SIVELI

A PROCESS PHYSICS CONSULTANCY

A POINT OF VIEW

# The Process Drag *Manifesto.*

*Why most HR transformation projects fail before any technology is selected — and the discipline that produces a different outcome.*

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CHAPTER ONE

# An honest *first observation.*

The HR transformation industry is broken in a specific, diagnosable way. Most engagements begin with the wrong question and end with the wrong answer. Vendors arrive with solutions before anyone has measured the problem. Leaders sign multi-year contracts based on industry case studies that look nothing like their own operation. By the time someone realises the work is going sideways, the budget is spent, the team is exhausted, and the original Process Drag is still there.

The reason is not technological. The platforms work. The vendors are competent. The methodologies are well-documented. The reason is sequencing — the order in which decisions get made. Almost every HR transformation that disappoints follows the same pattern: *choose the technology, then justify it*. The diagnostic, when it happens at all, exists to validate a decision that was already made.

This is not a story about bad vendors or weak buyers. It is a story about a missing discipline. The discipline that ought to live between "we have a problem" and "let's buy a platform." The discipline that engineering teams, manufacturing operations, and supply chain functions have practiced for fifty years. The discipline of measuring the work before redesigning it.

HR is the last operational function in the modern business that has not yet been engineered. This essay argues that it must be — and that the consequences of not doing so are now larger than the consequences of doing so.

CHAPTER TWO

# What we mean by *Process Drag.*

> Process Drag is the *slack* between what your function should be capable of and what it actually delivers — caused by manual workarounds, disconnected systems, shadow processes, and Human APIs bridging the gaps.

Every operational function has friction. Manufacturing has it; supply chain has it; finance has it. What distinguishes Process Drag from ordinary friction is that it is invisible to the people experiencing it. The workarounds become the work. The shadow processes become the actual processes. The Human APIs become the operating model.

A senior payroll analyst who spends four hours every Monday morning logging into vendor portals, downloading CSVs, reconciling discrepancies, and emailing consolidated reports does not feel like she is bridging a gap that should have been closed by integration software. She feels like she is doing her job. The job description does not say "manually reconcile what your systems failed to integrate." But that is what the job, in fact, is.

Multiply that across thirty people. Across three hundred. The cost is enormous. The visibility is zero. The HR Director sees the same headcount line in the budget that was there last year, and concludes the function is running at the right capacity. It is not. It is running at roughly sixty percent of its capability, and the missing forty percent is being absorbed by people who do not know they are absorbing it.

This is the central diagnosis. Before any HR function can be transformed, automated, or AI-enabled, it must first be *measured*. And measurement, in the rigorous sense the rest of the operational world means by the word, has almost never happened in HR.

CHAPTER THREE

# Three ways transformation projects *fail.*

We have observed the same three failure modes across enough engagements to call them patterns. Each is the consequence of skipping the diagnostic step. Each can be avoided by treating measurement as a discipline rather than a formality.

## 01 Automating Broken Processes

The most common failure. An organisation maps a broken process — one with redundant approvals, duplicate data entries, shadow workarounds — and then automates it exactly as it is. The result is the same broken process, executed faster. The friction is preserved; the labour cost is reduced; the underlying problem is now harder to see because it has been encoded in software.

## 02 Buying Before Measuring

The vendor-led failure. A leader meets a charismatic platform salesperson, signs a multi-year contract, and then asks the HR team to find ways to use what was bought. The capabilities purchased rarely align with the actual bottlenecks. The integrations promised rarely happen. The platform ends up as another system to maintain, alongside the systems it was supposed to replace.

## 03 Big Bang Re-engineering

The consulting-led failure. A large firm arrives, declares that everything must be rebuilt from first principles, and produces a twenty-four month transformation roadmap that disrupts every operational rhythm the business has. The disruption is real; the value is theoretical; the political cost of admitting it failed is too high to ever say so out loud.

*What unites all three failures is the absence of a quiet, patient, evidence-led diagnostic. The kind that takes weeks, not days. The kind that returns numbers, not opinions.*

CHAPTER FOUR

# The four pillars of *function health.*

A rigorous diagnostic measures HR function health across four pillars simultaneously. Most diagnostics measure one or two. The reason all four matter is that they share a root system: broken processes show up in people data first; capacity gaps show up in engagement scores; readiness deficits show up in everything.

PILLAR 01

### Process Health

Friction. Redundancy. Cycle time. System gaps. Approval bottlenecks. Rework loops. The mechanical question: where is work taking longer than it should?

PILLAR 02

### Capacity Health

FTE variance. Workload distribution. True utilization vs. allocated headcount. The arithmetic question: how many people does the work actually require?

PILLAR 03

### Readiness Health

Data structure. Tech maturity. Workforce AI fluency. Integration readiness. The infrastructure question: what is the foundation strong enough to support?

PILLAR 04

### People Health

Attrition. Engagement. eNPS. Manager effectiveness. Mobility. Exit themes. The human question: what is the function doing to the people inside it?

Each pillar produces its own data. The discipline is in triangulating across them — because that is where the diagnosis lives. A team with high attrition and high engagement is telling you something different than a team with high attrition and low engagement. A process with low cycle time and low quality is telling you something different than a process with low cycle time and high quality. The numbers, on their own, are not the answer. The relationships between the numbers are.

CHAPTER FIVE

# One equation, defensible to *any CFO.*

The foundational calculation of the rigorous HR diagnostic is the same equation manufacturing operations have used for half a century to size a production line. Applied to knowledge work, it answers the most important question a function can ask: how many people does this work actually require?

$$\text{REQUIRED FTE} = \frac{\text{Volume} \times \text{Effective AHT}}{\text{Productive Capacity per FTE}}$$

## The three inputs.

**Volume** is the count of transactions a task processes in a defined period. Pulled from systems of record where possible. Sampled where not. Reconciled where multiple systems disagree. The number must be defensible before any conclusion gets drawn from it.

**Effective Average Handling Time** is the observed time required to complete one transaction of the task — not the time self-reported by the people doing it. The distinction matters: in over a decade of operational consulting, self-reported AHT has been wrong, in the direction of optimism, on every engagement we have seen.

**Productive Capacity per FTE** is the industry-standard figure of approximately 132 hours per month per full-time employee. It accounts for meetings, breaks, administrative overhead, and the natural ~25% friction in any role. It is the same number ops consultancies use in every other industry. The fact that it has not been the standard in HR is itself a diagnostic.

AN INTERLUDE

# Most HR functions are running at *sixty percent.*

Across mid-market HR functions we have measured directly, the consistent finding is that 30–40% of operational capacity is consumed by Process Drag. The work is real. The people are diligent. The output is well below what the headcount implies.

This is not a story about poor performance. The people doing the work are doing it well. The story is about a function that has never been measured against the standards every other operational function takes for granted.

*The recoverable capacity is not theoretical. It is sitting inside the function already, waiting to be released by removing the friction that prevents it from being used.*

CHAPTER SIX

# Four interventions, *right-sized.*

Once a function has been measured, every issue surfaced gets sorted into one of four interventions — from no-build to focused build. The categorisation is the most important act of restraint in the whole methodology, because it determines whether the eventual investment will be ten thousand dollars or ten million.

## 01 Eliminate NO-BUILD

Tasks that should not exist at all. Redundant approvals, duplicate data entries, reports nobody reads, sign-offs whose purpose nobody remembers. The cheapest intervention possible: a meeting, a memo, a stop. Most engagements deliver more value here than anywhere else.

## 02 Standardize LOW-BUILD

Process variants unified across teams. Same outcome, fewer paths, less variance, less to maintain. Requires only documentation, training, and discipline — no software, no platform, no vendor.

## 03 Integrate TARGETED BUILD

Bridges between disconnected systems. APIs and middleware that remove Human APIs from the loop. The first intervention that requires real engineering — but typically a fraction of the cost of replacement.

## 04 Automate FOCUSED BUILD

High-volume, structured-data tasks moved to RPA, low-code, or AI. The intervention everyone reaches for first. The one that fails most often when applied to broken processes. Reserved, in a disciplined methodology, for tasks where the underlying process has already been eliminated, standardised, or integrated.

CHAPTER SEVEN

# Kaizen-led *Re-engineering.*

The consulting industry insists on a false binary. Either you do Kaizen — small, continuous, incremental improvements — or you do BPR, business process re-engineering, a radical rebuild from first principles. The first is criticised for being too slow and never addressing root causes. The second is criticised for being disruptive, expensive, and politically dangerous.

> We fix the *leak* today.
> We fix the *plumbing* tomorrow.

The synthesis is straightforward. Quick wins close the visible gaps and build trust with the business. Structural fixes prevent the gaps from recurring. Each Kaizen win produces evidence that sharpens the BPR redesign. The two are not alternatives. They are sequenced phases of the same engagement.

What this looks like in practice: in the first ninety days of a serious engagement, the function should see three to five visible wins — a process eliminated, a workflow standardised, a small integration deployed. These are the leak repairs. They are real, they are measurable, and they fund the trust required to do the harder, slower, structural work in months three through twelve.

The structural work is the plumbing. It is the value stream re-engineering, the platform-level interoperability, the policy modernisation. None of it gets approved without the trust built by the leak repairs. Most failed transformations skip straight to the plumbing and run out of political capital before the value lands. The disciplined approach does both, in the right sequence, and accepts that the plumbing work takes a year, not a quarter.

*This is not slower than Big Bang transformation. It is faster to first value, and substantially safer to operate alongside. The pace is governed by what the organisation can absorb, not by what the consultant can bill.*

CHAPTER EIGHT

# AI is not the *answer.*

Almost every HR leader we meet is being asked, by their board or their CEO, the same question: what is our AI strategy for the people function? The pressure is real. The question is the wrong question.

AI is a capability, not a strategy. It works very well on structured, high-volume, well-defined tasks where the input data is clean and the output decision is repeatable. It works very badly on unstructured, ambiguous, low-volume tasks where the data is dirty and the decision requires judgement. Most HR work, in its current state, falls into the second category — not because HR work is inherently unsuited to AI, but because the underlying data has never been cleaned and the underlying processes have never been standardised.

The correct AI strategy for an HR function is not "let us deploy AI." It is: *let us first get the function into a state where AI can be deployed.* That means clean data, standardised processes, structured inputs, and a workforce that knows how to operate alongside AI tools rather than around them. The first three are Process Physics work. The fourth is a training problem.

Most AI deployments in HR fail in their first year. The failure is almost never attributed to the AI. It is attributed to "change management," or "user adoption," or "data quality issues." The honest attribution is simpler: the function was not ready, and no one had measured whether it was before the platform was bought.

The discipline of the diagnostic is to refuse to skip this step. The discipline of the methodology is to accept that AI readiness is not a prerequisite for the engagement — it is an output of the engagement. Functions arrive at Siveli not yet ready for AI. They leave able to use it.

CHAPTER NINE

# What to do on *Monday morning.*

If the argument so far is persuasive, the question becomes practical. What is the first thing an HR leader should do, on the Monday morning after reading this, to begin engineering their function rather than transforming it?

01

## Stop the next vendor evaluation.

If there is a platform decision in flight that has not been preceded by a measured diagnostic, pause it. The cost of a sixty-day delay is small. The cost of buying the wrong platform is very large.

02

## Pick one value stream.

Don't try to measure everything. Pick the value stream that bothers leadership most — onboarding, payroll, exit, talent acquisition, leave management. Whichever one is most painful is the right place to begin.

03

## Measure it properly.

Atomic time-motion. Volume from systems of record. NVA tagging on every step. Done by someone whose job is to measure, not by the team that is being measured. This is the work the diagnostic exists to do.

04

## Decide based on data.

Whatever the diagnostic surfaces, sort each finding into one of four buckets: eliminate, standardise, integrate, automate. Resist the urge to skip to the fourth. Most of the value lives in the first two.

*None of this requires Siveli. The discipline matters more than the consultant. The reason organisations engage outside help is not that they cannot do this themselves — it is that the function being measured is rarely the right party to do the measuring.*

CLOSING

# The function deserves *engineering.*

The argument of this essay is narrow. HR has been the last operational function in the modern business to be engineered, and the cost of that omission is now visible enough that it can no longer be defended. The capability exists to fix it. The methodology exists. The math is borrowed, almost without modification, from operational disciplines that have been refining it for half a century.

What has been missing is the willingness to apply the discipline. The willingness to measure before transforming. The willingness to fix the leak today and the plumbing tomorrow, rather than tearing out the whole house in pursuit of a future that may or may not arrive. The willingness to treat HR work the way any other operational function would expect to be treated — as an engineering problem, soluble by engineering means.

Siveli exists to do this work. Not because we are the only ones who can, but because we have built a methodology that produces consistent, defensible, evidence-led answers in twenty days — and a toolkit that can be deployed on engagement day one. The discipline is the product. The technology is downstream.

## When you're ready.

The first conversation is thirty minutes. There is no pitch. We listen, we ask questions, and we tell you honestly whether Siveli is the right fit — or whether someone else would serve you better.

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