

Take5 for business

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Building a future-ready workforce through skills-first transformation



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The better the answer.
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with confidence

How do you prepare today's workforce?

The future of work is now. Accelerated by artificial intelligence, digitalization and new technologies, the very foundation of roles and skills is being rewritten. For organizations, this is a critical inflection point. To remain competitive, it is no longer enough to react to change; we must proactively build an agile, future-ready workforce. In Malaysia, this means a fundamental shift from traditional job-based structures to a skills-based organizational model. Forward-thinking companies can overcome this pressing challenge by prioritizing continuous learning, upskilling and clear career pathways. The time for action is today.

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Skills are the new talent currency. When organizations nurture continuous learning and adaptability, they empower their people to face uncertainty with confidence, unlock new opportunities and thrive in a world of rapid change.

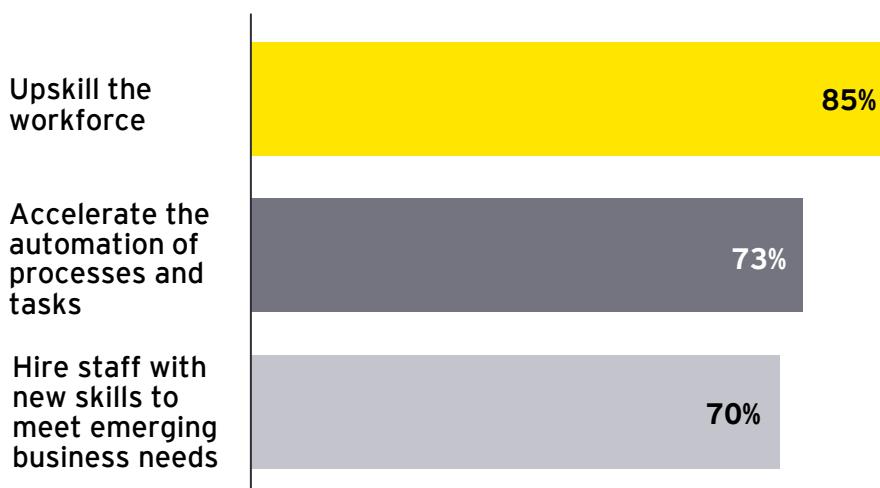


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Top three workforce strategies by 2030

Share of employers planning to adopt these strategies



Employers shift to skills-first hiring amid AI-driven talent concerns, while a vast majority indicate plans to implement a skills-based learning approach.

Source: *Future of Jobs Report 2025*, World Economic Forum (WEF), 2025.

Evolving market trends are reshaping work and skills

Global shifts in technology and talents are accelerating transformation across industries, driving the need for an agile, continuously learning workforce. In Malaysia, these trends are reshaping the labor market – redefining skill requirements and, in turn, altering workforce composition.

	Globally	In Malaysia	Implications
Globalization of talent	73 million jobs could become global digital jobs, growing to 93 million by 2030	40% graduates face job-skills mismatch	Need for reskilling and stronger industry-education alignment to stay competitive
Job creation	170 million jobs are projected to be created globally by 2030 <i>equivalent to 14% of current employment</i>	620,000 employees impacted by AI, digital and green economy trends in the next three to five years	Potential job displacement, with new roles created in emerging sectors
Technology expansion	40% of core skills expected to change by 2030	Skill shortage in AI, digital, green economy sectors	Demand for tech-literate talent due to rising adoption of generative AI (GenAI) and analytics
Demographics shift	60:40 Distribution of global working age population between low and high income economies by 2045	~ 75% of the current workforce is under 45 years old	Redesigning rewards and workplace experiences to engage multi-generation employees
Macroeconomic forces	1.6 million jobs expected to be displaced globally due to slower economic growth	RM1.3 trillion in investments expected to generate ~310,000 green jobs by 2050	Need for sustainability-focused skills and ESG-aligned workforce transformation

Sources:

- *Shifting Tides: Charting Career Progression of Malaysia's Skilled Talent*, Khazanah Research Institute, 2024.
- *Impact Study Artificial Intelligence, Digital and Green Economy on the Malaysian Workforce*, Talent Corporation Malaysia Berhad (TalentCorp), 2025.
- *CHRO 2030 Insights*, EYGM Limited, 2024.

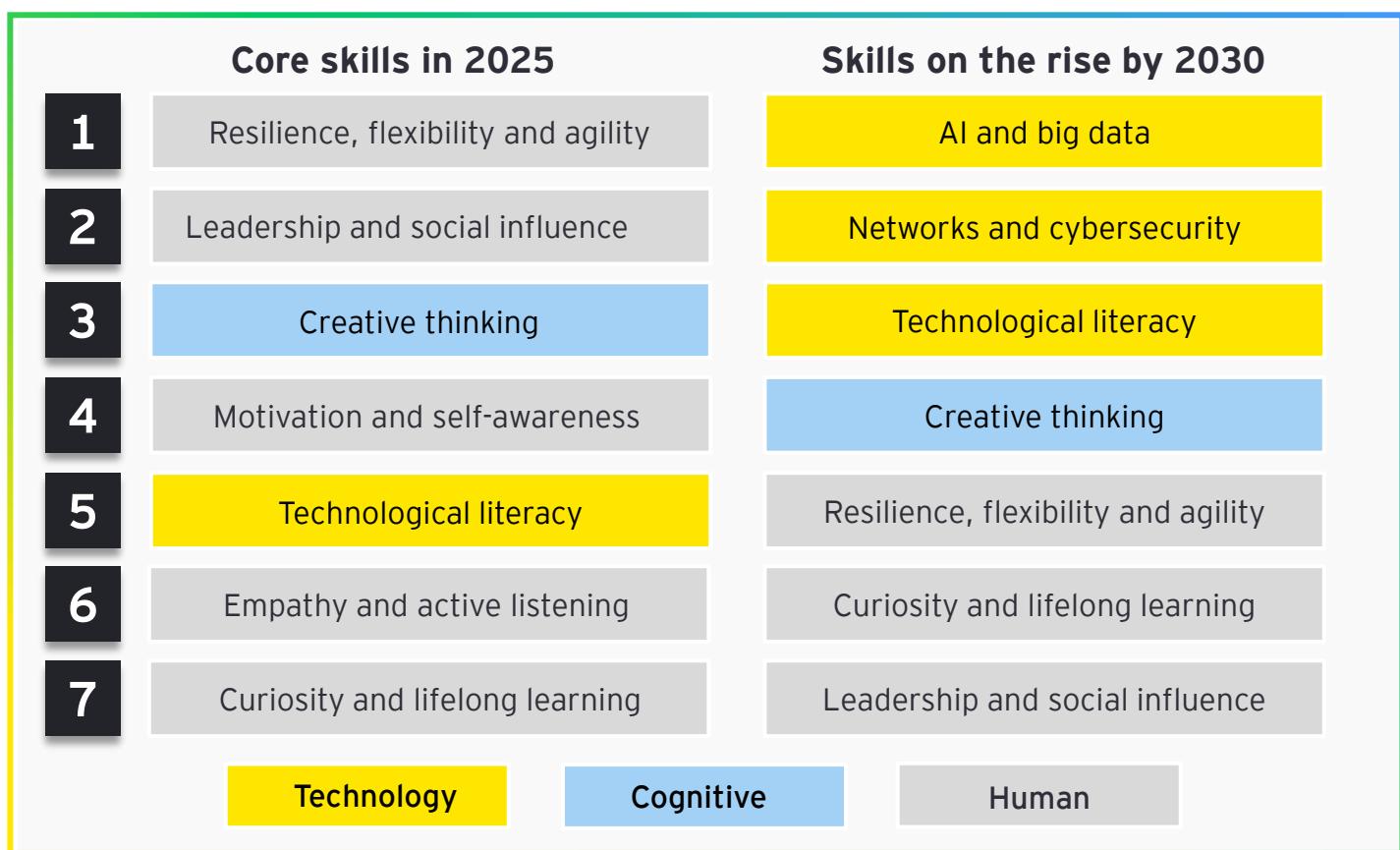
Skills are evolving faster than ever: Are you ready?

With skills becoming the new talent currency, chief human resources officers (CHRO) in Malaysia are reimagining the employee experience – positioning **learning, skills and career pathways** as critical levers to strengthen talent strategies and drive stronger business outcomes.



Learning, skills and career pathways

Deliver tailored learning experiences using behavior science and technology to reskill and upskill in alignment with transformation and new market opportunities.



The accelerating pace of change requires a new workforce readiness approach focused on evolving skill priorities, as highlighted by the *WEF Future of Jobs 2025* report and echoed by Malaysia's CHRO insights above.

Other key levers identified as critical for talent transformation in Malaysia



Talent health and flow

Enhance workforce planning, hiring and retention with data-driven talent strategies.

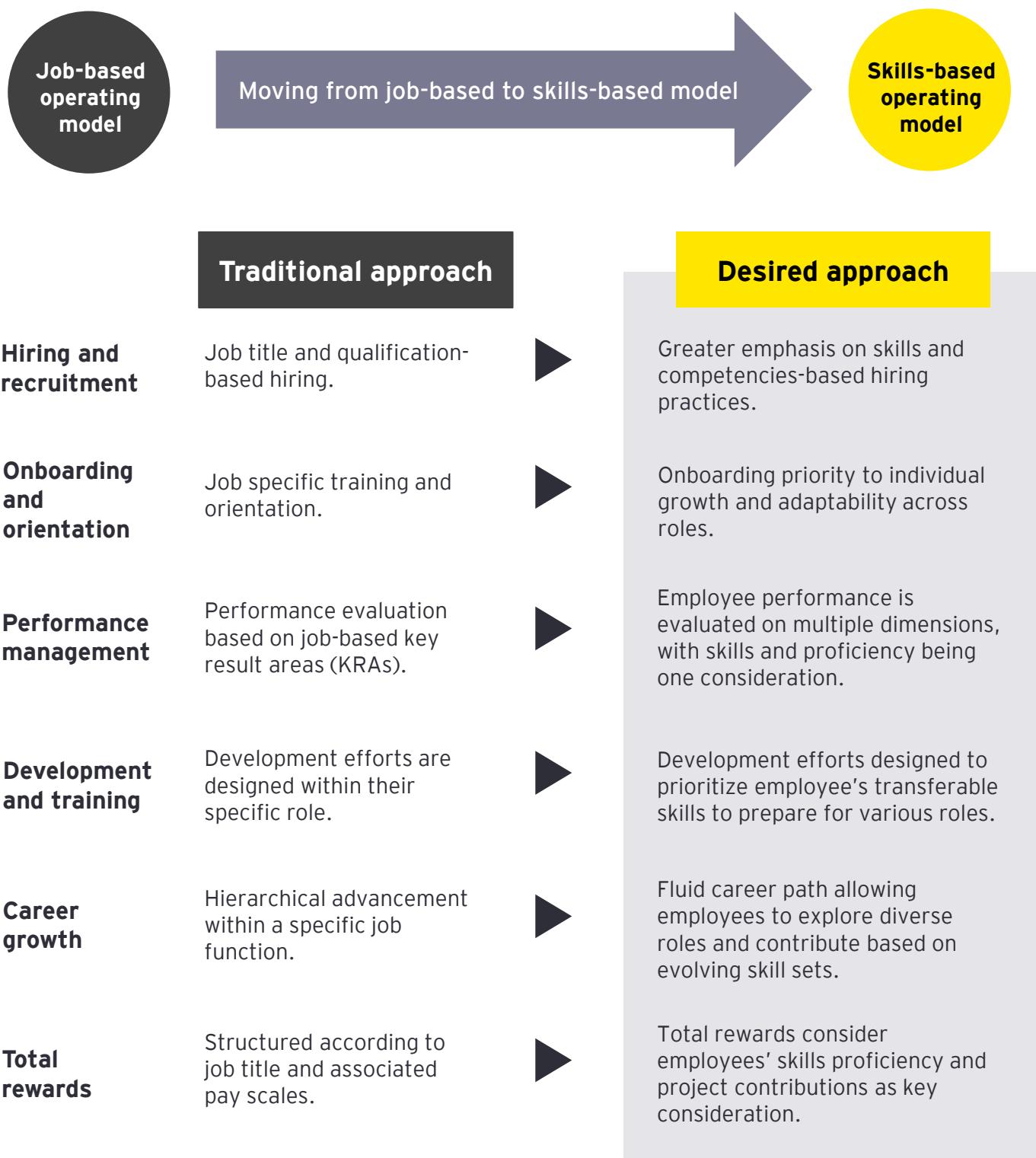


Work technology and GenAI

Leverage AI to personalize tech adoption and transform how work creates value.

Reimagining the workforce with a skills-first mindset

With skills redefining work and emerging as a key priority, organizations are transitioning from job-based to skills-based organizational models. The diagram below outlines organizational shifts from job-based to skills-based models.



Activating skills-first mindset with a skills-based framework

In Malaysia, several sector-wide skills frameworks are available to support this shift, such as the **Future Skills Framework** by Bank Negara Malaysia and the **TalentCorp's 2025 Impact Study**.



Key components of these skills frameworks include:

- Sector trends shaping today's workforce**

- Role evolution and workforce implications**

- Future skills and proficiency requirements**

- Curriculum, training and transition pathways**


These frameworks can be applied organization-wide or in targeted divisions based on business needs and readiness, with the following enablers:

01 Organizational review and workforce planning

Assess organizational structures to determine impacted roles and new workforce needs.

02 Capability assessment and development

Assess competencies, identify critical skill gaps, and design tailored learning programs.

03 Organization-wide enablement

Embed skills-based principles across business functions for decision-making and planning.

04 Change management and implementation

Drive leadership and employee buy-in through communication, reskilling and transition support.

Sources:

- *Future Skills Framework for the Malaysian Financial Sector*, Asian Institute of Chartered Bankers (AICB), 2024.
- *Impact Study Artificial Intelligence, Digital and Green Economy on the Malaysian Workforce*, (TalentCorp), 2025.

How can EY support your skills-first transformation?

As industries move from understanding future trends to acting on them, organizations will need to rethink how roles, skills and capabilities evolve.

In supporting sector and national programs, EY has seen how targeted interventions support this shift. Our collaboration with organizations centers on:

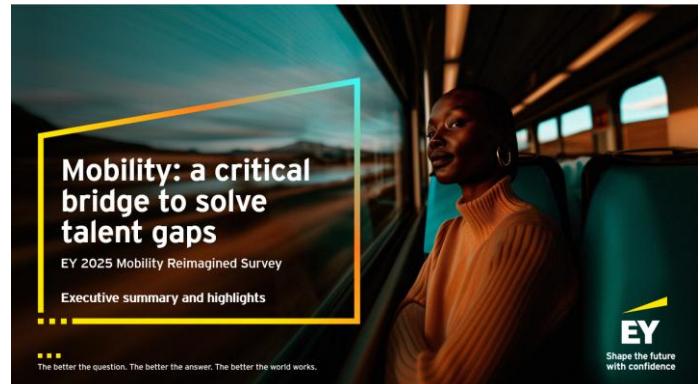
- 1 Review current roles**
Assess and understand current organizational roles, responsibilities, expectations and accountabilities to build a clear picture of what each role entails.
- 2 Identify priority skills**
Define the core skills and required proficiency levels needed for each role and standard against external industry trends and identified skills frameworks.
- 3 Create role-specific assessments**
Customize assessment questions to specific business needs and job responsibilities, followed by assessment rollout to measure current skill proficiency levels.
- 4 Tailor-learning roadmap**
Create targeted, role-specific learning plans with assessment insights and professional input, addressing skills gaps and supporting organizational goals.
- 5 Embed skills across HR lifecycle**
Integrate skills principles across broad talent management for continuous, measurable professional capability development aligned with strategy.

Thought leadership

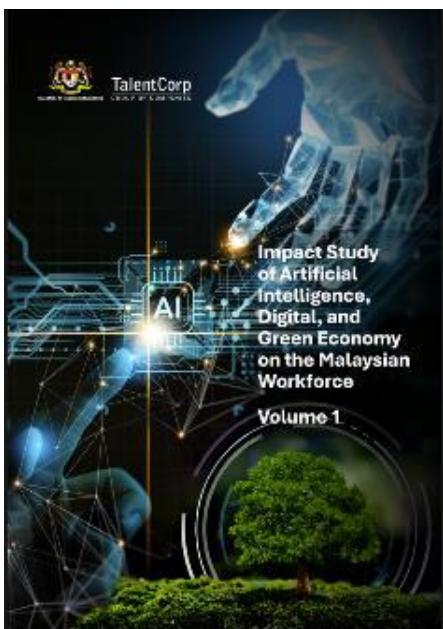
EY has developed a series of thought leadership insights to guide organizations in building a future-ready, skills-driven workforce.



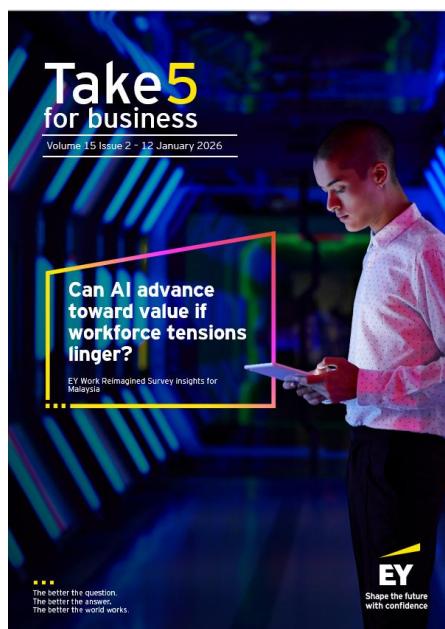
CHRO 2030: Leading HR into the future with confidence



EY 2025 Mobility Reimagined Survey



TalentCorp: Impact Study of Artificial Intelligence, Digital and Green Economy on the Malaysian Workforce



Can AI advance toward value if workforce tensions linger?



CHRO 2030: Leading HR into the future with confidence



Future Skills Framework for the Malaysian Financial Sector



EY 2025 Work Reimagined Survey

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