

Manual Section 1	Issue Date 11/18/09	Revision Date 01/01/24	Policy Number LLCP-125
	Employee Evaluation		

Purpose

Performance reviews typically are prepared annually at year-end for all employees. Six-month reviews generally are given to newly hired individuals and to those who have been promoted during a given year. All supervisors may prepare special performance reviews of any employee at times other than year-end when the employee's performance, good or bad, warrants special consideration. These particular performance reviews should be limited to genuinely special situations. However, it should be understood that the occasion of a performance review does not automatically signify a pay increase.

Scope

All LLC Companies including, Blanchard Industrial, LLC, GIS Engineering, LLC, Grand Isle Shipyard, Inc., and GWIS, Mack Steel, NuWave, Sun Industries, Valvemax, Discovery Industries, Inc.; hereafter identified as "Company".

General

The following instructions are directed to all appraisers (an appraiser is any Supervisor who is responsible for the completion of a performance appraisal of one or more employees). The following pages provide detailed instructions for the completion of the appraisal form and will assist appraisers in making their appraisals as meaningful and complete as possible.

The performance appraisal has the following main objectives:

1. To evaluate how the job has been performed, to discuss this performance with the individual concerned, and, where possible, to determine how it can be improved.
2. To evaluate short- and long-term potential.

Performance appraisal is a continuous process, not an activity restricted to the production of the annual review form. Appraisers should carry out informal, regular discussions with subordinates throughout the year and summarize progress more formally and in writing in the annual performance appraisal. The informal discussions should seek to establish:

- How the job is going (giving praise where due and criticism where necessary)
- An encouraging atmosphere, especially with inexperienced employees
- An atmosphere where a conversation can be held to discuss more efficient ways to accomplish job tasks
- What problems, if any, have arisen
- What requirements there may be for training, staffing, etc.
- What specifically is expected of the individual over the next three- to six-month period
- What are the individual's objectives

The informal discussions should form a natural progression, culminating in the annual performance review, so that no points covered in that review come as a complete surprise. When appropriate, written notes of coaching or counseling sessions can be placed in the individual's personnel file. Generally, the informal discussions should take place in person. When unavoidable, the session can take place over the telephone, but these communications should be followed up in person. Voice mail and e-mail should generally not be used for a coaching or counseling session. Instead, use voice mail or e-mail to set up a time to meet to discuss the issue.

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The performance review summarizes all major points covered during the informal discussions. The formal review:

1. Allows individuals to learn their manager's or supervisor's views of how they have been performing their job and what will be expected of them in the forthcoming year.
2. Gives the individuals being appraised an opportunity to express views on their performance appraisal and their future with the company.
3. Places the vital information contained in the performance appraisal on record for purposes of career development, training, transfer, promotion, and salary review.

Completing the Performance Appraisal Form

Completing the appraisal form is not an easy task. Many people feel that the passing of judgment on a colleague presents them with an embarrassingly difficult problem, particularly if they are required to discuss the latter's performance with him/her. However, completing the appraisal form and the subsequent appraisal interview must be carried out conscientiously if full benefit is to be derived by the individual and the company. It is an obligation that appraisers should be anxious to dispatch if they are concerned about the colleagues they are to review.

One potential problem area in evaluating performance is the natural tendency to base ratings on the most recent work and achievements of the individual. This can be most detrimental if, for example, an employee performs extremely well for eight or nine months of the year but then, for reasons possibly outside his or her direct control, goes through a difficult period close to evaluation time. Therefore, it is extremely important for appraisers to keep notes throughout the year on each employee's ongoing performance.

The evaluation should be done on the basis of the job that the employee has at present. A person should always be evaluated in relation to the usual standard in the general open market for the group of people to which he/she belongs.

Comments should always be made to substantiate "Exceed" and "Need Improvement" ratings, and it may be easier to write the comments first, rather than assign ratings first which have to be justified later.

Don't hurry over the form - it is best to prepare a draft first and leave it for several days. You will almost certainly improve it upon reflection.

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Job Title/Duties:

The definition of the main duties of the job should be reviewed by the individual being appraised and then agreed upon with the appraiser, who has the ultimate responsibility for its accuracy. The list should show, in order of importance, up to six or seven key activities which make up the job. It is not intended that "Job Duties" should comprise a complete job description. Where possible, distinguish between activities demanding different skills, knowledge, or experience.

As a general rule, the job duties will have been discussed and agreed upon when the individual was initially placed in the position, and revised as necessary. The initial review of job duties is a useful exercise for the individual being appraised to prepare better for the appraisal interview. Generally, the job duties should conform to the essential functions contained in the job description for the position. If there is a considerable difference between the job duties and the job's essential functions, the job description should be revised to accurately reflect the essential functions actually required in the performance of the job.

Comments:

The appraiser should record under the section designated for "comments" his/her evaluation of the performance in the various main tasks. Comments should be brief but should clearly reflect both strengths and weaknesses. Objectivity is extremely important!

To help appraisers look objectively at the various main tasks, it is suggested that performance under each main task be judged in the context of:

1. **QUALITY OF WORK** (what is his/her quality of work on the job?)
2. **PRODUCTIVITY** (how productive is he/she pertaining to her job duties)
3. **KNOWLEDGE OF JOB** (assuming he/she has the knowledge and ability as evaluated, does he/she apply them with enthusiasm and initiative or does he/she have to be led or directed?)
4. **RELIABILITY/DEPENDABILITY** (can you depend on him/her to do a job well or must you exercise supervision?)
5. **ATTENDANCE** (how is his/her attendance history; both excused & unexcused?)
6. **INITITIVE** (does he/she have a positive attitude to create or take the lead on duties without having to be told what to do?)
7. **CREATIVITY** (does he/she generate ideas to save money and/or make job tasks or duties easier)
8. **WORKING RELATIONSHIPS** (does he/she have and promote good working relationships between departments, customers, etc.)
9. **ADHEREANCE TO COMPANY POLICIES** (does he/she adhere to company policies; does he/she walk-the-walk)
10. **HSE PERFORMANCE** (Consider employees input and involvement in HSE/LIFE program)

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The following notes offer a further explanation of ratings and describe standards of performance. They should be taken as general illustrations of the standard expected rather than as comprehensive definitions. Appraisers should use their own judgment in determining other factors which should be taken into account in particular work situations.

1. **EXCEEDS:** A very high level of performance characterized by the potential of the job being developed to the fullest. A confident reaction under stress and sureness of approach at all times indicates a high order of mature judgment and initiative. Performance is integrated very well with the overall activities of the unit and no direct assistance, other than general guidance, is necessary. Objectives are consistently met.

2. **MEETS:** This level of performance is characterized by steady application to the various aspects of the job without excessive guidance. Objectives are normally met; overall results are good and integrated well with the activities of the unit. Lapses, if any, from this standard may be caused by unfamiliar circumstances, excessive pressure, or lack of specific knowledge. These, however, are usually corrected by quick reference to the manager or supervisor and only rarely affect the work program of the unit.

3. **NEEDS IMPROVEMENT:** This level of performance is characterized by steady application to the various aspects of the job with excessive guidance. Objectives are seldom met; overall results are fair with the activities of the unit. Lapses, if any, from this standard may be caused by unfamiliar circumstances, excessive pressure, or lack of specific knowledge. These, however, are usually corrected with continuous training and sometimes affect the work program of the unit.

The appraiser should not avoid a rating of "Needs Improvement" if, in fact, the definition applies (and in the majority of cases it will). This is an extremely important point and this rating, by definition, implies a thoroughly acceptable year's work and is a desirable rating which most staff members should be capable of achieving.

Strong Points, Weak Points, and Action Plan for Improvement

The spaces for comments on "Strong Points, Weak Points, and Action Plan for Improvement" allow for any relevant statements in connection with these areas and are self-explanatory.

The Appraisal Interview

The main purpose of the interview is to ensure that all appraisers give their subordinates feedback on how they see them. A frank and honest appraisal interview helps the appraiser and the subordinate to find a mutually acceptable way to work out improvement in areas where improvements are attainable. Most individuals have some idea of their short- and long-term goals, and this space provides an opportunity for them to have these aspirations placed on record. It is immaterial whether these aspirations are realistic or not; the main point is to establish what they are and to have them recorded.

The individuals being appraised should understand that by signing off under their comments, they are not signifying that they necessarily agree with all the comments made, but rather that the form has been discussed with them.

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The annual appraisal interview should:

1. Enable the appraiser and employee to analyze past performance, using as a basis the comments, ratings, and remarks.
2. Enable them to discuss and agree on what can be done to improve performance in those areas where improvement is possible.
3. Enable them to discuss, identify, and agree on a work program and tasks for the coming year.
4. Provide an opportunity for finding out what the employee's thoughts are on his/her future training and employment and to provide an opportunity for these to be recorded.

The interview should in reality be a discussion. Two-way communication is essential if full advantage is to be gained, and as much input should come from the individual being appraised as from the appraiser.

The Appraiser's Part in the Appraisal Interview

Because the office environment can be disruptive and distracting to the concentration an appraisal form deserves, the employee may be given the option of taking the appraisal form home to review it at leisure. It is preferable that this option be exercised a day or two before the appraisal interview is to take place. There are many different ways of conducting an appraisal interview, and each appraiser will tend to develop a method which best suits him/her and the personalities of the staff members being appraised. Accepting the need for full discussion as a prime basis:

1. Avoid an atmosphere of stress.
2. If the employee has earned a good report, say so at once. It breaks the ice and reassures the employee.
3. If you are giving a critical report, either overall or for a particular task, make sure he/she appreciates the reason. The comments on the form should have made this clear anyway.
4. Since the annual staff appraisal is but a formal summary of less formal appraisal discussions which should have taken place throughout the year, it should contain no surprises for the individual being appraised, either as to the ratings or as to the comments leading to such ratings. However, as it is not possible to achieve a precise measurement of performance, it is essential that the individual being appraised be aware of the basis for the appraiser's judgment. This should be stated clearly in the discussion.
5. The appraisal interview need not necessarily be conducted at one sitting. If there are differences to be resolved or either of you wish to formulate your views on any point, the interview may be adjourned before the appraisal interview section of the form is completed. This can be deferred to a later date before the final comments and signatures are added.
6. You may find that, in light of your conversation, you wish to alter or add to what you have written on the staff review form. It is perfectly reasonable to do this, provided you tell the individual being appraised what you have written.

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7. Apart from discussing past performance, you are also considering the tasks and opportunities for the coming year and the employee's aspirations for the future.

Consider and discuss:

- (a) What changes do you see occurring in the work situation in the next 12 months which are likely to affect the individual?
 - (b) What are the individual's reactions to those changes as they may affect his/her own position?
 - (c) What sort of job does the individual want to do, both now and in the future?
 - (d) Is he/she worried about losing skills through lack of practice?
 - (e) Does the individual think he/she could gain additional skills through training, and if so, what sort of skills?
 - (f) What is the individual's favorite work environment?
8. Remember that most junior staff members may not always be aware of long-term possibilities. They may welcome your guidance on this. In any event, lack of ambition to move or advance must not necessarily be assumed to be symptomatic of apathy, provided the individual shows an active interest in maintaining and/or improving his/her current work standards.
9. Employees' views must be recorded on the staff appraisal form, and they should be encouraged to write their own comments. Whether they do so or prefer you to interpret their comments and summarize the comments for them, it is important that they be satisfied that what has been written correctly reflects their views. Be wary of inadvertently putting words into the individual's mouth and be certain that he or she is satisfied with the comments as recorded.
10. Ensure that the interview ends on a positive note. Be encouraging to the individual who has done well. It is also important to encourage the employee who, although receiving a less than satisfactory report through inexperience, has done his or her best and applied himself or herself conscientiously. To the individual who basically needs to improve his/her performance, the points for improvement should be summarized.
11. Finally, it goes without saying that the interview should be conducted in private.

The Employee's Part in the Appraisal Interview

The interview will be held in private; only you and your immediate supervisor or manager will be present. Be prepared to discuss your review with your supervisor or manager and ask questions if you do not understand the reasoning behind his or her judgment. Make quite sure you come away from the interview with a clear idea of the evaluation as recorded. There are a number of points which you should bear in mind if you are going to contribute to the success of the interview and come away with any degree of satisfaction:

- 1. Do some preparation beforehand. Consider your own performance over the previous year and how you would have evaluated yourself.
- 2. If you recognize weaknesses in your performance, what are your views as to their cause and what do you see as the best means of obtaining improvement?

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3. If you feel you have particular strengths, do you feel they are being exploited to the fullest? If not, how could they be?
4. What constraints are placed on your work which you think could be changed to make it more effective and therefore more beneficial to the company?
5. What do you see as the job — or type of work — you would most like to move on to next? What help by way of experience or training do you think you would need to prepare you for such a job? (Don't, however, assume that simply by asking for a job it will necessarily materialize in the short term. There are other factors that affect selection, but the employee's own wishes are taken into consideration and only by stating them and having them recorded can you ensure that this is done.)
6. Be prepared to discuss constructively with your appraiser possible changes in work patterns in the coming months. The interview is a forward-looking discussion, not merely a backward look at your own track record.
7. You will be asked for your reactions to the evaluation. Do you agree that the evaluation was reasonable? If not, why not? This is your opportunity to place your views on record. You may write your own comments on the form, or if you prefer, your appraiser will write them for you. Either way, make sure you have them correctly recorded, and, if necessary, ask for time to consider them.
8. Finally, you will be asked to sign the form to show that you have had it discussed with you. You are obliged to sign it, but a signature does not imply that you necessarily agree with what has been written about you. Your comments on the form should clearly indicate whether or not this is so.

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8. **WORKING RELATIONSHIPS** Does he/she has and promotes good working relationships between departments, customers, etc.?
 Exceeds Meets Needs Improvement

9. **ADHERANCE TO COMPANY POLICIES** Does he/she adhere to company policies; does he/she walk-the-walk?
 Exceeds Meets Needs Improvement

10. **HSE PERFORMANCE** Consider employees input and involvement in HSE/LIFE program.
 Exceeds Meets Needs Improvement

Other Comments: _____

Employee Name: _____ **Employee Title:** _____

Employee Signature: _____ **Date:** _____

Supervisor Name: _____ **Supervisor Title:** _____

Supervisor Signature: _____ **Date:** _____

Employee Name: _____ **Date:** _____

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Optional Form to be submitted by Employee to Supervisor before Performance Appraisal is prepared.

1. Please describe significant accomplishments during the past review period.

2. What are your strengths?

3. What are your improvement areas?

4. Recommendation (training or job assignments) to address improvement areas?

5. Do you have interest in other assignments or locations? And if so, what are they?
