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# Unleashing the power of Malaysia's human capital in the Al age

Executive insights for leadership, boards and policymakers to accelerate Al talent development and innovation



Sam Majid, Head of the **National Al Office** (NAIO)

"Unless Malaysia shifts from user to producer thinking, we would struggle in achieving the Made by Malaysia vision under the National Al Action Plan 2030."

# **Executive summary**

Malaysia's Al landscape is at a strategic turning point. Insights from the InvestKL-Cognizant C-Suite Roundtable on Al Talent Transformation reveal a nation that has built the right foundation through the National Al Roadmap 2021–25, the National Al Office (NAIO), and significant digital infrastructure investments and now stands poised to translate this potential into scalable, real-world impact.

Leadership insights: C-suite leaders across Malaysia emphasized the urgent opportunity to bridge the gap between AI ambition and execution. Lack of enterprise-wide AI training, workforce readiness and uncertainty about where to begin are among the biggest barriers to adoption. The consensus: Malaysia can evolve from an Al user to an Al creator economy by aligning policy, talent and industry demand.

Global context: The race for Al competitiveness is accelerating. Economies investing simultaneously in skills, innovation, and governance are pulling ahead. To emerge from being defined as a low-cost adopter rather than a regional Al innovator, Malaysia needs decisive action in time.

#### Strategic imperatives:

- Launch an Al Talent Blueprint (2026–2030) with measurable national targets
- Incentivize AI R&D and reskilling through fiscal and policy levers
- Mandate Al literacy and accreditation at board and executive levels
- Strengthen public-private-academia collaboration to scale adoption and trust

The opportunity ahead: Malaysia can lead ASEAN's Al transformation by pairing ethical, human-centric innovation with bold policy execution. The next phase demands a shift from pilots to platforms, from consumption to creation and from efficiency gains to value-driven growth anchored in trust, talent and purpose.

This whitepaper integrates insights from the C-suite roundtable, peer exchanges, survey data and global research. It offers a detailed view of Malaysia's Al talent and adoption landscape, highlighting multi-layered challenges, sector-specific opportunities and clear guidance for policymakers, enterprises and educators to accelerate a future-ready Al workforce.



"Al is an enabler, but progress must be people-centred and value-driven. With a clear national roadmap, investment in reskilling, mandated executive Al literacy, stronger public-private-academia collaboration and a focus on localised models and sector-specialised pilots, Malaysia can move from adoption to creation, becoming an ASEAN leader in responsible Al innovation, not just a programming hub."

Datuk Muhammad Azmi Zulkifli CEO, InvestKL

# 1. Malaysia's Al inflection point

Malaysia is at a digital crossroads. Its economic structure is both a strength and a challenge in the Al era. With almost 60% of GDP driven by services, the nation mirrors developed economies. Malaysia is on a promising path to join global leaders like South Korea and Denmark, with Al adoption accelerating value creation across sectors.

# 1.1 Policy foundations

Several national efforts illustrate the momentum:



#### National Al roadmap (2021–2025)

The country's first Al policy framework, establishing governance guidelines, ethics and implementation pathways



#### Al Sandbox programme

Designed to **nurture 900 startups and 13,000 Al-skilled professionals by 2026**, creating a pipeline of innovators and entrepreneurs



#### Civil service Al adoption

Rollout of **Google Gemini to 445,000 civil servants** highlights ambition. Civil service Al adoption is underway and ongoing efforts to build trust and update regulations will further accelerate usage and impact

These initiatives demonstrate the intent. However, intent must be matched with large-scale talent development, cultural readiness and organizational commitment to innovation.



# 1.2 Ecosystem anchors

Malaysia has successfully attracted global hyperscalers and multi-national companies to establish a regional presence. Greater Kuala Lumpur now hosts more than 150 multinational organizations with regional hubs. These organizations serve as anchors for talent development, providing opportunities for knowledge transfer, mentoring, and global exposure.

Public-private initiatives reflect this ecosystem-building approach. Cognizant, in partnership with InvestKL has conducted generative AI workshops with universities, supported TalentCorp's Career Comeback Program for women through technology and hosted career readiness workshops and mentorships. Cognizant also sponsors SHRDC's Level Up Malaysia—Al skilling bootcamps for deserving youth.

# 1.3 Workforce disruption

Disruption ahead will be significant and is approaching quickly, presenting opportunities for innovation and growth. TalentCorp's study of 10 sectors (biotech, medical devices, E&E, etc.) projects 620,000 jobs will be disrupted in the next few years. Some part of job growth will be offset by automation and Al-driven efficiencies. At an individual level, disruption will affect new graduates, mid-career professionals and older workers differently.



"Al disruption happens on three levels—students and working professionals when jobs are impacted, organizations that risk falling behind competitors in adoption and nations that must decide their strategic role in the Al ecosystem, whether in chips, LLMs, IP or talent."

Muzzaffar Othman, Group COO, PNB

# 1.4 The urgency of producer thinking

By cultivating domestic Al capabilities, Malaysia can become a creator and exporter of Al solutions, reducing reliance on foreign models and licenses.

This "producer mindset" is critical if Malaysia is to move up the Al value chain. Investment in local model development, intellectual property generation and regional innovation leadership will define Malaysia's ability to create sustainable competitive advantage.

# 2. Redefining Al talent: beyond the technologist

One of the strongest aspects underscored by the Al roundtable discussions and peer exchanges is that AI talent is broader than data scientists or machine learning engineers. The emerging consensus is that AI talent spans a spectrum of technical, operational, strategic and human-centric roles. This expanded framing is vital for Malaysia if it is to develop the scale and depth of talent required to compete globally.

#### 2.1 The multi-dimensional AI talent framework

Articulating a four-dimensional view of Al talent:



#### **Technical specialists**

Data scientists, ML engineers, prompt engineers, Al auditors—these roles design, train and validate Al models. They are essential for organizations moving beyond consumer use of Al tools towards in-house model development, fine-tuning and governance.



#### Operational adopters

HR, finance, marketing, supply chain and customer service professionals who integrate Al into workflows. They represent the "last mile" of Al adoption, where productivity and Rol are realized.



#### Strategic leaders

Boards, C-suites and policymakers who align Al adoption with organizational strategy and risk appetite. Their role is not coding, but setting vision, ensuring governance and linking Al investment to enterprise growth.



#### Human-centric roles

Critical thinkers, ethicists, design thinkers and negotiators who ensure that Al adoption remains inclusive, ethical and trusted.



"The true measure of Al readiness in our workforce lies in two critical skills: ethics and critical thinking. Above all, staff must be able to evaluate the feedback Al provides—because if we are serious about preparing for an Al-driven future, critical thinking is the most urgent skill to develop."

**Christian Daugbjerg** General Manager & Vice President, IT - Asia Pacific **Demant Technology & Innovation Centre** 

This redefinition reflects the reality that Al is not a vertical domain but a horizontal enabler. To succeed, Malaysia's education and workforce systems need to rapidly evolve. Universities cannot confine Al literacy to IT or engineering faculties. Instead, Al must become as fundamental as digital literacy, applicable to every sector, function and level of leadership. For instance, finance graduates must understand Al-driven compliance, healthcare students must learn Al-enabled diagnostics and mid-career managers must be conversant in Al-driven decision-making.

# 2.2 Reskilling vs resetting



"We talk about reskilling and upskilling, but what came out clearly in the roundtable is that we need a reset. People must unlearn, go back to basics, and then relearn how Al applies to their roles."

Kaldip Singh Geo Delivery Lead - Cognizant Malaysia

This "reset" mindset acknowledges that Al changes not just tasks but the logic of work. For example, in audit and compliance, Al doesn't just accelerate existing checks, it redefines what can be monitored and how. Similarly, in education, Al doesn't just grade faster, it changes what and how students learn.

The implication is clear: to be Al-ready, institutions must adapt their underlying logic, not just their tools.

# 2.3 Al literacy for leaders and boards

Board directors are increasingly focused on becoming Al-proficient and ensuring their organizations are equipped to govern AI responsibly.



"Al is not a culture - innovation is. Without fostering innovation at the board and senior management levels, Al will remain an efficiency tool rather than becoming a driver of growth."

Mdm. Chong Chye Neo Board Member and Former Managing Director, IBM Malaysia

She emphasized the need for programmes focused on Al literacy for directors of public companies.

An Al literacy program for boards would ensure they understand not just the tools like ChatGPT, but strategic questions of liability, data governance and business model disruption.

# 2.4 Investing in the skills that matter

Drawing on insights from the World Economic Forum's Future of Jobs Report and the Cognizant-Oxford Economics study on Al and the workforce, Malaysia's Al talent priorities must combine technical fluency with human-centric capabilities. Both sources highlight that the most resilient economies are those investing simultaneously in AI skills and in the uniquely human abilities that enable responsible and innovative adoption. Key human-centric capabilities include:

- Critical thinking and ethics: to avoid blind following of Al outputs
- Stakeholder management and negotiation: as Al adoption often spans multiple functions
- Analytical and problem-solving skills: to link Al insights with business value
- Leadership by influence, not authority: as successful adoption depends on cross-functional trust and buy-in



"Al presents a global opportunity, but the number one barrier is talent—specifically, a blend of Al literacy and human-centric skills like emotional intelligence, collaboration and critical thinking."

Pratibha Kurnool Head of Social Impact - APJ, Cognizant

# 3. The current Al adoption landscape

While policy and intent are strong, Al adoption in Malaysia is uneven across industries, organizational levels and workforce cohorts. The survey and roundtable discussions reveal a picture of early experimentation, fragmented adoption and gaps in workforce readiness.

#### 3.1 Sectoral case studies

#### Finance (PNB)

Malaysia's financial sector is a frontrunner - PNB is piloting machine learning to reduce false positives in anti-money-laundering (AML) monitoring from thousands per day to fewer than 100, freeing analysts to focus on genuine risk. Al is also being piloted for compliance monitoring, scanning regulatory documents to identify gaps and obligations.



#### Logistics (DHL Express)

DHL integrates Al-powered text analytics that allows managers to close customer sentiment gaps systematically.



"Each month, our text analytics reveals whether we're truly closing the customer sentiment gaps, we've committed to addressing."

Malarvizhi Murugaiah Head of CX and Continuous Improvement, DHL Express

#### Healthcare (AstraZeneca)

AstraZeneca is advancing employees' Al capabilities while collaborating with government agencies like Malaysia's Ministry of Health (MOH) to deploy Al-powered diagnostic technologies in primary care, such as Al-Chest X-ray and ultrasound Al. These solutions not only transform healthcare delivery but also enhance the AI capabilities of healthcare professionals (HCPs) in primary care settings.



"The ultrasound Al for heart failure reduced scan time from 30-60 minutes to 8-11 minutes, decreased unnecessary referrals to 1%, and enabled 40% of patients requiring intervention to receive immediate care —while empowering frontline HCPs with advanced diagnostic tools. As a company present in over 125 countries, we're committed to partnering to scale up Al solutions that enhance HCP capabilities and reach frontline healthcare workers, ultimately improving patient outcomes and building healthier populations."

Dr. Nur Syimah Izzah Abdullah Thani Head of Corporate Affairs, AstraZeneca Sdn Bhd

#### Insurance (Chubb)



"Human interaction and situational decision-making remain vital—Al tools must complement, not replace, the human touch."

Lee Yiang Ming Head of CIDC / Deputy Head of SEA IT, Chubb

#### Government

The civil service gave 445,000 officers access to Google Gemini and other tools but there's indication that adoption is limited. One reason could be outdated laws. For example, certain acts require human presence for evidence admissibility in court, rendering Al-generated CCTV footage invalid.





"At SHRDC, we are proud to play our part through close collaboration with industry partners. One such initiative was a CSR program designed to upskill students and involve them directly in real industry projects. It provided mentorship and hands-on experience in applying Al at the workplace, giving students a clearer understanding of how technology drives innovation and productivity. Through such partnerships, we aim to bridge the gap between education and industry and prepare future talents to thrive in an Al-driven world."

Ms. Teh Sook Ling, Executive Director, Selangor Human Resource Development Centre (SHRDC)

# 3.2 Workforce readiness survey

To complement the roundtable discussions, InvestKL and Cognizant conducted a targeted survey among participating C-level leaders and senior executives. The results reveal a landscape of optimism tempered by hesitation, with adoption advancing in pockets but systemic readiness lagging.

#### 1. Confidence in workforce Al skills

Question asked: "How confident are you that your current workforce has the right skills to work with Al today?"



(Scale: 5 very confident - 1 not at all confident)

- ≈11% reported being very confident
- Majority of the leaders, approx. 55% rated their workforce at the mid-point (3 on a 5-point scale) indicating moderate confidence
- A combined 33% rated confidence as low (1-2 out of 5).

This data indicates a confidence gap, with most leaders acknowledging that employees may understand tools like ChatGPT but lack the deeper skills to integrate Al into workflows and decision-making.



"For older employees, Al isn't just a tool—it's a bridge to overcome skill gaps and stay relevant in a fast-paced digital world."

Arasu Ramar APAC Global Business Services Lead, Zimmer Medical, Malaysia

# 2. Most urgent skills to build

When asked which skills were most urgent for their teams, executives consistently pointed to a blend of digital fluency and human-centric capabilities:

- Digital literacy (50%) and human-Al collaboration (50%) topped the list
- Data interpretation (40%) and workflow redesign (40%) followed closely
- Prompt writing (30%), while newer, was recognized as a growing need
- A minority highlighted critical thinking (10%), underscoring the view that without it, employees risk becoming blind followers of Al outputs

This aligns with global findings from the World Economic Forum: Al literacy is foundational, but the skills that will differentiate organizations are those that combine technical fluency with critical reasoning and ethical oversight.

# 3. Where AI tools are already in use

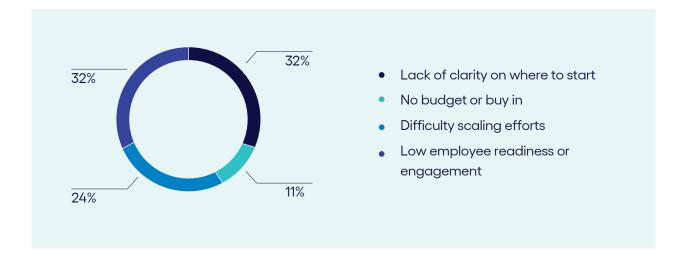
The functions where Al is most visible today reflect operational and customer-facing roles:

- Operations (60%) and customer service (60%) are the most common adopters, using Al for chatbots, RPA and speech analytics
- Finance (50%) and HR (50%) also feature strongly, especially in reporting, compliance and recruitment
- L&D/Training (10%) and Marketing (10%) by contrast, were less frequently cited, indicating untapped potential

This suggests that adoption is highest in transaction-heavy functions where Rol is immediate, but less advanced in strategic or creative functions where Al could enable transformation.

# 4. Biggest challenges in Al upskilling

When asked about barriers to upskilling, executives highlighted three recurring challenges:



Nearly two-thirds of participants identified employee readiness and uncertainty about how to initiate upskilling as the primary barriers to advancing their organisation's Al capabilities, likely due to insufficient strategic direction from senior management.

These findings echo the roundtable sentiment that while pilots exist, scaling adoption is hard.

# 3.3 Adoption by function

Survey responses also revealed where AI is being adopted most:

- Customer service and shared services (highest adoption): Chatbots, speech analytics, decisioning agents
- Finance and HR (moderate adoption): Al-enabled reporting and compliance monitoring
- Engineering and IT (varied adoption): Advanced experimentation in MNCs; limited exposure in SMEs

This points to a functional divide: customer-facing and compliance-heavy areas are adopting fastest, while core operational and strategic functions lag.

#### 3.4 Attitudes and mindsets

Cultural attitudes remain a barrier. Just like many other countries, in Malaysia many employees quietly use AI but avoid admitting it, fearing repercussions.

This cultural hesitance underscores the importance of leadership communication. Without clear policies and top-down endorsement, Al adoption risks becoming fragmented and shadow-driven.



"The key takeaways I see are clear - the need for skilling and reskilling is evident, leadership has a crucial role in driving adoption, and policies are essential to shape and support this necessary transformation."

Siva Kumeren A Narayanan Group COO, TalentCorp



# 4. Global comparisons & learnings

Malaysia's Al trajectory must be understood in the context of how peer economies are approaching the same challenge. Around the world, countries are racing to harness Al as a driver of competitiveness, productivity and national security. The lessons from global leaders are clear: policy coherence, talent acceleration and cultural readiness make the difference between pilot adoption and scaled transformation.

# 4.1 China: policy alignment and national scale

China offers a compelling benchmark. At the World Economic Forum in Tianjin, leaders emphasized how China's Al ecosystem is underpinned by policy alignment at every level. Domestic platforms such as DeepSeek are thriving despite hardware constraints because government policy, funding and industry incentives are tightly integrated.

For Malaysia, fragmented efforts will not suffice. Al adoption requires alignment across ministries, regulators, academia and industry. With such coherence, Malaysia will be able to compete with peers who can execute at scale.

# 4.2 Singapore: incentivizing lifelong learning

Singapore has consistently positioned itself as a regional Al hub by tying workforce readiness directly to lifelong learning incentives. The SkillsFuture Credit program provides every citizen with credits to pursue upskilling in Al, digital and future skills. This creates a culture where Al literacy is universal, not confined to technologists.

Scaling initiatives such as

TalentCorp's MyMAHIR

framework can ensure
that workforce readiness
becomes broad-based
and inclusive. With
deeper funding, industry
co-ownership and
national coordination,
such programs can
sustain momentum and
subsequently achieve
impact at scale.

# 4.3 Global talent shortage

The World Economic Forum's Future of Jobs Report 2025 reinforces this urgency:

86% of employers expect AI and related technologies to transform their businesses, yet 63% cite workforce skills gaps as the leading barrier to realizing that transformation.

This resonates with findings from the roundtable that many companies in Malaysia are yet to fully roll out organization-wide Al training.

The lesson is clear: by scaling Al literacy from the boardroom to the actual shop floor, Malaysia will be well-positioned to compete and lead in the global AI talent race.

# 4.4 Cognizant + Oxford Economics: workforce impact

Joint research by Cognizant and Oxford Economics finds that by 2032, up to 90% of jobs will be impacted by generative AI, with over half undergoing significant task redesign. While this modelling focuses primarily on the United States, the implications extend globally: virtually every economy will experience task-level disruption and the emergence of new, hybrid roles.

Malaysia's workforce shows early signs of this distribution:

Augmented: finance and HR professionals using Al for reporting and compliance

Transformed: analysts in AML detection at PNB shifting to higher-value tasks as Al handles false positives

**Unchanged:** entry-level roles in manufacturing still untouched by Al

Automated: certain service and call-center roles are at risk of partial automation, consistent with early trials cited by TalentCorp

This framing helps Malaysia prioritize interventions, augment and transform the largest share of the workforce while cushioning disruption for roles at risk of full automation.

# 4.5 Moving beyond the hype era



"Al is transitioning from the hype era to a more mature phase, focused on practical and impactful solutions. Malaysia must align with this shift, moving beyond fragmented pilots to embedding Al into enterprise strategies."

lain McGuire AI SME and Head of Consulting - APJ, Cognizant

The global lesson: Al adoption is no longer about experimentation. It is about scaling practical, high-impact use cases—from healthcare diagnostics to supply chain optimization. Malaysia must pivot from tool adoption to ecosystem transformation.

# 5. Multi-layered challenges

While the promise of AI is immense, Malaysia faces structural, cultural and policy challenges that must be addressed to achieve scaled adoption. These challenges play out at three levels: individual, organizational and national.

# 5.1 Individual-level challenges

The workforce readiness survey revealed a split between younger employees and mid-career professionals

Gen Z employees adapt quickly to Al tools, often experimenting with tools like ChatGPT for email drafting, presentations and ideation

Mid-career staff by contrast, require repeated coaching

# 5.2 Organizational-level challenges

At the organizational level, three critical barriers emerged:

#### **ROI** uncertainty

SMEs in particular struggle to measure Al's value.

#### **Board hesitation**

Boards are striving to balance the risk and opportunity. Without Al literacy at the leadership level investments stall.

"While organisations see the rise of AI as an opportunity to innovate and drive business growth, the risk of slow Al adoption can lead to the erosion of existing businesses to competitors." expressed Mdm. Chong Chye Neo, Board Member, Former Managing Director, IBM Malaysia.

#### **Efficiency trap**

Many firms deploy Al for narrow efficiency gains such as faster reporting, automated emails, etc., rather than enterprise-wide transformation.

"Many companies may view Al as how Information Technology was viewed in the past - as a means of offloading repetitive tasks to machines, reducing cost and cutting operational inefficiencies. The potential of Al goes well beyond that to innovation and business growth." as further observed by Mdm. Chong Chye Neo.



"In the medical device industry, Al adoption requires more than just prompting. It demands a deep understanding of context, accuracy and responsible application."

Logappriya Rajendran AGS Global Training Lead, Alcon Laboratories, Malaysia

# 5.3 National-level challenges

Malaysia's challenges extend beyond organizations to the broader policy and cultural ecosystem:

#### Producer mindset missing

By cultivating a producer mindset and further plugging the ongoing outflows of capital in the form of licensing payments, Malaysia can achieve technological sovereignty and become a regional Al powerhouse.



"Embracing a role as an innovator and creator is essential for long-term technological sovereignty and economic strength. Doing so will enable Malaysia to shape its own Al destiny rather than consume technologies defined elsewhere."

Eva Au, Managing Director, Sabio World; Former Managing Director, IDC Asia Pacific

#### Trust deficit

Many employees who are given Al access often hesitate to use it, fearing job loss or regulatory missteps. The roundtable revealed that sometimes the lack of clear guidelines can also be a factor in people's decisions.

#### **Data sovereignty**

As one executive highlighted, Malaysia must decide whether to "bring Al to the data or bring data to the Al", a critical philosophical and regulatory choice.

# 5.4 Global amplifiers of local challenges

Malaysia's domestic challenges are amplified by global trends:

**63%** of employers cite talent shortages as the top barrier to Al adoption.

WEF (2025)

90% of jobs will be reshaped by AI, but leadership must prepare for different workforce cohorts.

Cognizant –
Oxford Economics

We believe Al should empower people, not replace them. By championing human in the loop governance, transparent data frameworks, and robust ethical literacy programs, Malaysia can set the regional standard.

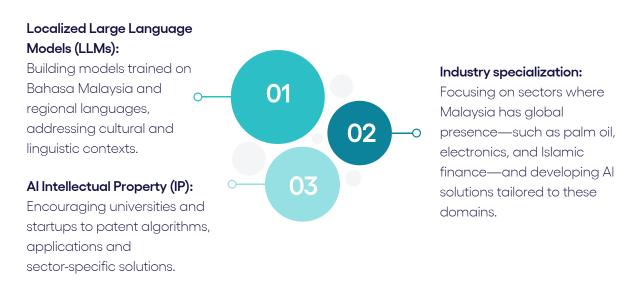
Thomas Mathew Vice President, ASEAN and Greater China, Cognizant

# 6. Opportunities for Malaysia

While Malaysia faces structural challenges, it also enjoys unique opportunities that can propel it to regional leadership in Al. With a strong services base, growing digital infrastructure and a youthful, multilingual workforce, the country can position itself not just as an Al adopter, but as an Al producer and innovator.

# 6.1 Embracing the producer mindset

Malaysia must shift from being primarily a consumer of foreign Al technologies to a creator of intellectual property, models and platforms. Opportunities include:



# 6.2 ASEAN leadership platform

As a roadmap emerging from Malaysia's 2025 ASEAN chairmanship, the nation is well-positioned to carry forward the regional Al agenda. The leadership shown in fostering dialogue on Al policy, ethics and talent development should now evolve into a sustained, collaborative framework that anchors Malaysia's role as a regional catalyst.



**Cross-border standards** Leading conversations on AI ethics, trust and interoperability

Shared talent platforms 03 Scaling initiatives like MyMAHIR into ASEAN-wide benchmarking tools

# 6.3 Public-private partnerships as a force multiplier

Malaysia's strength lies in its ability to convene stakeholders across government, industry and academia. Examples already in motion include:

- Al for My Future (Microsoft): enhancing general Al literacy.
- Cognizant's Synapse initiative: Synapse is a global program to equip individuals with the technology skills they need to be part of the workforce of the future. In Malaysia, Cognizant is improving Al skills for students and mid-career professionals through Gen Al skilling workshops, fully funded bootcamps and mentorships.
- Cognizant's collaborations with InvestKL, TalentCorp, SHRDC (Selangor Human Resource Development Centre) and Cognizant community of clients and technology partners to bring scale to skilling efforts.



"Our future is going to be a combination of Al/technical and human skills. Collaboration is key to developing Al talent, as everyone has valuable skills to offer."

**Thomas Mathew** Vice President, ASEAN and Greater China, Cognizant

# 6.4 Sectoral pilots for scaled replication

Sectoral adoption offers tangible opportunities for replication and scaling:

Finance	Healthcare	Logistics	Insurance
Anti-money-	Ultrasound Al	Speech analytics	Chatbots
laundering, fraud	diagnostic speed	and SME-focused	evolving into
detection and	improvements,	Al-enabled RPA	intelligent claims
compliance	Al-enabled		analysts
automation	medical marketina		

These sectoral pilots demonstrate that Al is not an abstract ambition, it is already delivering measurable impact. The opportunity lies in moving from isolated pilots to cross-sector adoption.



"Al is a new frontier for us at Edwards Lifesciences—we're exploring its potential."

Adrian Lee Senior Director, Business Service Center, Edwards Lifesciences, Asia Pacific

# 6.5 Anchoring Al in human values

Finally, Malaysia can differentiate itself globally by anchoring Al adoption in values and inclusivity.

- Positioning Malaysia as a hub for ethical Al testing and certification
- Training a generation of **Al ethicists**, auditors and governance professionals
- Leading ASEAN in value-based adoption frameworks that balance innovation with trust

# 7. Policy and ecosystem recommendations

Realizing Malaysia's opportunities requires bold, coordinated action across three layers: national policy, public-private collaboration and organizational leadership.

# 7.1 National policy and strategy

Malaysia has already anchored its Al agenda in the National Al Roadmap 2021–2025, developed by the Ministry of Science, Technology and Innovation (MOSTI), and is preparing to extend its strategic framework via an Al Technology Action Plan 2026–2030 under the National Al Office.

To accelerate progress, several policy actions are often proposed (or under early planning) including:

- Launch a national Al talent blueprint (2026-2030): A comprehensive framework defining skills, career pathways and targets for Al talent development
- Incentivize R&D and upskilling: Provide tax incentives, matching grants and alignment with the Human Resources Development Fund (HRDF) or other workforce funds
- Reform immigration policy: Attract global Al faculty and senior practitioners through fast-tracked visas
- Modernize regulations: Update statutes that limit digital evidence, ensure Al-friendly rules in regulated sectors
- Mandatory accreditation (MAP3): Mandate Al literacy accreditation, e.g., "MAP3"; establish a baseline Al competency requirement for public company directors



"Establishing a strong ecosystem within government agencies can unlock the full potential of Al by providing clear guidance and support for managing workforce transformation."

Ren Quan Go Head of Delivery Center APAC, Givaudan

# 7.2 Public-private partnerships

Malaysia must accelerate partnerships that amplify ecosystem capacity:

- Industry-academia collaboration: codevelop Al curricula with employers, embed internships and focus on applied research
- **Shared funding models:** pool HRDF contributions, corporate budgets and government grants to scale training
- National Al talent platform: a digital marketplace linking learners with mentors, employers and training programs
- ASEAN-level coordination: expand Malaysia's initiatives into ASEAN frameworks building on its 2025 chairmanship

# 7.3 Organizational leadership and culture

Organizations themselves must transform. Al adoption cannot remain confined to pilots or siloed functions.

- Al KPIs in leadership reviews: tie leadership performance to Al adoption and innovation outcomes.
- Internal Al academies: build in-house academies to train employees in Al literacy, prompt engineering and ethical use.
- Create opportunities for employees to experiment safely and collaboratively with AI: use case hackathons, communities of practice, Al champion and advocacy groups, etc.
- Fail-fast experimentation: encourage teams to test Al tools in short cycles, prioritizing learning and adaptability.
- Shift from efficiency to growth: leaders must ask not only "How can Al cut costs?" but "How can Al open new markets or create new revenue streams?"



# 7.4 Global alignment

Malaysia must position itself not just regionally, but globally. Policy and corporate leaders should:

- Benchmark against global leaders such as China, Singapore, EU and others
- Proactively shape global Al standards on ethics and data
- Brand Malaysia as a trusted Al hub for ethical, multilingual and cross-cultural applications

# 8. The human dimension

As Malaysia advances its Al journey, one theme emerged consistently across roundtable discussions, surveys and global research: the future of Al adoption will be defined less by technology and more by people.

# 8.1 Anchoring AI in human values

As Malaysia accelerates into the AI era, embedding ethics, inclusivity and trust is a strategic imperative. Without these, Al adoption risks being shallow, fragmented and ultimately unsustainable.

Malaysia's unique advantage is its multicultural, multilingual, and diverse workforce. By emphasizing human-centric AI that augments, not alienates, the nation can differentiate itself from countries that prioritize speed over trust.

# 8.2 Trust as the currency of Al adoption

Across the survey and roundtables, one recurring theme was trust:

- Empolyees accross enterpises and civil services hesitate to use Al because of regulatory uncertainty
- Mid-career professionals hesitate to use Al fearing redundancy

Trust must be cultivated through:



high-stakes Al decisions

# Transparent governance frameworks

Clear guardrails on data use, privacy and accountability



#### **Ethical literacy**

Training every employee in responsible Al practices, not just the data scientists



"We see promise in AI as a learning tool, but structured development programs are essential to help employees move beyond surface-level usage and build true digital fluency."

# Zul Emran Yaakob

# 8.3 Leadership responsibility

At the heart of Al adoption lies leadership. Board members, C-suites and policymakers cannot delegate AI strategy to IT teams alone. Some of the leaders at the roundtable opined that talent that brings together technology and business strategy is missing today. We need to build this ability among our leadership teams by

- Championing at the board level. Make Al literacy mandatory for directors of public companies
- Setting bold aspirations. Like China and Singapore, Malaysia needs visionary goals and coordinated execution
- Demanding innovation, not just efficiency. All should be evaluated for its ability to open new markets, create new business models and enhance competitiveness, not just cut costs

# 8.4 A call to action: building a future-ready Malaysia

Malaysia stands at a defining moment. The next five years can see Malaysia emerge as a regional Al powerhouse.

- Government must modernize regulations, incentivize AI R&D and launch comprehensive AI Talent Blueprint 2026-2030
- Enterprises must move from pilots to scaled adoption, embedding Al literacy across all functions
- Academia should integrate Al literacy into every discipline, not just computer science
- Boards and C-suites need to demand innovation, not just efficiency and anchor Al adoption in strategy and values

# Conclusion

Malaysia is rapidly advancing in artificial intelligence, driving innovation and shaping the nation's technological future. The foundations—policy frameworks, multinational anchors, sectoral pilots and public-private partnerships are promising. With coordinated action to close the talent gap, scale adoption and anchor Al in values, Malaysia is set to achieve its ambitions and become a global Al leader.

By embracing the producer mindset, investing in people-first Al adoption and leading with trust and values, Malaysia can not only catch up with global peers but position itself as an Al leader for ASEAN and the world.

The call to action is clear: move from aspiration to acceleration.

Connect with us: inquiry@cognizant.com

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#### **Authored by**



**lain McGuire** AI SME and Head of Consulting - APJ, Cognizant



**Thomas Mathew** Vice President, ASEAN and Greater China, Cognizant



Pratibha Kurnool Head of Social Impact - APJ,



Lew Ko Chin Consulting Principal, Cognizant

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Head of National Al Office

#### Datuk Muhammad Azmi Zulkifli

Chief Executive Officer, InvestKL

#### Siva Kumeren A Narayanan

Group COO, TalentCorp

#### Mdm. Chong Chye Neo

Board Member, Former Managing Director, IBM Malaysia

# **Muzzaffar Othman**

Group Chief Operating Officer, Permodalan Nasional Berhad (PNB)

#### Lee Yiang Ming

Head of CIDC / Deputy Head of SEA IT, Chubb

#### Malarvizhi Murugaiah

Head of CX & Continuous Improvement, DHL Express

#### Zul Emran Yaakob

Shared Services Director of a Global Food Company

#### Kaldip Singh

Geo Delivery Lead - Cognizant Malaysia

#### Logappriya Rajendran

AGS Global Training Lead, Alcon Laboratories, Malaysia

#### Dr. Nur Syimah Izzah Abdullah Thani

Head of Corporate Affairs, AstraZeneca Sdn Bhd

#### **Christian Daugbjerg**

General Manager & Vice President, IT -Asia Pacific, Demant Technology & Innovation Centre

#### Ren Quan Go

Head of Delivery Center APAC, Givaudan

Senior Director, Business Service Center, Edwards Lifesciences Asia Pacific

#### **Arasu Ramar**

APAC Global Business Services Lead, Zimmer Medical, Malaysia

#### Eva Au

Managing Director, Sabio World; Former Managing Director, IDC Asia Pacific

#### **Teh Sook Ling**

Executive Director, Selangor Human Resource Development Centre (SHRDC)

With support from Cognizant Malaysia: Uzair Saad, Fadzilla Jasmi, Caroline Thomas, Nuramima Ram

With support from InvestKL: Vivian Sia, Christy Lim



# InvestKL - Cognizant C-suite roundtable

Al Talent Transformation: C-Suite Strategies for Malaysia's Digital Future

Hosted at the Cognizant Innovation Lab, Kuala Lumpur, Malaysia on Thursday, July 3, 2025





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#### **World Headquarters**

300 Frank W. Burr Blvd. Suite 36, 6th Floor Teaneck, NJ 07666 USA Phone: +1 201 801 0233 Fax: +1 201 801 0243 Toll Free: +1 888 937 3277

#### **European Headquarters**

280 Bishopsgate London EC2M 4RB Phone: +44 207 297 7600

#### India Operations Headquarters

5/535, Okkiam Thoraipakkam, Old Mahabalipuram Road, Chennai 600 096 Tel: 1-800-208-6999 Fax: +91 (01) 44 4209 6060

#### **APAC Headquarters**

1 Fusionopolis Link, Level 5 NEXUS@One-North, North Tower Singapore 138542 Phone: +65 6812 4000

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