



**Module Code: LCMB7023**

**Module: Human Capital Management**

**Assessment Title: The influence of national and international labour markets  
on HRM and IHRM strategies**

**Assessment Component 1: Report**

**Student Name: Md Faysal Rahman**

**Student ID: 2436576**

**Lecturer: Dr Hoang Dang Nguyen**

**Word Count: 2718**

**Date of Submission: 14/11/2025**

## Table of Contents

|                                                                                    |    |
|------------------------------------------------------------------------------------|----|
| Introduction.....                                                                  | 4  |
| 2. Discussion.....                                                                 | 5  |
| 2.1 Technological Markets (AI and Automation).....                                 | 5  |
| 2.1.1 Introduction.....                                                            | 5  |
| 2.1.2 Technological Impacts on Labour Markets.....                                 | 5  |
| 2.1.3 Implications: HRM and IHRM Strategies.....                                   | 7  |
| 2.1.4 Conclusion.....                                                              | 8  |
| 2.2 Employment Markets (Demographic and Geopolitical Factors).....                 | 8  |
| 2.2.1 Introduction.....                                                            | 8  |
| 2.2.2 Demographic Key Factors Influencing Employment Markets.....                  | 8  |
| 2.2.3 Geopolitical Key Factors Influencing Employment Markets.....                 | 9  |
| 2.2.4 Current Challenges for HR Professionals.....                                 | 10 |
| 2.2.5 How These Factors Create Challenges for HR Professionals.....                | 10 |
| 2.2.5 Conclusion.....                                                              | 10 |
| 2.3 Skills Shortages and Strategic HRM.....                                        | 10 |
| 2.3.1 Introduction.....                                                            | 10 |
| 2.3.2 Analysis of the Problem/Skill Shortage Overview.....                         | 11 |
| 2.3.3 Strategic HR Response: Applying the 4B Model.....                            | 11 |
| 2.3.4 Sector Focus: Tech, Hospitality.....                                         | 12 |
| 2.3.5 Conclusion.....                                                              | 12 |
| 2.4 Personal Capability Reflection International Labour Sector (Textile).....      | 12 |
| 2.4.1 Introduction.....                                                            | 12 |
| 2.4.2 My reflection in my current capabilities in international labour market..... | 13 |
| 2.4.3 Analysis of Current Capabilities.....                                        | 13 |
| 2.4.4 Discussion of Strengths and Weaknesses.....                                  | 15 |
| 2.4.5 Conclusion.....                                                              | 16 |

|                                                                                           |    |
|-------------------------------------------------------------------------------------------|----|
| Conclusion.....                                                                           | 17 |
| References.....                                                                           | 18 |
| Appendix.....                                                                             | 20 |
| SWOT Analysis: Personal Capabilities in International Labour Market (Textile Sector)..... | 20 |

## **Introduction**

The work environment today is changing faster than ever in such a global change environment. This report explores technological changes, demographic changes and geopolitical changes are making changes in labour market in the national and in the international markets. It elaborates the implications of AI, automation and digitalization on the workforce, HRM and IHRM strategies, skills mismatch, and personal capabilities alongside adaptive leadership, cultural intelligence, and lifelong learning as an effective tool of workforce sustainability management.

## 2. Discussion

### 2.1 Technological Markets (AI and Automation)

#### 2.1.1 Introduction

Technological innovation like Artificial Intelligence (AI), automation, emergence the digital world and brought changes in the national and international labour markets. This change has both two-fold implications. First, it drives the standard job positions away, and, second, it also introduces a new set of professional specialties. This section will discuss it further:

#### 2.1.2 Technological Impacts on Labour Markets

The technological development has a massive impact on both monetary, national, and international markets operating via a number of dynamics:

##### a) Advances in AI and Automation Transforming Job Roles

The high pace of AI adoption in the business processes is transforming the job functions in every sector. The reason behind this trend is that businesses are after more efficient operations, and out of all the devices, 77% currently include the capabilities of AI technology (Thormundsson, 2025). Figure 1 highlights that as much as a lot of 85 million jobs are set to be taken over by automation in the world, 97 million jobs are projected to be created in other fields like automation management, AI development, and cybersecurity (Maestra AI, 2025).

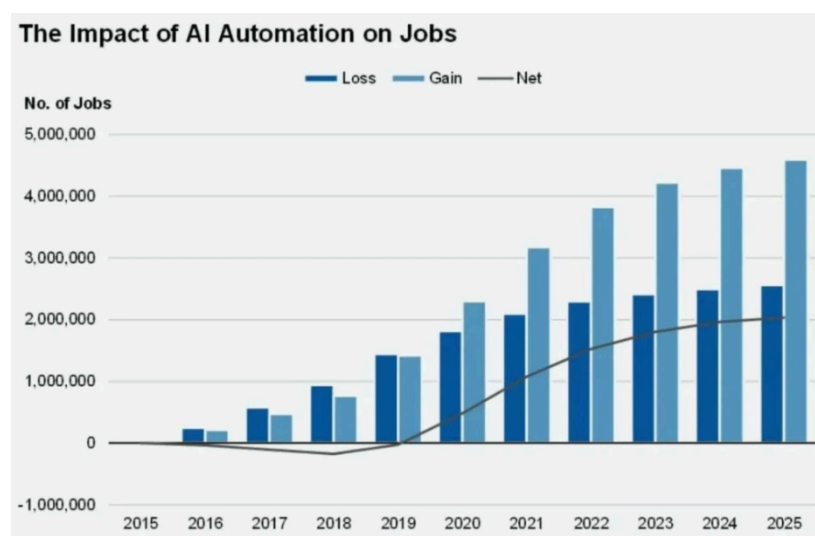


Figure 1 AI impact on job market; Source: (Maestra AI, 2025)

## b) Growth of Digital Nomads

Remote work capacity of technologies has led to the development of the so-called digital nomads, or workers who use technology to work abroad (Gupta, Jaiswal and Shiv Kumar Gupta, 2024). Employers are now given the opportunity to expand their talent pool massively all over the world (with 40 million digital nomads internationally or 7% of those being the UK) as the phenomenon is inherently global (MBO Partners, 2025). This has an implication on both the national and international markets.

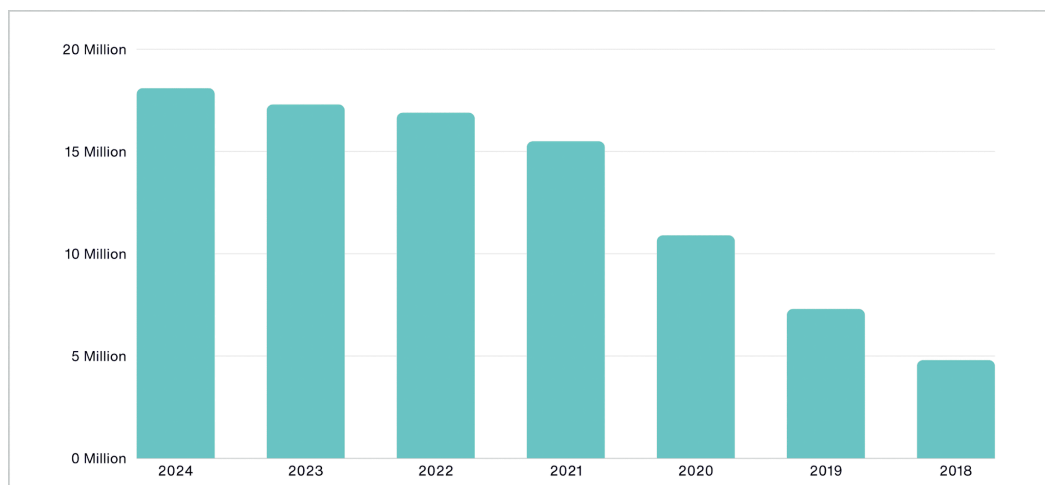


Figure 2 Rise in Digital Nomad Statistics; Source: (MBO Partners, 2025)

## c) New Opportunities in Global Freelancing Platforms

The presence of digital platforms such as Upwork (9%) and Fiverr (10%) has facilitated the global freelancing process, and they also have developed an extensive and visible gig economy (Figure 3). This is because it links talent in various international and national markets in real time enabling businesses to procure specialised expertise on the spot, and in many cases on competitive worldwide rates.

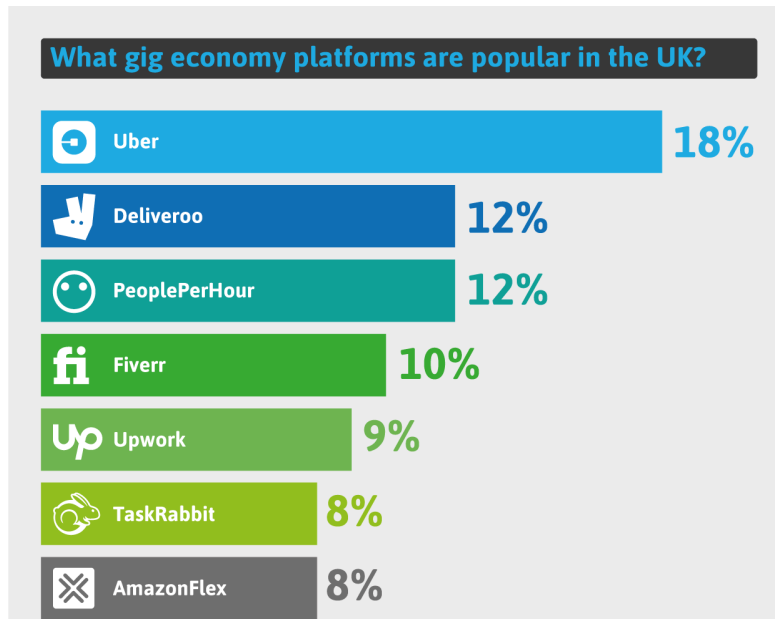


Figure 3 Gig economy platforms in the UK; Source: (Trade Union Congress, 2025)

### 2.1.3 Implications: HRM and IHRM Strategies

Alteration of the labour market also requires the strategic shift of the HRM (specialising in the domestic workers) and the IHRM (specialising in the global workers):

| Strategy Focus                                | HRM (National Market)                                                                                                                            | IHRM (International Market)                                                                                                                                                                                         |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Talent &amp; Skills</b>                    | <b>Reskilling &amp; Upskilling:</b><br>Develop training programs to transition current employees into AI-augmented or new roles.                 | <b>Global Talent Acquisition:</b><br>Leverage digital platforms, managing complex international compliance and contracting.                                                                                         |
| <b>Work Design</b>                            | <b>Job Augmentation:</b><br>Redesign roles to focus on high-value, non-routine tasks where human-AI collaboration is key.                        | <b>Policy Harmonisation &amp; Risk:</b><br>Develop formal <b>digital nomad policies</b> that address international tax, labour law compliance, and permanent establishment (PE) risk across multiple jurisdictions. |
| <b>Diversity, Equity, and Inclusion (DEI)</b> | <b>Bias Mitigation:</b> Actively audit AI tools to ensure fairness and prevent algorithmic bias from reinforcing existing national inequalities. | <b>Cultural and Geopolitical DEI:</b><br>Implement strategies to foster inclusion and equity across culturally and geographically dispersed teams.                                                                  |

### **2.1.4 Conclusion**

The force of technological developments is creative, but at the same time disruptive. In the case of the international labour market, the digital revolution pushes to the borderless workforce where IHRM has to deal with a lot of new complexity in relation to compliance, policy, and cultural integration.

## **2.2 Employment Markets (Demographic and Geopolitical Factors)**

### **2.2.1 Introduction**

Aligning human capital with strategic business goals is the core of the Human Resource Management (HRM) (Rahmat, 2025). The contemporary labour market, which is both domestic and global, has just been characterised by two potent yet overlapping forces which include basic demographic changes as well as the intensifying geopolitical instability.

### **2.2.2 Demographic Key Factors Influencing Employment Markets**

The population movement is quickly redefining the supply and demand of both national and international labour market:

- **Global Population Ageing and Decline:** It is a fact that in many developed countries, the ageing population (almost 29.3% of Japanese are aged above 65) and declining birth rates are causing a smaller percentage of prime working-age population (Al Jazeera, 2024).
- **Multigenerational Workforce (National):** The National markets are characterised by up to five generations working together at any given time.
- **International Migration and Workforce Mobility:** Economic disparities and political crises encourage massive quantities of migration, which raise labour in this case in the host countries (Guzi, 2021).

### **2.2.3 Geopolitical Key Factors Influencing Employment Markets**

The uncertainty in international and national markets in general is abundant through geopolitical instabilities, economic nationalism, and a war:

- **Goeconomic Fragmentation and Trade Wars:** The increasing international tensions between US and China and economic nationalism cause the tariffs, sanctions, and interruptions of the supply chain (Sarfraz, 2025). This compels

the MNEs to redefine the source, production, and employment points and causes reallocation of tasks across borders.

- **Political Instability and Conflict:** Global conflicts and instability in the government also pose a lot of security threat to MNEs, which directly affect the security of expatriates and local workers (Meyer and Li, 2022).
- **Nationalism and Labour Law Rigidity:** The changes in the domestic political arena and especially the emergence of populist regimes can lead to the quick alteration of the minimum wage, legislation on employment protection, and labour rights.

#### ***2.2.4 How These Factors Create Challenges for HR Professionals***

Demographic ageing pushes the HR to accelerate succession planning and push older workers into upskilling, as well as migration demands the cultural assimilation. The geopolitical tensions inhibit IHRM to manoeuvre complicated international tax and labour law compliance with the severe risk of Acute risk of Permanent Establishment (PE) through remote work. The current shift to remote international work implies that all HR needs to do is reduce the risk of Permanent Establishment (PE), under which one remote worker can unintentionally establish a corporate tax liability in another foreign area.

#### ***2.2.5 Conclusion***

The contemporary labour market is volatile, uncertain and complex with the two forces of demography and geopolitics. Navigating this environment successfully requires the HR and IHRM to be strategic and risk-conscious by focusing on compliance, resilience of the workforce and culturally intelligent leadership as critical measures to enable the management of talent in an increasing volatile national and international border.

### **2.3 Skills Shortages and Strategic HRM**

#### ***2.3.1 Introduction***

The lack of talent and skills gaps in some of the key sectors, especially in the fields of technology, healthcare and hospitality continue to pose a significant limitation in the economy of both a country and the global market. The root cause of this

complicated issue is the mere fact that there is a dissonance of technology change versus negative demographic patterns.

### ***2.3.2 Analysis of the Problem/Skill Shortage Overview***

The skills gap exists in varied, although dire, formats in sectors and geographies. It can be a national structural problem, such as in the developed economies, the grey work forces decrease the supply of skilled and experienced health care professionals, and vocational and technical training pipelines cannot match demand in size and quality (Sari et al., 2024).

The fast growth of AI and digitalization has generated a massive demand on the vastly specialised technical skills that is highly global. The demand exceeds the supply of any given national market and Multinational Enterprises (MNEs) is forced to compete intensely and push the prices up. On the other hand, industries such as hospitality have deficiencies based on poor perception and attrition, and it needs other, more locally focused remedies to find and keep entry-level workers.

### ***2.3.3 Strategic HR Response: Applying the 4B Model***

Strategic HRM offers an interdisciplinary solution, usually reflected in the 4B Model (Build, Buy, Borrow, Bridge) in order to overcome any shortages on national and international level:

1. **Build (Develop Talent):** This is mainly based on national market approach where HRM will need to invest much in upskilling and reskilling of the existing employees in skills such as advanced data analysis skills that are being needed throughout the healthcare, tech industry and even in managing up-market hospitality (Sari et al., 2024).
2. **Buy (Acquire Talent):** This is obvious aggressive hiring. It needs better employer branding and salary increases on a countrywide basis. On the international front, IHRM needs to source niche competencies globally, out of which global talent pools, it needs to have the skills of quick-track visa sponsorship and provision of mobility assistance.
3. **Borrow (Contingent Workforce):** Fill gaps with immediate needs in short-term circumstances, like a short-lasting need, say no more than a year. On an international scale, this utilises global freelancing marketplaces and

collaboration with an Employer of Record (EOR) in managing the compliance challenges of temporary international contracts.

4. **Bridge (Transition Talent):** The transfer of internal talent, like the comprehensive knowledge transfer programmes between the retiring experts and younger employees, facilitates the experience transfer thus narrowing the experience gaps.

#### **2.3.4 Sector Focus: Tech, Hospitality**

The chronic shortages require sector-based solutions based on the 4B model. **Technology** Companies need to Build by enforced, persistent uptraining in innovative AI and Code at the same time vigorously procurement of niche skills through global headhunting such as cybersecurity.

#### **2.3.5 Conclusion**

Recruitment will not resolve the chronic talent shortages that organisations face. The 4B model in its strategic usage enables HRM and IHRM to build strong, and responsive working force. This holistic strategy is critical in satisfying the dynamic and multifaceted needs of critically important industries such as technology, healthcare, and hospitality in both national and global frontiers.

### **2.4 Personal Capability Reflection International Labour Sector (Textile)**

#### **2.4.1 Introduction**

In the globalised working environment of today, the success is determined by two inherent skills which are the capability to work in an international business environment and the commitment to self-directed continuous learning (Sari et al., 2024). Figure 4 highlights that IHRM has some different functions including training and development, recruitment and onboarding, global payroll management etc.



Figure 4 Functions of IHRM; Source: (Maestra AI, 2025)

#### ***2.4.2 My reflection in my current capabilities in international labour market***

Personal experience with the issues of an international labour market was recently gained through my work in the Human Resources department of a multinational company in the textile sector, as the company receives the materials in Asia and exports them to Europe and North America. As an HR, this is a critical reflection report on my existing potential in technology, communication, teamwork and leadership following the Gibbs Reflective Cycle (1988) so as to examine my strengths and weaknesses.

#### ***2.4.3 Analysis of Current Capabilities***

**Description and Feelings:** There was one particular event associated with the introduction of a new global HRIS (Human Resource Information System) this term. The project necessitated that data migration and training have to be coordinated with the plant managers in three countries (Vietnam, Bangladesh and Portugal). I had initially been excited by the challenge and seen it as a possibility to standardise the processes and reduce being exposed to Permanent Establishment (PE) risk by using the identical data tracking as a core IHRM issue presented in recent learning modules. Nevertheless, in some cases when the training was stalled due to cultural distances, managers in high-context cultures cared more about face-to-face communication and connexion rather than direct compliance with the digital rules, I felt really frustrated and overloaded with the administrative and communication load.

**Evaluation:** The project, technically speaking, was successful, but extremely inefficient. I had a high Technological Competency with the new HRIS where data integrity and the transfer of more than 10,000 employee's data were a guarantee. I did not dedicate enough time to how to establish the required international trust and understanding to be effective in IHRM associated with pay too much attention to the completion of the task. The absence of empathy on cultures led to avoidable friction (Jami, Walker and Mansouri, 2023).

**Analysis:** According to Hofstede Cultural Dimensions framework, the challenge was based on cultural smart lessness and project management on the fly. I have supposed a globally linear principle of time limits and adherence. This was a sign of a professional misfit: I was good at the use of technology, but I was not as adaptable as I also used a method of relying extensively on a formal communication requirement (low-context style of communication) instead of making a video call to establish the mutual ground of cultural priorities and establish an interpersonal connexion. This is what makes the critical difference between domestic HRM where legal compliance is in most cases adequate and IHRM where relational and cultural compliance prime the strategic implementation.

**Conclusion:** The HRIS project also proved my technical skills, yet raised a very important gap in cultural fluidity. I acquired that global performance necessitates going beyond proficiency in technical expertise and skills to entrench adaptive leadership and communication behaviours that are suited to various cultural environments.

### Action Plan

| Capability Area | Development Goal                   | Actions to be Taken (Specifics)                                                                                                                         | Timeframe | Success Indicator                                                                                                                          |
|-----------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Technology      | GenAI Integration & Predictive HRM | 1. Complete an online certification in data analytics<br>2. Develop a pilot using Gemini to analyse sentiment from global employee satisfaction surveys | 6 Months  | Successful deployment of an AI-driven turnover prediction model correlating language tone with turnover risk for two key sourcing regions. |

|                      |                                                            |                                                                                                                                                                                                                                                                        |          |                                                                                                                                                           |
|----------------------|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Communication</b> | <b>Mastering Asynchronous Cross-Cultural Communication</b> | 1. Proactively shift to video calls to build rapport.<br>2. Practice summarizing complex IHRM policies for non-HR stakeholders using simple, direct language across three languages                                                                                    | 3 Months | Documented reduction in miscommunication-related delays in international projects                                                                         |
| <b>Teamwork</b>      | <b>Leading High-Performance Global Virtual Teams</b>       | 1. Volunteer to manage a cross-functional project spanning at least three continents.<br>2. Implement a rotating agenda strategy to equally distribute the time zone burden.                                                                                           | 9 Months | Positive peer feedback (documented) on my facilitation of remote conflict resolution and consensus building, specifically citing equitable participation. |
| <b>Leadership</b>    | <b>Culturally Agile, Transformational Leadership</b>       | 1. Read authoritative texts on global leadership/cultural intelligence as self-directed learning evidence.<br>2. Implement a weekly one-on-one coaching session with an international manager from a high-context culture to understand their decision-making drivers. | Ongoing  | Verifiable adoption of varied decision-making and delegation styles based on the host-country culture                                                     |

#### **2.4.4 Discussion of Strengths and Weaknesses**

The Gibbs model application demonstrated my competency strengths and weaknesses in the competency areas that are important to successful performance in the changing global work environment.

My Strengths

- **Technological Competency and Self-Directed Learning:** I learn easily complicated systems and I actively adopt new technologies. I am in a good

position to utilise emerging technologies such as GenAI to perform predictive HR work.

- **Task Management and Detail Orientation:** I am very strong in taking care of the specifics of the project and making sure the regulations are followed.
- **Teamwork (Technical Coordination):** I am very effective in creating systematic, efficient methods of sharing resources and technical coordination within dispersed teams.

#### My Weaknesses

- **Culturally Agile Communication (Primary Weakness):** My challenge is in writing technical competency into successful cross-cultural relational communication.
- **Adaptive Leadership:** My existing task-based leadership style can work in domestic settings, but it is not effective in international settings. I did not realise that going relationship-first was necessary to achieve global team buy-in.

#### **2.4.5 Conclusion**

My present competencies give me a strong technological and administrative base to an IHRM career in the globalised textile industry. I am in a good place to tackle new opportunities with self-guided learning in AI integration. Nonetheless, to become an excellent performer in the international environment, I will have to tackle my weaknesses strategically, especially my attitude toward culturally agile communication and adaptive leadership.

## **Conclusion**

Finally, the changing global labour dynamics require strategic HR and IHRM reactions, that is, technological adjustment, upskilling, and inclusive leadership. To mitigate the challenges posed by the demographic, geopolitical, and cultural intricacies, AI-based HR practises, cross-cultural communicative, and agile leadership will need to be combined to enable creating resolute, future-oriented workforces that can survive in the current-day interconnected and dynamically developing economy.

## References

Rahmat, T., (2025). Human Capital and Sustainable Transportation Strategic Alignment in Public Sector Enterprises. *Indonesian Research of Sustainability Management, Business, & Administration*, 1(02), pp.57-64.

Guzi, M., Kahanec, M. and Ulceluse, M.M., 2021. *Europe's migration experience and its effects on economic inequality* (No. 2021-05). MUNI ECON Working Paper.

Gibbs, G. (1988) *Learning by Doing: A guide to teaching and learning methods*. Further Education Unit, Oxford Brookes University, Oxford

Al Jazeera (2024). *Japan's elderly population rises to record 36.25 million*. [online] Al Jazeera. Available at: <https://www.aljazeera.com/economy/2024/9/16/japans-elderly-population-rises-to-record-36-25-million>

Gupta, S., Jaiswal, R. and Shiv Kumar Gupta (2024). Digital nomads: a systematic literature review and future research agenda. *Tourism Review*. doi: <https://doi.org/10.1108/tr-12-2023-0869>

Jami, P.Y., Walker, D.I. and Mansouri, B. (2023). Interaction of Empathy and Culture: A Review. *Current Psychology*, 43(4). doi: <https://doi.org/10.1007/s12144-023-04422-6>

Maestra AI. (2025). *Maestra*. [online] Available at: <https://maestra.ai/blogs/ai-statistics>.

MBO Partners (2025). *Digital Nomads - The 2021 Workforce Trend*. [online] MBO Partners. Available at: <https://www.mbopartners.com/state-of-independence/digital-nomads/>

Meyer, K.E. and Li, C. (2022). The MNE and its subsidiaries at times of global disruptions: An international relations perspective. *Global Strategy Journal*, [online] 12(3), pp.555–577. Doi: [HTTps://doi.org/10.1002/gsj.1436](https://doi.org/10.1002/gsj.1436)

Sarfraz, U.S. (2025). Geopolitical Tensions, Trade War, and Sanctions. *Supply Chain Disruptions and Impact on Global Inflation*, [online] pp.29–58. doi: <https://doi.org/10.4018/979-8-3373-1982-7.ch002>

Sari, A., Muthia Ayu Saleha Saleha, Najwa Khansa Salsabilla Salsabilla, Neyla Azaria Azaria and Agustina, R.A. (2024). THE DYNAMICS AND IMPACT OF GLOBALIZATION IN THE FIELD OF SCIENCE AND TECHNOLOGY. *Binary Journal of Technology Education*, [online] 1(1), pp.23–39. Available at: <https://journal.cerdasnusantara.org/index.php/binary/article/view/23>

Thormundsson, B. (2025). *Topic: Artificial Intelligence (AI) worldwide*. [online] Statista. Available at: <https://www.statista.com/topics/3104/artificial-intelligence-ai-worldwide/#topicOverview>

Trade Union Congress (2025). *Gig economy workforce in England and Wales has almost tripled in last five years – new TUC research*. [online] [www.tuc.org.uk](http://www.tuc.org.uk). Available at: <https://www.tuc.org.uk/news/gig-economy-workforce-england-and-wales-has-almost-tripled-last-five-years-new-tuc-research>

## Appendix

### SWOT Analysis: Personal Capabilities in International Labour Market (Textile Sector)

| Strengths                                                                                                                                              | Weaknesses                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Excellent task management and detail orientation, ensuring accuracy, compliance, and project success</li> </ul> | <ul style="list-style-type: none"> <li>Adaptive leadership gap relies on task-based leadership rather than relationship-first approach needed in global contexts.</li> </ul> |
| <ul style="list-style-type: none"> <li>High level of self-directed learning and enthusiasm for continuous professional development.</li> </ul>         | <ul style="list-style-type: none"> <li>Overemphasis on technical and procedural efficiency over interpersonal relationship-building across cultures.</li> </ul>              |
| <ul style="list-style-type: none"> <li>Effective teamwork and technical coordination within cross-functional, international teams.</li> </ul>          | <ul style="list-style-type: none"> <li>Initial frustration and stress management issues under cross-cultural communication challenges.</li> </ul>                            |

| Opportunities                                                                                                                                               | Threats                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Advancement in AI-driven HRM and digital transformation offers scope to innovate in global HR strategies.</li> </ul> | <ul style="list-style-type: none"> <li>Cultural misalignment can hinder global collaboration and team trust if not addressed.</li> </ul>                                |
| <ul style="list-style-type: none"> <li>Opportunities for international collaboration and leadership roles through global HR projects.</li> </ul>            | <ul style="list-style-type: none"> <li>Rapid technological changes could outpace current skills without continuous upskilling.</li> </ul>                               |
| <ul style="list-style-type: none"> <li>Ability to enhance cross-cultural intelligence through targeted learning, mentorship, and exposure.</li> </ul>       | <ul style="list-style-type: none"> <li>Increasing global compliance and PE risks in international HR operations require greater policy awareness.</li> </ul>            |
| <ul style="list-style-type: none"> <li>Growing textile industry globalization enables career expansion in IHRM roles across multiple regions.</li> </ul>    | <ul style="list-style-type: none"> <li>High competition for globally skilled HR professionals may limit advancement without distinct soft-skill development.</li> </ul> |