



# Performance capability checklist for line managers



When an employee's performance gives you cause for concern, it can be hard to know where to start. Line managers need a fair, structured approach to identify how an employee's capability affects their work, from the earliest signs of a problem right through to taking formal action.

Before you dive into our capability checklist, it's worth understanding what performance capability means. In employment law, an employee's capability refers to their skill, aptitude, health or any other physical or mental quality that affects their ability to do their job.

This is different from an employee's attitude or behaviour which are conduct matters you should handle through a disciplinary procedure. Capability is about whether an employee can do the job, not whether they will.

To get started, work through each section of our performance capability checklist in order, and tick off each item as you go.

## Step 1. Identify if this is a performance capability issue

**Start by identifying if your employee's performance concern is truly a capability issue.** This lets you follow the right process, so you don't create any unnecessary legal risk, including tribunal claims.

I've confirmed this is a capability concern (skills, knowledge, physical or mental impairment) not a conduct or behaviour issue

I've checked for underlying factors that might explain the employee's underperformance, such as personal circumstances, health issues, or workload

I've considered whether the employee's behaviour or performance concerns could relate to a disability

I've spoken to HR or asked for advice if I don't know which procedure applies

## Step 2. Set clear expectations about work capability

You can't address poor performance if the employee didn't know what was expected of them in the first place. **Get around this by confirming:**

The employee's job description clearly described the role's requirements

I've clearly communicated the employee's standards and performance levels with them

The employee understands what meeting those standards looks like in practice

The role's targets, goals or objectives are clear and easy to measure

The employee understands what will happen if they don't meet the required performance standards

I've documented all expectations in writing

## Step 3. Identify the performance capability concern

One of the most common mistakes managers make is jumping straight to formal action without properly understanding the problem. **Taking time to identify the root cause of an employee's underperformance helps you find the right solution and protect the business** if things escalate.

I've clearly identified and documented what the performance concern is

I've explored whether the performance issues relate to skills, knowledge, health or a combination of factors

I've considered if any other factors or external circumstances are affecting the employee's performance at work

I've considered whether ill health or a physical or mental impairment may be a factor, and spoken to HR for occupational health advice

I've spoken to the employee to get their perspective and documented the conversation

## Step 4. Support your employee through the performance capability procedure

As a manager, you have a responsibility to **give the employee an opportunity to improve and provide the support they need**. Jumping straight to warnings without offering adequate support is one of the most common reasons capability processes go wrong.

I've had an honest conversation with the employee about our performance concerns

I've explored what support the employee needs to improve their performance

I've offered further training, coaching, and mentoring (where appropriate)

I've explored making reasonable adjustments under the Equality Act 2010, particularly if health issues or a disability are a factor

I've considered whether a performance improvement plan (PIP) would support the employee

If a PIP exists, it includes specific objectives, a reasonable timeframe and details of further support

The employee has had a reasonable opportunity to improve their performance before we've taken any formal steps

I've documented all the support offered to the employee

## Step 5. Monitor and review performance progress

Once the employee is receiving support in their role, **it's important to keep checking on their progress.** Leaving an employee to underperform without checking in makes the situation harder to resolve, and weakens your position if you need to take formal action later.

I've agreed a review schedule with the employee (weekly, fortnightly or monthly)

I've worked with the employee to break their performance objectives into manageable steps

I'm checking in regularly throughout the review period

I'm assessing whether the employee's performance is improving against the agreed performance levels

The employee is clear on how they're progressing and what further action we'll take if they don't improve

I'm recording progress at each review stage

## Step 6. Keep clear records of your formal capability procedure

**A clear, documented trail** is your safety net throughout this process. This will protect you and the business if you reach a formal meeting or employment tribunal.

I've kept written records of all conversations about the employee's performance concerns

I've documented all support, training and adjustments offered to the employee

I've recorded all formal meeting notes and review outcomes

The employee has received a copy of any PIP and related documentation

Records are stored securely and in line with the company's data policies



## Step 7. Know when to escalate a performance capability concern

If you've worked through the steps above and still have concerns about the employee's performance concerns, it's probably time to move to a **formal capability meeting**. This lets the employee respond to any concerns and allows you to consider what appropriate action to take next, including dismissal as a last resort.

Before moving to a formal meeting, check the following:

I've given the employee a reasonable period for any support to take effect

The employee knows that formal action may follow if they haven't improved enough

I've reviewed all evidence gathered during the informal procedure

The employee has received written notice of the formal meeting, including what will be discussed and their right to be accompanied by a colleague or trade union representative

I've consulted HR or legal advice before arranging the formal capability meeting

Where ill health, a physical or mental impairment or disability may be a contributing factor, I've received specialist advice, including from occupational health, before taking further action

I've considered whether alternative employment within the business might be appropriate before considering dismissal

*Guidance note: This checklist is provided for guidance purposes only and does not constitute legal advice. Capability processes can be complex, particularly where health or disability is involved. If you're unsure about any aspect of managing a capability concern, we always recommend speaking to a [qualified HR professional](#) or employment solicitor.*

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Managing an employee's capability fairly takes confidence and the right knowledge. **Find more free employment law resources and practical tools for line managers** on the Breathe Growth Academy.

If you're managing a capability concern, having your documentation in good shape is as important as following a fair process. Breathe's [performance management tools](#) make it straightforward to record performance conversations and store supporting documentation, all in one secure place.



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