Pulse check on Malaysian business leaders' AI journey

PwC's AI Leadership Maturity Assessment

Malaysia's AI journey: The call for strategic alignment

Malaysian business leaders have started experimenting with AI, but more strategic alignment is needed to truly unlock AI's values.

As businesses continue to embrace AI, leaders should strive to be at the forefront by driving strategic initiatives and fostering innovation. To support this ambition, PwC's AI Leadership Maturity Assessment is a focused self-assessment for leaders to evaluate their AI readiness across key areas based on our AI Leadership Playbook. This publication offers insights based on responses from nearly 300 leaders who completed the assessment.[1]

Business leaders in Malaysia are well-underway in advancing their organisations' AI journey, with around 65% either being 'Observers' or 'Activators'. They recognise experimenting now will lead to tangible benefits, even though their efforts may still be fragmented and lack strategic alignment.
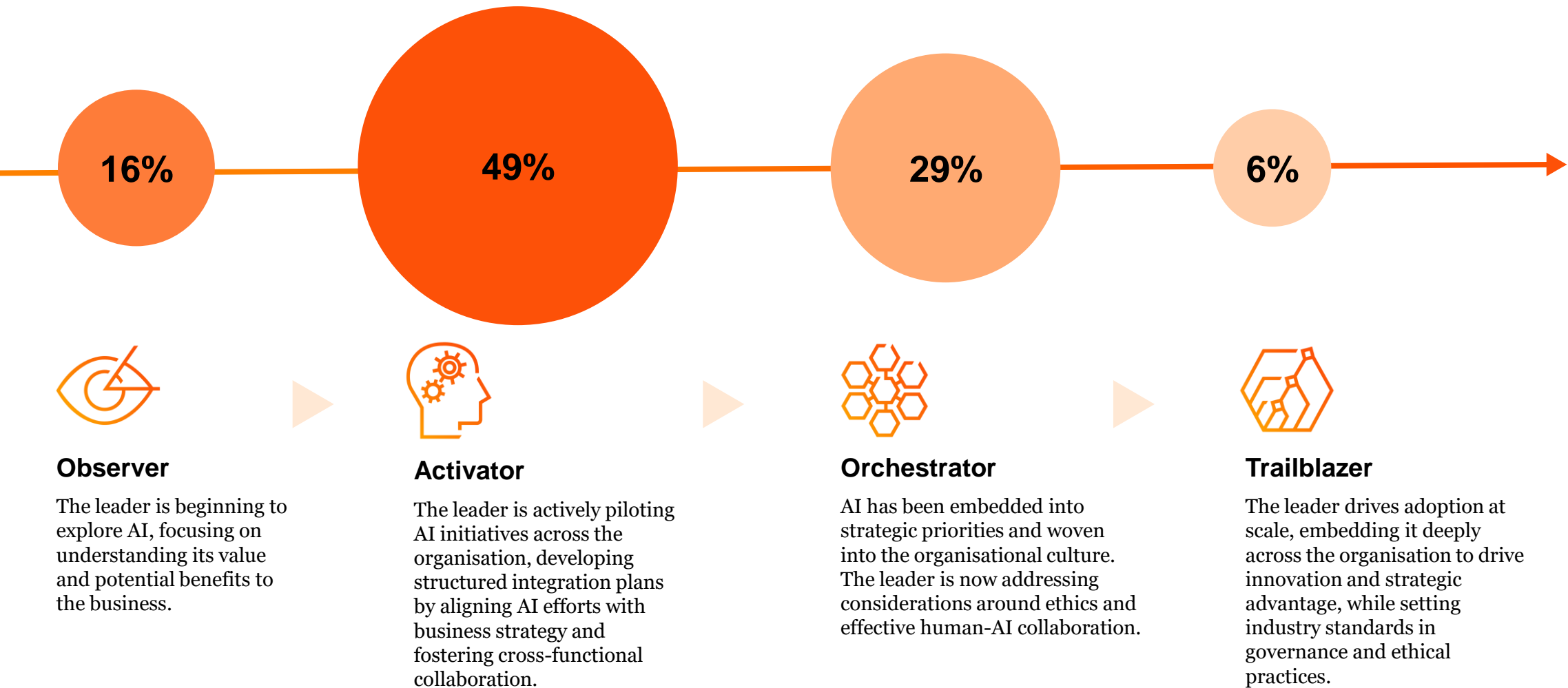
Encouragingly, nearly a third of business leaders surveyed are at the 'Orchestrator' stage. Their organisations' AI initiatives are increasingly integrated into the organisational culture, and they are actively addressing human-AI collaboration and ethical implications.

Currently, only 6% of business leaders surveyed have reached the 'Trailblazer' stage, positioning themselves as trusted leaders to influence broader AI adoption in the market. Malaysia is not far from its peers in the region. The CISCO AI Readiness Index reported that 52% of Asia Pacific companies are at the beginning of their AI journey as well.

[1]Responses for this publication were predominantly from attendees of PwC's AI Leadership Conference 2025. As the assessment remains active for participants, only data collected up to 21 May 2025, has been utilised for this publication.

Distribution of business leaders across AI leadership maturity levels

16%   **49%**   **29%**   **6%**

Observer

The leader is beginning to explore AI, focusing on understanding its value and potential benefits to the business.

Activator

The leader is actively piloting AI initiatives across the organisation, developing structured integration plans by aligning AI efforts with business strategy and fostering cross-functional collaboration.

Orchestrator

AI has been embedded into strategic priorities and woven into the organisational culture. The leader is now addressing considerations around ethics and effective human-AI collaboration.

Trailblazer

The leader drives adoption at scale, embedding it deeply across the organisation to drive innovation and strategic advantage, while setting industry standards in governance and ethical practices.

Leadership perspective on AI adoption and success

Malaysian leaders generally view AI as a catalyst for transformation.

Leaders play a crucial role in setting the direction for an organisation's AI journey. Understanding how they think will guide our understanding of the future business landscape.

The majority believe that AI is a springboard for strategic transformation, with 40% identifying AI as a driving force for reimagining work processes and value delivery.

Q: When you hear AI, what is your first association?

Driver of strategic change

40% A catalyst for rethinking how we work and deliver value

28% A strategic enabler for competitive advantage

Just another productivity tool

18% A tool for cost and efficiency improvements

13% A complex trend that we are still trying to fully understand

Leaders are divided on whether mindset or capabilities will bring success in their AI journey.

Another aspect we looked at was where do leaders believe success lies in the AI era?

Is it about having people with a growth mindset who are open to experimentation, or those with ready technical capabilities? Our data suggests that leaders' views are evenly split.

Q: What does your organisation need most right now to succeed in the digital age?

Capabilities

28% A clearer understanding of how digital applies to our business

23% More people with digital and AI technical skills

Mindset

25% Greater digital curiosity and openness to experimentation

24% Stronger leadership alignment on digital transformation

Strengthening AI governance: A key priority for leaders

Business leaders need to work on enhancing their organisation's AI governance.

Against the backdrop of a rapidly evolving regulatory environment and cases of AI misuse, effective AI governance has become even more crucial to the successful implementation of AI.

Our data suggests that business leaders may need to play catch up in this area.

Only 13% of business leaders surveyed said that responsible AI is a core principle embedded in their organisations' AI design, development and deployment. Even more worrying, 33% said that responsible AI is not a formal part of their strategy. A further 34% only said they reference it in principle but have not operationalised it.

The challenge for many may lie with the lack of talent with expertise in AI governance, law and ethics. Besides that, insufficient understanding of potential biases in datasets used for AI could be a hurdle in improving their readiness from the governance perspective as well.[2]

[2]"Cisco AI Readiness Index Hype Meets Reality." n.d. https://www.cisco.com/c/dam/m/en_us/solutions/ai/readiness-index/2024-m11/documents/cisco-ai-readiness-index-ma.pdf.

Only

13%

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There is room for improvement in how business leaders ensure transparency in their organisations' AI initiatives.
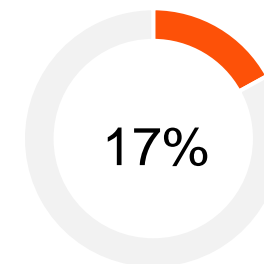
Having a robust governance framework is only the first step toward responsible AI use. Equally important is transparent communication: sharing clear, accessible information about how AI initiatives are conceived, developed, tested, and monitored. Transparency not only ensures regulatory and ethical accountability but also reinforces stakeholder and public confidence in your AI initiatives.

For example, convening an independent AI ethics committee to review key organisational decisions and advise on emerging ethical dilemmas demonstrates an extra layer of oversight. Similarly, implementing a clear incident-reporting channel empowers users and stakeholders to flag unexpected or unfair outcomes, ensuring that issues are investigated and remedied promptly.
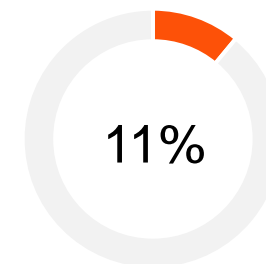
Q: How is your organisation building trust with your customers, citizens, or stakeholders around its use of AI?
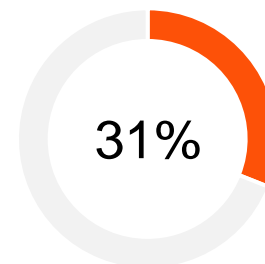
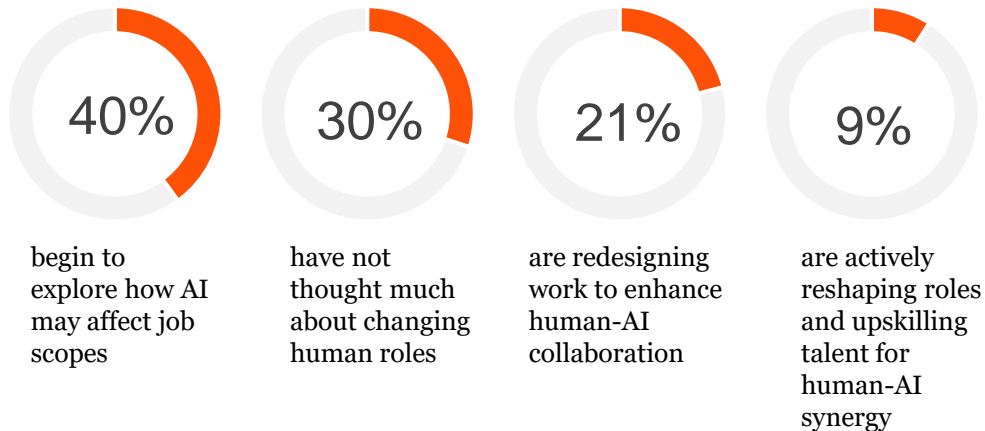| 31%	17%	11%
provide some communication when required	actively inform stakeholders about their AI use and safeguards	engage stakeholders in co-design and feedback loops to build AI trust

Bridging gaps:
Human-AI orchestration and cross-departmental collaboration
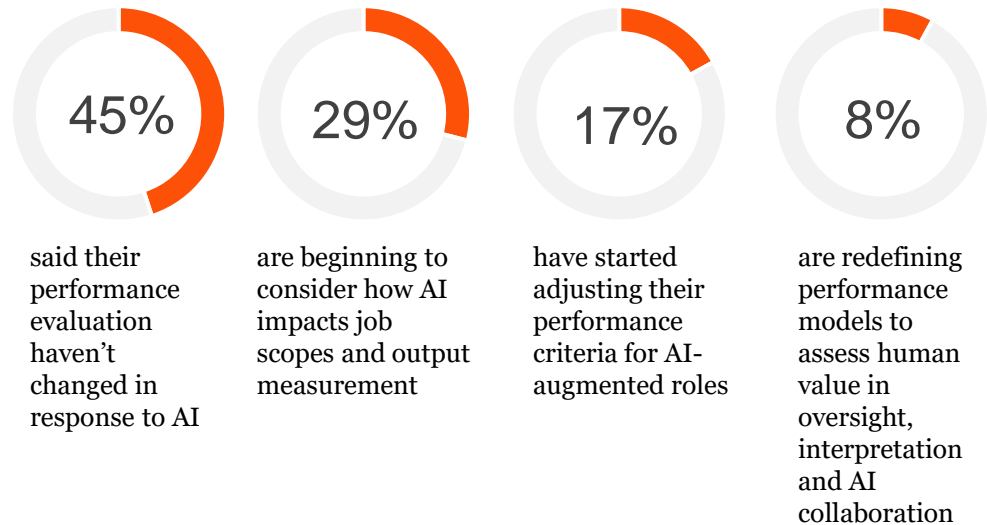
Malaysian business leaders have yet to fully unlock AI's transformative capabilities through human-AI orchestration.

To truly unlock AI's capabilities, business leaders need to 'think big' and approach AI as a transformative tool. Our data indicates that business leaders have only scratched the surface on this—70% have not thought much or have only begun to explore how AI changes human roles. Business leaders need to start rethinking how AI could be integrated into their everyday processes and operations. Think about how it affects roles and performance evaluation within the workforce.

Q: How is the role of humans evolving in your organisation as AI capabilities increase?

40% begin to explore how AI may affect job scopes

30% have not thought much about changing human roles

21% are redesigning work to enhance human-AI collaboration

9% are actively reshaping roles and upskilling talent for human-AI synergy

Q: How is your organisation adapting human performance evaluation in response to AI integration into work processes?

45% said their performance evaluation haven't changed in response to AI

29% are beginning to consider how AI impacts job scopes and output measurement

17% have started adjusting their performance criteria for AI-augmented roles

8% are redefining performance models to assess human value in oversight, interpretation and AI collaboration
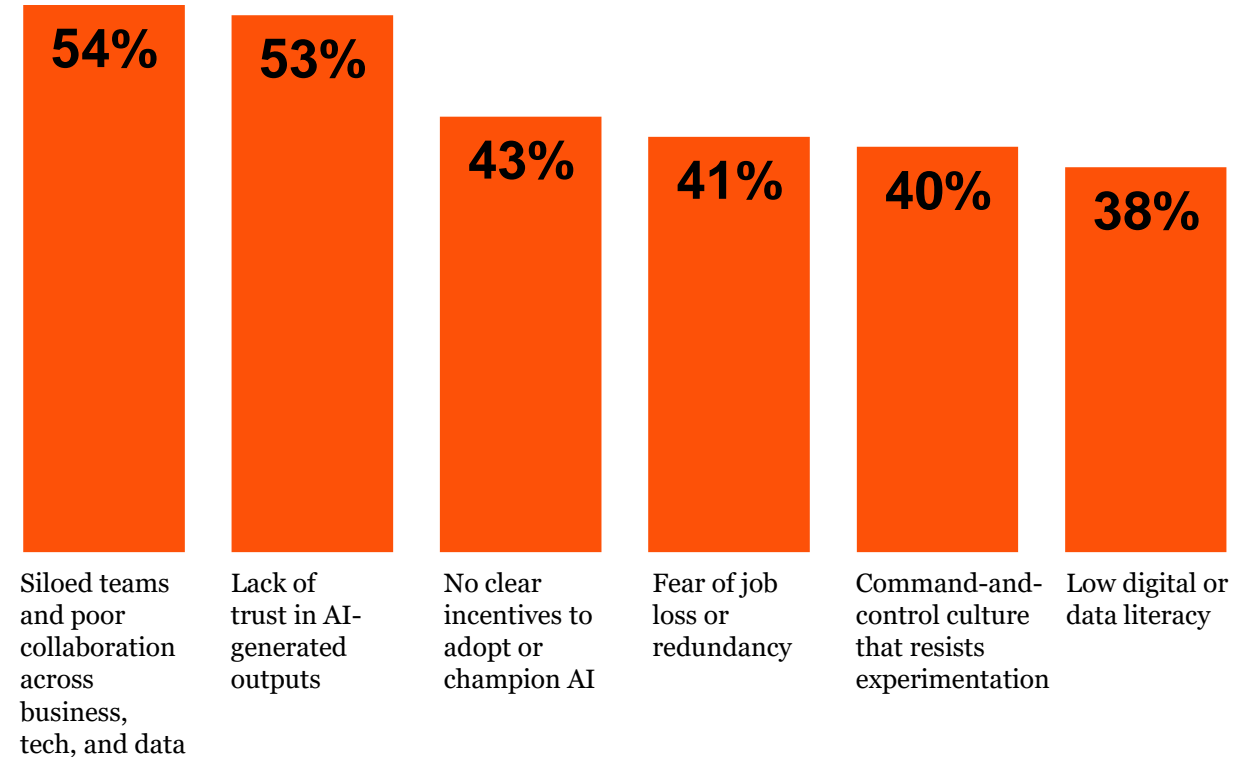
Leaders find that the main challenge to scale AI in their organisations is the lack of cross-departmental collaboration.

Not all challenges to AI adoption are technical. Business leaders find that siloed teams and poor cross-departmental collaboration emerged as the most significant cultural barrier organisations faced when scaling AI based on our data. Following closely is the lack of trust in AI-generated outputs.

To effectively overcome these barriers, business leaders must prioritise the establishment of cohesive, unified goals that resonate with a strategic vision. Achieving this requires crafting a shared mission and designing interconnected frameworks that guide AI efforts across all departments. By cultivating an environment where communication and practices are consistent from strategy through to execution, business leaders can solidify AI initiatives as both scalable and sustainable.

Q: What are the most significant cultural barriers your organisation faces in scaling AI?

54%	53%	43%	41%	40%	38%
Siloed teams and poor collaboration across business, tech, and data	Lack of trust in AI-generated outputs	No clear incentives to adopt or champion AI	Fear of job loss or redundancy	Command-and-control culture that resists experimentation	Low digital or data literacy

> " While deep technical expertise is important, true confidence is built when leaders meaningfully connect AI capabilities with the broader growth agenda of the business.

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Thank you

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