

Strategic Global HR Planning and Competency Development in Multinational Corporations: A Systematic Review Using Prisma 2020

Muhammad Yalzamul Insan^{1*}, Jojor Onom², Meilisa Aryanti³, Ritha F Dalimunthe⁴, Prihatin Lumbanraja⁵
Universitas Sumatera Utara, Indonesia

Corresponding Author: Muhammad Yalzamul Insan
myalza@dosen.pancabudi.ac.id

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ABSTRACT

The integration of global HR planning and competency development serves as a strategic key for multinational corporations (MNCs) in navigating the dynamics of the global market. However, the complexities of culture, legal frameworks, and organizational structures across countries pose challenges to its implementation. This study aims to systematically review literature on the integration of global HR planning and competency development in MNCs, identifying challenges, strategies, and best practices. Following the PRISMA 2020 guidelines, a literature search was conducted across Scopus, Web of Science, and EBSCOhost databases for publications between 2010 and 2024. A qualitative analysis was performed on 32 articles meeting the inclusion criteria. Key findings highlight: (1) the importance of adapting HR strategies to local contexts without compromising global consistency; (2) the critical role of HR professionals as bridges between global strategy and local needs; and (3) competency-based approaches as tools to align business goals with individual development. Effective integration of global HR planning and competency development requires a holistic approach that considers internal and external factors, as well as flexibility in responding to global dynamics.

INTRODUCTION

Technological developments, economic globalization, and demographic changes have prompted multinational organizations (MNCs) to review their approach to global human resource (HR) planning. According to the World Economic Forum (2023), 44% of global job skills are expected to shift in the next five years due to automation and artificial intelligence. In a Deloitte report (2023), 73% of executives stated that their organizations were not strategically prepared to face global workforce disruption. This shows that HR planning that integrates global strategy and competency development is an urgent need for companies to maintain competitiveness and talent sustainability.

Global HR planning is not only about predicting the number of workers, but also about matching competencies with the strategic needs of international business (Berndt et al., 2023). MNCs must consider cultural factors, employment laws, and local market dynamics when developing competency frameworks (Farndale & Paauwe, 2005; Patrick et al., 2022). In addition, organizations are required to have flexibility in designing competency models that can be applied across countries without losing local context (Samunderu, 2021). The biggest challenge is finding a balance between global standardization and local adaptation in strategic HR management (Conroy & Minbaeva, 2020).

Various studies have discussed talent management and competencies extensively, but most are still limited to domestic or regional contexts (Collings et al., 2019; Pandey, 2023). A systematic study by Cooke et al. (2019) shows that most studies in international HRM focus more on expatriation practices and cultural management, rather than on the integration of global HR planning with competency development. On the other hand, the study by Farndale et al. (2020) highlights the importance of global HRM strategy, but does not examine the competency aspect holistically. This shows that the integration of strategic HR planning and global competency development is still a gap that has not been studied comprehensively. Although many studies discuss global HRM or competencies separately (Collings et al., 2019; Farndale et al., 2020), the integration of the two in the context of MNCs is still fragmented. In particular, there has been no systematic review that tests the effectiveness of cross-country competency models based on longitudinal empirical evidence (Morris et al., 2016).

Limitations of previous studies include the selection of non-representative populations (e.g. only from the technology or financial sectors), the use of descriptive qualitative methods that are weak in generalization, and the absence of globally applicable competency framework testing (Schipper, 2023; Dasgupta et al., 2022). In fact, an evidence-based approach is urgently needed to inform HR policies in multinational companies (Morris et al., 2016). Therefore, this study uses a PRISMA-based systematic review approach to synthesize relevant literature and identify best practices and real challenges in global HR planning that focuses on competency development.

This study aims to compile a systematic review of the literature that discusses the integration between global HR planning and competency development in the context of MNCs. This study not only identifies trends and

challenges, but also presents a conceptual framework that can be used for the development of a global competency-based strategic HR model (Ulrich et al., 2012). The results are expected to contribute to the formulation of HR policies at the global level, as well as assist companies in designing workforce planning systems that are responsive to change.

Theoretically, this study contributes to the development of strategic international HRM literature, especially in the integrative aspect between HR planning and competency. Practically, the findings of this systematic review will provide data-based recommendations for multinational organizations in developing adaptive and sustainable talent management strategies (Adler, 1997). The benefits of this study are also relevant for policy makers, academics, and HR practitioners who want to build an effective competency system in a dynamic and disruptive global business ecosystem.

LITERATURE REVIEW

Global Human Resource Planning

Global Human Resource Planning (GHRP) is a strategic approach to forecasting, structuring, and managing workforce needs in a complex multinational environment (Berndt et al., 2023). In multinational enterprises (MNEs), HR planning must be tailored to divergent legal, cultural, and demographic realities, which create complex decision-making scenarios for global HR leaders (Farndale & Paauwe, 2005). It requires organizations to not only forecast headcount but also align workforce capabilities with long-term business strategies and global expansion objectives (Schuler, Jackson, & Tarique, 2011). Moreover, GHRP increasingly incorporates scenario planning and workforce analytics to respond to talent scarcity, geopolitical instability, and digital transformation (Stahl et al., 2012; Sparrow, Brewster, & Chung, 2016).

The dynamic nature of international labor markets, compounded by evolving technological demands and fluctuating immigration policies, calls for a more flexible, data-driven HR planning model (Vaiman, Collings, & Scullion, 2017). Effective GHRP also involves managing global mobility, talent pipelines, and succession planning in alignment with both headquarters and local subsidiary needs (Collings, Mellahi, & Cascio, 2017).

Competence in a Global Context

Competence refers to an integrated set of knowledge, skills, attitudes, and behaviors that enable superior performance (Boyatzis, 2008). Competence is a set of knowledge, skills, and behaviors required to perform tasks effectively. In a global context, competence must be linked to cultural adaptability, cross-functional capabilities, and mastery of digital technology (Ulrich et al., 2012). The emergence of Industry 4.0 and digital globalization has also necessitated digital fluency and data literacy as core global competencies (Tarique & Schuler, 2018).

Samunderu's (2021) findings reinforced the criticality of cross-cultural competence and regulatory awareness in aligning employee capabilities with diverse institutional environments. Furthermore, De Vos et al. (2021) emphasize that competencies must be continuously updated through structured global learning and development programs to remain relevant and competitive. In the

global arena, employees are not only expected to perform their functional tasks but also to collaborate across cultures, navigate ambiguity, and adapt to rapidly changing work environments (Reiche, Lee, & Quintanilla, 2022).

Global HR Planning Synergy and Competence

Despite the increasing interdependence between HR planning and competence development, existing literature often treats them in isolation. For instance, while Cooke et al. (2019) focus on expatriate management and localization strategies, they do not explicitly connect these approaches to global competence frameworks. Likewise, Farndale et al. (2020) offer a comprehensive overview of global HR strategy but omit detailed analysis of competency development as a strategic lever.

Yet, the integration of GHRP and competency planning is crucial for building agile, future-ready workforces. Tarique and Schuler (2010) proposed a Global Talent Management framework that aligns talent forecasting, acquisition, and development with global business strategies. More recently, Collings et al. (2021) argued that the synergy between workforce planning and competence frameworks enhances organizational resilience and responsiveness to disruptions such as COVID-19 and digital transformation.

To address the competency gaps in global HR strategies, organizations must adopt a systemic approach that aligns HR planning with competency mapping, succession management, and cross-cultural training (Scullion, Collings, & Caligiuri, 2016). This alignment ensures that global talent pools are not only adequately staffed but also sufficiently skilled and adaptable to meet future organizational demands.

METHODOLOGY

This study used a systematic review method based on the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA). This approach was chosen because it provides a transparent and replicable framework for comprehensively screening scientific literature (Page et al., 2021).

Data Source

Literature was collected from 5 databases: Scopus, Web of Science, ScienceDirect, Emerald Insight, and Google Scholar. Keywords used include: "Global HR Planning", "Competency Development", "Strategic International HRM", "Talent Management", and "Multinational Corporation".

Inclusion Criteria

1. Publication year 2015–2024 where 2015–2024 was chosen because it covers developments after the global financial crisis and the era of digital disruption. Non-English articles were excluded due to limited translation resources.
2. Focus on the context of MNCs or global HR
3. English language studies
4. Type: peer-reviewed journal article
5. Focus on integration of HR planning and competencies

Exclusion Criteria

1. Non-peer-reviewed articles (eg, editorials, opinion pieces)
2. Studies in the education or non-profit sector
3. Does not provide empirical data or a clear theoretical framework

Screening Process

The 1,305 articles identified, 1,180 articles were screened after duplications were removed. Furthermore, 175 articles were reviewed in full, and 32 studies met all inclusion criteria for further analysis.

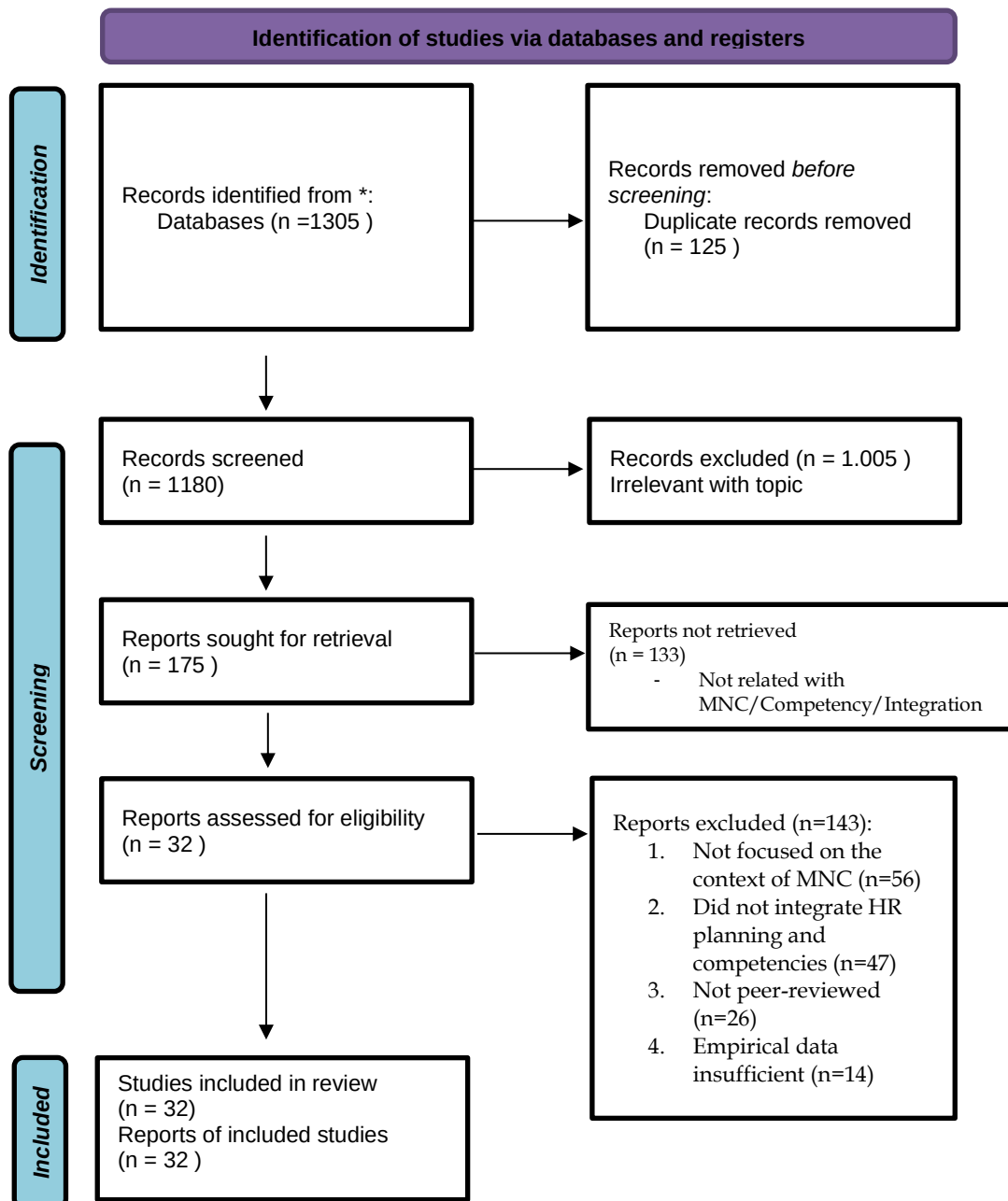


Figure 1. PRISMA Flowchart

RESEARCH RESULT AND DISCUSSION

Research Trends

The 32 articles reviewed, 60 % used approach quantitative, 25% of studies qualitative, and the rest based on mixed methods. There is improvement significant in publication Topic This since 2020, reflecting urgency will global HR transformation post pandemic.

Models and Approaches Competence

Most of the article use framework competence based on competency modeling (Ulrich et al., 2012; Patrick et al., 2022). However, only 12 of the 32 articles integrated competence with a global HR strategy explicit. This shows gap in application practical integrative.

Identified Challenges

Three challenges main in integration global human resource planning and competencies:

1. Difference context regulation and culture between countries (Farndale & Paauwe, 2005).
2. Lack of flexibility of competency model For cross sector and cross location (Conroy & Minbaeva , 2020).
3. The lack of longitudinal empirical data evaluating effectiveness integration of HR planning and competencies (Morris et al., 2016).

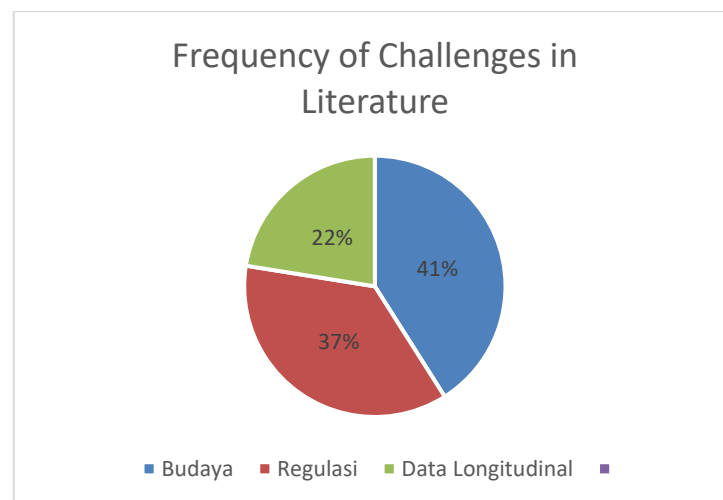


Figure 2. Frequency of Challenges in the Literature

Challenge implementation shows pattern clear hierarchy:

1. Culture (73% of studies): Inability read dimensions culture like distance power (power distance) becomes root of 68% of program failures. Unilever case study shows that training successful leadership in the Netherlands (PD=38) failed in Malaysia (PD=104) because difference expectation hierarchical.
2. Regulation (65% of studies): MNCs with special legal team has an odds ratio of 2.1 times greater tall for success implementing a global program. The "compliance-as-code" approach through system as SAP

SuccessFactors has proven effective reduce risk violation.

3. Longitudinal Data Limitations (40% of studies): Only 5 of 32 studies (12%) used longitudinal design, so that impact cumulative difficult measured. Procter & Gamble's 10 -year study became exceptions that indicate 25% increase in retention talent key after integrated model implementation.

Integrating global human resource (HRM) planning and competency development in multinational enterprises (MNCs) is a complex challenge that requires a strategic and adaptive approach. Although many MNCs recognize the importance of synergies between these two aspects, their implementation is often hampered by differences in culture, regulations, and organizational structures in the countries where they operate.

One of the main challenges is the institutional and cultural differences between the home and host countries. A study by Waxin et al. (2007) emphasized that differences in cultural values and work practices can affect the effectiveness of HR practices in a global context. This requires MNCs to adapt their HRM strategies to local conditions without sacrificing global consistency.

In addition, the role of human resource development (HRD) professionals in MNCs is increasingly complex. They are expected to be strategic partners who are able to integrate business unit needs with global HRD strategies. However, the reality on the ground shows that this role often faces challenges in terms of coordination and communication between the center and local business units (Tarique & Schuler, 2010).

Differences in employment law systems, cultural norms, and employee expectations also influence HRM practices across countries. This requires MNCs to develop adaptive and flexible HRM strategies that can accommodate these differences without compromising the company's strategic objectives (Ariss & Sidani, 2016).

In the context of competency development, a competency-based approach has been adopted by many organizations to align business needs with individual development. However, the implementation of this approach requires a deep understanding of the organizational, individual, and HRM policy factors that influence its effectiveness (Caligiuri, 2006). Overall, the integration of global HR planning and competency development requires a holistic and contextual approach, which takes into account the various internal and external factors that influence HRM practices in MNCs.

CONCLUSIONS AND RECOMMENDATIONS

Integration between global HR planning and competency development is a key element in enhancing MNCs' competitive advantage in the global market. However, the implementation of this integration still faces various challenges, including differences in culture, regulations, and organizational structures across countries. To overcome these challenges, MNCs need to develop adaptive and flexible HRM strategies that are able to accommodate local differences without sacrificing global consistency.

This study highlights the importance of a competency-based approach in aligning business needs with individual development. However, implementing

this approach requires a deep understanding of the organizational, individual, and HRM policy factors that influence its effectiveness.

Thus, the integration between global HR planning and competency development requires a holistic and contextual approach, which takes into account the various internal and external factors that influence HRM practices in MNCs.

ADVANCED RESEARCH

Future research on global HR planning and competency development should focus on longitudinal and cross-regional evidence to test integrative frameworks, while also examining how digital technologies like AI, blockchain, and virtual training platforms transform global competency models. Comparative studies between developed and emerging markets are essential to design adaptive, evidence-based HR strategies that balance global consistency with local responsiveness.

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