one a manager can most directly and reliably build. You may not control the market or the budget, but you can grow what your team is able to do. And because capability can be measured on a clear scale, you can see exactly where it is short, lift it deliberately, and watch performance respond. That is why a capability view sits at the heart of any serious performance plan.

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### — WHY IT MATTERS NOW

## Better teams are *measurably* better businesses

The link between how a team functions and what a business achieves is not soft or sentimental; it is one of the most heavily evidenced findings in management research. When teams perform better, the numbers move.

23%

GALLUP, 2024

higher profitability in the most engaged teams compared with the least engaged, across 183,000+ business units.

18%

GALLUP, 2024

higher productivity in top-engagement teams, alongside lower turnover, absenteeism and defects.

70%

GALLUP, 2024

of the variance in team engagement is explained by the quality of management, the part you can change.

Two things stand out. First, the gap between high- and low-performing teams is large and shows up straight on the bottom line. Second, and more encouraging, the single biggest factor is something within a manager's control: how the team is led and developed. Performance is not fixed by the people you happened to hire; it is **built by how you direct, develop and support them**. That is the work this guide lays out.

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### — THE METHOD

# Seven steps to improve team performance

This is a diagnostic approach, not a motivational one. Work through it in order: understand the real constraint first, then act on it, then prove the change. Skipping the diagnosis is why so many performance pushes fail.

1

## Define what good performance looks like

You cannot improve what you have not defined. Get specific about the outcomes that matter for your team, quality, speed, reliability, service, and the standard each should hit. Vague goals like "do better" give people nothing to aim at. Clear, shared definitions of success are the foundation everything else builds on.

**WATCH OUT** Beware measuring only what is easy to count. If you track activity instead of outcomes, you will get busier teams, not better ones.

2

## Diagnose the real constraint

Before acting, find out what is actually holding performance back. Is it direction (people are unclear or pulling different ways), capability (a genuine skills gap), or environment (tools, process, workload)? Ask the team, look at where work stalls, and resist the urge to assume. The fix for each is completely different, so naming the constraint correctly is half the battle.

**WATCH OUT** Do not default to "they need more motivation". Demotivation is usually a symptom of a deeper constraint, not the root cause.

3

## Measure your team's capability

Where capability is the constraint, and it very often is, measure it properly. Score the team against the skills the work needs on a consistent scale, so you can see exactly where the shortfalls sit. This turns a vague sense that "we struggle with X" into a precise map of who is strong, who is developing, and where the team as a whole is thin.

**WATCH OUT** Honest scoring matters here. Inflated ratings hide the very gaps that are dragging performance down.

## 4

### Close the gaps that move the needle

Not every gap affects performance equally. Target the skills most tightly linked to the outcomes you defined in step one, and to the constraint you found in step two. Lifting a critical, high-leverage skill by one level will do more for performance than polishing a dozen minor ones. Prioritise ruthlessly, then develop deliberately.

**WATCH OUT** Resist spreading development thinly across everything. Focus beats breadth when the goal is a visible performance lift.

## 5

### Clear the obstacles in the way

Capability only converts to performance if the environment lets it. Hunt down the friction: clunky processes, missing tools, unclear handovers, competing priorities, needless approvals. Often the fastest performance gains come not from people getting better, but from removing the things stopping good people doing good work. Ask the team where they waste time; they always know.

**WATCH OUT** Do not ask people to work around a broken process indefinitely. Fix the process, or the same drag returns next month.

## 6

### Build the conditions for engagement

Engaged teams perform better, and engagement is shaped largely by how they are managed: clear expectations, regular feedback, genuine development, and recognition for good work. These are not perks; they are performance levers. The same research that links engagement to profit also shows that the manager's behaviour is the biggest single influence on it.

**WATCH OUT** Engagement is not an annual survey. It is built in the day-to-day, through how you run one-to-ones, feedback and development.

## 7

### Track performance and capability together

Close the loop by measuring both the outcomes and the capability behind them, over time. When you can see capability rising and performance following, you know your interventions are working, and you can show it. Re-score on a regular cycle, watch the trend, and adjust where progress stalls. Improvement you can measure is improvement you can sustain.

**WATCH OUT** A one-off push gives a one-off bump. Lasting performance comes from the habit of measuring and adjusting, not a single campaign.

#### — THE THREE DRIVERS

## Where performance actually comes from

When performance disappoints, the cause almost always sits in one of three places. Naming the right one is what turns a stalled team around, because each calls for a completely different response.

#### DRIVER 01

##### Direction

Does everyone know what good looks like, why it matters, and how their work connects to it? When direction is the constraint, the fix is clarity: shared goals, clear priorities, honest feedback. No amount of skill or effort helps a team rowing in different directions.

#### DRIVER 02

##### Capability

Can the team actually do the work to the standard required? When capability is the constraint, the fix is development: targeted training, practice, coaching and cross-cover. This is the most measurable driver, and usually the most rewarding to address.

#### DRIVER 03

##### Environment

Do the tools, processes, workload and conditions let good work happen? When environment is the constraint, the fix is removal: cut the friction, fix the process, provide the tools. Often the quickest win of the three.

The discipline is to diagnose before you prescribe. A capability gap treated as a motivation problem wastes a training budget and frustrates everyone; an environment problem treated as a capability gap sends capable people on courses they do not need. Measure capability so you can rule it in or out with confidence, then deal with whichever driver is genuinely holding the team back.

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— THE SCALE BEHIND THE SCORES

## The 0 to 5 capability framework

Because capability is the most measurable performance driver, it pays to measure it well. This fixed, research-backed scale defines each level the same way for everyone, so you can see where capability is short and track it as performance improves.

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0	<b>No skill required or desired</b> <span>EXCLUDED</span>
1	<b>In training / Trainee</b> <span>WEIGHTING 25%</span>
2	<b>Developing capabilities</b> <span>WEIGHTING 50%</span>
3	<b>Capable</b> <span>WEIGHTING 75% · USUAL TARGET</span>
4	<b>Subject Matter Expert / Trainer</b> <span>WEIGHTING 100%</span>

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5

## Strategic ownership / Leadership

WEIGHTING 100%

Can define and develop new processes and skill requirements, show cross-function expertise, and demonstrate leadership. Carries the same numeric weight as Level 4; the purple flag highlights strategic capability and helps you spot succession candidates.

### How capability links to performance

Each level carries a proficiency weighting: Level 1 counts as 25%, Level 2 as 50%, Level 3 as 75%, and Levels 4 and 5 both as 100%. A Level 0 means the skill is not needed by that person, so it drops out of their calculation. A person's capability is the average of those weightings across the skills their role needs; the team's capability is the average across everyone. As capability rises towards target, the work needs less checking and rework, throughput improves, and performance follows.

**A worked example.** Lifting a team's average capability has a direct, visible effect:

Before team capability **57%** → many skills below the Level 3 standard, so work needs checking  
After team capability **75%** → most skills at or above Level 3, checks can be safely reduced  
the **18-point** lift releases supervisory capacity and cuts rework, a measurable performance gain.

— SEE IT ON A REAL TEAM

## How capability lifts *turn into* *performance*

Here is the same six-person team, viewed as a performance story. As each person's capability rises towards target, the team-level outcomes that capability drives, throughput, quality and the need for supervision, move with it. Performance is the result, capability is the lever.

Team member	Capability before	→	Capability after	Effect on performance
Sarah J.	61%	→	75%	Now works key tasks unsupervised
Mark T.	54%	→	68%	Fewer errors, less rework
Priya R.	75%	→	86%	Now trains others, multiplying gains
James W.	42%	→	61%	Moved off the bottleneck list
Aisha K.	50%	→	68%	Handles peaks without escalation
Tom G.	61%	→	71%	Covers a second critical skill

57% team capability before 71%

after one cycle, closing on the 75% target —

less rework, fewer escalations, more done

*Illustrative data on the Upleashed 0 to 5 framework. Performance outcomes are downstream of capability: as scores rise past the Level 3 standard, work needs less checking and the team simply gets more done, well.*

#### WHAT THE PERFORMANCE STORY SHOWS

- **Crossing the Level 3 line matters most.** Sarah reaching the standard means her work no longer needs checking, releasing a supervisor's time, a real, countable gain, not a vague "improvement".
- **Fixing the lowest scorer pays twice.** James rising from 42% to 61% removes a bottleneck that was slowing the whole team, not just his own output.
- **Experts multiply performance.** Priya reaching 86% lets her train the others, so one person's growth lifts everyone's, the highest-leverage move available.
- **The trend is the proof.** A team average climbing from 57% to 71% in a cycle is measurable evidence the performance plan is working, ready for any review.

#### — MATCHING FIX TO CONSTRAINT

## What to do, depending on what is wrong

The right performance intervention depends entirely on the constraint you diagnosed. Here is how the common levers map to the problem they actually solve, so effort goes where it counts.

If the constraint is...	The right lever	What it looks like
<b>Unclear direction</b>	Set clarity and priorities	Shared goals, defined standards, regular feedback, fewer competing demands
<b>A genuine skills gap</b>	Build capability	Targeted training, coaching, practice on real work, cross-cover for critical skills
<b>A broken environment</b>	Remove the friction	Fix processes, supply tools, cut needless approvals, protect focus time
<b>Low engagement</b>	Improve how you manage	One-to-ones, recognition, development, involving people in decisions
<b>A single point of failure</b>	Spread the capability	Cross-train a second person so one absence no longer stalls the team

The unifying idea is simple: stop applying generic fixes and start matching the lever to the constraint. A capability view is what makes this possible, because it lets you rule capability in or out with evidence, rather than guessing, and direct your limited time and budget at the thing genuinely holding the team back.

— AVOID THESE

## Six mistakes that sink performance drives

**MISTAKE 01**

**Demanding effort, not diagnosing**

"Try harder" assumes effort is the constraint. It rarely is. Diagnose direction, capability and environment first.

**MISTAKE 02**

**Measuring activity, not outcomes**

Counting calls, hours or tasks rewards looking busy. Measure the results that actually matter instead.

**MISTAKE 03**

**Treating gaps as attitude problems**

A capable, willing person held back by a missing skill is not lazy. Confusing the two destroys trust and fixes nothing.

**MISTAKE 04**

**Spreading effort too thin**

Improving everything a little improves nothing much. Focus on the few gaps most tied to the outcomes you want.

**MISTAKE 05**

**Ignoring the environment**

Sending people on courses while a broken process drags them down wastes money and goodwill. Clear the path too.

**MISTAKE 06**

**The one-off motivational push**

A rousing meeting lifts performance for a week. The habit of measuring and adjusting lifts it for good.

— FROM GUESSWORK TO A MEASURABLE PLAN

## The method is free. A ready-made matrix just makes the lever *visible*.

Everything here works in a blank spreadsheet, and that is a fine place to start. A purpose-built template simply makes the capability driver visible and measurable. The grid and the fixed 0 to 5 scale are ready, the analytics show team capability, gaps and bottlenecks at a glance, and the live figures let you see capability, and therefore performance, climbing as you act.



*The Advanced Excel Skills Matrix makes the capability driver measurable: current capability, target, gaps and bottlenecks, all on the same 0 to 5 framework used throughout this guide.*

TRY IT FREE

### £0

The online 5x5 builder maps a small team in your browser, with no sign-up. A fast way to find your constraint.

MOST POPULAR

### £199

The full Excel template: heat map, capability analytics, dashboards, up to 30 people and 30 skills. One-off, yours forever.

WHEN YOU ARE

READY

### £1

Upgrade to PulseAI in your first year for a living, web and mobile version with AI skill suggestions and reminders.

## Quick *answers*

### **Q What is the fastest way to improve team performance?**

Diagnose the real constraint first. The fastest gains often come from removing an environmental obstacle, a broken process or a missing tool, because that needs no training and frees capable people immediately. Where capability is the constraint, targeted development of a high-leverage skill moves the needle fastest.

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### **Q Is poor performance usually a motivation problem?**

Rarely, as a root cause. Low motivation is more often a symptom of a deeper constraint: unclear direction, a skills gap, or a frustrating environment. Fix the underlying issue and motivation usually recovers on its own. Treating the symptom alone seldom lasts.

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### **Q How does building capability improve performance?**

As people cross the "capable" threshold, their work needs less checking and rework, throughput rises, and supervisory time is freed. Capability is also the most measurable driver, so you can target the specific skills tied to your performance outcomes and track the effect.

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### **Q How is performance linked to engagement?**

Strongly. Gallup's large-scale research links the most engaged teams to materially higher productivity and profitability, and finds that the quality of management explains most of the variation in engagement. In other words, how you lead and develop a team is itself a major performance lever.

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### **Q How do I measure team performance fairly?**

Define the outcomes that matter, measure those rather than raw activity, and pair them with a capability view so you can see the skill behind the result. Tracking both over time, rather than judging on a single snapshot, gives the fairest and most useful picture.

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### **Q Do I need software to improve performance?**

No. The method works with a spreadsheet, and most teams should start there. Software helps when you want the capability driver tracked live and shared across many teams, with reminders and AI-assisted suggestions, but it is the discipline, not the tool, that lifts performance.

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— ABOUT THE AUTHOR



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Alex is the creator of the Upleashed capability framework that powers Skills Matrix Template, the award-winning Excel skills matrix. A Chartered Manager with an MBA, an LLM and a doctorate in business administration, he has spent more than two decades helping operations, HR and quality teams turn team performance from a gut feel into something they can measure, manage and prove.

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A handwritten signature in black ink that reads "Alex J. Martin-Smith".

Dr Alex J. Martin-Smith

— SOURCES

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World Economic Forum. (2025). *The future of jobs report 2025*. World Economic Forum.

## Build it, don't *demand it*.

You now have the whole method. The quickest way to start is to diagnose your team's real constraint this week, and if it is capability, map it so you can see exactly where to act. Then track the change and let the results speak.

Try the free 5x5 builder →

Get the template, £199

Award-winning method · 148,000+ teams · instant download · single-team licence

