

Probation Policy

For Australian Small & Medium Enterprises

Template Version 1.0 | December 2024

Important Notice

This template provides general guidance on managing probation periods. Probation terms should be included in employment contracts. Ensure compliance with minimum notice requirements under the Fair Work Act and relevant awards.

1. Purpose

This policy outlines [Company Name]'s approach to managing probationary periods for new employees. It ensures that both the employee and the company can assess suitability for the role during an initial period, with appropriate support and feedback provided.

2. Scope

This policy applies to:

- All new permanent and fixed-term employees
- Employees transferred to significantly different roles (where agreed)
- Employees returning from extended leave to new positions

This policy does not typically apply to casual employees.

3. Probation Period Length

3.1 Standard Probation

- The standard probation period is [3/6] months
- Probation period is specified in the employment contract
- Duration may vary based on role complexity

3.2 Extended Probation

Probation may be extended by up to [3] months where:

- Performance shows potential but needs more time
- The employee has been absent for significant periods
- Additional training or development is required
- Mutual agreement is reached with the employee

Extensions must be confirmed in writing before the original end date.

4. Purpose of Probation

The probation period allows both parties to assess:

- The employee's ability to perform the role
- The employee's fit with the team and company culture
- Whether the role meets the employee expectations
- The employee's potential for development
- Any training or support needs

5. Setting Expectations

5.1 First Day/Week

- Welcome and introduction to the team
- Induction activities completed
- Role expectations and key responsibilities explained
- Probation process and review dates communicated
- Key performance indicators discussed

5.2 Clear Expectations

Managers should ensure new employees understand:

- Job duties and responsibilities
- Performance standards expected
- Behavioural expectations and company values
- Key relationships and stakeholders
- How their role contributes to team and company goals

6. Support During Probation

6.1 Manager Support

- Provide thorough induction and onboarding
- Allocate time for training and learning
- Be available to answer questions
- Provide regular feedback
- Connect the employee with key colleagues

6.2 Resources

- Access to necessary systems and tools
- Training materials and documentation
- Buddy or mentor if appropriate

- Time to learn and develop

7. Probation Reviews

7.1 Review Schedule

For a [3/6] month probation, reviews should occur:

- Week 2-4: Initial check-in
- Month 2-3: Mid-probation review
- Before end of probation: Final review

Additional check-ins may be scheduled as needed.

7.2 Review Content

Each review should cover:

- Performance against expectations
- Achievements and contributions
- Areas for improvement
- Support or training needs
- How the employee is settling in
- Any concerns from either party

7.3 Documentation

- Document all review discussions
- Note agreed actions and timelines
- Both parties sign review records
- Store in personnel file

8. Addressing Concerns During Probation

8.1 Early Identification

Managers should promptly address:

- Performance issues
- Attendance or punctuality problems
- Behavioural concerns
- Training gaps
- Cultural fit issues

8.2 Addressing Concerns

- Discuss concerns with the employee directly
- Be specific about what needs to improve
- Provide support and resources

- Set clear expectations and timeframes
- Document conversations
- Follow up regularly

9. End of Probation Outcomes

9.1 Successful Completion

When probation is successfully completed:

- Manager confirms in writing
- Employee transitions to ongoing employment
- Normal performance management processes apply
- Any changes to notice period take effect

9.2 Extended Probation

Probation may be extended where:

- There are specific areas requiring improvement
- More time is needed to properly assess performance
- Employee agrees to the extension
- Clear expectations are set for the extension period

9.3 Unsuccessful Probation

If the employee's performance does not meet requirements:

- Employee should not be surprised (ongoing feedback)
- Final meeting to discuss outcome
- Employment may be terminated
- Notice period as per contract applies
- All entitlements paid

10. Termination During Probation

10.1 By Employer

- Must have valid reason related to performance or conduct
- Employee should have been advised of concerns
- Contractual notice period applies
- Procedural fairness still required
- Document reasons for termination

10.2 By Employee

- Employee may resign during probation
- Contractual notice period applies

- Exit process followed
- All entitlements paid

10.3 Notice Periods

During probation, notice periods are typically:

- As specified in the employment contract
- Minimum 1 week under Fair Work Act
- May be shorter than post-probation notice
- Check applicable award or agreement

11. Unfair Dismissal

Important considerations regarding unfair dismissal:

- Employees with less than 6 months service (small business) generally cannot claim unfair dismissal
- For larger employers, the minimum employment period is 12 months
- Unlawful termination claims may still apply (e.g., discrimination)
- Fair process should always be followed regardless of tenure
- Seek legal advice if uncertain

12. Responsibilities

12.1 Managers

- Provide thorough induction
- Set clear expectations from day one
- Provide regular feedback and support
- Conduct scheduled reviews
- Address concerns promptly
- Make timely decisions about probation outcomes
- Maintain documentation

12.2 Employees

- Actively engage in induction and training
- Seek clarification when unsure
- Ask for feedback
- Raise concerns or difficulties
- Demonstrate commitment and effort
- Participate in review discussions

12.3 HR

- Ensure probation terms in contracts
- Track probation periods and review dates
- Support managers through the process
- Advise on complex situations
- Ensure compliance with legal requirements

13. Confidentiality

- Probation reviews are confidential
- Information shared on a need-to-know basis
- Documentation stored securely
- Employee may access their own records

14. Review

This policy will be reviewed:

- At least annually
- When relevant legislation changes
- When business needs change
- Following feedback or issues

Employee Acknowledgement

I acknowledge that I have read and understood [Company Name]'s Probation Policy. I understand the probation period that applies to my employment and the expectations during this time.

Employee Name: _____

Signature: _____

Date: _____