

Tapping into the workforce of the future: Three essential priorities for tomorrow's leaders

KPMG in Malaysia

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Rapid advances in technology, coupled with evolving market expectations, are reshaping how organizations create value through their people. As Artificial intelligence (AI) automates manual tasks, existing roles will inevitably be redefined or phased out. However, reducing headcount alone risks weakening institutional knowledge and morale. Leaders must invest in upskilling and/or realigning talents to meet emerging needs. This paper explores that journey through three key imperatives:

1 From Adoption to Adaptation: The Next Phase of AI

2 Developing Critical Skills of the Future

3 Calibrating Workforce for Resilience and Efficiency

These elements combined form a coherent strategy for sustaining performance in an environment defined by continuous change.

From adoption to adaptation: The next phase of AI



AI has moved from being an experimental technology to an essential component of modern business. In its early stages, AI adoption was driven largely by the desire to improve efficiency, reduce cost and gain a competitive edge.

As of 2024, 72% of organizations worldwide have started integrating AI into at least 1 of their core business functions¹. Yet it must be understood that adoption alone has proven insufficient for a sustained advantage.

The focus has now shifted towards AI adaptation - a more profound integration where AI is not merely adopted but optimized and customized to meet specific organizational needs involving three tightly linked activities:

Customization

Integration

Continuous Learning

With AI adaptation reaching new heights, industries across the board should start to strategically leverage on AI's capabilities to unlock greater efficiency and innovation. The following are two examples that illustrate how organizations have successfully integrated AI into their core processes to drive tangible outcomes:

Manufacturing & Logistics

Manufacturers are deploying AI-driven robotics to automate tasks and address labor shortages².

Entertainment & Media

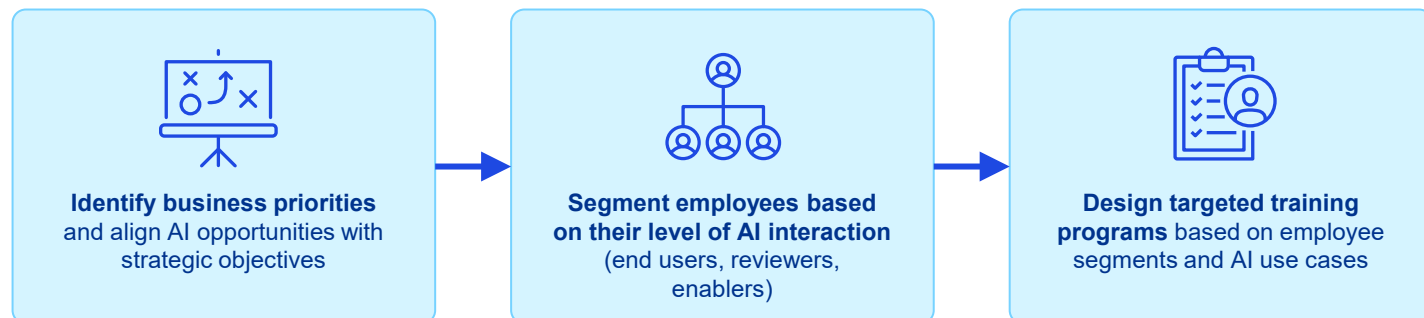
Media production houses utilizes AI for visual effects and pre-visualization, enhancing content creation and production³.

1. QuantumBlackAI by McKinsey, The state of AI: How organizations are rewiring to capture value, 12 March 2025
2. Business Insider, Humanoid robots are coming to a warehouse near you, 18 April 2025
3. Business Insider, Netflix chief says 'bigger opportunity' for AI in filmmaking isn't just cutting cost, but making movies '10% better', 18 April 2025

Developing critical skills of the future

As AI becomes more deeply embedded in core business operations, employees must be equipped with the critical thinking skills to interpret AI-generated outputs, assess their relevance, and apply them meaningfully in decision-making. A key part of this readiness involves recognizing that AI integration will look different across departments. Organizations should map out specific use cases based on each team's objectives and workflows, rather than adopting a uniform/ generic approach. For instance, finance departments may leverage AI for revenue forecasting and anomaly detection, while HR functions could automate processes like candidate screening, onboarding, and employee sentiment analysis. By identifying these practical, high-impact applications, companies can then design learning programs that are relevant, role-specific, and strategically aligned to the business direction.

A structured approach is needed to align workforce capabilities which starts by defining business priorities and identifying relevant AI opportunities:



This structured alignment allows organizations to build a workforce that is both digitally fluent and purposefully deployed. The most common upskilling needed is data literacy and sound judgment to interpret AI outputs, while some roles may demand deeper technical expertise in this area. To sustain this transformation, learning must be embedded into daily workflows and supported through microlearning, coaching, and peer-led sessions. When AI upskilling is connected to strategy, tailored by role, and continuously reinforced, organizations can enable their workforce to grow with AI and deliver lasting impact.

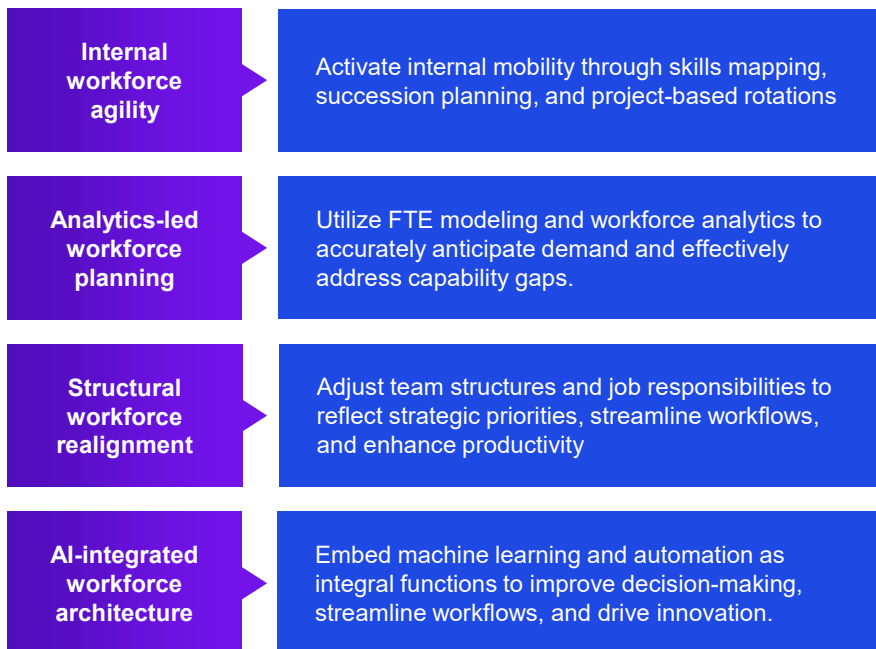
Calibrating workforce for resilience and efficiency

Alongside AI adaptation and strategic upskilling, it is imperative to recalibrate the workforce composition in line with evolving organizational goals. This is where workforce optimization, supported by HR transformation and AI-driven insights, become critical. The focus should no longer just be solely on headcount, but about deploying the right talent, with the right capabilities, in the right roles, and at the right time, to drive sustained performance.

In 2024, global wages rose by 2.7% — the highest increase in over a decade⁴. Against a backdrop of rising labor costs and growing market volatility, traditional workforce models — often characterized by rigid structures and functional silos — are proving inadequate in responding with the agility today's environment demands. In response, leading organizations have embraced workforce planning as a strategic, data-driven function enhanced by AI that supports both resilience and long-term value creation.

Contemporary workforce optimization entails realigning roles, leveraging internal talent pools, and utilizing AI-powered predictive insights to anticipate emerging needs. By integrating these strategies into broader HR transformation initiatives, organizations gain the flexibility to proactively adapt to changing business dynamics.

When executed effectively, these strategies can deliver measurable outcomes, including productivity gains of up to 15% and reductions in turnover of up to 25%⁵. Right-sizing through a workforce optimization lens positions organizations to operate with greater efficiency, adaptability, and strategic clarity.



4. International Labor Organization (ILO), [Global Wage Report 2024 – 2025](#), 28 November 2024
5. AIHR Institute, [How AI is Shaping HR Analytics for Better Decision Making](#), 11 December 2024

As organizations shift from adopting AI tools to fully embedding them into daily operations, a clear and strategic progression must take shape. Routine tasks are automated, roles evolve toward higher-value decision making, and targeted upskilling prepares employees with the digital, analytical, and interpersonal capabilities needed to succeed in these new roles. Once these foundational shifts are in place, workforce optimization helps redeployed talent in ways that reflect evolving business priorities, enabling leaders to maintain operational efficiency while navigating constant change.

The three imperatives outlined in this paper—AI adaptation, critical skills development, and workforce optimization—are not standalone initiatives, but interconnected levers that reinforce one another. Together, they offer a practical roadmap for building a more agile, resilient, and high-performing workforce.

In a landscape where labor costs are rising, job roles are transforming, more than 40% of workers' skills are expected to change within the decade⁶, the need for action is immediate. Organizations that act decisively—aligning technology, talent, and structure—will be best positioned to lead through disruption and capture sustainable, long-term growth.

How KPMG can help

To address these challenges, KPMG's People & Change team can work with organizations to build a future-ready workforce through Workforce Optimization and HR Transformation:



We develop a comprehensive HR strategy that aligns with the organization's long-term goals and objectives, incorporating elements such as aligning governance, job architecture, and change management to facilitate sustainable transformation within the organization.



We identify and prepare for future critical skills needs by conducting skill gap analysis to determine the current capabilities of the workforce and identify areas where new skills will be required; Develop talent development strategies that focus on upskilling and reskilling employees to meet future skills demands.



We conduct comprehensive workforce analysis to optimize structure, identify automation opportunities, and recalibrate job roles. This strategically places the right people in the right roles, with clear pathways for mobility and reskilling, aligned to future business demands.

With fresh industry insights and tailor-made strategies, KPMG can support you in transforming challenges into opportunities — driving innovation and resilience in today's fast-changing business and digital era.

6. World Economic Forum, [The Future of Jobs Report 2023](#), April 2023

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