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Workforce Management vs. Workforce Planning: The Future of Mobility in HR Strategy

As organizations strive to remain agile and competitive in today's shifting global market, the concepts of workforce management and workforce planning are gaining prominence within HR strategies. While both terms are integral to talent operations, they serve distinct purposes and require unique approaches to achieving business objectives.

This paper examines the differences between workforce management and workforce planning, explores their roles in broader HR strategies, and highlights how global mobility is evolving to integrate into these frameworks. By understanding these distinctions, organizations can better align their HR operations with long-term goals and unlock new opportunities for talent optimization.

Background: Workforce Planning and Management

Headcount Classifications Defined

Throughout the paper, we will address three types of headcount: funded, unfunded, and prioritized. These classifications allow HR and FP&A to align people with financial governance, ensuring the right talent is deployed where it's most needed while maintaining cost discipline and transparency.

Funded Headcount: A funded headcount refers to a position that has been formally approved and budgeted for within the company's financial plan. These roles have allocated costs—salary, benefits, relocation (if applicable), and other overhead—already accounted for in the operational expenditure and capital expenditure budgets.

- *Purpose: These roles are ready to be recruited or maintained in queue for the recruitment team without adding financial approval.*
- *Example: A software engineer role that is budgeted under Q2 hiring plans can be filled immediately once the fiscal budget has been approved.*

Unfunded Headcount: An unfunded headcount is a role that has been identified as necessary for the business or HR, but no budget has been assigned to it yet. These roles are typically part of long-term strategic plans or may be dependent on future revenue, project approvals, or reallocation of resources.

- *Purpose: Unfunded roles help forecast future talent needs but cannot be hired until funding is secured.*
- *Example: A new role in an emerging market that supports a potential expansion project, but hiring is on hold until budget is approved.*

Prioritized Headcount: Prioritized headcount includes roles, funded or unfunded, that are considered critical to the business due to urgency, strategic importance, or risk mitigation. Prioritization helps guide sequencing, timing, and resource allocation across teams.

- *Purpose: Prioritization informs which roles are actioned first during planning, hiring freezes, or growth periods.*
- *Example: A role needed to launch a product or meet regulatory requirements might be fast-tracked even if others are funded.*



Workforce Management

Definition: Focuses on understanding how to get your organization's "house in order." Workforce management involves gathering and managing foundational people data, identifying open roles, and ensuring alignment between funded and unfunded positions. It includes the governance and organization of people data to ensure effective operational management.

Key Characteristics:

- Collecting and managing people data (*e.g., roles, skills, workforce size*)
- Analyzing open roles (*funded vs. unfunded*) and prioritizing critical positions
- Collaborating closely with Financial Planning and Analysis (FP&A) to ensure accurate governance of people costs, which are a significant part of the organization's P&L

Workforce Planning

Definition: A strategic approach to aligning future workforce needs with business goals, forecasting talent requirements, and addressing gaps in skills, roles, or locations. Workforce planning looks beyond immediate needs to position your organization for long-term success.

Key Characteristics:

- Forecasting future workforce requirements based on business scenarios
- Identifying skills gaps and planning recruitment, upskilling, or talent mobility to address them
- Aligning talent strategy with broader organizational objectives like market expansion or innovation

Example: A company forecasts a need for 50 AI specialists over the next two years as part of its digital transformation strategy. Workforce planning anticipates this need and integrates global mobility to fill roles and upskill the eligible current workforce to be ready in emerging markets.

When to Transition from Workforce Management to Workforce Planning

The transition from workforce management to workforce planning depends on the maturity and stability of your organization's workforce management systems. Workforce planning can only be effectively initiated once the following conditions are met:

Complete and Accurate People Data

Workforce data must be accurate, comprehensive, and up to date. This includes information on roles, skills, headcount, and the status of open positions (funded vs. unfunded).

Established Governance and Processes

Workforce management processes must be stable and well-governed, including compliance monitoring and budget alignment with FP&A. Clear oversight ensures that workforce planning builds on a solid foundation.

Operational Stability

Day-to-day workforce operations should be running efficiently, with minimal disruptions. This creates the bandwidth needed to focus on longer-term strategic planning.

Optimal Timing for Workforce Planning

Once workforce management is settled, your organization can initiate workforce planning during annual budget cycles or following significant strategic shifts, such as entering new markets or launching major initiatives. At this stage, workforce planning uses insights from workforce management to forecast future needs and align them with business goals.

Problem Statement

Organizations often commingle workforce management and workforce planning, leading to misaligned HR strategies and missed opportunities to leverage mobility as a strategic asset. Workforce management tends to focus on organizing and managing people data and roles, while workforce planning is a forward-looking approach that aligns talent strategies with business objectives.

The challenge lies in bridging the gap between these two functions to create a unified HR strategy where global mobility becomes a key enabler. Mobility must move beyond logistical execution and align with workforce planning efforts to support long-term goals like talent acquisition, retention, and deployment in critical markets.

Proposed Solution: Building a Unified Workforce Strategy

The Role of Global Mobility in Evolving HR Strategies

Mobility sits at the intersection of workforce management and workforce planning. Traditionally viewed as an operational function, Mobility is evolving into a strategic enabler that supports workforce planning by aligning talent deployment with business growth and addressing skill gaps globally.

1. Mobility as a Workforce Management Tool

- Organizes and governs the relocation of talent to meet immediate business needs.
 - *For example: When a high-performing engineer is urgently relocated to a key regional hub to address a critical project need, Mobility ensures compliance with immigration laws, coordinates relocation logistics, and tracks associated costs to maintain alignment with the company's P&L.*
- Ensures compliance with immigration, tax, and labor laws.
- Supports financial planning and analysis through accurate tracking and reporting of mobility-related people costs.

Supporting Workforce Management Objectives

Mobility can aid workforce management by providing detailed data on the mobile population, including employee roles, locations, and skills. If Mobility is granted broader access to overall workforce data, it can identify gaps and needs across markets. This information, combined with data from workforce management, allows a comprehensive view of talent availability and P&L alignment for different roles and regions. Mobility's insights can also be shared with your RMC to address specific market needs and ensure alignment with business targets.

2. Mobility as a Workforce Planning Asset

- Once workforce management has established a solid foundation with accurate people data and streamlined governance of people costs, Mobility becomes instrumental in supporting workforce planning objectives.
- Mobility can provide forward-looking insights by leveraging data on the mobile workforce to identify talent trends, gaps, and future needs. For example:
 - *Highlighting regions with skills shortages and matching them with mobile talent pools.*
 - *Identifying high-potential employees who can be positioned in emerging markets to address future business needs.*
- Collaborating with workforce planning teams, Mobility can help forecast talent requirements based on market demands and align relocation strategies to ensure readiness for growth opportunities.
- Mobility's ability to integrate relocation data with workforce analytics allows companies to connect talent deployment with strategic business goals.

Example: Using mobility data, a company identifies a leadership gap in a high-growth market. Mobility works with workforce planning to relocate a qualified leader, ensuring smooth market entry and continuity of business operations.



Proposed Action Plan: Integrating Mobility into Workforce Planning

1. Get Your House in Order

- Begin with workforce management fundamentals:
 - *Gather and organize people data (roles, locations, skills).*
 - *Analyze open roles: Identify which are funded, unfunded, or prioritized.*
 - *Collaborate with FP&A to govern people costs effectively, ensuring alignment with the company's financial strategy.*
- Clearly establish Mobility's role: Leverage data on the mobile workforce to highlight talent gaps, relocation trends, and skills distribution. By integrating this data with overall workforce management, mobility can provide actionable insights that support P&L alignment and workforce optimization.
- Identify the intended outcome: Clear visibility into current workforce realities enables more accurate workforce planning.

2. Align Mobility with Workforce Planning Goals

- Use mobility to fill skill gaps and strategically deploy talent to achieve long-term business objectives.

Example: Forecast the need for leadership in new global markets and use international assignments to prepare high-potential talent.

3. Leverage Workforce Analytics to Support Decisions

- Use data-driven insights to identify talent supply gaps, relocation needs, and workforce trends that inform strategic decisions.

Example: Analytics reveal an oversupply of specific skills in one region and a shortage in another, leading to targeted assignments.

4. Integrate Mobility into Talent Development

- Position mobility programs as tools for leadership development, succession planning, and employee growth.

Example: Use mobility to fast-track top performers into leadership roles by exposing them to diverse markets and challenges.



Elevating Workforce Strategies with Global Mobility

Workforce management and workforce planning serve as two distinct, yet complementary, pillars of modern HR, ensuring both immediate operational efficiency and long-term strategic alignment. While workforce management keeps your organization running smoothly by addressing current staffing needs, workforce planning anticipates future skill gaps and talent demands.

Global Mobility acts as the bridge between these functions, integrating technology, policies, and data analytics to optimize talent deployment. From relocation management systems to workforce analytics, mobility solutions enable your organization to proactively manage talent gaps, drive leadership development, and support market expansion. By aligning mobility with both workforce management and planning, you can achieve agility, competitiveness, and sustainable growth.

Measuring success through key metrics—such as reduced time-to-productivity, improved retention rates, and cost efficiencies—HR leaders can leverage mobility as a core component of their talent strategy. By integrating mobility into both workforce management and workforce planning, HR leaders can ensure the organization remains agile, competitive, and prepared for future growth.

For more information on the differences between workforce management and workforce planning and how Sirva can help you unlock new opportunities for talent optimization, please reach out to Sirva's Global Advisory Services team at GlobalAdvisoryServices@sirva.com.