



Managers Guide: Managing Performance Issues

Meaning of Capability

Capability refers to an employee's knowledge, ability, skills and aptitude in relation to the role that they are employed to do.

In most cases lack of capability will lead to unsatisfactory job performance, which is likely to cause problems for both the employee's colleagues and line manager.

Very few employees choose to perform their work badly, make mistakes, fail to complete tasks or have poor relationships with colleagues or customers.

When an employee is underperforming you should examine the circumstances and give them support. Help them to improve and to reach the required standard of competence, before considering formal disciplinary action.

Action should be taken as soon as it is noticed that an employee is not performing their job satisfactorily. The longer you leave a situation like this, the harder it can be to resolve.



Capability v Conduct

A lack of capability exists where an employee is simply unable to perform the job to the required standard, despite their best efforts.

In these circumstances, different procedures known as capability procedures need to be used.

When an employee fails to come up to the required standard because of their own idleness or negligence this will constitute misconduct, not capability.

The main difference between capability and conduct is that lack of capability will be outside of the employee's control, whereas, the employee will obviously have control over their conduct at work.

In some cases it can be difficult to establish whether an employee's poor performance is due to incapability or negligence, and sometimes there may be an element of both. Initially, you should give the employee the benefit of the doubt and manage their performance, rather than starting formal disciplinary proceedings.



Possible Causes of Unsatisfactory Performance

It is very important to identify and deal with the cause of the problem.

You should be careful not to assume that performance problems are due to a lack of effort as there are many other possible causes of poor performance, including:

- poor or a lack of training;
- out-of-date policies, poor systems of work, or inadequate procedures;
- broken tools and equipment that don't work properly;
- inadequate supervision and support;
- lack of understanding on the employee's part about their role, which may arise because no one has properly explained it;
- ambiguous instructions;
- stress and fatigue caused by too much work;
- unrealistic and unachievable targets or deadlines;
- worry, upset or stress caused by poor working relationships;
- bullying or harassment;
- physical or mental ill health, for example where the employee's state of health, or medication taken to deal with it, is causing tiredness; and
- personal problems which may be affecting the employee's concentration.

These are all arguably within your control, other than the last two items on the above list.

The first step will be to investigate the underlying cause of the unsatisfactory performance by discussion with the employee. The solution to the problem may involve actions such as training the employee's line manager in "people management" skills, coaching the employee, initiating more effective two-way communication, rewriting procedures or reappraising the employee's role and targets. If the underlying cause of the problem can be effectively removed or reduced, the employee's performance is likely to improve.

Dealing Effectively with Poor Performance

As explained above, you should investigate the possible cause or causes of the employee's unsatisfactory performance. Start by holding a meeting with the employee, which will have the additional aim of identifying and agreeing actions to help them to make the required improvements.

Poor performance should be dealt with as follows:

- Set up an investigatory meeting with the employee to discuss the possible causes of the poor performance, making sure that the employee knows that the meeting is investigatory in nature, and not part of the formal disciplinary procedure.
- Clearly state the nature of the problem and explain why it is a problem.
- Provide the employee with evidence or examples of instances where their performance has been below the required standard.

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- Remind the employee that you are on their side, that they are not being blamed for the problem and you are trying to find a solution.
- Discuss what the employee enjoys about their role.
- Seek the employee's agreement that there is a problem with certain aspects of their performance.
- Identify what the employee thinks the root cause of the problem may be.
- Consider any mitigation that the employee may put forward, for example problems in their personal life.
- Repeat what is expected in terms of duties, targets and output.
- Involve the employee and ask them what they think they could do to achieve the required improvement.
- Agree a timescale for the improvement to be achieved.
- Make arrangements for training where appropriate.
- Schedule a further meeting to review the employee's performance and ensure that the meeting takes place.
- Keep a written record of the meeting and what has been agreed in case the underperformance continues. This will allow you to proceed to formal action at a later date if required.

Behaviour and Attitude Problems

Unacceptable behaviour or attitude is one of the most difficult issues a manager is likely to have to deal with. This can include an employee behaving in a way that is uncooperative, where their behaviour is hostile or where they display a careless attitude towards their work.

Depending on the circumstances, poor behaviour may be as a result of lack of capability or may be viewed as misconduct. In either case, the matter should be addressed via a meeting with the employee, focusing on facts and providing specific examples of the employee's behaviour, rather than accusing the employee of having a bad attitude.

The examples should be quoted in a neutral, factual way with an explanation as to how the particular behaviour came across, or how it affected others, and why such behaviour is unacceptable.

The employee may not be aware that their attitude, behaviour or manner is perceived in a particular way and you will need to treat the matter with sensitivity and patience if you are to persuade the employee to accept the need to change.



Communication Skills for Holding Meetings

In terms of communication skills, you should:

- avoid expressing personal opinions and stick to the facts;
- avoiding vague, woolly statements and be specific;
- avoid generalisations, for example "you're always late";
- ask open ended questions;
- listen to what the employee has to say and take it in to consideration;
- ensure that the tone used is respectful;
- use positive words such as "improvement" and "achievement", rather than negative words such as "failure" or "weakness";
- concentrate on future improvement rather than on past inadequacies;

always check that the employee fully understands by asking the employee to summarise their understanding of what has been discussed.

Training

If the reason for an employee's poor performance is lack of skill or knowledge, you should take positive steps to assess the employee's specific training needs, and to meet these by providing formal training, coaching or simple supervisory guidance.

This will be particularly important where:

- the employee is fairly new to the organisation;
- the employee has been transferred internally or promoted;
- the employee's job has changed;
- new technology has been introduced; or
- work methods have changed or new work methods have been introduced.

It is important to bear in mind that everyone is different. Whilst one employee may cope very well and adapt quickly to new job duties or new methods of work, another may require more extensive training before they can perform to the required standard.



Considering Alternative Employment

If, despite adequate training having been given, an employee continues to perform unsatisfactorily, you may need to consider other options.

One option may be to consider whether alternative work which the employee could be transferred to exists within the organisation. However, you would need to discuss the proposed change with the employee to establish whether or not they are prepared to agree to such a move.

Forcing an employee to move to a different job without his or her express agreement would constitute a breach of contract, entitling the employee potentially to take legal action against you.

There is no duty on you to create a job for an employee who is incapable of performing his or her own job, however, if it is possible it could be an ideal solution rather than contemplating dismissal.

Poor Performance during Probationary Periods

It is common practice for new recruits to be placed on probation for a defined period of time, often between three and six months. A probationary period should be long enough to be able to assess their competence to perform the job, and no longer.

During the probationary period, the employee should receive support, regular feedback on performance, guidance on expectations and, where appropriate, training and coaching.

At the end of the probationary period, there should be a formal meeting to advise the employee whether their performance is satisfactory or whether any further training or other action is recommended.

It is better for everyone to tackle such issues while they are relatively new, rather than allowing them to continue and possibly escalate. It is better for the employee to receive immediate feedback, giving them a fair opportunity to change the way that they do things, learn and improve.

Dismissal on the Grounds of Poor Performance

If, following a series of formal warnings, and the provision of the required support to improve, the employee's performance has remained at a level that is still unsatisfactory, you may be able to justify dismissing the employee.

It is advisable to use every stage of your formal disciplinary procedure before contemplating dismissal. Dismissal should not be undertaken lightly and should normally be a last resort after all other possible courses of action have been explored. Dismissal for unsatisfactory performance will be considered unfair if you have not taken appropriate steps to give the employee an opportunity and sufficient time to improve to the standard required.

The reason for the dismissal of an employee who is failing to perform to a satisfactory standard will be "lack of capability", which is a potentially fair reason for dismissal. For a dismissal to be fair, however, you also have to show that the employee's performance was sufficiently bad to justify dismissal and that you acted reasonably in dismissing the employee for this reason.

Get in touch

This document is intended as a guide. If you have any concerns regarding its content, or for further information about managing poor performance, or anything else to help make managing your HR easier then please get in touch. We'd love to help.

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