

Managing People and Organizations

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MGM603

Managing People and Organizations

Lecture 10



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Geopolitical Instability as a Modern HR

Challenge

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Lecture Outline

1. Geopolitical Instability as a Modern HR Challenge.
2. Organizational Duty of Care in Crisis.
3. Hybrid & Remote Work as Strategic Tools.
4. HR's Role in Preparing and Transitioning the Workforce.

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Geopolitical Instability as a Modern HR Challenge

In the contemporary global environment, geopolitical instability has evolved from a distant macroeconomic concern into a core strategic challenge for Human Resource Management (HRM). Conflicts such as the war involving Iran are no longer isolated political events; they are systemic disruptions that penetrate organizational structures, directly influencing workforce dynamics, talent strategies, and long-term organizational sustainability.

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Geopolitical Instability as a Modern HR Challenge

Traditionally, HR functions operated within relatively stable environments, where workforce planning, recruitment, and talent development were guided by predictable economic and market conditions. However, the current geopolitical landscape—characterized by regional conflicts, economic sanctions, and shifting alliances—has fundamentally altered this paradigm. **HR is now required to operate under conditions of high uncertainty, rapid change, and elevated risk, where external shocks can immediately translate into internal organizational challenges.**

Geopolitical Risk as a Direct HR Driver

The war in Iran represents a direct strategic risk that affects organizations far beyond the immediate conflict zone. Its implications extend into global labor markets, influencing:

- **Workforce planning decisions**, as organizations struggle to forecast labor needs in volatile conditions
- **Hiring strategies**, which become more conservative due to uncertainty
- **Talent mobility**, as travel restrictions, security concerns, and regulatory changes limit cross-border workforce movement

Geopolitical Risk as a Direct HR Driver

This shift signifies a critical transformation: geopolitical risk is no longer an external variable—it has become an internal HR determinant. Organizations must now integrate geopolitical analysis into their HR planning processes, aligning workforce strategies with evolving political and economic realities.

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From Operational Disruption to Strategic HR Transformation

Historically, the impact of geopolitical crises was largely confined to supply chains, logistics, and operations. However, the current environment demonstrates that disruption now extends much deeper, reshaping HR strategies “from the inside out.”

From Operational Disruption to Strategic HR Transformation

This transformation manifests in several ways:

- **Organizational structures become more fluid**, requiring rapid adjustments in staffing and roles
- **Decision-making cycles shorten**, forcing HR to respond quickly rather than rely on long-term plans
- **Employee expectations shift**, with increased demand for safety, flexibility, and transparency

As a result, HR is transitioning from a **support function** to a **strategic resilience driver**, playing a central role in ensuring organizational continuity during geopolitical shocks.

Key HR Challenges in Geopolitically Unstable Environments

Collapse of Long-Term Workforce Planning

One of the most significant consequences of geopolitical instability is the **erosion of long-term workforce planning frameworks**.

In stable environments, HR relies on:

- Forecasting models
- Talent pipelines
- Succession planning

Key HR Challenges in Geopolitically Unstable Environments

However, during geopolitical crises:

- Assumptions about market growth, labor availability, and cost structures become unreliable
- Strategic workforce plans quickly become obsolete
- Organizations shift from long-term planning to **short-term, adaptive decision-making**

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Key HR Challenges in Geopolitically Unstable Environments

This leads to a reactive approach, where HR must continuously revise plans based on rapidly changing conditions. The challenge lies in maintaining a balance between **strategic direction and tactical flexibility**, ensuring that organizations remain prepared without overcommitting to uncertain futures.

Key HR Challenges in Geopolitically Unstable Environments

“Wait-and-See” Hiring Freezes and Talent Mobility Restrictions

Geopolitical instability often triggers a **“wait-and-see” approach** among organizations, particularly in hiring and talent management.

A. Hiring Freezes

Organizations may:

- Delay recruitment decisions
- Freeze non-essential hiring
- Reduce workforce expansion plans

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Key HR Challenges in Geopolitically Unstable Environments

This cautious stance is driven by:

- Uncertainty regarding future demand
- Concerns about cost escalation
- Risk of overstaffing in a declining or unstable market

While this approach helps control costs, it also creates **long-term talent gaps**, potentially weakening organizational competitiveness once stability returns.

Key HR Challenges in Geopolitically Unstable Environments

Talent Mobility Restrictions

The war environment introduces significant constraints on workforce mobility:

- Travel restrictions and security risks limit international assignments
- Visa and regulatory barriers become more complex
- Employees may be unwilling to relocate to high-risk regions

Key HR Challenges in Geopolitically Unstable Environments

Talent Mobility Restrictions

This affects:

- Multinational project execution
- Knowledge transfer across locations
- Leadership development programs that rely on global exposure

Consequently, organizations must rethink traditional models of global talent mobility, shifting toward **virtual collaboration and localized talent strategies**.

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Key HR Challenges in Geopolitically Unstable Environments

Protecting Employee Safety and Morale

Perhaps the most critical HR challenge in times of geopolitical instability is ensuring **employee safety—both physical and psychological—while maintaining morale and engagement.**

Key HR Challenges in Geopolitically Unstable Environments

Protecting Employee Safety and Morale

A. Physical Safety

Organizations must address:

- Risks to employees in or near conflict zones
- Evacuation planning and emergency response
- Secure working environments and travel policies

This requires close coordination between HR, security teams, and leadership to implement **robust duty-of-care frameworks**.

Key HR Challenges in Geopolitically Unstable Environments

Protecting Employee Safety and Morale

B. Psychological Well-being

Beyond physical safety, geopolitical crises generate:

- Anxiety and uncertainty among employees
- Fear related to job security and economic conditions
- Emotional stress, particularly for employees with personal or family ties to affected regions

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Key HR Challenges in Geopolitically Unstable Environments

Protecting Employee Safety and Morale

B. Psychological Well-being

HR must therefore expand its role to include:

- Mental health support programs
- Transparent and frequent communication
- Leadership initiatives that foster trust and reassurance

Key HR Challenges in Geopolitically Unstable Environments

Protecting Employee Safety and Morale

C. Maintaining Morale and Engagement

In unstable environments, employee morale can decline rapidly due to:

- Uncertainty about the future
- Increased workload or operational disruptions
- Perceived lack of organizational stability

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Key HR Challenges in Geopolitically Unstable Environments

Protecting Employee Safety and Morale

C. Maintaining Morale and Engagement

To address this, HR must:

- Strengthen internal communication channels
- Reinforce organizational purpose and direction
- Recognize and support employees' contributions during difficult times

Organizational Duty of Care in Crisis

In times of geopolitical conflict, such as the ongoing war involving Iran, the concept of **organizational duty of care** becomes a central pillar of Human Resource Management (HRM). Traditionally, duty of care referred primarily to ensuring **physical workplace safety and compliance with labor regulations**. However, in crisis environments, this concept expands significantly to encompass a broader, more holistic responsibility toward employees' **safety, well-being, and overall stability**.

Organizational Duty of Care in Crisis

Geopolitical crises introduce complex risks that extend beyond the workplace, including security threats, travel disruptions, psychological stress, and social instability. As a result, organizations are compelled to rethink and redesign their HR policies to ensure that employees are protected not only as workers, but as individuals embedded within a volatile environment.

Organizational Duty of Care in Crisis

1. Ensuring Workplace Safety and Policy Adaptation

One of the immediate responsibilities of organizations during a geopolitical crisis is to **maintain workplace safety while adapting operational policies** to reflect the new risk landscape.

A. Physical Safety and Risk Mitigation

Employers must assess and respond to:

- Proximity of operations to conflict zones
- Risks associated with commuting and travel
- Exposure to potential disruptions such as infrastructure breakdowns or security incidents.

Organizational Duty of Care in Crisis

1. Ensuring Workplace Safety and Policy Adaptation

This often requires:

- Revising workplace safety protocols
- Limiting or suspending business travel to high-risk areas
- Implementing emergency preparedness and evacuation plans

Organizational Duty of Care in Crisis

1. Ensuring Workplace Safety and Policy Adaptation

B. Adoption of Flexible Work Models

In crisis situations, **remote and hybrid work arrangements** become essential tools rather than optional benefits. Organizations may:

- Transition employees to remote work to reduce exposure to physical risks
- Introduce flexible working hours to accommodate disruptions (e.g., curfews, transportation issues)
- Enable decentralized operations to maintain continuity

These adjustments not only protect employees but also ensure **business continuity** in uncertain conditions.

Organizational Duty of Care in Crisis

2. Expanding Duty of Care Beyond Physical Safety

A defining feature of modern crises is that their impact is not limited to physical danger. The war environment creates **psychological, social, and economic pressures** that directly affect employee performance and well-being.

A. Mental Health and Psychological Support

Employees may experience:

- Anxiety and fear due to security concerns
- Stress related to economic uncertainty or job stability
- Emotional strain from having family or connections in affected areas

Organizational Duty of Care in Crisis

2. Expanding Duty of Care Beyond Physical Safety

A. Mental Health and Psychological Support

In response, HR must:

- Provide access to mental health resources (counseling, employee assistance programs)
- Promote a culture that encourages openness about stress and mental health challenges
- Train managers to recognize and respond to signs of burnout or distress
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Organizational Duty of Care in Crisis

2. Expanding Duty of Care Beyond Physical Safety

B. Strengthening Communication Systems

In times of crisis, **information becomes a critical resource**. Uncertainty and misinformation can amplify fear and reduce trust.

HR plays a key role in:

- Delivering clear, consistent, and timely communication
- Providing updates on organizational decisions and safety measures
- Creating channels for employees to ask questions and express concerns

Effective communication reduces ambiguity and helps maintain **organizational cohesion and trust**.

Organizational Duty of Care in Crisis

2. Expanding Duty of Care Beyond Physical Safety

C. Welfare and Support Programs

Duty of care also extends to **supporting employees' broader life circumstances**, especially when crises disrupt daily living conditions.

Organizations may implement:

- Financial assistance programs
- Emergency leave policies
- Support for relocation or temporary housing

Such initiatives reinforce the organization's commitment to employee welfare, strengthening loyalty and engagement even in difficult times.

Strategic HR Roles in Implementing Duty of Care

Reducing Ambiguity and Protecting Employee Well-being

In crisis environments, ambiguity is one of the most significant stressors. Employees often face:

- Uncertainty about job security
- Confusion regarding organizational policies
- Lack of clarity about future plans

Strategic HR Roles in Implementing Duty of Care

1. Reducing Ambiguity and Protecting Employee Well-being

HR must act as a **stabilizing force** by:

- Providing transparent and frequent updates
- Clearly communicating expectations and changes
- Ensuring consistency in policies and decision-making

By reducing uncertainty, HR helps protect both **psychological well-being** and **organizational performance**.

Strategic HR Roles in Implementing Duty of Care

2. Providing Resources for Families Affected by Conflict

Geopolitical crises rarely affect employees in isolation—they often impact their **families and communities**. This is particularly relevant in regions with strong social and family ties.

HR's role extends to:

- Offering support for employees with family members in affected areas
- Providing access to healthcare, counseling, or financial aid
- Allowing flexible leave arrangements to manage family emergencies

Recognizing and addressing these external pressures is essential for maintaining employee focus, loyalty, and overall well-being.

Strategic HR Roles in Implementing Duty of Care

3. Maintaining Contact and Support for Mobile or Displaced Workers

In conflict scenarios, some employees may become:

- **Mobile workers**, unable to return to their usual workplace
- **Displaced workers**, forced to relocate due to safety concerns

HR must ensure that these employees remain:

- Connected to the organization
- Supported in their new circumstances

Integrated into ongoing operations

Strategic HR Roles in Implementing Duty of Care

3. Maintaining Contact and Support for Mobile or Displaced Workers

This involves:

- Leveraging digital communication tools to maintain engagement
- Providing logistical and administrative support (e.g., relocation assistance)
- Ensuring access to necessary work resources and systems

Maintaining this connection is critical not only for operational continuity but also for preserving a sense of **belonging and organizational identity**.

Hybrid & Remote Work as Strategic Tools

In the context of geopolitical instability—particularly during crises such as the war involving Iran—organizations are compelled to rethink traditional models of work. What began as a temporary response during global disruptions has now evolved into a **core strategic capability**: hybrid and remote work are no longer optional or situational practices, but essential tools for ensuring **organizational continuity, resilience, and adaptability**.

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Hybrid & Remote Work as Strategic Tools

The modern workplace is no longer confined to a physical location. Instead, it is increasingly defined by **digital connectivity, flexible structures, and decentralized operations**. In unstable environments, this transformation becomes not just advantageous—but necessary.

Hybrid & Remote Work as Strategic Tools

1. From Temporary Solution to Strategic Necessity

Remote and hybrid work models initially gained prominence as emergency responses to global disruptions. However, in the face of ongoing geopolitical tensions, these models have transitioned into **long-term strategic solutions**.

In crisis environments:

- Physical workplaces may become inaccessible or unsafe
- Travel restrictions may limit workforce mobility
- Infrastructure disruptions may hinder centralized operations

Hybrid & Remote Work as Strategic Tools

1. From Temporary Solution to Strategic Necessity

Under such conditions, hybrid and remote work models provide a **continuity bridge**, enabling organizations to sustain operations despite external shocks. They allow businesses to **decouple productivity from location**, ensuring that critical functions can continue regardless of geographic constraints.

Hybrid & Remote Work as Strategic Tools

2. Digital HR Systems and Structured Hybrid Frameworks

The effectiveness of hybrid and remote work depends heavily on the **integration of digital HR systems and well-designed organizational frameworks.**

Hybrid & Remote Work as Strategic Tools

2. Digital HR Systems and Structured Hybrid Frameworks

A. Role of Digital HR Systems

Digital transformation in HR has become a foundational enabler of remote work. Key components include:

- **Human Resource Information Systems (HRIS):** Managing employee data, attendance, and performance remotely
- **Collaboration platforms:** Facilitating communication and teamwork across dispersed teams
- **Performance management tools:** Tracking productivity and outcomes in virtual environments
- **Learning management systems (LMS):** Supporting continuous training and upskilling.

Hybrid & Remote Work as Strategic Tools

2. Digital HR Systems and Structured Hybrid Frameworks

A. Role of Digital HR Systems

These systems ensure that HR processes remain **efficient, transparent, and scalable**, even when employees are geographically dispersed.

Hybrid & Remote Work as Strategic Tools

2. Digital HR Systems and Structured Hybrid Frameworks

B. Structured Hybrid Work Frameworks

Successful hybrid models are not ad hoc arrangements—they require **clear policies and structured implementation**, including:

- Defined roles suitable for remote vs. on-site work
- Clear expectations regarding working hours, communication, and deliverables
- Standardized protocols for meetings, reporting, and collaboration
- Leadership training to manage distributed teams effectively

Hybrid & Remote Work as Strategic Tools

2. Digital HR Systems and Structured Hybrid Frameworks

B. Structured Hybrid Work Frameworks

When properly designed, these frameworks create a balance between **flexibility and accountability**, enabling organizations to operate smoothly in uncertain environments.

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HR's Role in Preparing and Transitioning the Workforce

In the context of geopolitical crises—such as the war involving Iran—Human Resource Management (HRM) must move beyond short-term, reactive responses and assume a **transformational leadership role**. The challenge is no longer limited to managing disruption, but rather **preparing the workforce for a fundamentally different way of working**—one that is more flexible, digital, and resilient.

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HR's Role in Preparing and Transitioning the Workforce

This transformation requires HR to act as a **change architect**, guiding organizations through uncertainty while ensuring that employees are equipped, supported, and aligned with new operational realities. The transition involves three critical pillars: **building flexibility, enhancing workforce readiness, and strengthening strategic HR leadership.**

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HR's Role in Preparing and Transitioning the Workforce

A. Building Flexibility

1. Designing Hybrid Work Policies with Clear Guidelines

Flexibility begins with the development of **structured hybrid work policies** that balance organizational needs with employee realities. In volatile environments, ambiguity can lead to confusion, inefficiency, and decreased performance. Therefore, HR must establish:

- Clear definitions of remote, hybrid, and on-site roles
- Transparent expectations regarding working hours, availability, and deliverables
- Standardized communication protocols and reporting structures
- Guidelines for performance evaluation in flexible work settings

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HR's Role in Preparing and Transitioning the Workforce

A. Building Flexibility

2. Equipping Managers to Lead Distributed Teams

The transition to hybrid and remote work requires a fundamental shift in managerial capabilities. Traditional management approaches—based on physical supervision—are no longer effective. Instead, managers must develop competencies in:

- Leading geographically dispersed teams
- Managing performance based on outcomes rather than presence
- Maintaining engagement and team cohesion in virtual environments
- Navigating uncertainty and rapid change.

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HR's Role in Preparing and Transitioning the Workforce

A. Building Flexibility

2. Equipping Managers to Lead Distributed Teams

HR plays a critical role in **training and supporting managers**, enabling them to adapt their leadership styles to meet the demands of a dynamic work environment.

HR's Role in Preparing and Transitioning the Workforce

A. Building Flexibility

3. Providing Digital Tools and Communication Platforms

Flexibility is only sustainable when supported by the right technological infrastructure. HR must collaborate with IT and leadership to ensure that employees have access to:

- Reliable communication tools (video conferencing, messaging platforms)
- Collaboration systems for project management and teamwork
- Secure access to organizational data and systems
- Digital platforms for HR services (performance management, training, feedback)

These tools enable seamless interaction and coordination, transforming distributed work into an **integrated and efficient system.**

HR's Role in Preparing and Transitioning the Workforce

B. Workforce Readiness & Skills

1. Reskilling and Upskilling for a Digital and Flexible Environment

As work models evolve, so do the skills required to perform effectively. HR must prioritize **continuous learning and capability development**, focusing on:

- Digital literacy and proficiency in remote collaboration tools
- Self-management and time management in flexible work settings
- Problem-solving and critical thinking in uncertain environments

HR's Role in Preparing and Transitioning the Workforce

B. Workforce Readiness & Skills

1. Reskilling and Upskilling for a Digital and Flexible Environment

Reskilling and upskilling initiatives should be embedded within organizational strategy, ensuring that employees are not only able to adapt, but also to **thrive in new work paradigms**.

HR's Role in Preparing and Transitioning the Workforce

B. Workforce Readiness & Skills

2. Cultivating Adaptability and Agility as Core Competencies

In environments shaped by geopolitical instability, technical skills alone are insufficient. Organizations must foster **behavioral competencies** that enable employees to respond effectively to change, including:

- Adaptability to shifting roles and responsibilities
- Agility in decision-making and execution
- Openness to new technologies and processes
- Resilience in the face of uncertainty and stress

HR's Role in Preparing and Transitioning the Workforce

B. Workforce Readiness & Skills

2. Cultivating Adaptability and Agility as Core Competencies

HR must integrate these competencies into:

- Recruitment and selection processes
- Performance management systems
- Leadership development programs

By doing so, organizations build a workforce that is not only skilled, but also **mentally and strategically prepared for continuous change.**

HR's Role in Preparing and Transitioning the Workforce

B. Workforce Readiness & Skills

3. Leveraging HR Analytics to Monitor Readiness and Sentiment

Data-driven decision-making is essential in managing workforce transitions. HR analytics provides valuable insights into:

- Employee engagement and morale
- Productivity trends in hybrid environments
- Skills gaps and training needs
- Workforce readiness for change

HR's Role in Preparing and Transitioning the Workforce

B. Workforce Readiness & Skills

3. Leveraging HR Analytics to Monitor Readiness and Sentiment

By analyzing these indicators, HR can:

- Identify early warning signs of disengagement or burnout
- Adjust policies and interventions proactively
- Support evidence-based strategic decisions

This transforms HR from a reactive function into a **predictive and proactive capability**, capable of guiding organizations through uncertainty with greater precision.

HR's Role in Preparing and Transitioning the Workforce

C. Strategic HR Leadership

1. Anticipating Workforce Risks

In geopolitically unstable environments, risks emerge rapidly and often unpredictably. HR must develop the capability to **anticipate and assess workforce-related risks**, such as:

- Talent shortages due to mobility restrictions
- Increased employee turnover due to uncertainty
- Skill mismatches due to digital transition

Proactive risk identification allows organizations to implement **preventive measures** rather than reactive solutions.

HR's Role in Preparing and Transitioning the Workforce

C. Strategic HR Leadership

2. Integrating HR Strategy with Board-Level Planning

The complexity of modern crises requires HR to operate at the highest strategic level. This means:

- Aligning HR strategy with overall business strategy
- Participating in executive and board-level discussions
- Contributing to decisions related to investments, expansion, and risk management

HR's Role in Preparing and Transitioning the Workforce

C. Strategic HR Leadership

3. Influencing Organizational Resilience Frameworks

Organizational resilience is no longer solely an operational or financial concern—it is deeply rooted in **human capital**. HR must play a central role in shaping resilience by:

- Designing workforce models that can adapt to disruption
- Embedding flexibility and agility into organizational culture
- Supporting leadership in crisis response and recovery
- Developing contingency plans for workforce continuity

Through these efforts, HR contributes directly to the organization's ability to **absorb shocks, adapt to change, and recover effectively**.



Thank You