

FRAMEWORKS & TEMPLATES COMPANION

The Honesty Deficit

Eight Frameworks. Seven Ready-to-Use Templates. One System.

Capt. Rahul Sharma (Veteran)

Founder & CEO, RH Factor Consulting Group | rhfactor.in

OPENING PITCH

The Case for This Book

Performance management does not fail because of bad forms. It fails because organisations have never built the expectation, the skill, or the structural support for honest conversations.

This is not a book about performance management. It is a working system for leaders who are done pretending their appraisals mean what they say.

Capt. Rahul Sharma has spent thirty-seven years discovering why honest assessment breaks down. First in the Indian Army's Armoured Corps, where the Annual Confidential Report proved that independently reviewed, honest evaluation was not just possible but routine. Then across three decades in corporate India, as CHRO, as CEO, and now as advisor to boards, where that same honest conversation became the hardest thing in the room.

The Honesty Deficit is the architecture behind that failure, and the toolkit to fix it. Eight frameworks. Seven ready-to-use templates. Case studies drawn from BFSI, manufacturing, hospitality, healthcare, and high-growth businesses across India.

This is not an HR book. It is a management book, as essential for CEOs, founders, and business leaders as it is for CHROs and HR teams.

How to Use This Companion

This document contains the seven proprietary templates referenced throughout The Honesty Deficit, reproduced here as ready-to-use, editable tools. Each template is drawn directly from the chapter that builds its logic. Read the chapter for the reasoning behind the tool; use this companion for the tool itself.

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THE TOOLKIT

Eight Frameworks, At a Glance

The book is built around eight frameworks. Seven ship with a complete, ready-to-use template, reproduced in full in this companion. The eighth, the Eight Evaluation Models chapter, is a comparative field guide rather than a single fill-in tool.

#	Framework	Chapter
1	The Three-Category Model (KRA Setting)	Ch. 8
2	Eight Evaluation Models (MBO, BSC, OKR, BARS, 360 and more)	Ch. 9
3	Potential Assessment and Nine-Box Placement	Ch. 10
4	Quarterly Variable Pay for Sales	Ch. 12
5	Support Employee Reward Architecture	Ch. 13
6	Senior Leadership Appraisal	Ch. 17
7	Universal Performance Appraisal	Ch. 22
8	12-Month PMS Overhaul Roadmap	Ch. 23

TEMPLATE 1 · CHAPTER 8

Annual Performance Review Conversation Guide

This guide supports the manager through preparation, the conversation itself, and documented follow-through. It should be read before the conversation, not consulted during it.

WHEN TO USE

Use for every annual review conversation.

Section A: Pre-Conversation Preparation

Preparation Item	Complete? (Y/N)
Review all KRA evidence and documentation collected since the mid-year check-in	
Draft specific, evidence-based ratings for each KRA before the conversation, not during it	
Read the employee's self-appraisal in full before finalising your own assessment	
Identify the one or two points where your assessment differs most from the employee's self-view	
Prepare specific examples for every rating, not general impressions	
Block adequate, uninterrupted time. This conversation should not be rushed between meetings	

Section B: KRA-by-KRA Review

KRA Category	KRA	Target	Actual	Rating
Results (55-65%)				
Behavioural (20-30%)				
Development (10-15%)				

Section C: The Four Mandatory Elements

Mandatory Element	What It Requires	Confirmed?
Specific evidence	Every rating is supported by a named example, not a general impression	
The employee's view heard first	The employee has spoken to their own self-assessment before the manager delivers a verdict	
The gap named directly	Where self-view and manager-view differ, the difference is stated plainly, not implied	
A forward commitment	The conversation ends with a specific, named action, not a general resolution to do better	

Section D: Language for Difficult Moments

These are starting points, not scripts. Adapt the language to your own voice, but preserve the intent: hear before you conclude, name gaps directly, and treat the conversation as an exchange rather than a verdict delivered.

Situation	Suggested Opening
The employee rates themselves higher than you do	"I want to understand your view before I share mine. Walk me through why you'd rate this KRA the way you have."
The employee disputes a rating with evidence you had not considered	"That's useful context I didn't have. Let me look at this again properly rather than defend a position I set before hearing it."
A generally strong performer had one significant KRA failure	"I want to talk about [KRA] specifically, separate from the rest of the year, because it matters enough to not get averaged away."
The employee becomes defensive or emotional	"I'm not here to build a case against you. I'm here to make sure next year is better than this one. Let's slow down."
You must deliver a rating you know will be unwelcome	"I'd rather you hear this directly from me, with the reasons, than sense it indirectly over the coming months."

Section E: Documentation and Follow-Through

Overall rating and one-paragraph rationale

Specific development action agreed, with timeline

Any point of disagreement not resolved in this conversation, and the plan to address it

Date of next check-in

TEMPLATE 2 • CHAPTER 10

Potential Assessment and Nine-Box Placement Tool

Complete Section A before the calibration discussion, using the behavioural indicators and metrics described in Chapter 10 as the evidence standard. Section B should be completed collaboratively during calibration, not by one manager alone.

WHEN TO USE

Use during talent calibration and before any promotion recommendation.

Section A: Four-Dimension Potential Assessment

Dimension	Rating (1-5)	Behavioural Evidence
Learning Agility (strongest predictor)		
Complexity Management		
Leadership Presence		
Growth Trajectory		

Section B: Nine-Box Placement

Place the employee in the grid based on the combined assessment from Section A (potential) and the most recent performance rating (performance).

Potential \ Performance	Low Performance	Moderate Performance	High Performance
High Potential	Rough Diamond	Future Star	Consistent Star
Moderate Potential	Developing	Core Performer	Key Contributor
Low Potential	Underperformer	Needs Guidance	Solid Professional

Section C: Promotion-Readiness Test

A pattern of fail signals across multiple questions should delay the recommendation regardless of how strong the case otherwise appears.

Assessment Question	Fail Signal
Can this person perform the new role at 70% effectiveness from day one, based on evidence of current capabilities?	If the honest answer is not without significant role modification, the person is not ready regardless of current performance.
Is their current performance driven by their own capability, or by an unusually enabling environment?	If removing their manager, team, or operational structure would significantly reduce performance, assess the capability, not the environment.
Have they been tested under genuine adversity, and demonstrated recovery and growth?	If no, their high potential is hypothetical. Genuine potential has been tested under pressure and held.
Do direct reports and peers rate them highly on leadership effectiveness, not just technical delivery?	High technical credibility with poor leadership ratings means the next-level role will amplify the leadership gap.

Assessment Question	Fail Signal
Do they understand their own development gaps specifically, with evidence of addressing them?	Inability to name development areas with specificity signals absent self-awareness for rapid senior-level learning.
Does the organisation have a specific, credible development plan for the new role, with resources available?	If the role itself is expected to develop them with no additional support, the organisation is hoping, not investing.

Section D: Calibration Bias Check

Distortion	What to Watch For	Checked?
Confidence as proxy for potential	Is this rating based on observable evidence, or on how confidently the person presents themselves?	
Seniority conflation	Is this person high-potential because of assessed trajectory, or tenure and discomfort with displacing them?	
Loyalty-as-potential (promoter-led contexts)	Is loyalty to the founder being read as leadership potential, when the two are not the same thing?	

TEMPLATE 3 • CHAPTER 12

Sales Quarterly Variable Pay Calculation Sheet

Designed for use by the HR or finance team to calculate and communicate quarterly sales incentive payouts, covering a single salesperson for a single quarter. The completed sheet should be shared with the employee before payout is processed, not after. Transparency in the calculation is a design requirement of the plan, not a courtesy.

WHEN TO USE

Use quarterly for sales team variable pay processing.

Section A: Employee and Quarter Reference

Component	Annual Target (Rs)	Quarterly Target (Rs)
Individual variable target		
Team variable target		

Section B: Revenue Target and Achievement

Metric	Target (Rs)	Actual (Rs)	Achievement %
Individual revenue			
Secondary metric (if used)			
Blended achievement % (if both used)			

Section C: Gate Check

Gate Level	Gate Met? (Y/N)	Consequence if Gate Not Met
60% of quarterly target (standard gate)		Individual variable = Rs 0. Team component assessed separately.
Exception approval (if gate waived)		Requires CHRO and business head written sign-off.

Section D: Individual Variable Payout Calculation

Achievement Band	Payout Rule	Amount Earned (Rs)
60% to 80% of target	50% to 70% of individual variable target	
80% to 100% of target	Pro-rated 80% to 100% of individual variable target	
100% (full target)	100% of individual variable target	
100% to 120% (Accelerator Band 1)	Target variable + 40% accelerator on excess above 100%	
Above 120% (Accelerator Band 2)	All of Band 1 + 80% accelerator on all excess above 120%	

Section E: Team Component

Team Achievement vs Collective Target	Individual Team Component Payout
60% to 80%	50% of individual team variable target
80% to 100%	Pro-rated between 80% and 100%
100% and above	100% of team variable target (uncapped above 120%)

Section F: Quarter Summary and YTD Tracking

Quarter	Individual Variable (Rs)	Team Component (Rs)	Cumulative YTD (Rs)
Q1			
Q2			
Q3			
Q4			

TEMPLATE 4 • CHAPTER 13

Support Employee Annual Appraisal and Bonus Form

Designed for the annual appraisal and bonus calculation for a support or non-revenue employee. It assesses all three components of the balanced bonus model and produces a documented, auditable bonus recommendation reviewable by HR, finance, and where necessary, a calibration panel.

WHEN TO USE

Use at year-end for all support staff appraisals.

Section B: Role Summary and Key Responsibilities

Responsibility	Observable Success Standard	Weight %

Section C: Component 1 — Task Accuracy and Completeness (50% of Bonus)

Assessment Dimension	Rating (1-5)	Evidence and Specific Examples
Accuracy: errors, deficiencies, or compliance gaps during the year		
Timeliness: adherence to deadlines, turnaround standards, cycle times		
Completeness: tasks completed fully vs. partially or requiring follow-up		
Compliance: adherence to policies, procedures, and regulatory requirements		
Average rating across all dimensions		

Section D: Component 2 — Process Contribution and Improvement (30% of Bonus)

Contribution Description	Quarter	Impact Observed	Verified By

Section E: Component 3 — Professional Conduct and Collaboration (20% of Bonus)

Behavioural Dimension	Rating (1-5)	Observations and Examples
Responsiveness and reliability: queries, escalations, deadlines		
Stakeholder management: quality of interactions internally and externally		
Team contribution: support to peers, especially during pressure periods		
Communication: accuracy and professionalism, written and verbal		
Adaptability: response to change, added responsibility, difficult situations		

Section F: Payout Band Reference

Average Rating	Performance Level	Bonus % of Target
Below 2.0	Below threshold: no bonus payable for any component	0%
2.0 to 2.9	Needs improvement: partial bonus	33% of target
3.0 to 3.4	Meets expectations: standard bonus	70% of target
3.5 to 3.9	Exceeds expectations: enhanced bonus	90% of target
4.0 to 4.4	Strong performance: full bonus	100% of target
4.5 to 5.0	Outstanding: full bonus plus supplementary award (requires approval)	100% + 20–30% supplementary

Section G: Total Bonus Calculation

Component	Target Amount (Rs)	% Earned	Amount Earned (Rs)
Component 1: Task accuracy and completeness (50%)			
Component 2: Process contribution and improvement (30%)			
Component 3: Professional conduct and collaboration (20%)			
Supplementary outstanding award (rating 4.5+, requires sign-off)			

TEMPLATE 5 • CHAPTER 17

Senior Leadership Appraisal Form

Designed for the annual appraisal of a CXO, business unit head, or equivalent senior leader. It covers financial and operational performance, leadership quality assessment, 360-degree feedback integration, strategic contribution, and LTI and compensation recommendation. The form is administered by the CHRO and reviewed by the NRC or board sub-committee.

WHEN TO USE

Use annually with NRC oversight for senior leadership.

Section B: Financial and Operational Performance (40% of overall assessment)

KRA	Target	Actual	Achievement % / Rating	Weighted Score
Primary financial metric (revenue / EBITDA / ROCE / as applicable)				

Section C: Leadership Quality Assessment (30% of overall assessment)

Leadership Dimension	Rating (1-5)	Evidence and Specific Examples
Strategic clarity: setting and communicating clear direction		
People development: succession bench, appointments, development investment		
Stakeholder management: quality of key internal and external relationships		
Organisational health: engagement, attrition, grievances in the leader's area		
Crisis leadership: decision-making and communication under pressure		

Section D: 360-Degree Feedback Integration (15% of overall assessment)

360 Dimension	Score (1-5, from processed 360 report)	NRC Interpretation
Direct report satisfaction and development		
Stakeholder responsiveness and reliability		

Section E: Strategic Contribution (15% of overall assessment)

Item	Rate Quality of Execution (1-5)
Key strategic initiative led or co-led during the year (describe)	
Significant board-level or cross-functional contribution beyond role scope	
Innovation or transformation initiative initiated or advanced	

Section F: Overall Composite

Component	Weight	Score (0-10)	Weighted Contribution
Financial and operational performance	40%		
Leadership quality	30%		
360-degree integration	15%		
Strategic contribution	15%		

Section G: Variable Compensation and LTI Recommendation

Component	Target (Rs or % of CTC)	Recommendation	Rationale
LTI vesting achievement (if this year is a vesting year)			
Contract renewal recommendation (Yes / Conditional / No)			

Section H: Development Commitments and Next Cycle Focus

Key development area identified from this assessment and from 360 feedback

Specific commitment from the individual for the coming year (their words)

Support or resource the organisation will provide

Succession readiness assessment (Yes / Developing / Not yet assessed)

TEMPLATE 6 • CHAPTER 22

Universal Performance Appraisal Form

The standard appraisal form that a PMS integrity audit typically recommends to replace an organisation's existing form, used across all professional and management grades with role-specific customisation in the KRA section. List the five to seven KRAs agreed at the start of the appraisal period. Do not add retrospective KRAs. Do not omit KRAs because they were not achieved.

WHEN TO USE

Use at year-end for all professional and management grade appraisals.

Section B: KRA Achievement

KRA	Weight %	Target	Actual Outcome	Rating (1-5)	Evidence

Section C: Behavioural and Competency Assessment

Competency	Rating (1-5)	Specific Observable Evidence (mandatory)
Communication: clarity, frequency, and quality with stakeholders		
Collaboration: contribution to team outcomes and cross-functional work		
Initiative: proactive contribution beyond defined role scope		
Problem-solving: quality of approach to challenges encountered		
Development: active investment in own capability growth		

Section D: Employee Self-Assessment

Self-Assessment Question	Employee Response
My three most significant contributions this year, with specific evidence for each	
The KRA or project where my performance fell short of what I had planned, and why	
The skill or capability I developed most significantly this year	
What I need from my manager and the organisation to perform better next year	
My self-assessed overall performance rating	

Self-Assessment Question	Employee Response
this year (1 to 5) and my rationale	

Section E: Overall Rating Calculation

Component	Weight	Score (1-5)	Weighted Score
KRA achievement (Section B weighted score)	60%		
Behavioural and competency assessment (Section C)	25%		
Manager's holistic assessment (unweighted narrative input)	15%		

Section F: Manager Assessment and Development Planning

Manager's rationale for the overall rating (minimum three sentences, with specific evidence)

Primary strength to build on in the coming year (specific, not generic)

Primary development area for the coming year (one area only, with specificity)

Specific development action the organisation will provide

Specific development action the employee will take independently

Section G: Potential and Succession

Item	Response
Potential band (Exceptional / High / Developing / Steady / Limited)	

Item	Response
Succession consideration (Yes with role name / Under consideration / No)	

Section H: Compensation Recommendation

Item	Recommendation
Recommended increment % (from approved rating-to-increment matrix)	
Recommended variable / bonus payout % of target	
Any off-cycle adjustment recommendation (with rationale)	

TEMPLATE 7 • CHAPTER 23

12-Month PMS Overhaul Implementation Roadmap

A structured project management framework for the twelve-month overhaul, completed by the project lead (typically the CHRO or a senior HR director) and reviewed monthly by the sponsoring executive. Structured in four phases: Diagnosis (months 1-2), Design (months 3-4), Pilot (months 5-8), and Rollout (months 9-12).

WHEN TO USE

Use as the master plan for any PMS overhaul engagement.

Phase 1: Diagnosis (Months 1-2)

Deliverable	Owner	Target Date	Status	Notes
PMS Integrity Audit complete (12-distortion diagnostic)				
Stakeholder alignment conversations complete				
Gate 1: CEO and CHRO sign-off on audit findings and commitment to proceed				
Gate 2: Manager capability gap identified and training plan approved				
Gate 3: Executive sponsorship confirmed in writing				

Phase 2: Design (Months 3-4)

Deliverable	Owner	Target Date	Status	Notes
KRA architecture and quality standards finalised				
Evaluation model selected and calibration governance designed				
Rating scale and distribution policy agreed with CEO and CFO				
Compensation linkage matrix agreed with finance				
Template 6 adapted to organisation context				
Technology platform decision made (if applicable)				
Manager training programme designed and facilitator engaged				

Phase 3: Pilot (Months 5-8)

Deliverable	Owner	Target Date	Status	Notes
Pilot cycle: KRA setting complete for all pilot employees				
Pilot cycle: ratings and calibration complete				
Pilot PTI survey administered and results reviewed				
Pilot retrospective with managers complete				
Pilot findings documented and design revisions made				
Gate 4: CHRO sign-off on pilot results and approval to proceed to rollout				

Phase 4: Rollout (Months 9-12)

Deliverable	Owner	Target Date	Status	Notes
Manager briefings complete across all functions				
FAQ document published and accessible to all employees				
Mandatory manager training complete (100% completion target)				
KRA-setting cycle complete for all employees under new system				
First calibration cycle under new system complete				
First full cycle compensation linkage applied				
Employee trust survey (PTI) administered at end of first full cycle				
Twelve-month review: what worked, what needs adjustment, what is next				

Risk Log

Risk	Likelihood (H/M/L)	Impact (H/M/L)	Mitigation	Owner
CEO disengagement from sponsorship mid-project				
Manager resistance to calibration governance				
Union or works council objection to system changes				

The twelve-month roadmap is the beginning of the overhaul, not the completion of it. The institutionalisation process takes two to three full cycles.