



A Safeguard Global Playbook for Growth in a Complex Global Labor Market



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Introduction

What does 2026 hold for the field of human resources? At Safeguard Global, we continue to see challenges on the horizon. Economic turbulence, aging populations, skills shortages, and changing compliance requirements are just a sample of the different areas of uncertainty for chief human resources officers (CHROs) and HR executives.

But we also see unique opportunities. Organizations now have easier ways to access global talent, and within this larger pool, companies can more easily find specialized skills and backgrounds that help them sharpen their competitive edge. CHROs can also move roles to new locations that offer more favorable regulatory environments or lower labor costs.

With this as your backdrop, how should you conduct workforce planning for 2026? What are the strategic pillars that guide your strategy? Do you know where to begin?

Safeguard Global's Strategic Workforce Planning Playbook will help you find your way. Based on our insights into current labor market conditions and our experience in helping companies hire and pay workers in nearly 190 countries, this guide will enable you to map the most efficient route to your goals and objectives for 2026.

Executive Summary

- [. CHROs and HR executives must find ways to deal with forces that shape workforce planning, such as:
 - An unpredictable future
 - Flat or reduced headcount budgets
 - Compliance challenges
 - Geopolitical and market instability
- ||. The skills that organizations need may be in short supply, but labor market intelligence and recruiting support can help them overcome this challenge.
- [II]. CHROs must be aware of these hidden hazards of workforce planning and take care to avoid them:
 - Inconsistent onboarding and contracts
 - Fragmented payroll and benefits administration
 - Siloed compliance tracking and reporting
- IV. As CHROs plan their workforce for 2026, here's what they should keep in mind:
 - Centralized data unlocks strategic agility
 - Standardization creates speed and confidence
 - Compliance should be managed, not monitored
 - Cross-functional alignment is non-negotiable
- V. What should CHROs prioritize in their workforce plans for 2026?
 - Visibility
 - Compliance
 - Alignment with finance and operations teams
 - · Diversification of roles for enhanced agility
- VI. Compliance can be used as a competitive advantage because when managed well, it allows organizations to move more quickly than their competitors.

The 2026 Workforce Reality Check

In July 2025, the International Monetary Fund projected global economic growth at 3% for 2025, with slightly higher growth of 3.1% predicted for 2026. However, persistent economic uncertainty, geopolitical tensions, and tariff-related activity are still present.

Some of these issues feed into the forces that can interfere with effective workforce planning.

1 July 2025 International Monetary Fund, "Global Economy: Tenuous Resilience amid Persistent Uncertainty"



Four forces reshaping workforce planning

01

AN UNPREDICTABLE FUTURE

Recruiters are using a skills-based approach to help their organizations find the talent they need for the future. But when the future is driven by advancing technologies, it's hard to predict what could be coming next.

A Deloitte report, "Building the future-ready workforce," notes: "Only 17% of organizations believe they're able to anticipate the skills they'll require to any great extent, and only 16% expect to make significant investments in learning over the next three years."²

02

FLAT OR REDUCED HEADCOUNT BUDGETS

When company leaders see signs of economic uncertainty, they usually tighten the reins. And budget constraints often mean CHROs must deliver the same or better results with the same number of people — or fewer.

17%

Of organizations believe they're able to anticipate the skills they'll require to any great extent.



COMPLIANCE CHALLENGES DUE TO CHANGING LAWS

Compliance is complicated and burdensome, especially when an organization has staff in different countries or in different states or provinces within a country. But the consequences of noncompliance — fines, loss of license to operate, or reputational harm — can be grave.

When faced with budget cuts or a shortage of skills, employers sometimes turn to locations where skills are in greater supply or labor costs are lower. This makes perfect sense as long as they are in full compliance with local laws. There's no room for error.

Here is a sample of some employment and labor-related matters that have recently been raised for review in six key markets. Some employment law changes under consideration in 2025:

AUSTRALIA

New rights for certain "labor hire workers" and developments in case law on the "right to disconnect"

BRAZIL

Changes to the working week

FRANCE

Business immigration rules regarding sanctions and language requirements for foreign workers

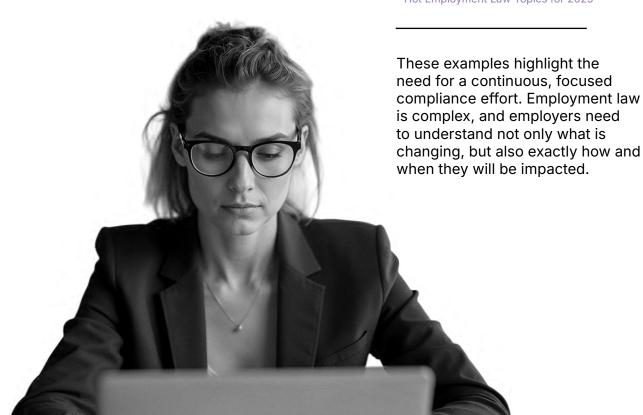
CHINA

New rules on employee disability benefits

UNITED ARAB EMIRATES

Emiratization rules and whistleblowing regulations for the Abu Dhabi Global Market

Source: Squire Patton Boggs, "Global Snapshot – Hot Employment Law Topics for 2025"



GEOPOLITICAL AND MARKET INSTABILITY

Instability in key talent markets can quickly interfere with operations. In 2025, we've seen nationwide anti-government protests in Indonesia, political upheaval in Turkey, and ongoing conflict in Ukraine and the Middle East, just to name a few examples. Because these kinds of events often disrupt business operations, sometimes severely, employers need contingency plans that support business continuity.

These four forces aren't new. The future is unpredictable, but there are ways to reduce the impact of budget cuts, minimize compliance risks, and prepare for the unknown. We'll explore these later in this playbook.



PAGE 8

The Skills We Will Need

An unpredictable future can strain your ability to plan, but we can lean on a few highly respected organizations for some predictions.

The "Future of Jobs Report 2025" from the World Economic Forum (WEF) points out that advancements in Al and information processing technologies; robotics and automation; and energy generation, storage, and distribution are expected to drive rapid growth in certain roles while leading to a significant decline in others.

3 World Economic Forum, "The Future of Jobs Report 2025"



THE SKILLS WE WILL NEED

The WEF highlights these emerging areas as part of a broader digitalization trend, but they represent only a portion of the skills needed across all sectors of the global economy. Still, it's worth looking at the availability of these particular skills, given their importance.

Technology skills: According to the International Data Corporation (IDC), employers will likely struggle to find even the general tech skills they need. In 2024, the IDC predicted that by 2026, more than 90% of organizations worldwide will be impacted by a shortage of IT skills, which could result in \$5.5 trillion USD in losses caused by product delays, impaired competitiveness, and lost business.⁴

Skills for the energy sector: Reports indicate there's a shortage of skills for the US energy sector. "The National Interest," an online publication of the US-based Center for the National Interest, states that 71% of energy sector employers face challenges in finding the skills they need.⁵

Globally, the International Energy Agency says that while the clean energy sector will create 14 million new jobs by 2030, there's a shortage of skills for these roles. Almost 70% of businesses in the renewable energy sector are having a hard time finding qualified workers.⁶

Robotics skills: These skills are in high demand; however, nearly a quarter of the manufacturing workforce will retire by the mid-2030s. These workers will be leaving just as AI, predictive analytics, and collaborative robotics are becoming more important, but only 30% of frontline manufacturing workers are prepared for this new phase.⁷

IN THE NUMBERS

By 2026, more than 90% of organizations worldwide will be impacted by a shortage of IT skills.

⁴ International Data Corporation, "IT Skills Shortage Expected to Impact Nine out of Ten Organizations by 2026" $\,$

⁵ The National Interest, "The Energy Workforce Shortage Could Slow Future Growth"

⁶ AEE World, "Bridging the Green Skills Gap"

⁷ Robotics Tomorrow, "Addressing the Skills Gap in Manufacturing through Robotics Training"

Other skills in demand

Employers looking for the specialized skills we've just described aren't the only ones coming up short. According to a 2024 survey conducted by the Manpower Group, 74% of employers struggle to find skilled workers.⁸

Here is a look at the percentage of employers who reported talent shortages in eight different sectors.

INDUSTRY

% OF EMPLOYERS REPORTING A TALENT SHORTAGE

Healthcare and life sciences	77%
Energy and utilities	76%
Information technology	76%
Transport, logistics, and automotive	74%
Consumer goods and services	73%
Industrials and materials	73%
Financials and real estate	72%
Communication services	71%

Source: Manpower Group, "2025 Global Talent Shortage"

Collectively, this data highlights the challenges you may encounter as you seek to fill roles and plan for the future. A combination of labor market intelligence and recruiting support can help you overcome these hurdles.



The Hidden Landmines in Workforce Planning

The forces shaping 2026 — talent scarcity, budget pressure, a changing compliance landscape, and market volatility — are clear. But according to CHROs worldwide, it's not the big, obvious challenges that cause the most damage. It's the operational landmines that detonate when you least expect them.



These landmines are often hidden in day-to-day processes, and they are easy to overlook when you're focused on strategic growth.

But left unaddressed, they can stall expansion, erode trust, and drain resources.

LANDMINE 1 1

Inconsistent onboarding and contracts

Onboarding processes and employment contracts can vary by country, business unit, or even department. They require special attention and expertise, or legal risk may result.

Risk #1: A contract template that works perfectly in one market may violate mandatory notice periods, statutory benefits, or working hour restrictions in another.



Impact: Disputes, lawsuits, delayed start dates, and damaged reputation with both new hires and regulators may follow.

Risk #2: When onboarding lacks consistency, standardized processes, and a personal touch, new hires may receive different kinds of information, or not enough, leaving some without the input and sense of belonging they need to succeed in their new roles.



Impact: Productivity can suffer, and high turnover rates may result.

DID YOU KNOW?



G Gorganizations with strong onboarding processes increase new hire retention by 82% and improve productivity by 70%.9

LANDMINE 2 \Lambda

Fragmented payroll and benefits administration

Payroll is the lifeblood of the employment relationship. Yet for many global organizations, it's still managed in disconnected systems across different countries and vendors.

Risk: The use of multiple payroll systems increases the likelihood of calculation errors, missed payment deadlines, and misaligned benefits administration.



Impact: These systems can open the door to government fines, employee dissatisfaction, attrition, and reputational harm — especially in new markets where first impressions matter.

Real-world example: In the UK, the Surrey County Council rolled out a new £30 million GBP payroll system in 2023, but the system was plagued with errors. Teachers, firefighters, and other Council employees were paid the wrong wages. Employees missed mortgage, rent, car, and utility payments as a result.¹⁰

LANDMINE 3 🛝

Siloed compliance tracking and reporting

Managing compliance manually or in isolated systems is like trying to drive without a dashboard. You might be moving, but you have no idea when you're about to run out of fuel.

Risk: Without a centralized, automated way to track regulatory changes and filing deadlines, requirements slip through the cracks.



Impact: Blocked hiring in key markets, costly remediation efforts, and reputational damage with regulators can happen.

Real-world example: In 2024, it was reported that two units within the Belgian branch of PostNL—Post NL Cargo and PostNL Packages—allegedly used staff from a third party in an illegal way. Depots owned by the branch were raided as part of the investigation, and the CEO of the branch was briefly taken into custody after the raids. Belgium's Public Prosecution Service recommended a fine of €24.4 million EUR.¹¹

Compliance isn't just a checkbox. In 2026, it's a key business function and a differentiator in attracting talent and protecting brand reputation.

The cost of ignoring the landmines

Each of these risks, if ignored, can create vulnerabilities that:

01

02

03

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Slow expansion

Increase costs

Undermine the employee experience

Force HR leaders to focus on firefighting instead of strategic initiatives

Addressing them early, before they trigger a crisis, is the difference between a workforce plan that delivers measurable ROI and one that derails under pressure.

Warning signs that your workforce plan may be at risk

- HR teams spending more time on manual payroll reconciliation than strategic projects
- New hires in certain countries starting weeks (or months) later than planned
- Legal disputes or regulator inquiries linked to inconsistent contracts
- Difficulty producing compliance documentation on short notice



Lessons from the Field

The organizations that thrive in unpredictable conditions are able to anticipate problems. They build resilience into their workforce strategy by relying on centralized data, unified processes, and in-country expertise.



Here are four ways that successful HR teams enhance their capabilities and fortify their operations for an uncertain future.

LESSON 1

Centralized data unlocks strategic agility

High-performing CHROs make data visibility their first priority. By integrating payroll, onboarding, and compliance data into a single platform, they are able to:

- Spot compliance gaps before they trigger fines.
- Compare talent costs across markets to guide strategic hiring.
- Model "what if" scenarios to respond quickly to market shifts.

Real-world example: Merck KGaA's fragmented HR data limited its visibility and caused inconsistent reporting. But by implementing a people analytics platform – one that combined more than 45 million data points – Merck KGaA was able to create more effective structures and workflows and improve decision-making. This ultimately helped Merck KGaA exceed a key diversity goal.¹²

LESSON 2

Standardization creates speed and confidence

Rather than allowing each region to manage onboarding and contracts independently, successful CHROs implement global frameworks with local flexibility.

- Standardized contract templates and onboarding processes protect against compliance violations.
- Local HR teams retain the ability to adapt for cultural nuances or market-specific regulations.

The outcome: Organizations gain faster market entry, reduce their legal exposure, and offer a better new hire experience.

LESSON 3

Compliance is managed, not monitored

Average performers manage compliance reactively; high performers manage it proactively. To do this, they:

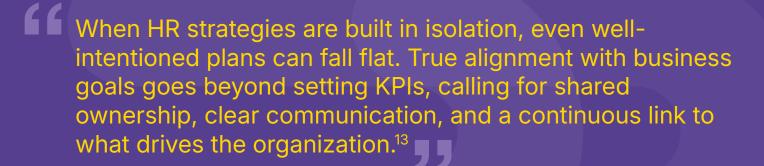
- · Maintain a global compliance watchlist to track labor law changes.
- Review policies quarterly with HR, finance, and legal teams.
- Embed compliance checkpoints into every stage of the employee life cycle.

LESSON 4

Cross-functional alignment is non-negotiable

The CHROs who avoid costly missteps don't operate in isolation. They engage CFOs and COOs early in workforce planning conversations where:

- Finance provides clarity on budget and cost forecasts.
- Operations highlights where workforce gaps could disrupt delivery.
- HR offers talent and compliance intelligence to guide resource allocation.



- Dr. Dieter Veldsman, Chief HR Scientist, Academy to Innovate HR

The World Resources Institute (WRI)

The World Resources Institute (WRI) an NGO based in Washington D.C., seeks to reduce greenhouse gas emissions and protect the vulnerable populations that are most exposed to the effects of global warming. It needed staff to work with local governments and drive policy changes in various locations around the world.

WRI turned to Safeguard Global's Employer of Record (EOR) solution for help in hiring the international staff it needed, in compliance with local laws. For WRI, it was also important that all staff members — whether they were directly employed by WRI or by the EOR — had the same employee experience.

They were able to achieve this through standardized processes that covered time sheets, expense reports, and project and performance management. Safeguard Global also ensured that staff members received benefits that left them feeling cared for, even if they were technically employed by the EOR.



Previously, the conversations would be, 'Let's find out how we can hire somebody in a particular country.' Now, when we find somebody, we can hire them through Safeguard Global. We create the strategy, and Safeguard Global implements it.

Building a Strategic Framework for 2026

In 2026, success depends on your ability to make informed decisions quickly, maintain compliance in the jurisdictions you operate in, and optimize resources across multiple markets.





VISIBILITY IS ESSENTIAL

Success starts with visibility. Without a single, unified view of your workforce, you're flying blind and hampering productivity. In fact, a 2022 Forrester study shows that workers lose 12 hours a week searching for key information trapped in silos.¹⁴

By centralizing your data for payroll, headcount, contract status, and compliance indicators, you'll gain insights that allow you to act strategically instead of reactively. This visibility enables you to see emerging risks, compare market costs, and align talent strategy with business priorities in real time.

PRIORITIZE COMPLIANCE

From there, the most resilient workforce plans build compliance into the very foundation of their operations. That doesn't mean waiting for quarterly audits to surface problems — it means creating an active compliance watchlist, reviewing it regularly, and embedding checkpoints into every stage of the employee life cycle. Read more about this in the next chapter.

INCLUDE YOUR FINANCE AND OPERATIONS TEAMS

It's equally important to break down silos between HR, finance, and operations. Workforce planning is directly tied to financial forecasting, operational capacity, and long-term business goals. When these functions work from the same set of data, decisions about where to hire, which markets to enter, and how to allocate budget become faster, smarter, and less prone to costly misalignment.

DIVERSIFY TO GAIN AGILITY

Finally, agility has to be more than a buzzword; it must be baked into your workforce model. In 2026, that means moving away from one-size-fits-all hiring and embracing a mix of full-time employees, contractors, and project-based talent — all managed compliantly, of course. This not only reduces fixed costs but also allows you to shift capacity quickly in response to market changes or emerging opportunities.

When centralized intelligence, embedded compliance, cross-functional alignment, and flexible workforce models come together, you gain a more realistic and future-proof framework.

Turning Compliance into a Competitive Advantage

For many organizations, compliance is treated as a set of obligations that must be met to avoid penalties. But the most strategic CHROs view compliance as something far more valuable: A

competitive differentiator.





When compliance is built into the core of your workforce strategy, it doesn't slow you down — it accelerates your organization's growth. Markets that might seem risky or slow-moving to others become accessible and operationally ready for you. Candidates who might hesitate to join an unfamiliar brand in a new geography are reassured by transparent, locally compliant employment terms. Regulators view you as a trusted operator rather than a potential violator.

Building compliance into the employee life cycle

Consider what happens when compliance is integrated into every stage of the employee life cycle:

- Onboarding processes move faster because the documentation is already aligned with local laws.
- Payroll runs smoothly across markets because tax and benefits requirements are handled consistently.
- Expansion plans stay on track because changes in labor laws are flagged and addressed before they cause disruption.

This proactive approach pays off in more ways than one. It reduces the likelihood of costly penalties and disputes. It strengthens your employer brand, making it easier to attract and retain high-value talent. And it gives your leadership team the confidence to green-light expansions into new regions without the fear of how to address potential hidden risks.

CloudWay

Norwegian tech consultancy CloudWay offers Microsoft assessments, training, and technical implementations, and it needs specialized skills in its workforce — the kind that are now in high demand. Well-qualified candidates are scarce, so when CloudWay finds them, it needs to hire them as quickly as possible, even if they live in locations where the company does not have its own entity.

CloudWay tapped Safeguard Global for its Employer of Record (EOR) solution, which provided in-country hiring support, HR and payroll guidance, and compliance expertise that allows it to hire quickly and with confidence.



We don't have to investigate the local laws, rules and regulations in (those) different countries.
With Safeguard Global ... everyone gets the correct salary, and the local norms for things like pensions are followed.

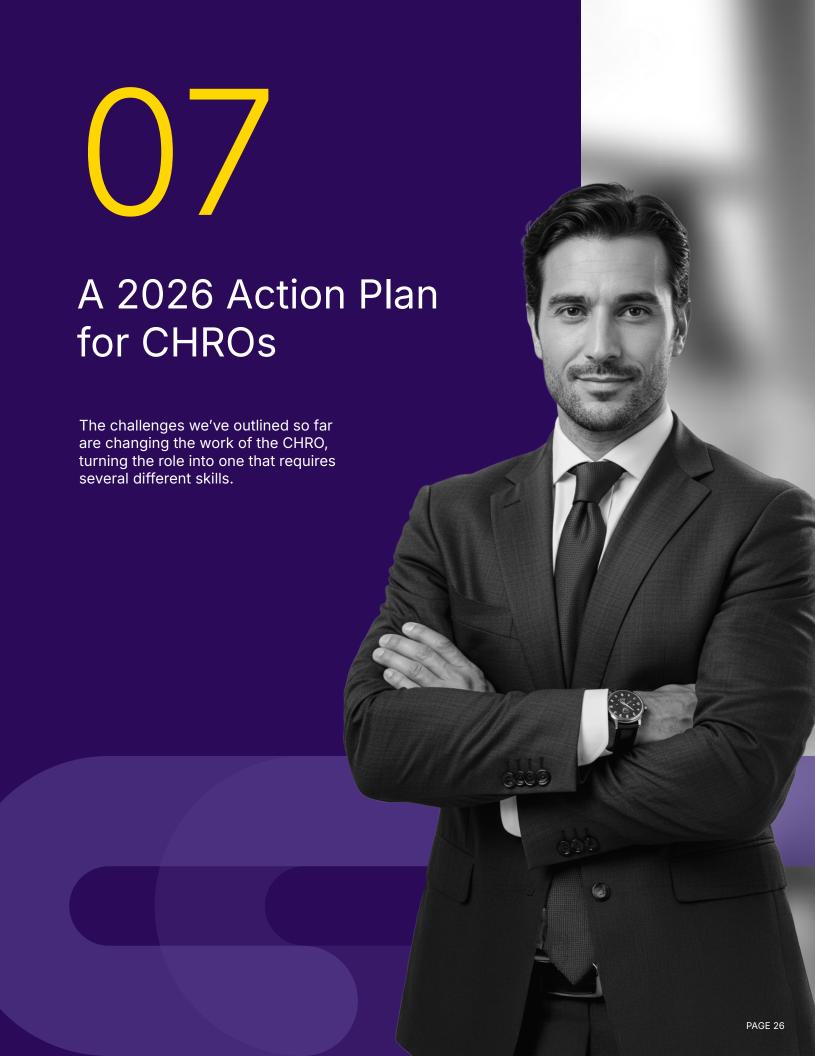
Accelerate your market entry

In 2026, speed to market will be a defining advantage, and compliance is directly tied to that speed. A business that can confidently start operations in a new country in weeks instead of months will seize opportunities more quickly than competitors.

Stop thinking about compliance as "necessary paperwork" and start thinking about it as part of your growth strategy. With the right partner and infrastructure in place, compliance moves from a defensive shield to an offensive asset that protects your business while powering your expansion.

Maintaining compliance with employment law and customs is the second greatest challenge associated with international expansion.

Source: The Economist Intelligence Unit, "Growing pains: the HR challenges of international expansion"



Today, you must be a:

- Market analyst who understands global labor trends and cost differentials.
- Risk manager who can anticipate compliance and operational threats.
- Strategic operator who aligns HR, finance, and operations in real time.
- Brand ambassador who ensures that every touchpoint in the employee life cycle supports retention.

Workforce planning is no longer just an annual budgeting exercise; it's an always-on strategic function that demands a proactive, intelligence-driven approach. You don't need to "know it all" for each of these different facets, but you do need to know where to turn for the information you lack.

A CHECKLIST FOR READINESS

With so much information now in hand, you might wonder where to start. You can begin today with the checklist below.

Assess and align

- ☐ Audit your workforce, contracts, payroll, and compliance systems.
- ☐ Engage HR, finance, and operations to set unified priorities.

Identify and prioritize risks

☐ Pinpoint fragmented processes and compliance vulnerabilities.

Monitor

- ☐ Migrate to a unified platform.
- □ Standardize processes.
- Establish ongoing compliance monitoring.

The value of a unified global solution

The checklist above will help you lay the foundation on which you can build the systems and tools that help you optimize various HR functions. Where essential components are missing, you can develop them or turn to a provider of HR solutions and expertise to complement your own capabilities.

This is where a partner like Safeguard Global can help. Our unified solution brings every critical global workforce function into a single, integrated ecosystem. And it's backed by the in-country expertise you need to remain in compliance and stay competitive.

Safeguard Global Employer of Record (EOR) solution

With Safeguard Global's EOR solution, you can:

- ✓ Hire quickly in nearly 190 countries no local entity required.
- ✓ Onboard consistently using standardized processes adapted to local regulations.
- ✓ Run global payroll seamlessly, with on-time payments in local currencies, including the payroll deductions required by law.
- ✓ Offer competitive benefits without the administrative burden.
- ✓ Integrate finance and HR data, giving leadership real-time visibility into labor costs, compliance status, and workforce allocation.
- ✓ Rely on 400+ in-country experts who monitor regulatory changes and keep your processes updated.

Additional Safeguard Global solutions

Safeguard Global EOR is part of a full suite of solutions that's backed by up-to-date knowledge of local laws and customs.

- ✓ Contractor Management: Pay your contractors on time, in their currencies.
- ✓ Finance, Tax & Accounting: Simplify your global finance and tax compliance.
- ✓ Global Pay: Ensure accurate, timely payment for your global workforce.
- ✓ Global Recruitment: Find the talent you need in nearly 190 countries.
- ✓ HR & Benefits: Get expert support for onboarding, benefits administration, performance management, and other key HR functions.
- Entity Setup: Plan and establish an international business in compliance with local laws if using an EOR isn't right for you.

With Safeguard Global as your partner, you can simplify global workforce planning and spend more of your time driving growth and innovation.



Plan Boldly and Grow Beyond Limits

Given the dynamic nature of economic conditions, labor markets, and employment laws and policies, the best approach to workforce planning and management is one that will carry you through periods of calm and chaos alike.

Backed by decades of expertise, Safeguard Global's robust platform will allow you to weather any degree of unpredictability and transform workforce planning into a competitive advantage.

Our integrated solution takes hiring, payroll, onboarding, benefits, and compliance off your plate. It eliminates the need for a local entity when you need to move quickly but provides entity setup guidance when you're ready for it. It frees you to focus on retaining your best people and positioning your organization to move faster than the competition.

In short, Safeguard Global gives you the tools and expertise that help you move quickly and always in compliance with complex laws and policies, so you can plan boldly and grow beyond limits. Your 2026 workforce plan will define how resilient, agile, and competitive your organization will be in the years ahead. Let's build it together.

By leveraging Safeguard Global's unified solutions and recent product innovations, CHROs can streamline global operations, ensure compliance, and drive workforce agility — enabling their organization to respond proactively to market challenges and achieve their 2026 business objectives.

- Safeguard Global COO Wanda Prewitt



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Safeguard Global enables global expansion without the risk. As a pioneer in global workforce enablement and employer of record (EOR) solutions, Safeguard Global helps organizations quickly and compliantly recruit, hire, pay, and manage teams in nearly 190 countries, without establishing legal entities. The company's technology platform is backed by over 400 local experts working in 70+ countries who deliver human support when it matters most. With a breadth of global workforce solutions that also includes HR, benefits, accounting, legal, visa and immigration, and tax services, Safeguard Global guides customers with the expertise and support they need to scale faster and hire compliantly around the globe — wherever they are in their expansion cycle. Learn more about Safeguard Global at www.safeguardglobal.com. Follow Safeguard Global on LinkedIn.