Corporate Directors Survey 2024

Future-ready boards:
Navigating tomorrow's disruptions today

Malaysia

January 2025

Table of contents

03
Introduction

04
Key themes

05
Board effectiveness

09
Board composition and diversity

13
Sustainability and climate change

17
Generative AI and cyber security

21
Conclusion

22
About the survey

Introduction

Governing a company to succeed in this fast-moving, highly complex, and disruptive world of competing demands requires that the board be focused, agile, and highly attuned to the environment in which the company operates.[1]

Amid intensified competition, blurring industry boundaries, and evolving consumer demands, business as usual is no longer viable. PwC's 27th Annual Global CEO Survey reveals that 63% of Asia Pacific CEOs believe their business will fail in a decade without intervention. Companies must reinvent to stay relevant, and boards must keep pace with these changes.

To add to the complexity, there has also been increasing pressure from stakeholders and regulators for boards to address pressing sustainability issues and manage risks associated with emerging technologies such as Generative AI (GenAI).

As the number of boxes to check increases, many boards focus on compliance, often at the expense of the critical oversight needed to ensure long-term viability of the companies they serve.[2] This needs to change, given today's volatile business landscape.

Our survey of corporate directors in Malaysia highlights key areas that shape a board's ability to navigate disruptions. In executing routine governance duties, more than 90% of directors expressed confidence in establishing corporate governance structures and controls, as well as navigating policy and regulatory changes.

At first glance, the survey findings also seem to indicate a promising shift towards progressive boards. Most directors are eager to leverage the benefits of board diversity, environmental, social and governance (ESG) and GenAI - demonstrating that despite a strong focus on governance, directors also recognise the importance of emerging issues.

However, further investigation of the results reveals a disconcerting trend. Consider the following paradoxes:

- 53% agree that board diversity brings unique perspectives to the boardroom; but only 25% believe it translates into better board or company performance
- 100% of directors have discussed at least one sustainability topic in board meetings over the past 12 months; but less than one-fifth of directors understand how their company's climate commitments influence capital allocation decisions
- 75% recognise the importance of GenAI and cyber security; but only a few have gained sufficient skills to oversee their companies' GenAI and cyber security strategies

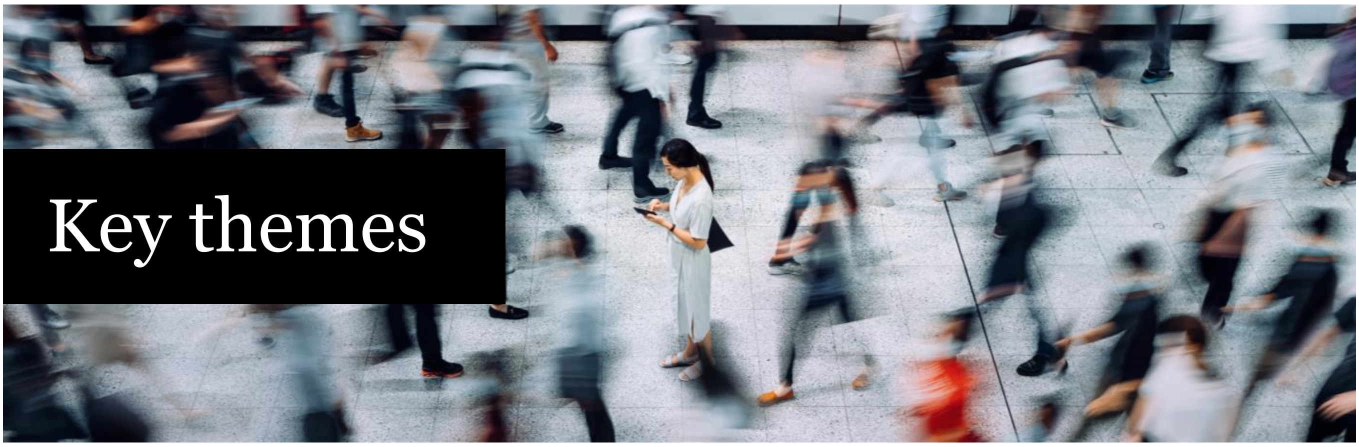
Are boards merely skirting around these issues without fully grasping how to leverage their value?

In many instances, companies need to operate in a highly regulated market. However, a 'check-the-box' compliance approach by boards may result in missed opportunities, significant risk exposures and, in the worst-case scenario, a substantial decline in value. This not only dilutes the company's relevance to stakeholders but can also create a vicious cycle of unease for shareholders.

We hope our survey inspires board members to be proactive, not just compliant, in building a future-ready board.

[1] National Association of Corporate Directors (NACD). (2024) Future of the American Board Report: A Framework for Governing into the Future.

[2] Mak Yuen Teen, 2024. 'Corporate governance practices in Malaysia continue to improve', in Corporate Governance Monitor 2024. Securities Commission Malaysia.

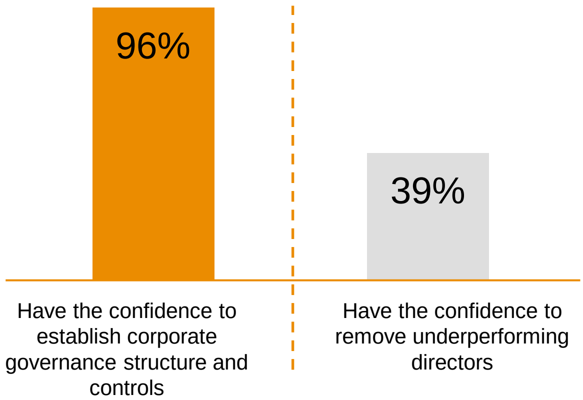


Key themes

Our survey focuses on four areas that shape a board's ability to navigate disruptions.
The key findings are illustrated below.

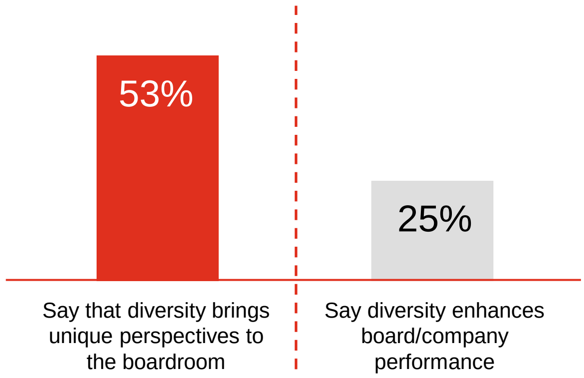
Board effectiveness

Directors are confident about routine governance duties but less so in addressing board underperformance



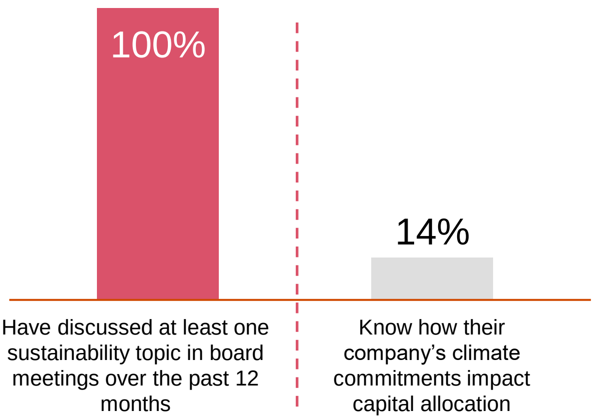
Board composition and diversity

Directors value diversity on their boards, but are less certain whether this translates to performance outcomes



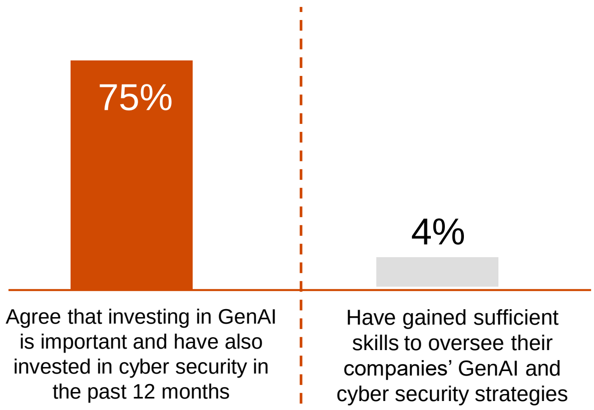
Sustainability and climate change

Sustainability is on board agendas, but its connection to the bottom line remains unclear



GenAI and cyber security

Directors see the importance of GenAI and cyber risk management but lack confidence in overseeing them



1

Board effectiveness

While the board's role in governance is well understood, the actual performance and results of individual boards can vary greatly in areas such as oversight, strategic guidance and maximising shareholder value. This variability largely depends on the overall effectiveness of the board.

An effective board goes beyond providing mandatory oversight and meeting regulatory requirements. It can also initiate and drive business reinvention strategies, ensuring the company's viability in a rapidly changing world. Directors understand this, as our survey shows that 70% of surveyed directors want to spend more time on strategy, while 35% want to spend less time on compliance.

But amidst the growing complexities of today's business landscape, stricter regulations, heightened public scrutiny and evolving consumer demands, boards will find themselves facing an uphill climb in their pursuit of effectiveness.

Reaching the pinnacle of board effectiveness requires the successful execution of several critical areas. These include, but are not limited to, the board's leadership and composition, its operational and decision-making processes, and continuous performance evaluation and improvement. Additionally, fostering a board culture rooted in trust and transparency is essential for overcoming potential barriers arising from differing group dynamics that may impede board effectiveness.

64%

of ASEAN directors believe that they should spend more time on board dynamics, effectiveness and development.

Source: The 2024 ASEAN Board Trends: Refocus on Board Effectiveness. (2024). Institute of Corporate Directors Malaysia.

What are directors saying?

Board members generally express confidence in handling routine corporate governance duties associated with serving on a board: 96% of directors express confidence in their board's ability to establish governance structures and control. Similarly, 90% are confident in their board's ability to navigate policy and regulatory changes, reflecting their competence in managing external challenges and maintaining compliance.

However, this confidence level wanes when it comes to conducting self-assessments and addressing the resulting outcomes, with only 69% of directors feeling confident in their ability to assess their own performance.

The challenge becomes even more pronounced in dealing with underperforming directors, with just 39% expressing confidence in their ability to address this issue.

Board members are confident in their ability to navigate foundational responsibilities, but less so in removing underperforming directors

Q: How confident are you in your board's ability to effectively… (very confident and somewhat confident)

Source: PwC Malaysia's Corporate Directors Survey 2024

What's driving this?

The varying confidence levels among board members can be attributed to several key factors. A major challenge in addressing underperformance is the potential for interpersonal conflict, as it often necessitates difficult conversations and decisions that can strain relationships within the board.

Additionally, time and resource involved in replacing a director can further complicate the issue. Hesitation to engage in difficult conversations with underperforming directors, due to concerns about the potential impact on board collegiality, company reputation and stakeholder perceptions, can exacerbate the situation.

What's beneath the data?

Board assessments are a critical part of improving board effectiveness. A well-executed assessment can help provide real insights into how a board operates and how directors work with one another.

While most boards conduct Board Effectiveness Evaluations (BEE), the reluctance to address underperformance persists as directors may fear disrupting board dynamics and upsetting collegiality: 77% of directors feel constrained from being fully candid in assessments.

Moreover, few directors see boards acting on assessment results, leading to belief that these evaluations don't drive change. 76% of directors see these assessments as mere 'check-the-box' exercises, reducing them to formalities rather than opportunities for genuine improvement.

Most directors feel constrained from giving candid feedback in board assessments

77% Say there are inherent limitations to being "frank" in assessments

76% See assessments as a 'check-the-box' exercises

Source: PwC Malaysia's Corporate Directors Survey 2024

What should directors do?

A PwC perspective

As boards assume more responsibilities, tracking their performance has become crucial. Effective oversight requires conducting transparent and regular evaluations to identify underperformance, offer recommendations for skill development, and plan for succession. If it is left to fester, underperformance may undermine the moral authority of the chair and deter qualified candidates from joining the board.

With the right process and a strong culture of shared responsibility, boards can transform assessments into a valuable tool to identify the right mix of skills, expertise or experience for effective company oversight. Recognising any gaps is the first step towards ensuring an optimal board composition, which is further discussed in the next section.

Board actions

- **Don't let assessment efforts go to waste.** Since substantial effort and resources are typically invested in board assessments, the results should be transparently discussed, with clear follow-up actions and timelines established to hold directors accountable.

- **A well-equipped board is an effective board.** Collectively each member of the board needs to have the skills, knowledge and industry acumen to bring the right expertise and wisdom to the table. Paired with basic boardroom management etiquette – like having a well-crafted agenda, concise papers and clear expectations – these qualities enhance board effectiveness.

For more information

- Why boards should evaluate individual director performance
- Conducting effective board assessments
- Why good boards make bad decisions

"Board members tend to be forgiving in their assessments of fellow board members in formal evaluations, unless there is a serious problem. Evaluating how we can do better as a board could be a better metric to look at in assessing board effectiveness, for example, looking at improving how boards are run."

Respondent, PwC Malaysia's Corporate Directors Survey 2024

2

Board composition and diversity

The corporate governance landscape is evolving at a relentless pace, making the composition of a board crucial for effective oversight. The aim is to cultivate diversity of thought within the boardroom. Beyond gender, having members with a balanced mix of skills, experiences, backgrounds and tenures can enhance decision-making and ultimately lead to improved company profits. [3]

However, progress in board diversity is hindered by several challenges. Traditional recruitment practices often favour existing networks, which limit the access to diverse candidates with the necessary qualifications. This creates a paradox where candidates are overlooked due to lack of board experience yet cannot gain that experience without opportunities.

[3] Creary, S., McDonnell, M.H., Ghai, S. & Scruggs, J. (2022) When and Why Diversity Improves Your Board's Performance. Harvard Business Review.

Regulatory mandates alone are insufficient to drive meaningful change. Companies may comply without fully embracing diversity and inclusion, resulting in tokenism. To truly achieve board diversity, companies must go beyond compliance and foster an inclusive culture that values diverse perspectives.

Which aspects of their current board composition do ASEAN directors think can be improved?

70%
Diversity of age

62%
Skills related to digital, technology and AI

59%
Gender balance

51%
Skills related to sustainability and ESG

Source: The 2024 ASEAN Board Trends: Refocus on Board Effectiveness. (2024). Institute of Corporate Directors Malaysia.

What are directors saying?

Given today's pressure for agility in responding to long-term and short-term opportunities, diversity of thought helps to drive performance. 85% of directors rate technical expertise as a key factor to achieving this, ahead of factors such as gender, ethnicity, age and board tenure.

More than half (53%) of directors surveyed agree that efforts to increase board diversity have resulted in unique perspectives, and 44% appreciate its effects on board culture. However, they're less certain whether this translates to performance outcomes, with only a quarter (25%) of directors saying that they've seen a boost in board and company performance.

What's driving this?

Although board diversity is on the rise, there is still a gap in how its value is perceived. Several factors may contribute to this.

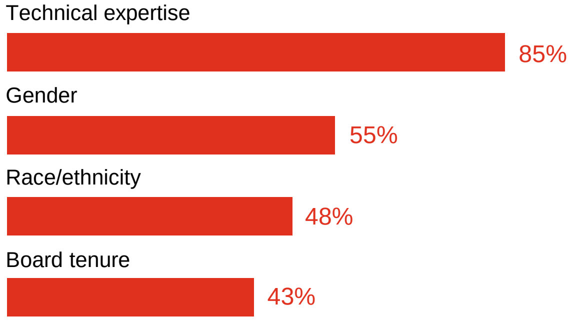
For instance, the benefits of diversity – diverse views and thoughts that complement informed decision-making and improved board culture – can be difficult to measure.

Additionally, the integration of new members takes time, adding to the challenge of assessing the outcomes of diversity. As an example, and specific to gender diversity, it has been suggested that measurable performance benefits, such as improvements in stock price and EBITDA margins, only emerge three to five years after women join the board.[4]

[4] Peterson, R.S. and Gardner, H.K. (2022) Is your board inclusive - or just diverse?, Harvard Business Review.

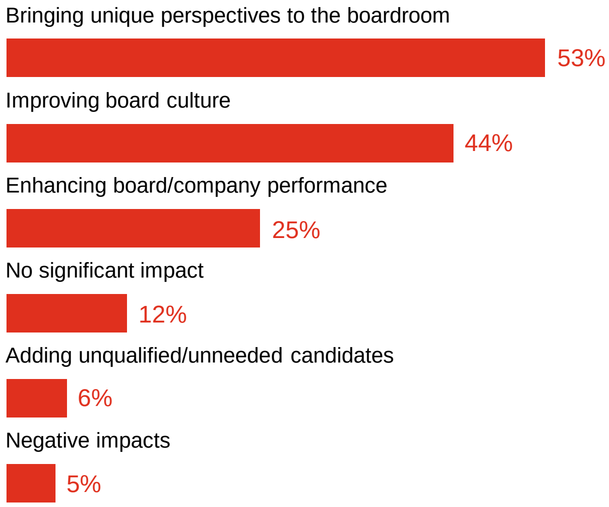
Directors believe that technical expertise remains the most important factor in achieving diversity of thought in the boardroom, followed by demographic factors

Q: How important are the following factors in achieving diversity of thought in the boardroom?
(% of those who say important and very important)



Directors mostly value diversity on their board for its positive impact on board perspectives and culture

Q: Efforts to increase board diversity have resulted in...
(% of those who say 'yes')



Source: PwC Malaysia's Corporate Directors Survey 2024

Though the impacts of diversity are not easy to measure, the expanding size of the talent pool is quantifiable

Out of

1,084
Board candidates

34%
Are women

Source: Mind the Gap, Close the Gap. (2024). Institute of Corporate Directors Malaysia.

What's beneath the data?

While the overall makeup of the board is important, the need to have gender diversity has gained considerable attention in recent years. When exploring what might encourage gender diversity on boards, it's interesting to note that only a quarter (25%) of respondents believe that policy and regulation will shift board composition, while nearly half (44%) say that they would like to see stronger linkage between gender diversity initiatives and business outcomes.

This shows that while regulatory pressures can drive short-term behaviour change, their impact is limited if directors are not convinced of the benefits of a diverse board.

There are also challenges to achieving board diversity. For instance, a third (33%) of directors see long-serving board members' reluctance to retire as a barrier to diversify their boards. This suggests a need for boards to proactively manage refreshment and succession to ensure a dynamic and diverse board composition.

For diversity initiatives to be sustainable, directors want to see direct links to positive business outcomes

Q: *What factors do you think will most effectively encourage or help achieve gender diversity at the board and corporate level?*

44%
Say linkage between diversity initiatives and business outcomes

25%
Say policy and regulation

Yet, directors believe there are still challenges to recruiting diverse board candidates, even as they take actions to increase diversity

65%
Say their boards have actively sought out female candidates for board positions

33%
Believe that long-serving board members' reluctance to retire presents a challenge

Source: PwC Malaysia's Corporate Directors Survey 2024

"As independent directors have a three-year reappointment cycle, we know who's leaving ahead of time, and we can make sure the replacement meets all the criteria. Planning ahead is important."

Respondent, PwC Malaysia's Corporate Directors Survey 2024

What should directors do?

A PwC perspective

To have a diverse, well-rounded board, directors need to proactively manage refreshment and succession priorities. This includes taking a long-term view of the company's strategy and considering what skillsets are needed at the board level to help oversee execution of these priorities.

A well-balanced board can draw on a wide range of expertise and experience, providing thorough oversight and effective leadership. However, an inclusive culture must be cultivated for boards to benefit from having diverse members.

Board actions

- **Map your board composition needs.** Clearly define the necessary capabilities required for your board, including the need for diversity beyond technical skills. Regularly align the board's composition with the organisation's strategy and regulatory changes. Note that fulfilling a technical need doesn't preclude characteristics like gender, and vice versa.
- **Bridge the diversity-value perception gap.** Balance regulatory requirements for board composition with the value proposition of board diversity. Measure and demonstrate the value that diversity brings to the organisation by assessing the capabilities and contributions of diverse board members.

For more information

- Board composition: Building your dream team
- Inclusion Matters

Women on boards: Why it matters

– Podcast by PwC Pulse

"Approaching board appointments from the perspective of talent pool expansion makes it easier to measure performance, because you are hiring based on skillset and contributions. It's important to be clear on the goals your organisation wants to achieve and ask yourself who is the best talent to help you do this."

Respondent, PwC Malaysia's Corporate Directors Survey 2024

3

Sustainability and climate change

Sustainability is increasingly recognised as a key driver of value creation in business. Global ESG assets under management are on track to surpass US$40 trillion by 2030, accounting for over 25% of total global assets under management, according to Bloomberg Intelligence.[5]

This trend is further supported by the PwC Global Investor Survey 2024, which indicates that approximately three-quarters of investors are willing to moderately or significantly increase their investments in companies that prioritise sustainability.

Despite these promising insights, some boards continue to view sustainability through a narrower lens of regulatory compliance. This perspective overlooks the strategic opportunity for value protection and creation that sustainability initiatives can offer, potentially hindering long-term competitive advantage.

58%

of ASEAN directors agree that sustainability, climate change and ESG agenda, metrics and targets are among the most challenging areas and will require more training for their boards.

Source: The 2024 ASEAN Board Trends: Refocus on Board Effectiveness. (2024). Institute of Corporate Directors Malaysia.

[5] Bloomberg (2024). Global ESG assets predicted to hit $40 trillion by 2030, despite challenging environment, forecasts Bloomberg Intelligence

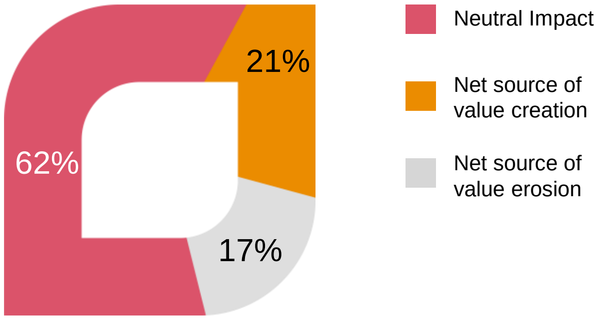
What are directors saying?

Sustainability has become a regular topic in board meetings, with all survey respondents having discussed it at least once in the past 12 months. Despite this, most directors perceive climate change as having a neutral impact on company value, with only 21% viewing it as an opportunity for value creation.

A key question remains: how does sustainability connect to overall business strategy and investment? Only 14% of surveyed board directors understand how their climate commitments influence capital allocation decisions, and just 27% believe that climate change consideration is embedded into their value creation strategy.

The impact of sustainability concerns varies significantly based on a company's size, geographical footprint, industry and other factors. However, the risks and opportunities are tangible. Directors play a crucial role in challenging management to think about strategic opportunities. Prioritising topics linked to the company's strategy is essential for unlocking potential benefits.

Most directors perceive a neutral impact of climate change on company value



Sustainability is on board agendas, but connection to the bottom line remains a question

27%
think climate change consideration is embedded into their value creation strategy

14%
know how their company's climate commitments impact capital allocation decision

Source: PwC Malaysia's Corporate Directors Survey 2024

What's driving this?

One of the challenges directors face in aligning sustainability with business strategy is the lack of control and visibility over their companies' sustainability plans and data. Only a quarter or less of our respondents feel that they have sufficient control over the accuracy of data in the company's sustainability report or visibility over its net zero plan.

This is concerning, given that greenwashing has increasingly become a concern. PwC's 2023 Global Investor Survey shows that 94% of investors believe sustainability reports often contain unsupported claims.

Moreover, doubts persist about the business case for climate actions, making it difficult for companies to align sustainability initiatives with overall business strategy. 74% of directors think potential impact on profitability is the biggest barrier to climate action, followed by the focus on near-term business issues.

Directors struggle with visibility and control over net zero plans and accuracy of sustainability reports

Only
22%
feel they have sufficient visibility over their company's net zero plan

Only
25%
feel they have sufficient control to manage the quality and accuracy of data in sustainability reports

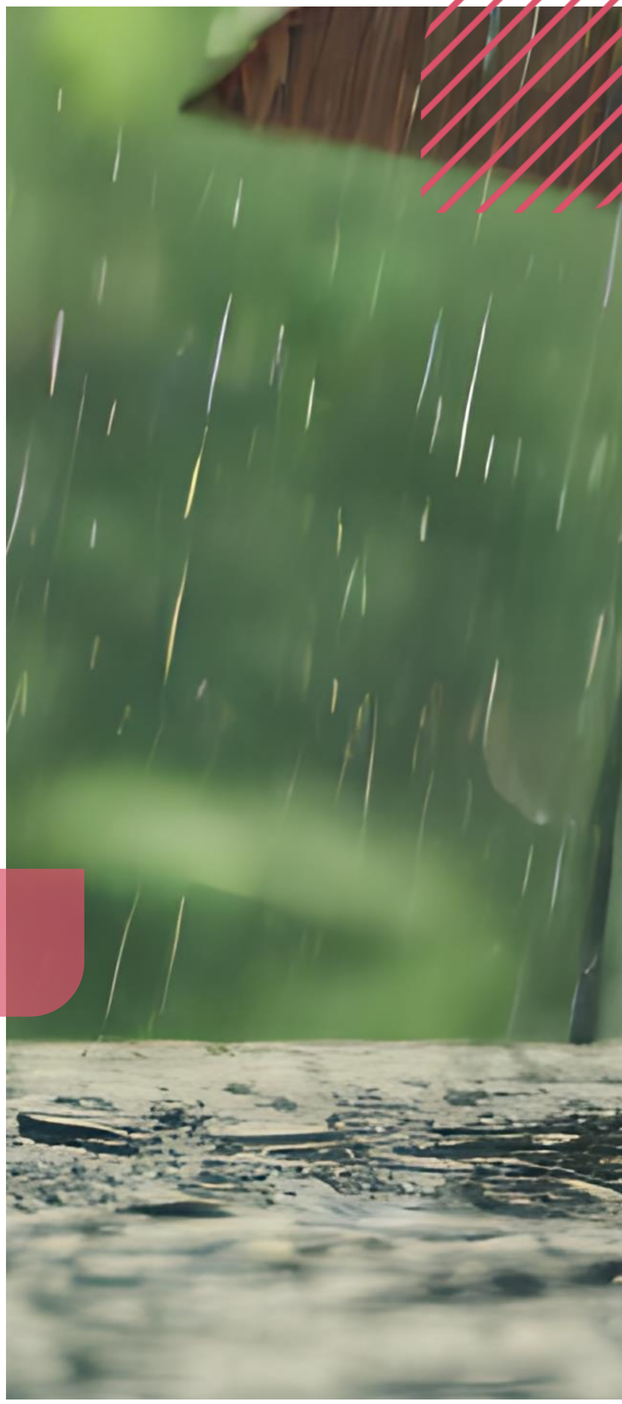
Source: PwC Malaysia's Corporate Directors Survey 2024

What's beneath the data?

Different aspects of sustainability receive different levels of attention and discussion in board meetings. 97% say their board has discussed ESG data governance in the past 12 months. Almost as many (84%) have discussed carbon emissions or energy transition.

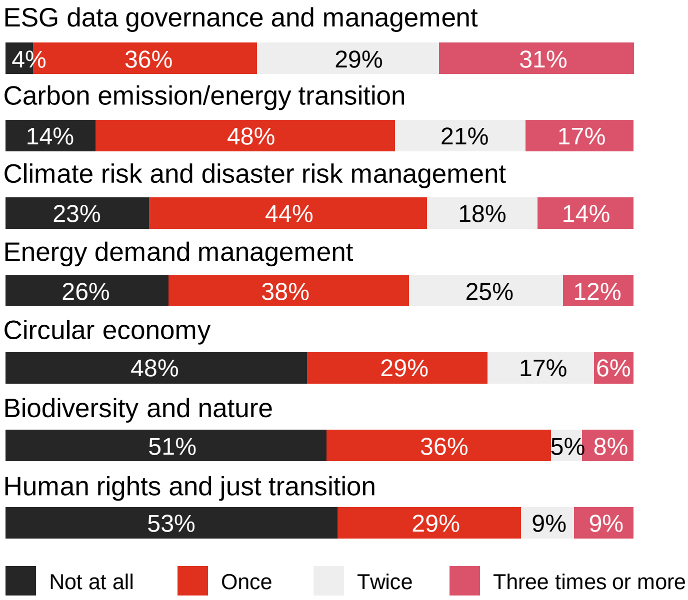
These are important issues in sustainability, but emerging areas such as circular economy, nature and just transition deserve more airtime in boardrooms. At least 48% say their board has not discussed these areas in the past 12 months.

Despite their relative novelty, these areas have become increasingly important to investors and stakeholders, presenting significant opportunities for value creation. The 'Nature at Tipping Point' study by PwC and the Asia Investor Group on Climate Change (AIGCC) reveals that 54% of Bursa Malaysia's market capitalisation comprises companies that are moderately or highly dependent on nature. Additionally, PwC's study on circular economy indicates that it has the potential to boost Malaysia's GDP by 1.3% and reduce net emissions by 3% per annum.



ESG data governance and management are discussed most regularly, but 48% or more have not discussed circular economy, biodiversity or just transition

Q: In the last 12 months, how often has your board discussed the following sustainability issues



Source: PwC Malaysia's Corporate Directors Survey 2024

"Many companies haven't really focused on the 'S' (social) aspect, and not many understand the 'G' (governance), which starts with the boards. For many, governance is just about board meetings, but it's much more than that."

Respondent, PwC Malaysia's Corporate Directors Survey 2024

What should directors do?

A PwC perspective

Shareholders and investors continue to prioritise sustainability. While the early years saw companies focusing on setting the direction and targets, the emphasis has now shifted to operationalising these sustainability priorities.

Effective sustainability initiatives can lead to immediate benefits, such as cost savings and revenue protection, in addition to long-term success. Given that board members typically serve longer terms than CEOs, they provide continuity and help maintain at least a medium-term perspective on the company's direction.

Boards need to discern which topics have a direct impact on near-term performance or capital allocation decisions and which require ongoing monitoring without necessitating immediate intervention. This balance can be reflected in the board's agenda, particularly through the Nomination and Remuneration Committee (NRC), which determines the mix of KPIs and incentives for the C-suite.

Board actions

- **Establish a governance framework** incorporating ESG considerations at board, C-suite and mid-management levels. Define terms of reference and set KPIs through the Board Nomination and Remuneration Committee.
- **Review material ESG risks and opportunities** to align with national priorities and stakeholder interests. Evaluate initiatives for impact and relevance, identifying gaps or redundancies. Assess the portfolio mix of impacts of climate actions, e.g., cost savings, risk reduction, revenue growth and brand enhancement.
- **Define data and reporting requirements** to meet stakeholder expectations, overseen by the Audit Committee. This includes having a governance framework to ensure accurate and timely availability of data. Implement Three Lines of Defence and conduct independent reviews for data integrity.[6]

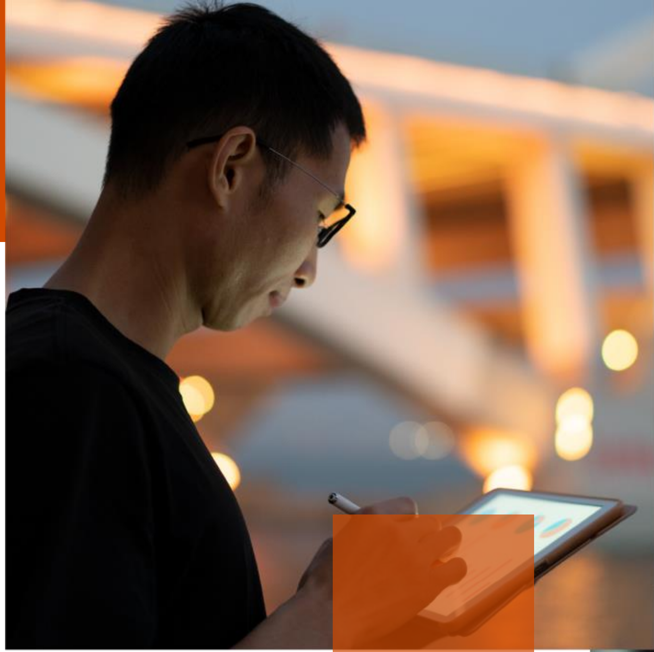
For more information

- Sustainability and ESG oversight: the corporate director's guide
- Spotlight on sustainability: Gaps in sustainability reporting
- Spotlight on sustainability: National Sustainability Reporting Framework

"On its own, sustainability's place on the board's agenda is often a reflection of its members' personal beliefs. However, when sustainability impacts market access and the bottom line, boards have no choice but to make it a priority."

Respondent, PwC Malaysia's Corporate Directors Survey 2024

[6] The Institute of Internal Auditors (2020). "IIA Position Paper: The IIA's Three Lines Model".



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Generative AI and cyber security

As organisations increasingly rely on digital technologies to drive growth and innovation, boards are tasked with navigating a complex and volatile environment where risks are no longer confined to operational disruptions or financial losses, but extend to reputational, ethical and even societal dimensions.

The advent of GenAI, for example, poses unique dilemmas for boards. While it unlocks opportunities for operational efficiency, creativity and decision-making, it also exposes companies to risks such as intellectual property misuse, ethical controversies and the propagation of misinformation. The speed at which this technology evolves often surpasses regulatory developments, leaving boards to grapple with a lack of clear guidelines.

At the same time, an onslaught of cyber threats with new levels of sophistication relentlessly target organisations through ransomware, supply chain vulnerabilities and insider threats, all of which demand a proactive and agile response.

Boards must confront these challenges amidst a backdrop of increasing regulatory scrutiny and stakeholder expectations. They are expected to safeguard their organisations' assets, data and reputation while fostering innovation responsibly. This requires a shift in governance practices, a deep commitment to continuous learning, and the courage to make informed, ethical decisions. It's no longer a question of whether boards are prepared to address these challenges, but how swiftly and effectively they can rise to the occasion.

50%

of ASEAN directors agree that technology and innovation strategy is among the most challenging areas and will require more training for their boards.

Source: The 2024 ASEAN Board Trends: Refocus on Board Effectiveness. (2024). Institute of Corporate Directors Malaysia.

What are directors saying?

PwC's 27th Annual Global CEO Survey found that 73% of CEOs in Malaysia are most concerned about cyber security risks when it comes to GenAI.

Corporate directors reflected similar sentiments in our survey. 75% of directors recognise the need to invest in GenAI technologies within the next 3-5 years and have implemented at least one cyber security measure in the past 12 months (e.g., engaging third-party experts to help the board oversee cyber security risk, additional upskilling related to cyber security, and increasing the time allocated to cyber security discussions during board meetings). However, only 4% of directors express confidence in their board's capabilities to oversee the company's GenAI and cyber security strategies.

This highlights the need for boards to be better equipped to provide the critical oversight required to navigate the complexities of GenAI. This lack of confidence extends to management as well, with only 11% of directors believing that their management teams have the skills to execute the company's GenAI strategy.

Although directors recognise the need to invest in GenAI and manage cyber security risks, they lack confidence in their board's capabilities to oversee them

75% Agree that investing in GenAI is important and have also invested in cyber security in the past 12 months

Only 4% Have gained sufficient skills to oversee their companies' GenAI and cyber security strategies

Source: PwC Malaysia's Corporate Directors Survey 2024

Additionally, directors are not confident in their management team's ability to execute these initiatives

Only 11% think their management team have the skills to execute the company's GenAI strategy

43% say employee training and awareness need the most improvement when it comes to cyber risk management

Source: PwC Malaysia's Corporate Directors Survey 2024

What's driving this?

The rise of GenAI has radically shifted where threats come from and how quickly they emerge. Global developments on AI regulations will have repercussions on Malaysia's regulatory and business environment. New and updated cyber regulations such as Cyber Security Act 2024 and Personal Data Protection (Amendments) Act 2024 are already nudging the country towards global alignment.

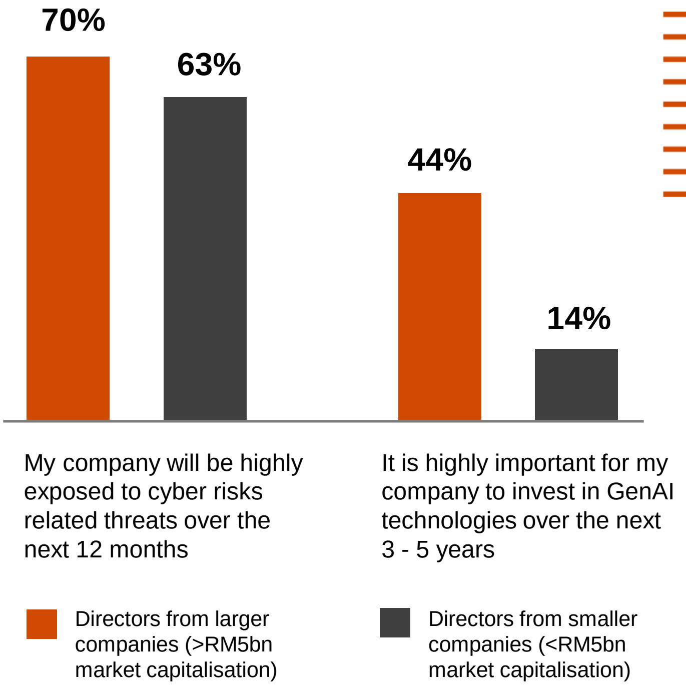
By understanding GenAI's functionality and its ethical and regulatory guardrails, board directors will be well placed to help companies reduce risks while maximising the technology's value.

What's beneath the data?

While board directors agree that cyber risks will be the number one threat over the next 12 months, directors from larger companies, i.e. those with a market capitalisation of RM5 billion or more, are more likely to recognise the importance for their companies to invest in GenAI technologies over the next 3-5 years than their counterparts from smaller companies.

While GenAI's low barrier to entry is a great feature, estimating and proving business value could be holding some companies back from further investing and uncovering GenAI's potential value.[7]

Directors from larger and smaller companies are aligned on cyber risks, but sentiments differ when it comes to investing in GenAI



Source: PwC Malaysia's Corporate Directors Survey 2024

[7] Gartner. (2024). Gartner Survey Finds Generative AI is Now the Most Frequently Deployed AI Solution in Organizations.

What should directors do?

A PwC perspective

Digital transformation is a strategic imperative within the boards' mandate. Nested is the emerging opportunities of GenAI and the associated rise of cyber threats that needs to be addressed.

Boards face the challenge of keeping up with the pace of change by having to familiarise themselves with the fundamentals of GenAI, exploring emerging real-world use cases and understanding its associated risks. Board members should know when and where to seek input from external experts, especially when there is no technologist on the board. This will help anticipate potential developments that could affect their companies.

Board actions

- **Establish a strong digital governance framework.** Develop a comprehensive governance model, with clear accountability and oversight. Boards should ensure that management, in its quest to drive AI adoption, also puts in place responsible AI frameworks.
- **Adopt a digital mindset.** While it may be challenging for boards to keep up with the pace of change, they should, at the minimum, develop a strong digital mindset to relate to these changes.
- **People matter, now more than ever.** Encourage management to assess AI's impact on their workforce. While some jobs may be replaced, many will evolve, requiring employees to adapt.

For more information

- 2025 Global Digital Trust Insights (Malaysia highlights)
- PwC's 2024 AI Jobs Barometer

Assess your organisation's AI readiness with PwC's AI Maturity Assessment Tool

"The topic is new, complicated and constantly evolving. What boards can do is discuss with management on guardrails and what their plans are. But unless there are one or two board members who know how to steer the conversation on digital and AI, it will be hard to meaningfully guide management."

Respondent, PwC Malaysia's Corporate Directors Survey 2024

Conclusion

Across the four areas we examined, it's encouraging to see that boards are increasingly stepping up to face new challenges. Forward-thinking boards are transforming their governance approaches to be more outward-focused and adaptable to disruptions.

However, for businesses to remain viable into the future, boards must evolve at an unprecedented pace. Despite mounting pressure from stakeholders to address emerging challenges, many boardrooms are not adequately addressing critical issues that are impacting their organisations. There is much to do in this area and boards need to act today to prepare for the uncertainties of tomorrow as we navigate an ever-evolving business landscape.

We hope these insights will inspire boards to proactively assess the effectiveness and relevance of their current practices as they build their future-ready board.

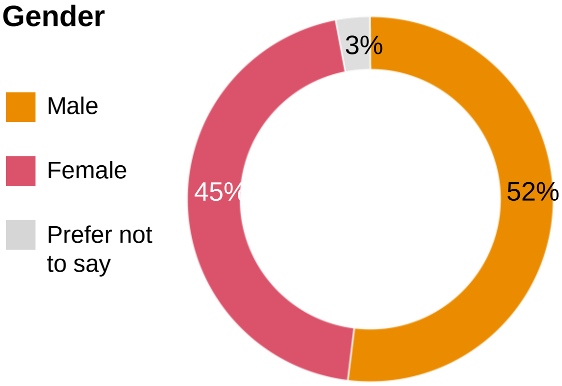
Acknowledgements

We express our sincere gratitude to all survey participants who have contributed valuable insights to our study, and to the Minority Shareholders Watch Group for supporting in the survey distribution.

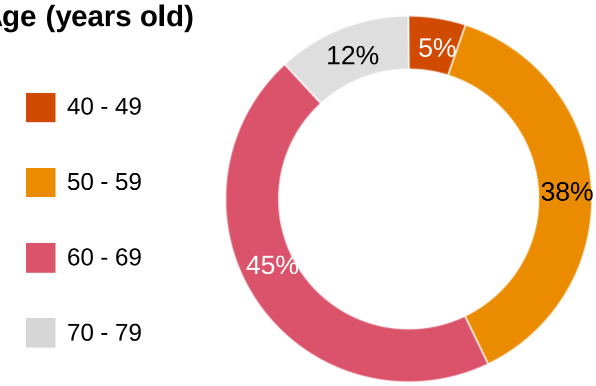
About this survey

PwC Malaysia's Corporate Directors Survey analyses the views of company directors from across Malaysia on a variety of corporate governance issues. We collected responses from 90 directors across diverse industries through surveys and interviews between 6 September to 18 December 2024.

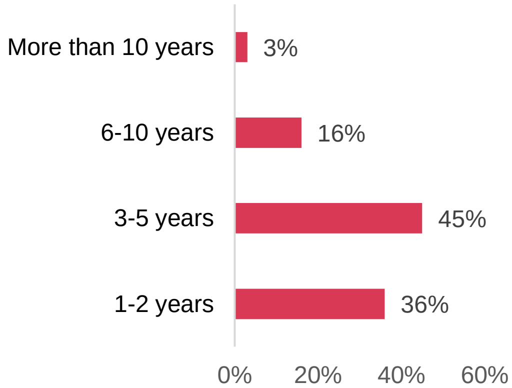
Gender



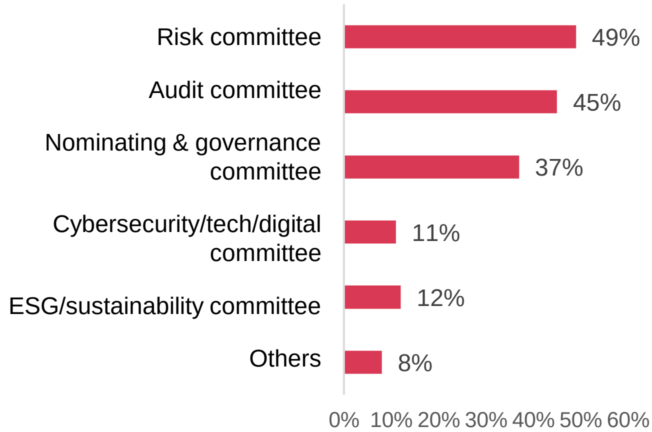
Age (years old)



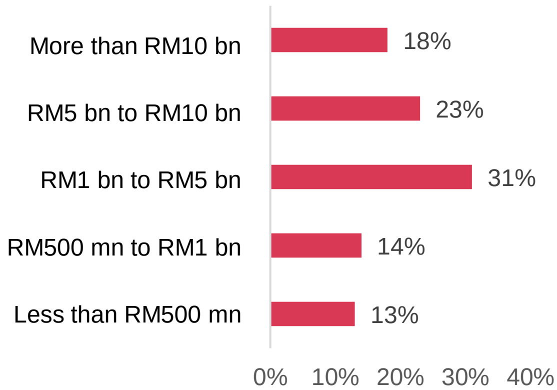
Years served on board



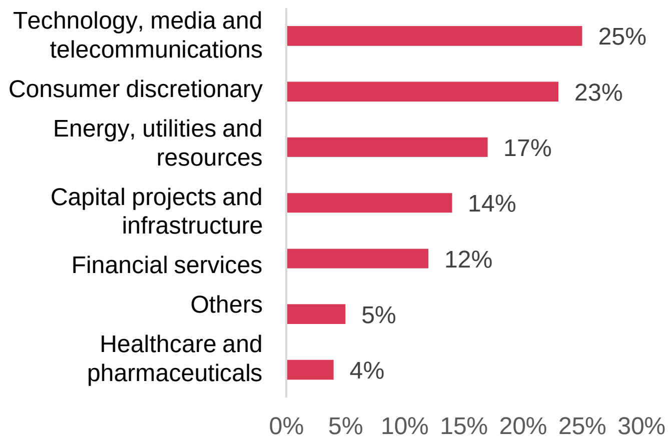
Committee served on board



Market capitalisation of the company



Industry group of the company



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