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Executive Summary

This report has examined the reshaping HRM and IHRM due to the evolving technologies such as Artificial Intelligence, Automation and as such. Moreover, the effects are creating dual-side effects where jobs are getting eliminated in one area while being created in another area. Again, there is ample mismatch of what the employers demand and what the employees have in terms of skills, experience and expertise. With geopolitical and demographic shifts, the challenges are increasing exponentially in recruiting and retaining talents. Again, there are persistent skills gaps in most of the economies. Overall, this report has concluded with a reflective analysis of personal capabilities to understand the importance of various skills and where improvements are needed.

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Introduction

With the rising advancements being made in the technological environment across the globe, the contemporary landscape is drastically being reshaped due to the convergence of technological innovation, demographic shifts as well as geopolitical realignment (Brynjolfsson and McAfee, 2014). Because of the changes being introduced, organisations are being influenced in terms of how they acquire, develop and retain talents while opting for international talents more often to maintain diversity and build a larger pool of capable personnel. In this report, a critical analysis will be presented to understand how these transformative forces will affect the HR professionals and at the end, a personal reflection will be provided to help navigate the challenging environment of today.

Technological Advancements Reshaping Labour Markets

Transformation of Work with AI and Automation

Because of the technological advancements in the field of Artificial Intelligence, Automation and Digital Platforms, labour markets are already getting reshaped and revamped globally. The World Economic Forum has identified such a change to be the most transformative one which will drive businesses to broaden their digital access to transform operations by at least 60% within 2030 (World Economic Forum, 2025).

Goldman Sachs research has suggested that AI has the potential to impact over 50 million US jobs in the coming years while McKinsey increases the estimate to be 800 million by 2030 (Goldman Sachs, 2025). The World Economic Forum predicts that the transformation of AI and information processing technology will help create 11 million jobs while displacing 9 million in the process. This showcases a reshaping of the job labour market than direct elimination.

Specific sectors such as manufacturing, robotics, advanced technologies etc. are getting affected the most by this transformation. From replacing humans in assembly, quality control to material handling tasks, AI-enabled systems are executing very complex tasks more efficiently and effectively than skilled technicians at lower cost and higher speed. On the contrary, these reductions of job are also creating demand for jobs such as AI ethicists, automation specialists, robotics engineers and as such (Dowling et al., 2017). However, on the international front, the paradox created by AI and automation gets challenged. In Germany, the country has approximately required over 400,000 workers on an annual basis to fulfil the gaps it currently has (IW, 2024). In Japan, the paradox gets exemplified even further with a need of 2.3 million foreign workers as of 2024 (Japan Times, 2025)

The Rise of the Gig Economy and Digital Platforms

Digital platforms have helped proliferate the gig economy significantly with the traditional employment relationships being altered at the same time. By 2016, 68% of HR professionals incorporated flexible recruitment strategies into their talent acquisition practices and integrated the use of gig workers more often than not to derive the best possible performance (Bamel and Stokes, 2016).

Now, the gig economy presents opportunities such as access to cost-efficiency, scalability and global talents on one hand and on the other, it presents threats in terms of worker classification, engagement, organisational culture and as such.

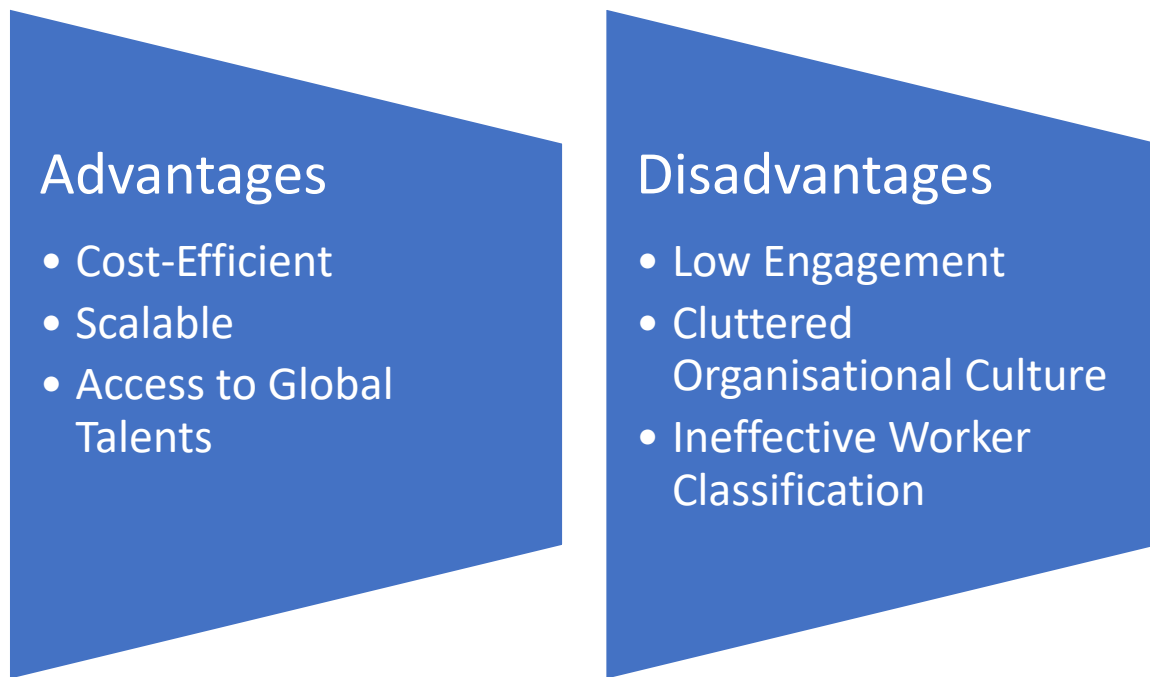


Figure: Advantages and Disadvantages of Gig Economy (Source: Own)

Skill Churn and the Accelerating Half-Life of Competencies

The most threatening impact of technological advancements is the accelerated pace of skills obsolescence. According to the BCG, 73% of jobs have already experienced changes from 2019 to 2021 during the COVID-19 pandemic (OECD, 2024).

Advanced technological skills are also increasing in demand by employers all over the world, with advanced IT and programming skills expected to grow by 90% with the 2016 as the base year by 2030 (Tony Blair Institute for Global Change, 2024). As a result, the skill churn in progress requires the talent management programs by organisations to be more dynamic and flexible to facilitate the changing environment (Pirrolas and Correia, 2022).

Implications for HRM and IHRM Strategies

Because of the changes in the technological aspects, HR professionals are now required to meet the changes with profoundly transformed HRM and IHRM strategies. They are considered below.

- Although AI can help automate initial screening and employee search for an organisation, it still lacks the human touch for which organisations must balance the use of AI and keeping humans engaged still (Åkerblom-Andersson and Tjernström, 2024).

- The need of continued upskilling and reskilling has dramatically increased with significantly increased skills churn rate. This is why utilising AI to maintain personalized learning path is crucial.
- Because of access to global talents, it is important for organisations to remain compliant with regulations such as the GDPR so that the organisation, in question, does not get fined (Dowling et al., 2017).

Demographic and Geopolitical Factors Influencing Employment Markets

The Challenge of Ageing Populations

Due to the changing structure of population in the developed countries, a major demographic shift, the labour market is facing much pressures. As per the OECD, the labour markets, especially for the 15-64 years old, are now faced with both opportunities and threats with an ageing population which ultimately shrinks the working population in the long-run. This is a dominant phenomenon in China and across the EU (OECD, 2024).

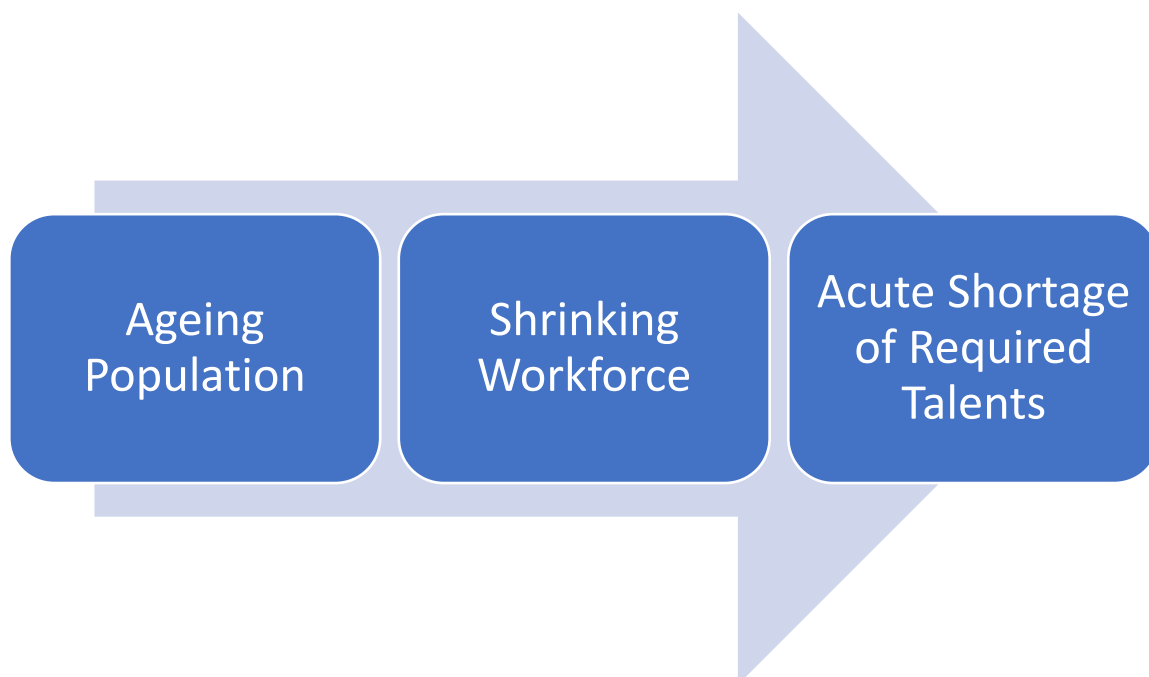


Figure: Impact of Ageing Population on Workforce (Source: Own)

The challenges, as per the World Economic Forum, entail rising dependency ratios as well as shrinking labour force as the baby boomers are starting to retire (World Economic Forum, 2025). This has particularly manifested in Japan, South Korea and several of the European countries with projections of further decline in the workforce.

Migration Patterns and Immigration Policy

The migration patterns are particularly important because they directly resemble the labour market dynamics where immigration policies are extremely important moderators. In this regard, the decision of BREXIT showcases the impact immigration policies can have on the migration patterns of a particular geography. As per research, the UK has faced a shortfall of about 460,000 EU-origin workers whereas the compensation has come in the form of only 130,000 non-EU workers as of 2022 (Portes and Springford, 2023).

Again, the COVID-19 pandemic has had one of the most influential impacts on the migration patterns on a global stage. In the case of Southeast Asia, the fear of job insecurity heightened, however, the expectations to move to developed countries did not, likely due to stricter border policies being implemented during the same period. However, this is not the end of the picture. Some regions did see a surge of migration such as the Gulf region with increased immigration from East Africa (Smith and Wesselbaum, 2020). Moreover, in Japan, the requirement has increased significantly with the Japan International Cooperation Agency projects requiring 6.88 million foreign workers by 2040 to fulfil the gaps that now currently exist in the workforce of the country (ALP Consulting, 2025).

Geopolitical Tensions and Trade Dynamics

The employment markets can get shaped by many factors of which trade protectionism and international tensions are two of the most crucial ones. For instance, the US-China trade war or the Russia-Ukraine war have already demonstrated the effect of such instances on the labour market.

The major problems arising from these events include disruption of established supply chains which lead to shifts in hiring locations and strategies used by employers. Because of the new Trump administration's emphasis on reciprocal tariff and protectionist measures, the global economy is expected to face increased inflationary pressures as well as slow economic growth (McKinsey & Company, 2018).

Implications for HR Professionals

These demographic and geographic events and factors have increased implications for the HR professionals to consider which are as follows.

- The HR professionals must not remain dependent on the traditional sources of talents and rather should opt for international talents by maintaining the immigration laws across various legal jurisdictions to avoid getting into litigious challenges.

- Because geopolitical instabilities have profound impact on business, implementing necessary crisis management protocols for the expatriate employees and ensure of business continuity (McKinsey & Company, 2018).
- As ageing population is becoming a crisis, organisations should tailor engagement approaches that can ensure of meeting the various needs of the organisation and create a diversified workforce.

Addressing Skills Gaps through Strategic HRM

Understanding the Persistence of Skills Gaps

In many of the countries across the world, the unemployment level remains to be high persistently yet the availability of talents remains low, creating a paradox (The Linux Foundation, 2024). A Talent Shortage Survey taken by the ManpowerGroup in 2024 has revealed that 75% of employers report finding skilled employees a challenging task across the globe (ManpowerGroup, 2024). Now, the main reason behind this paradox is the mismatch between what the employers expect the employees to have in skills and what the employees actually have. When investigated on a sectoral basis, the challenge's complexity becomes acuter.

When it comes to technology sector, because of the sudden explosion of AI, machine learning and other technological areas, the talent gap has reached an all-time high. Again, in the healthcare sector, there exist both demographic and systematic challenges. As for the hospitality sector, the impact of COVID-19 still lingers and with transcending technological advancements, the complications in recruitment have further increased.

Strategic HRM Approaches

Because of the current level of persistent skills gaps, undertaking strategic HRM approaches is the only solution which represents a multi-pronged talent strategies encompassing approaches such as build, buy, borrow and bind.

Build Approach: This includes building internal talent capabilities through the means of apprenticeships and internships to build practical skills and experience. Moreover, corporate academies can help develop knowledge base, too. More importantly, as 44% of workers' skills are now projected to need updating by 2027, there is no alternative to continuous upskilling and reskilling (The Linux Foundation, 2024).

Buy Approach: This is an external talent acquisition approach which includes innovating the sources of talents, providing competitive packages and enhancing the employer's brand image for attracting more talents (Brynjolfsson and McAfee, 2014).

Borrow Approach: This refers to hiring employees through outsourcing and co-sourcing arrangements to not be bound by long-term commitments. This approach helps organisations to address short-term skills gaps.

Bind Approach: This is an approach to retain talents that have been developed at the organisation through clear career pathing, mentorships, job rotation and as such.

Sector-Specific Applications

The sector-specific applications are provided below.

Technology Sector: The leading technological companies do not remain bound by fixed workforce rather they utilise a hybrid model where they employ freelance AI specialists as well as internal coding bootcamps to identify internal talents.

Healthcare Sector: When it comes to the healthcare sector, they are opting for more and more international nurses while improving the working condition so that clearer career ladders can be made while providing retention bonuses (People Element, 2024).

Hospitality Sector: Hospitality employers are heavily investing in their internal management development programs so that they can communicate the career opportunities amidst volatility while creating work-life balance for the workforce effectively.

Technology Sector

- Not bound by fixed workforce
- Employs freelancers

Healthcare Sector

- Hires international nurses more
- Provides competitive bonuses for retention

Hospitality Sector

- Investing for stronger internal management development programs
- Too much volatility present

Figure: Current Snapshot of Various Sectors (Source: Own)

Reflective Report on Personal Capabilities

Technological Proficiency

Strengths: For my MBA as well as other work I have been involved with have enabled me to obtain greater proficiency in navigating various software such as MS Teams, MS Office as well as some of the most popular HR tools. Also, I have learnt to use some analytical tools such as SPSS, Microsoft Excel well (McKinsey & Company, 2018). More importantly, in the age of AI, I have learnt to use LLMs through fundamental prompt engineering courses.

Areas for Improvement: My technical capabilities have limitations, too. Although I am competent in using analytical tools at the basic level quite well, I do not have the proficiency needed to make evidence-based HR decisions. Also, I do not have much programming knowledge, creating significant barriers for me (Tony Blair Institute for Global Change, 2024).

Development Plan: I am already planning to enrol in an online course on Tableau and SPSS for HR Analytics through a digital learning platform such as Coursera immediately and finish the course by end of January of 2026. Moreover, I will try to gain practical knowledge by joining a firm and illustrate the knowledge through practicality in real-world problems.

Communication in a Multicultural Contexts

Strengths: Communication is one of my major strengths, especially in written academic contexts. This has improved through the feedbacks I have received from the coursework I have attended till date. Moreover, my oral communication has improved through the presentations I have had to give where I have shown my ability to synthesize information precisely to present the main insights.

Areas for Improvement: Despite fluency, I tend to lack in confidence in high-pressure situations while showing excessive assertion in my written work. Moreover, in heated discussions, I tend to slow down in dissenting opposing views when the other end is my senior or when the colleague is assertive.

Development Plan: Firstly, to enhance my verbal communication confidence, I will undertake more and more presentation tasks so that I can receive feedbacks and integrate the learnings more often to hone my delivery style. Secondly, I will join the Public Speaking Club of the university to learn about talking in heated discussions.

Self-Directed Learning

Strengths: It is one of the major competencies that I have developed in my academic career. Even in this MBA, I have moved beyond just the prescribed readings and have opted for additional sources to enhance my knowledge capacity. I have constantly read the World

Economic Forum reports, CIPD publications as well as relevant journal articles to understand the topics outside of the prescribed zones.

Areas for Improvement: I have mostly lacked strategic focus in my self-directed learning journey. I have often opted for many readings which lacked direct relevance to my career objectives but only did so for them being intellectually stimulating.

Development Plan: In order to create strategic focus of my self-directed learning, I intend to conduct a comprehensive SWOT analysis by the end of November and map out my career aspirations to achieve these goals effectively. In doing so, I will make sure that 40% of my self-directed learning remains practical while the rest incorporate a mix of theoretical and other forms of knowledge.

Conclusion

The confluence of technological advancement, demographic transformation and geopolitical realignment has been fundamentally reshaping the HRM industry. Organisations are now required to navigate a very complex and challenging situation where they have to deal with both displacement and creation of jobs at a simultaneous rate which are being driven by the same force. As a result, organisations are now required to undertake extensive efforts to address the persistent gaps to ensure cross-cultural competencies as well as technological fluency. This report has incorporated discussions about cultivating capabilities to maintain strategic focus for deriving the highest competitive advantage by an organisation in an interconnected and complex global economy.

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