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**Assessment Title: The Impact of National and International Labour
Markets on HRM and IHRM Policies.**

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Executive Summary

This report severely examines the dynamic national and worldwide employment markets, using technology, demographics, and geopolitics as key disruptive forces. The churn of competencies and the gig economy are driven by technology; therefore, strategies to construct, buy, borrow, and bind talent are necessary. HRM desires to transition to strategic threat control, compliance, and continuous upskilling to cope with skills shortages, manage various global workforces, and ensure organisational agility in unstable worldwide surroundings.

Table of Contents

Executive Summary	i
Introduction	1
Question 1: Technology & Labour Markets.....	2
1.1 Transforming of Labour Markets:	2
1.2 Implications for HRM/IHRM Strategies:.....	3
Question 2: Demographic & Geopolitical Factors	4
2.1 Major Demographic Factors:	4
2.2 Major Geopolitical Drivers:	5
2.3 Specific HR Issues and reactions:.....	6
Question 3: Skills Gaps & Strategic HRM.....	7
3.1 Understanding the Underlying Reasons for Skill Deficits:	7
3.2 Strategic HRM Solutions: The 4B Framework.....	8
3.3 Sector-Specific Applications	9
Question 4: Reflective Report on Capabilities	9
4.1 Self-Assessment and Demonstrated Competencies:.....	9
4.2 Development Plan	10
Conclusion	12
Reference	13
Appendix A: SWOT Analysis	15

Contents of Table

Table 1: HR Challenge.....	6
Table 2: HRM's strategic.....	8
Table 3: Plan Component.....	11

Contents of Figure

Figure 1: Global Human Capital Trends.....	1
Figure 2: 5-year structural churn is estimated for each job	2
Figure 3: Ageing Populations in the World.....	4

Introduction

The modern job market is going through a huge change because of foreign and technological forces. Combining technologies like AI and automation is quickly breaking down traditional job lines. This makes "gentle" skills like adaptability and flexibility more important (Deloitte, 2023). There is more complexity because of unstable politics, changing populations, and the growth of the gig economy (Siregar, 2024) at the same time. therefore, Human aid management (HRM) faces existential demanding situations, evolving from an administrative position to a strategic function aimed towards improving group of workers agility, mitigating compliance dangers, and implementing a comprehensive ecosystem method to skills acquisition in a more and more boundaryless surroundings (Deloitte, 2023).



Figure 1: Global Human Capital Trends

Source: [Deloitte](#)

Question 1: Technology & Labour Markets

The modern labour market is experiencing a deep structural change, caused mainly by the acceleration of technology. This trend requires a critical change in Human Resource Management (HRM) and International Human Resource Management (IHRM) strategies, away from administrative oversight and towards proactive, technology-integrated workforce planning.

1.1 Transforming of Labour Markets:

Automation and the disruption of the gig economy are the primary cause-and-effect relationship. The adoption of new technologies, especially Artificial Intelligence (AI), is projected to lead to a structural labour market churn of 23% of jobs in the next five years, both in terms of job elimination and job creation (World Economic Forum [WEF], 2023).

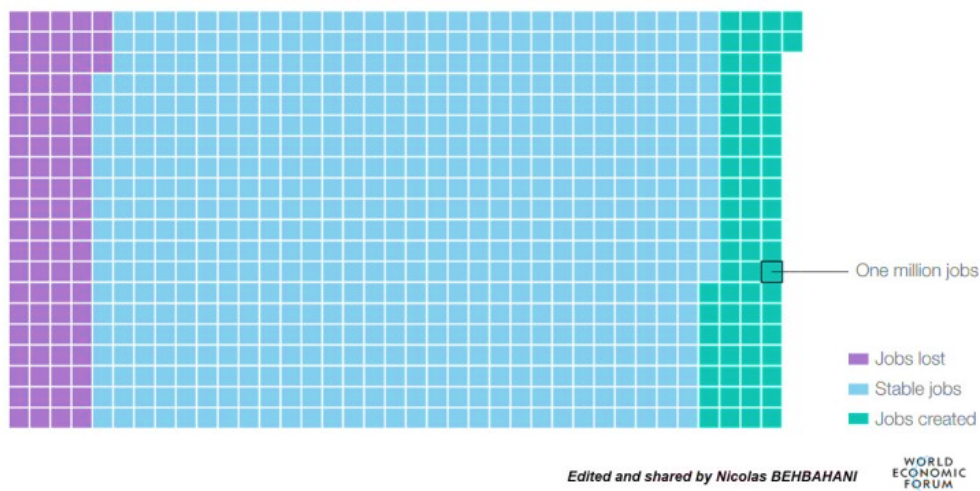


Figure 2: 5-year structural churn is estimated for each job

Source: [Linkedin](#)

- **Automation and AI:** While about half of the organisations anticipate that AI will cause job growth, a quarter expect job losses (WEF, 2023). The result is the creation of more jobs – automating mundane tasks – while at the same time generating new high-skill jobs, like AI ethicists, data scientists and automation experts. The net effect can be positive, but the transition is disruptive, with demand being shifted from manual/administrative activities to activities requiring complex problem-solving and critical thinking (WEF, 2023).
- **The Gig Economy and Digital Platforms:** Digital platforms have enabled a transition to contract labour (freelancers, independent contractors), which

increases labour flexibility and enables companies to access highly specialised talent on demand (Meijerink et al., 2021). This creates a blended workforce but raises issues in terms of how workers are classified and job security, which means that HRM needs to adapt processes that traditionally covered only full-time employees (WEF, 2023).

- **Skills Churn:** The rapid obsolescence of technical skills requires continuous adaptation. Employers predict that 44% of the core competencies of a worker will be impacted by 2027, increasing the need for digital literacy, STEM competencies and especially learning agility (WEF, 2023).

1.2 Implications for HRM/IHRM Strategies:

The speed of change in technology requires that HRM should shift to an evidence-based and data-driven approach using technology to manage the transformed workforce.

- **Talent Acquisition:** HR is increasingly using AI in the recruitment process, such as in screening resumes, sourcing candidates, and conducting initial interviews (CIPD, 2020). This is more efficient but needs new governance to eliminate algorithmic bias and provide fairness. The focus of screening needs to shift from specific and short-lived technical knowledge to adaptability and cognitive skills – the ability to learn new skills on the job (WEF, 2023).
- **Learning & Development (L&D):** To manage skill churn, L&D strategies need to move towards continuous upskilling and reskilling. This includes the use of digital tools to provide personalised learning paths and the use of formats such as micro-learning and digital badging for agile competency-based learning.
- **Strategic HR Planning:** The emergence of the blended workforce requires HR to master the art of blended workforce planning – strategically integrating full-time, part-time, and gig workers to meet the changing needs of the business (Gartner, Inc., 2025). This includes predicting skill requirements and developing models for the flexible use of internal and external talent pools.
- **IHRM Facts:** International HR is uniquely challenged by the digitally enabled global workforce. Managing off-site teams requires new performance management and engagement measures. Crucially, IHRM needs to navigate the conflicting patchwork of international data protection laws (e.g., GDPR) and

the varying legal frameworks for gig worker classification in diverse jurisdictions in order to ensure global compliance and reduce legal risk (Meijerink et al., 2021).

Question 2: Demographic & Geopolitical Factors

The macro-environment is the context in which IHRM operates, and it's a far more dynamic and challenging surrounding, in large part due to seismic demographic changes and the accelerated volatility of geopolitical tensions (World Economic Forum, 2025). Those forces demand that HR come to be more than a regulatory feature and, as an alternative, be a core strategic partner with a focal point on threat control and skills agility.

2.1 Major Demographic Factors:

Demographic trends fundamentally change the size, composition, and expectations of the global workforce, putting direct strain on HR's capacity to refill expertise pipelines.

- **Ageing Populations:** The populace of humans aged 60 years or older is predicted to double through 2050 (World Health Organization [WHO], 2020), mainly in countries which include Japan and lots of EU international locations. This results in better dependency ratios and a declining group of workers, which in turn requires understanding the switch in HR strategies from retiring professionals to younger personnel and the usage of multi-generational personnel development strategies to keep older employees in the staff through flexible arrangements. (IMF, 2025)

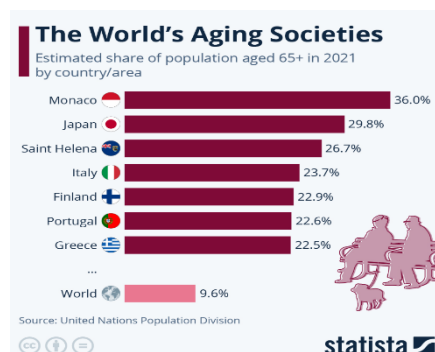


Figure 3: Ageing Populations in the Word

Source: [weforum](https://www.weforum.org/)

- **Shifting Migration and Diversity:** Migration is an important factor in countering labour shortages in advanced economies (IMF, 2025). However, such migration causes a "brain drain" for countries of origin (Migration Policy Institute, 2024). For receiving organisations, the resulting increased workforce diversity requires strong inclusion policies and training to handle complex team dynamics and provide equal opportunities to all workers (Deloitte, 2024).

2.2 Major Geopolitical Drivers:

Geopolitical events create high levels of uncertainty and operational risk, which require advanced risk management from HR.

- **Geopolitical Crisis and Trade Restrictions:** Growing geopolitical tensions and alternate regulations (e.g., the US-China exchange tensions) disrupt global delivery chains and pressure corporations to reshore or nearshore, forcing corporations to make surprising adjustments in recruitment and skills allocation strategies (PwC, 2024). Political instability also contributes to the complexity of expat change and the strong implementation of worldwide payroll and operations (PwC, 2024).
- **Global Health Crises:** The Covid-19 pandemic has proven the need for immediate HR pivots, accelerating the shift to far-off work and imposing the implementation of strict fitness and protection protocols. This enjoyment has made commercial enterprise continuity planning and worker well-being important HR imperatives (Deloitte, 2024).

2.3 Specific HR Issues and reactions:

These macro-forces turn into specific actionable issues for HR professionals:

HR Challenge	Macro-Environmental Cause	HR Response (IHRM Focus)	Source
Talent Mobility	Shifting Migration Trends, Geopolitical Sanctions	Navigating complex and rapidly changing visa and work permit regulations to ensure compliant talent movement.	IMF (2025), PwC (2024)
Risk Management	Political Instability, Global Health Crises	Developing robust crisis management plans and upholding a strong duty of care for all international employees, including those on remote assignment.	Deloitte (2024)
Compliance	Trade Wars & Protectionism, Migration Policies	Staying current with the tapestry of national and international employment laws and data protection mandates (e.g., GDPR).	Deloitte (2024)
Cultural Integration	Growing Workforce Diversity, Remote Global Teams	Effectively coordinating varied and geographically dispersed workforces by fostering 'microcultures' and promoting cross-cultural competence.	Deloitte (2024)

Table 1: HR Challenge

The collective challenge requires HR to move beyond the traditional functions and become a boundaryless discipline that is integrated with business strategy to ensure that the organisation can maintain compliance, manage risk, and secure vital talent in a volatile world (Deloitte, 2024).

Question 3: Skills Gaps & Strategic HRM

The widespread global skills shortage is a fundamental misalignment between the skills of the workforce that is available and the new demands of the digital economy (Keka HR, 2025). To tackle this, Human Resource Management (HRM) needs to shift from the traditional reactive approach to hiring to a more strategic, holistic talent portfolio approach, which can be summarised as 'build, buy, borrow and bind'.

3.1 Understanding the Underlying Reasons for Skill Deficits:

A fundamental misalignment exists throughout the talent ecosystem that accounts for why skills shortages continue to occur:

- **Accelerating pace of technology:** The rapid pace of technology innovation, such as AI and automation, means there is a continuous rotation of skills, where the half-life of technical skills is quick to disappear (KPMG, 2024).
- **Education-Industry Lag:** Educational institutions can sometimes take a long time to adapt their curricular content to keep up with the real-time needs of the industry, which results in a continuous lag between what is taught in educational institutions and what is required by the industry in terms of skills such as data literacy and advanced digital fluency (CIPD, 2024).
- **Under-investment in L&D:** Although the need for skills is high, organisations sometimes neglect robust and continuous investment in internal Learning & Development (L&D), resulting in a failure to keep existing workforces relevant (KPMG, 2024). This struggle is supported by the fact that almost four out of five employers around the world report that they struggle to find the talent they need (ManpowerGroup, 2024).

3.2 Strategic HRM Solutions: The 4B Framework

HRM's strategic response must make use of the 4B framework to manage the talent portfolio:

Strategy	Focus	Example Practice
Build	Development within. Investing in existing workforce capabilities.	Corporate academies, compulsory upskilling programs, university partnerships for specialised certifications.
Buy	Strategic Recruiting. Acquiring scarce talent from the external market.	Using talent analytics to pinpoint high-potential talent pools, aggressive enhancement of the employer brand, and competitive compensation packages.
Borrow	Leverage of Outside Talent. Using contingent workers to bridge immediate gaps.	Hiring specialised consultants, freelancers, or independent contractors for specific projects (KPMG, 2024).
Bind	Retaining Talent. Ensuring the retention of valuable, invested-in employees.	Creating clear, skills-based career paths, implementing robust mentorship programs, and fostering a strong learning-centric culture (CIPD, 2024).

Table 2: HRM's strategic

3.3 Sector-Specific Applications

The selection of the strategy can often depend on the urgency and specificity of the skills needed:

- **Tech Sector:** Heavy emphasis on the "Build" strategies (e.g., in-house coding bootcamps for non-technical staff) and the "Borrow" strategy to hire high-cost, freelance AI talent for short-term, cutting-edge projects (KPMG, 2024).
- **Healthcare:** Acute global shortages (e.g., nurses, doctors) mean that the main approach is Buy (intensive cross-border recruitment) plus Bind (e.g., better working conditions, clear, accelerated career progression pathways to reduce burnout and turnover) (Deloitte, 2024).
- **Hospitality:** High turnover in a tight labour market. The response is a combination of "building" (in-house management development schemes) and strengthening the employer image to "buy" entry-level staff, often by increasing pay and offering greater scheduling flexibility (CIPD, 2024).

By taking this strategic portfolio approach, HR becomes more than a cost centre to a strategic enabler of agility, ensuring the organisation has the right blend of talent, skills and employment models to compete in an era of uncertainty (ManpowerGroup, 2024).

Question 4: Reflective Report on Capabilities

The contemporary labour market, with its global volatility and rapid technological change, requires that MBA graduates possess core adaptive competencies in addition to technical knowledge. These capabilities – in particular in technology, communication, and leadership – are important to navigate the challenges examined in this course and to be successful in sustaining a career (OECD, 2024).

4.1 Self-Assessment and Demonstrated Competencies:

Through completion of the MBA programme and in particular modules of strategic management and IHRM, I have evaluated my capabilities in key areas:

- **Technology:** I am highly adaptable to new systems. For example, I came to grips with the new Learning Management System (LMS) interface quite quickly and made consistent use of data analysis tools within reports.

- **Communication:** My written reports have always received positive feedback in terms of structure and depth of analysis. I was able to communicate complex findings in multicultural group settings in assignments to ensure all perspectives were acknowledged, which is important for IHRM practice.
- **Self-Directed Learning:** This is one of the core strengths. I planned my time well in this module, often spending time outside of core readings in exploring certain geopolitical factors and their impact on global supply chains, showing the proactive initiation of learning (Module Planner, 2025).
- **Leadership and Teamwork:** While not in a formal role, I displayed leadership by volunteering to take on the most technically demanding portion of the last group presentation (data visualisation) and mediated an internal conflict related to task distribution by implementing a clear RACI matrix, which ensured integrated and efficient outcomes.

4.2 Development Plan

Based on the self-assessment and a brief SWOT analysis (Appendix A), my forward-looking plan is aimed at exploiting strengths and reducing the weaknesses:

Plan Component	Target Area	Specific Action	Timeline/Evidence
Leveraging Strength	Self-Directed Learning	Use this strength to quickly master the new HR analytics software (e.g., Workday or SuccessFactors) used by my target employer upon entry.	
Overcoming Weakness	Limited exposure to complex IHRM	Complete an online professional certificate course on 'Global Employment Law and Data Protection (GDPR)' (e.g.,	Completion by Q1 2026.

	compliance issues.	through SHRM or a reputable provider).	
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Table 3: Plan Component

This action plan based on principles of reflection (Gibbs' Reflective Cycle) guarantees that my transition into the labour market is strategic, enabling me to obtain a competitive advantage and constantly adapt to the changing requirements of global business (UNESCO, 2024).

Conclusion

The general discussion supports the statement that global and technological impetuses are the main causes of modern labour market instability, which is manifested by widespread skills deficits and the growth of unconventional labour formats. In the case of HRM, this requires a fundamental change towards strategic agility. To hire talents and invest in constant training of employees, successful organisations should utilise the 4B model (Build, Buy, Borrow, Bind). Specifically, IHRM will have to acquire advanced skills in risk handling, handling intricate legal regulations (e.g., GDPR), and building harmonious cultures in heterogeneous and fragmented workforces. After all, the ability of HR to adapt to this VUCA (Volatile, Uncertain, Complex, Ambiguous) environment in a strategic manner will determine corporate resilience and competitive edge.

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Appendix A: SWOT Analysis

Area	Factor
Strengths (S)	Strong analytical writing skills; High self-directed learning and technology adaptability.
Weaknesses (W)	Limited practical experience managing complex IHRM compliance and risk; Lack of professional network outside academic contacts.
Opportunities (O)	High market demand for strategic talent management skills post-pandemic; Growing relevance of digital strategy (my dissertation topic).
Threats (T)	High competition for entry-level strategic roles; Rapid changes in AI threaten to devalue basic data analysis skills.