

Master of Business Administration (MBA)

Human Capital Management

Module Code: LCMB7023

Assignment Title: The Influence of National and International Labour Markets on
HRM and IHRM Strategies

Student Name: Tanvir Ahmed

Student ID: 2510639

Word Count: 2745

Executive Summary

This report described the role of technological change, demographic trends and geopolitical changes in transforming HRM and IHRM strategies. The automation and AI cause skill gaps, and organisations have to invest in continuous reskilling, redesign jobs and use the digital HR tools to assist employees. The problems of an ageing population and shifting migration trends create talent shortages; these issues can be alleviated using proactive workforce planning, flexible working arrangements, inclusive hiring and international talent pools. Trade wars, political instability and health crises are examples of geopolitical risks that interfere with mobility and operation; therefore the HR requires effective crisis-management strategies, explicit remote-working policies and effective global compliance systems.

A reflective assessment of my own competence in technology, communication, teamwork, leadership and self-guided learning was also a part of the report and a development plan was outlined to work on at advanced digital-HR training, practise as a leader in multicultural teams, find mentors, and review progress regularly to keep up with the dynamic global labour markets and become a more valuable contributor to the organisational performance and resilience.

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Introduction

This report discusses the way in which the changing labour environment is being transformed by rapid technological and demographic change and its implications on the HRM/IHRM practice. Human Resource Management is often described as the strategic approach to managing people effectively within an organisation (Armstrong, 2023). The workforce makeup is changing due to the effects of ageing populations and migration, and jobs and skills needs are changing due to automation, artificial intelligence and online platforms (Ross et al., 2024). Such trends render the report applicable in organisations that need to redesign their attracting, supporting, and developing process of employees. The report thus examines technological, demographic and geopolitical effects on labour markets, looks at ways of countering skills deficit and talent crunches, and gives a reflective assessment of my strengths as an aspiring HR practitioner.

Technological Advancements & HRM/IHRM Strategies

Technological advancements can be viewed as the constant movement to new tools, methods and knowledge that enhance the human potential and transform the social and economic life. As Begum (2018) notes, “technological progress reshapes social and economic life by altering how work is organised and performed.”

Technological Transformation of Labour Markets

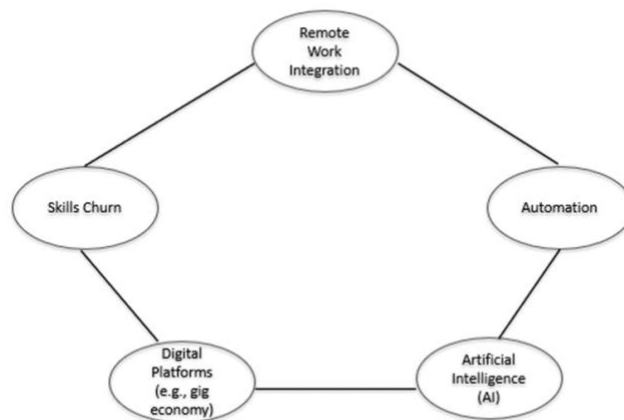


Figure 1: Technological Forces Shaping Modern HRM and IHRM Strategies

Source: (Aust et al., 2020)

Figure 1 demonstrates the five overlapping forces - remote work integration, automation, artificial intelligence (AI), digital platforms in the gig economy and skills churn - transforming global labour markets and HR practise together. The shifts that are becoming evident in the labour markets all over the world are essentially the consequence of the technological advancements, particularly, the field of automation, artificial intelligence (AI) and web-based platforms. The right-hand side of the diagram is represented by automation and AI which simplify operations and increase their productivity, creating new jobs, but also eliminating old ones, especially manufacturing and lower-level administrative duties (Olurin et al., 2024). As the routine jobs are automated, skilled workers are required in higher value jobs, particularly in digital literacy and STEM (Science, Technology, Engineering, and Mathematics). The digital platforms that are symbolising the gig economy (Uber, TaskRabbit and Upwork) at the bottom of the figure show that the traditional full-time employment is being replaced with the more flexible and short-term employment. Such a dynamism forms flowing talent pools yet brings up worries around job security, employee rights and job category (Aust et al., 2020).

As information Digital technology and best practices in human resource practices are highly prized resources, it seems sensible that combining these two areas of expertise would result in a stronger competitive edge. More structured and effective innovation and technical improvement strategies taken into consideration and put into practice for businesses to maintain their operations and advance their technological development (Bristol-Alagbariya et al., 2024). Only a few studies have specifically examined the relationship between technological innovation and human resources, even though technological innovation in human resource practices is increasingly becoming a highly demanding and vital driving force of institutional competitiveness. The modern inclination towards the impact of technological improvements on both the assessment of engagement and the use of human resource practices and strategies to increase employee improvement.

Although artificial intelligence touted as a tool that will influence human resource practices, there is little academic study on how artificial intelligence can benefit these

activities. For cost and efficiency reasons in human resource practices, businesses are using artificial intelligence and algorithmic decision-making for their recruitment and selection processes (Ogedengbe et al., 2024). Nonetheless, there is a focus on the emotive response of job seekers to systems in the hiring process, and academics of human resource practices still need to comprehend the affective feedback to the selection process.

Implications for HRM/IHRM Strategies

The development of AI and robotisation has far-reaching consequences to HRM/IHRM policies, especially in talent acquisition. The neural network is finding an increasing number of applications in candidate recruitment and screening, as it can allow human resource experts to find the best among candidates in a short period due to the assistance of artificial intelligence (Ericson and Sjostrand, 2024). The AI-based recruitment systems are able to analyse resumes, make preliminary screening and select the applicants in the suitable positions according to their skills and experiences. Nevertheless, this demands as well that HR departments pay attention to the assessment of adaptability and learning agility of their candidates, since these two concepts are essential in a fast-changing workforce.

To ensure effective human resource management in multinational organisations, there are certain measures taken, like ensuring the provision of diversity and inclusion measures, engaging the employees through surveys, responding to complaints and appeals from the employees, and encouraging the management of work and personal life (Ogedengbe et al., 2024). The role of human resource management professionals is particularly widespread and contemplates making and maintaining organisational culture.

Managing a diverse workforce is a big challenge; internationally, it is one of the biggest challenges of IHRM. Making sure that your organisation has a good balance of a diverse workforce, with high employee engagement and zero cultural differences, is one of the prime responsibilities of the IHRM team (Human Resources, OB & Talent Management Series, 2024). Internationally, it gets even more complicated to create a channel of communication between different hierarchies of employees and their heads due to geographical constraints.

At international level, IHRM practises should take into account the challenges of dealing with a geographically spread-out workforce. Remote work has been made possible by technological changes, which has formed a talent pool of employees across the world. Nonetheless, when handling a virtual workforce that involves employees in different jurisdictions, HR professionals have to deal with the complications of international labour (e.g. data protection) as well as ensure compliance.

Demographic and Geopolitical Factors

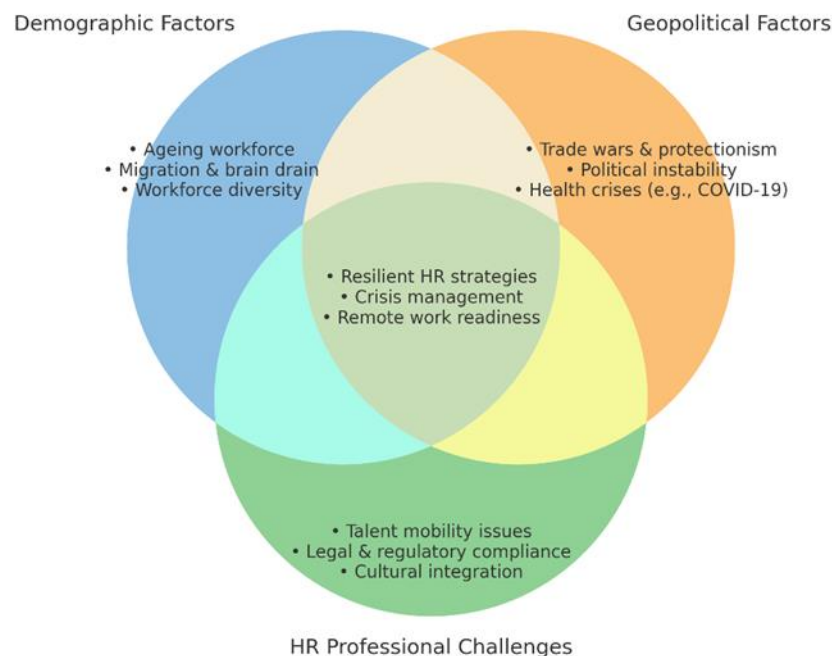


Figure 2: Interconnection Between Demographic, Geopolitical, and HR Professional Challenges

Source: (Adekoya et al., 2024)

Figure 2 is a Venn diagram of how the demographic factors, geopolitical factors and HR professional challenges intersect. Demographic trends include an ageing workforce, migration and brain drain, and growing workforce diversity. The circle of oranges indicates the geopolitical problems, such as trade wars, political conflicts and global health challenges like COVID-19. The green circle at the bottom is the HR issue such as talent mobility, legal and regulatory compliance, and cultural integration. In the middle, where

all three intersect, are tough HR plans, crisis management and work-from-home preparedness, which shows that successful HRM should deal with all three types of pressures simultaneously.

Demographic Factors

Demographic factors are quantifiable aspects of workers who are individuals such as age, sex, level of education, job experience and marital status that can be used to identify a group of people in the workforce and may affect their attitudes, behaviour and work performance (Amegayibor, 2021).

The demographic change in the global labour market is massive. In most developed economies, the issue of ageing also limits the number of individuals that can be categorised as the working population, and increases the competition to acquire limited talents. Ghunaimi and Al Ghunaimi (2024) note that “ageing populations are tightening the supply of skilled workers in many advanced economies,” which places pressure on HR teams to redesign work structures and benefits.

Migration and brain drain also shape talent flows. Losing skilled labour creates shortages in some countries, while open immigration policies benefit others by filling gaps in technology, healthcare and education (Talentia Software, 2024). As the workforce becomes more diverse, organisations need inclusive hiring, equitable development opportunities and cross-cultural communication training (Adekoya et al., 2024).

Geopolitical Factors

Political, security and strategic situations that are precipitated by the power relationship among the states, regional blocs and territorial disputes are known as geopolitical factors (Nazari, 2020).

HRM and IHRM are highly affected by geopolitical forces. The protectionist policies and trade wars upset world supply chains and can make companies think about where to produce and in what labour markets to depend (Armstrong, 2023). Economic sanctions and political unrest may limit the mobility of employees, complicate international assignments and put more risks to the personal security of employees who work offshore

(Taylor, 2024). The recent health crises, in particular, COVID-19, have increased the speed of remote work and the demands on the nature of health, safety, and well-being at work as well. To manage this, HR must create flexible work systems, safe digital work environments and clear crisis-management procedures. As Malik and Budhwar (2023) explain, “managing people across borders involves navigating complex regulatory, cultural and operational differences,” which makes geopolitical awareness essential for global HR teams.

Challenges of HR Professionals

In this context, there are multidimensional difficulties among the HR professionals. They have to negotiate the mobility of international talent within the framework of the various legal and regulatory frameworks, such as the labour law, data protection and migration regulations (Malik and Budhwar, 2023). Meanwhile, they must be able to encourage cultural integration of more and more global teams and preserve high engagement and trust rates. At the centre of Figure 2, it is stressed that the resilient people approach coupled with the well-developed crisis-management skills and the willingness to work remotely and in hybrid workplaces becomes the main element of the effective HR response.

Addressing Skills Gaps & Talent Shortages

Root Causes of Skills Gaps

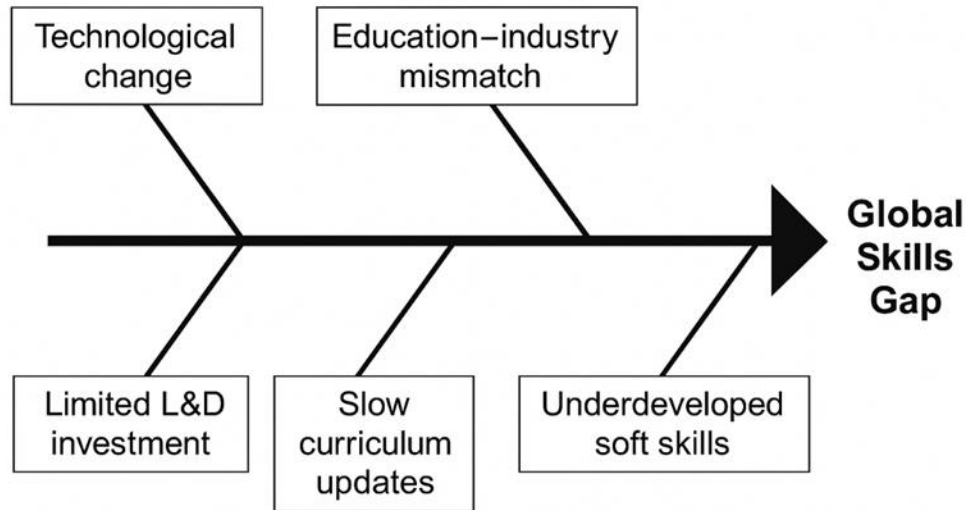


Figure 3: Causes of the Global Skills Gap

Source: (Ogedengbe et al., 2024).

Figure 3 illustrates a fishbone diagram with technological change, education-industry mismatch, less learning and development (L&D) investment, slow rate of updating curriculum and weak soft skills all leading to a global skills gap (Ogedengbe et al., 2024).

The issue of skills gaps is thus one of the biggest problems that organisations face globally and is motivated by these associated reasons. The former is a rapid technological change, where industries are adapting to digitalisation, automation and AI, which implies that the skills provided in the labour market are not the ones the employer demands (Vance et al., 2024). This kind of technological change renders certain skills irrelevant within a very short period, leading to labour market shortages. The discrepancy between education and industry requirements is also another aspect of the problem as in most education systems, the curricula is not updated promptly to keep up with the industry needs (Kenzhin et al., 2021). The organisational lack of investment in L&D and poor development of soft-skills at the time exacerbates the difference, since employees do not receive frequent opportunities to upskill and adjust to the evolving job demands.

Strategic HRM Solutions



Figure 4: Strategic HRM Approaches for Closing the Skills Gap

Source: (Bristol-Alagbariya et al., 2024)

To address these skills gaps, organisations can implement various strategic HRM solutions.

- **“Build” Strategies:** These are concerned with building talent within the company. Investment in corporate academies, apprenticeships, and collaborating with universities allows the company to develop specific learning paths that employees follow (Ross et al., 2024). Talent cultivated in the organisation can help the companies fill vacancies with people who already know about the culture of the company and processes, this saves on the cost of recruiting and the company can get a better culture fit.
- **“Buy” Strategies:** Here, the firms hire new talent who have the desired skills. This entails the application of talent analytics to recruit potential talent, improvement of employer brand to attract the best talent, and provision of competitive salary as a

way of acquiring skilled labour. Although this strategy can be used to meet short term needs, it may be expensive particularly in competitive sectors.

- **“Borrow” Strategies:** Organisations can also choose to acquire consultants, freelancers and contractors as a way of filling the temporary skills requirements. This also enables business organisations to tap into specialised knowledge very quickly without the long-term costs of employing permanent employees. The latter is especially helpful when working on the project or to fill the gaps in times of growth (Olurin et al., 2024).
- **“Bind” Strategies:** It is as easy to retain talent as it is to attract it. The emphasis of companies should be on the strategies that promote employee loyalty, i.e., mentorship programmes, job rotation, and the culture of learning that will ensure the constant progress of a profession. An effective retention plan would help minimise the turnover and keep the valuable skills in the organisation.

Sector-Specific Examples

- **Tech Sector:** Tech companies typically address this problem by having in-house coding bootcamps to produce their own software engineers and contract freelance AI specialists to handle temporary jobs.
- **Healthcare Sector:** As the world seeks more healthcare workers, organisations tend to recruit nurses and other healthcare practitioners in cross-border. Furthermore, the working conditions should be better, and people should be provided with competitive rewards to motivate them to stay in this very active industry (Aust et al., 2020).
- **Hospitality Sector:** Hospitality firms tend to concentrate on management development programmes and improve their employer branding to draw and retain and retain talented employees in a competitive market.

Reflective Report on Personal Capabilities

To be an MBA graduate in the modern world is to develop a set of global competencies and the ability to adjust to the ever-present change. With organisations being transformed

by the advent of digital technologies and the workforce becoming more global, the skills to work with the new tools and handle people of different backgrounds are especially significant. Good communication skills, team leadership and desire to learn continuously are key competencies that are desired by HR professionals when hiring managers (Bristol-Alagbariya et al., 2024). As Vance et al. (2024) note, “global roles demand adaptability and the capacity to work effectively across different cultural and technological environments,” which reinforces the value of these capabilities.

During the programme, I have developed my technological skills by applying technological tools like MS Teams and artificial intelligence applications like ChatGPT to facilitate research and group work. I am now familiar with virtual learning and working remotely and have been able to view technology as a facilitator, not an obstacle, due to the frequent use of these platforms. Simultaneously, the regular presentations and multicultural projects have enabled me to train the ability to explain intricate concepts to various audiences in a clear manner. My peers and tutors have provided feedback that I will be able to adjust my tone and style to meet the requirements of the group, which is crucial to preventing any misunderstanding and ensuring that the working relationships will be positive.

Teamwork has also proven to be a very valuable experience. I have tended to take charge of the organisation of activities, resolving disputes and making sure that time is met within the stipulated time. Such instances have enabled me to learn how to be assertive and cooperative at the same time so that the team does not lose its focus to the objectives other than to kill morale. My leadership style has been influenced by informal leadership opportunities including facilitating and encouraging the quieter members to contribute during meetings. I am finding how to inspire others by supporting and leading by example instead of commanding, which will be essential in cases of handling different teams. The developments are based on self-directed learning. The handling of assignment deadline as well as additional reading and internet-based courses has enhanced my time management and prioritisation. To keep up with the latest trends, I have engaged in subjects that are not part of the core curriculum such as data analytics, global human resource practises and ethical use of AI.

In the future, I intend to implement the steps shown in Figure 5, integrating formal learning, practise and periodical evaluation in order to transform my abilities into continuous value to organisations that run-in technology-based labour markets.

The following figure (5) illustrates a rough project plan in which I plan to develop my personal capabilities in four quarters. Task 1 of Q1 will involve attendance of leadership and multicultural workshops. In Q2, Task 2 aims at joining AI-based HR training. Tasks 3 in Q3 and 4 in Q4 are to use leadership skills in group projects and review progress and revise goals.

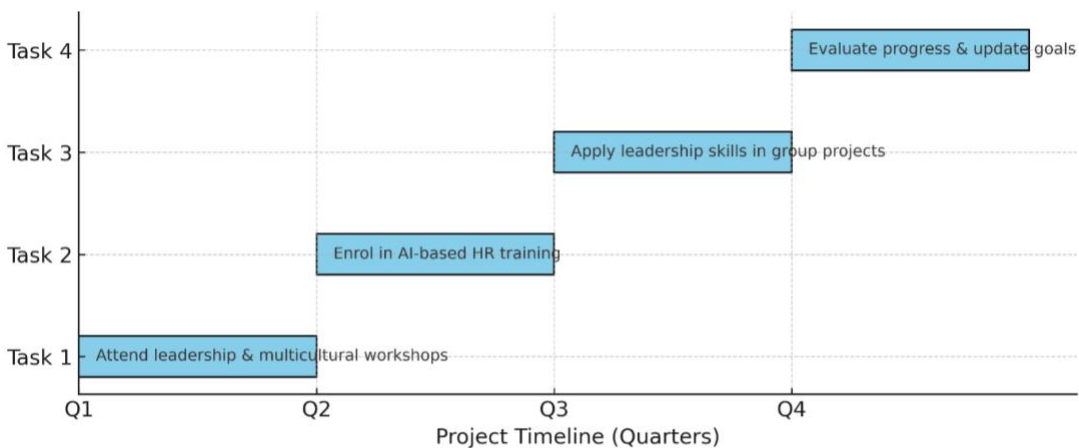


Figure 5: Timeline for Personal Capability Development and Continuous Learning

Conclusion

Finally, technological changes, demographics and skills gap, are also greatly altering the HRM and IHRM strategies. Such technological advancements as AI and automation require constant upskilling, whereas the demographic changes require more adaptive workforce policies. The geopolitical forces including trade wars and political instability also affect the HR practices globally. Concerning personal growth, my self-evaluation revealed my strengths in the use of technology, communication, and self-directed learning. This is my developmental plan to ensure that I remain competitive and address the weaknesses especially the leadership and working in multinational teams' style, thereby increasing my global competencies in future professional practice.

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Appendix

SWOT Analysis of Personal Capabilities

Strengths	Weaknesses
1. Self-directed learning: Ability to learn independently and adapt quickly to new tools and systems.	1. Limited experience in leading multicultural teams: Need for more practical experience in leading diverse teams.
2. Adaptability to technology: Comfortable using AI tools like ChatGPT and MS Teams for enhanced learning and collaboration.	2. Time management under pressure: Tendency to over-commit in group projects, affecting task prioritisation.
3. Strong communication skills: Feedback from group presentations and reports highlights clear and effective communication.	3. Reluctance in taking initiative in group settings: Sometimes defer leadership roles in large teams, preferring to follow.
Opportunities	Threats
1. Career development through technology: Opportunities to gain expertise in AI-driven HR practices and digital tools.	1. Increased competition in the job market: High demand for leaders with global competencies in HRM and IHRM.
2. Learning leadership skills: Ability to enrol in leadership training or take on more leadership responsibilities in future roles.	2. Technological disruptions: Rapid changes in AI and automation may lead to skills becoming obsolete without continuous learning.
3. Global mobility: The opportunity to work in multinational companies and gain exposure to international HRM strategies.	3. Cultural integration challenges: Potential difficulty adapting to rapidly changing cultural norms in diverse teams.

Development Plan

1. Leveraging Strengths:

- **Self-directed learning:** Continue taking online courses in leadership and AI-based HR solutions to stay ahead in the field.
- **Technology proficiency:** Stay updated with emerging technologies such as machine learning in HR and digital HR platforms.

2. Overcoming Weaknesses:

- **Leading multicultural teams:** Take on leadership roles in international team projects to improve skills in cultural integration and team management.
- **Time management under pressure:** Focus on better task prioritisation and delegate when necessary to avoid over-commitment.

3. Actions for Personal Development:

- Attend **leadership development workshops** focused on managing diverse teams and **multicultural team leadership**.
- Join **mentorship programmes** to build leadership skills and enhance strategic thinking.