



Assessment on

The Impact of National and International Labour Markets on HRM and IHRM Policies

Student Name : Azazul Haque

Student ID : 2431572

Module Name : Master of Business Administration

Module Code : LCMB7023

Lecturer : Dr Gladius Kulothungan

Date of Submission : 14th November 2025

Executive Summary

This report is a critical analysis of the role of global labour-market dynamics in Human Resource Management (HRM) and International Human Resource management (IHRM) strategies. It examines how the technological changes in artificial intelligence, automation, and other online platforms are influencing the job structures and redefining the HR practices. Another issue brought out in the discussion is the effect of demographic and geopolitical change such as the growth of ageing populations, migration and international conflicts which present both opportunities as well as challenges in the management of workforce. Also, the report examines how organisations can overcome chronic skills gaps by applying HRM strategic interventions of upskilling, talent mobility, and employer branding. Critical evaluation is supported with the help of the theoretical approach, the Resource-Based View, and the Human Capital Theory. The report concludes that in the modern global world, adaptable, inclusive and technology based HR strategies are the only way to remain competitive and provide employees with means to flourish in the constantly changing environment.

Table of Contents

1. Introduction	1
2. Technological Advancements and Labor Market Transformation	1
2.1 Impact of AI and Automation on Labor Market Structures.....	1
2.2 Strategic Implications for HRM and IHRM	1
2.3 Theoretical Integration	2
3. Demographic and Geopolitical Factors in Employment Markets	2
3.1 Demographic Shifts	2
3.2 Geopolitical Uncertainties	3
3.3 Implications for HR Professionals	3
4. Addressing Skills Gaps and Talent Shortages	4
4.1 Nature and Causes of Skills Gaps	4
4.2 Strategic HRM Interventions	4
4.3 Models and Case Studies	5
5. Reflective Self-Assessment: Employability in a Global Context	5
5.1 Introduction to Reflection Approach	5
5.2 Current Strengths	5
5.3 Identified Weaknesses or Areas for Development	6
5.4 Development Plan and Learning Strategies	6
6. Conclusion	7
References.....	8

1. Introduction

This report has discussed the impacts of national and international labour markets on Human Resource Management (HRM) and International Human Resource Management (IHRM) strategies. It focuses on how the policies and practices of HRs are influenced by the change in technology, demographics, and geopolitical forces. The way organisations respond to skills gaps by means of strategic HRM is also discussed in the report, and the conclusion the report gives is the reflection on the personal employability in the global context by using the relevant theories and examples.

2. Technological Advancements and Labor Market Transformation

2.1 Impact of AI and Automation on Labor Market Structures

The world has undergone a shift in labor markets due to technological innovation especially in artificial intelligence (AI), automation, and the use of digital platforms. Automation has reduced the demand of human and cleric labor, which has opened the possibilities in technological management, programming, and data analysis (Revaz Shengelia and Demur Sichinava, 2024). The AI systems are busy taking over many human-based jobs in predictive decisions, logistics, and the frontline customer services (Gupta et al., 2021). As a result, the automation process replaces some jobs, but creates virtual ones that require high technical and analytical skills. Furthermore, digital solutions have broadened the gig economy by connecting freelancers and employers through the entire world. This model of flexible work questions the traditional forms of employment and puts pressure on the workers to improve skills, whilst the organizations adjust HR strategies to work with hybrids, remote, and cross-cultural structures (Gopal, 2025).

2.2 Strategic Implications for HRM and IHRM

HRM and IHRM are becoming future oriented and strategic due to the technological advancements. Constant digital upskilling and life-long learning is now a necessity in developing a competitive workforce. The companies should incorporate learning into their culture by conducting regular training, online learning, and career development that is at par with the new technologies (Khan et al., 2025). The HR analytics has also been improved through digital transformation, which provides information on talent retention, performance analysis, and recruitment based on data. The analytics can be

used to evaluate leadership performance, determine turnover, determine skill shortages (Khan et al., 2025). Moreover, technology promotes virtual collaboration with employees in the global dispersion spread but it presents cultural and communication issues. Thus, IHRM has to develop regionally sensitive but globally standardized policies and at the same time, the remote employees should have equal access to digital tools, welfare, and cybersecurity facilities (Khan et al., 2025).

2.3 Theoretical Integration

According to the Resource-Based View (RBV), human capital, skills, creativity and adaptability, is a distinct source of competitive advantage. With increased integration of technology, organizations that inculcate digital competencies among their employees attain strategic advantage (Valaei et al., 2021). The same is true of the Human Capital Theory in which education and training is seen as an investment that improves the productivity of an individual and the performance of an organization. Using these models can assist organizations to align HR practices to their long-term strategic goals.

Simply stated, AI and automation are not merely technological changes but a changing point in the strategy of HRM and IHRM. The issue is that there must be a balance: technology can be used to become efficient, but the creativity of human beings, their morals, and their interest should be maintained (Valaei et al., 2021). Successful organizations will be organizations that are both innovative and inclusive to create a workforce that is capable of sustaining change.

3. Demographic and Geopolitical Factors in Employment Markets

3.1 Demographic Shifts

The world is changing in terms of employment trends due to the demographic changes. In developed nations like Japan, Germany, and the United Kingdom, the ageing population has decreased the labour supply and raised the health and social care requirements and automation to maintain productivity (Faishal et al., 2023). On the other hand, other countries such as India, Bangladesh, and Nigeria have youthful populations with the lack of employment that has resulted in underemployment and migration. Workforce composition has been further altered by gender diversity, generation differences as well as global mobility. With the introduction of Millennials and Generation Z into the labor market, flexible work arrangements, inclusivity, and

self-improvement impact the HR managers to restructure the engagement and reward systems (Faishal et al., 2023). In the meantime, there is a need to engage women and minorities more actively, which entails non-discriminatory leadership and promotion.

3.2 Geopolitical Uncertainties

Political and economic instability are also equal determinants in the global labor markets. Trade routes, supply chains, and free movement of labor have been broken by events like Brexit, trade tensions between the key economies, and regional conflicts (Awad, 2024). In the case of Brexit, the shortage of skilled workers in the UK was introduced, especially in the fields of healthcare, agriculture, and logistics. Equally, the continued wars in Eastern Europe and Middle East have pushed millions of laborers out of the continent, both the origin and the destination. Sanctions and trade limitations have encouraged cross-border migrations on the part of multinational companies, reorganization of supply chains, and modifications of human resources approaches to accommodate new policy settings.

Talent migration policy is also dependent on geopolitical volatility. Tightening of immigration policies restrict the employment chances of cross-border migration compelling organizations to train their own local expertise (Scalera and Perri, 2024). The augmented complexity of the global governance implies that IHRM has to find its way through a maze of foreign regulations, ethical norms, and compliance issues.

3.3 Implications for HR Professionals

HR professionals should be strategic intermediaries between the organizational objectives and the external environment. They should be able to develop flexible workforce strategies, which will be able to act in case of any sudden demographic or political developments. HR policies should be inclusive to ensure that different talents are attracted and organizational resilience is increased. The multigenerational teams should be managed with the help of special communication, mentoring, and hybrid models of working. The international HR practitioners have a responsibility to also comply with labor laws, organize expatriate assignments and crisis response strategies to employees working in volatile areas, as well (McGrath-Champ, Gavin and Fee, 2025).

Finally, demographic changes and geopolitical uncertainties require both agility and foresight to be developed by HRM and IHRM (McGrath-Champ, Gavin and Fee, 2025).

Those organizations that can incorporate the concept of demographics, cultural intelligence and risk management in their people strategies will be the best suited to succeed in the global markets that are unpredictable.

4. Addressing Skills Gaps and Talent Shortages

4.1 Nature and Causes of Skills Gaps

The most urgent problems in the contemporary economies are skills deficit. The rampant digitalization, the mismatch in education, and the changing labor needs have left systematic gaps in the fields of technology, healthcare, and hospitality (Chemli, Toanoglou and Roman, 2024). Automation has risen the occurrence of technical knowledge, but conventional education frameworks frequently fail to keep pace with the progress. The ageing population, migration, and burnout results in the shortage of physicians, nurses, and technicians in most countries in the healthcare system. Meanwhile, the hospitality business, particularly after the COVID-19 outbreak, is not able to present employees with the work as their remuneration is low, there is no job security, and there are new career objectives.

These scarcities hinder productivity, organizational growth and innovation. They also pose a threat to the competitiveness of the economies that are dependent on knowledge and service sectors in the long term. One should have an idea of what leads to such gaps in specific HR solutions design.

4.2 Strategic HRM Interventions

Branding by employers is vital in the attraction of difficult to get and quality talents. Companies with an inclusive culture, which have good ethical behaviors and who have flexible working schedules have a competitive advantage in the labor market. Adopting hybrid and project-based contracts enables employers to tap into a larger pool of talent such as remote and freelance employees. With a combination of these strategies, organizations will be able to improve engagement of their employees, boost the participation of all their employees in their work and also enhance their overall ability to meet the changing business environment and their changing employees expectations.

4.3 Models and Case Studies

There are various HR models that direct organizations to conquer the talent shortage. The Talent Management Cycle provides a systematic approach of identifying, developing and retaining key personnel in line with the strategic objectives. The HR Business Partner Model by Ulrich makes HR a strategic aligner of organizational performance that facilitates a combination of people strategies and business requirements (Wach, Wehner and Kabst, 2021). The Human Capital Theory advocates the investment of education and skill as an asset that generates long-term payouts.

The most prominent companies, like IBM and Siemens, have developed extensive digital-skills initiative to introduce their staff to technological change. Workforce-retention programs, mentoring, and well-being programs have been found to be effective in healthcare to minimize turnover and establish engagement.

Finally, organizations, educators, and policymakers need to work together in order to fill skills gaps. Through learning, flexibility and inclusion being integrated within the HRM systems, businesses are able to turn around challenges in workforce shortage as innovation and growth opportunities.

5. Reflective Self-Assessment: Employability in a Global Context

5.1 Introduction to Reflection Approach

This is a reflective self-assessment that used the Reflective Cycle by Gibbs in assessing my preparedness to succeed in an international business setting. The six steps of the model described, feelings, evaluation, analysis, conclusion and an action plan make self-evaluation and further professional development continuous and organized. It is reflected on the five important dimensions of employability, including technology, communication, teamwork, leadership, and self-directed learning.

5.2 Current Strengths

My attendance in classes and activities in group tasks has led to my positive flexibility and computer literacy. The skills will help me leverage on internet-based platforms, handle data effectively and conduct effective technology-based decision-making processes. These competencies are crucial in the contemporary digital learning and working worlds, in that they assist in ensuring flexibility to new technologies and the improvement of team workmanship. Along with that, employment in a multicultural

team has helped me to improve my cross-cultural communication, which is why I can now value diversity and strike a balance between conflicting viewpoints to reach positive results (Braslauskas, 2021). This has enhanced my ability to work in international settings where teamwork, respect and flexibility are all-important. It also has strengths in leadership and teamwork which are developed through the coordination of efforts in the group, clear goals, and motivation of colleagues (Braslauskas, 2021). Besides, my participation in online professional development courses has enhanced my learning independently, as the focus on lifelong learning increases in modern places of work.

5.3 Identified Weaknesses or Areas for Development

I realize that there are several areas that should be improved even though these are strengths. It is still hard to work throughout the globe since it is marked by time zone differences, diversity and delays in communication which sometimes render the teams less effective. In order to cope with this, I will be required to improve my virtual collaboration skills, management skills, and communication skills planning so as to work in an international team. In addition, I would improve my skills in HR data interpretation and workforce forecasting as this is where the secret lies when it comes to evidence-based HR practices (Falletta and Combs, 2020). My strategic decision-making and negotiation skills in cross-functional teams will be also improved, which will enable me to work on the most intricate global HR issues (Falletta and Combs, 2020).

5.4 Development Plan and Learning Strategies

To accomplish these areas, I have come up with a planned development plan. As far as virtual collaboration is concerned, I will be open to the application of the project-management tools that will assist in keeping transparency and time-zone coordination. To enhance my analytical abilities, I am going to take a professional certificate in HR analytics and practice the utilization of analytical skills on real data. The leadership and negotiation skills will be developed with the aid of workshops, mentoring relationships or personal participation in case-study simulations (Sartzetaki, 2025). Consistent self-reflection/reflection with peers will help to measure progress. I will mix the Experiential Learning approach by Kolb that entails the transfer of concrete

experience to reflective observation, conceptualization and active experimentation to convert learning into performance improvement.

6. Conclusion

This report concludes that the global labour-market forces play a major role in influencing the HRM and IHRM strategies. Demographic changes, technological innovation and geopolitical change require flexible, talented and diverse workforces. Some of the strategic HRM models like the Talent Management Cycle, the Model of Hr developed by Ulrich and Human Capital Theory point to investment in people as a major strength. Finally, it is through constant learning, innovations and foresight that organisations and individuals can keep up with the changing environment in the world.

References

- Awad, G. (2024). Introduction to Labor Market Dynamics and Employment Inequality. *Advances in electronic government, digital divide, and regional development book series*, [online] pp.305–326. doi:<https://doi.org/10.4018/979-8-3693-7377-4.ch013>.
- Braslauskas, J. (2021). DEVELOPING INTERCULTURAL COMPETENCES AND CREATIVITY: THE FOUNDATION FOR SUCCESSFUL INTERCULTURAL COMMUNICATION. *Creativity Studies*, [online] 14(1), pp.197–217. doi:<https://doi.org/10.3846/cs.2021.14583>.
- Chemli, S., Toanoglou, M. and Roman, J.L.D.V. (2024). Skills mismatch and digital skill shortages in tourism: impact on graduate employment and implications for higher education. *International Journal of Technology Enhanced Learning*, 16(4), pp.447–465. doi:<https://doi.org/10.1504/ijtel.2024.141834>.
- Faishal, M., Mathew, S., Neikha, K., Pusa, K. and Zhimomi, T. (2023). The future of work: AI, automation, and the changing dynamics of developed economies. *World Journal Of Advanced Research and Reviews*, 18(3), pp.620–629. doi:<https://doi.org/10.30574/wjarr.2023.18.3.1086>.
- Falletta, S.V. and Combs, W.L. (2020). The HR analytics cycle: A seven-step process for building evidence-based and ethical HR analytics capabilities. *Journal of Work-Applied Management*, [online] 13(1), pp.51–68. doi:<https://doi.org/10.1108/jwam-03-2020-0020>.
- Gopal, C. (2025). *Remote Work, Real Results: Managing Projects Across Time Zones*. [online] ResearchGate. Available at: https://www.researchgate.net/publication/390928784_Remote_Work_Real_Results_Managing_Projects_Across_Time_Zones.
- Gupta, S., Modgil, S., Bhattacharyya, S. and Bose, I. (2021). Artificial intelligence for decision support systems in the field of operations research: Review and future scope of research. *Annals of Operations Research*, 308(1). doi:<https://doi.org/10.1007/s10479-020-03856-6>.

Khan, I., Fujimoto, Y., Rahman, H.U., Riaz, U., Khan, M.R. and Khan, M.Z. (2025). Sustainable HRM in International Business: A Research Agenda for Inequality and the SDGs. *Global Business and Organizational Excellence*.
doi:<https://doi.org/10.1002/joe.70015>.

McGrath-Champ, S., Gavin, M. and Fee, A. (2025). Role enactment of international human resource managers during the COVID-19 pandemic: New crisis management insights. *Journal of International Management*, 31(4), pp.101262–101262.
doi:<https://doi.org/10.1016/j.intman.2025.101262>.

Revaz Shengelia and Demur Sichinava (2024). Artificial Intelligence and Labor Market Dynamics: Employment Problems and Development Trends. [online]
doi:<https://doi.org/10.2139/ssrn.5045832>.

Sartzetaki, M. (2025). Developing Entrepreneurial Leadership and Organizational Behavior Skills. *IGI Global eBooks*, [online] pp.469–498.
doi:<https://doi.org/10.4018/979-8-3693-9040-5.ch021>.

Scalera, V.G. and Perri, A. (2024). High-skilled migrants and cross-border innovation: a multi-level approach to international business policymaking. *Edward Elgar Publishing eBooks*, pp.442–462. doi:<https://doi.org/10.4337/9781035308682.00033>.

Valaei, N., Rezaei, S., Bressolles, G. and Dent, M.M. (2021). Indispensable components of creativity, innovation, and FMCG companies' competitive performance: A resource-based view (RBV) of the firm. *Asia-Pacific Journal of Business Administration*, 14(1), pp.1–26. doi:<https://doi.org/10.1108/apjba-11-2020-0420>.

Wach, B.A., Wehner, M.C. and Kabst, R. (2021). Performance implications of the HR business partner model and the mediating role of internal efficiency: a comparison between Germany and the United Kingdom. *The International Journal of Human Resource Management*, [online] 33(20), pp.1–38.
doi:<https://doi.org/10.1080/09585192.2021.1943490>.