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**"ARTIFICIAL INTELLIGENCE
IS THE NEW ELECTRICITY."**

*Andrew Ng, Co-founder of Google
Brain and Coursera*

PREPARING FOR WORKFORCE CHANGES IN THE AGE OF AI

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Progress in the capabilities of Artificial Intelligence (AI) and excitement over automation for enhanced productivity have stoked widespread fears of labour force disruption. The impact of AI on employment requires strategic intervention sooner rather than later, as it has far-reaching consequences for workers and businesses alike.

It is therefore imperative for clients, corporations, and policymakers to understand and prepare for both the opportunities created by AI-driven automation and its impact on jobs most exposed to these changes. Businesses should proactively assess potential risks and work closely with legal advisors to navigate these shifts effectively.

In Malaysia, the adoption of advanced technology is accelerating across sectors from manufacturing to services, reshaping industries and impacting employment. An article in *The Sun* titled "AI and Automation Reshaping Workforce" shared insights from Julian Tan, Singaporean CEO and founder of



FastCo Asia, who highlighted that around 40.1 percent of jobs in Malaysia are “highly at risk” of disruption by AI. Tan projects that as many as 4.5 million Malaysian workers out of the current 16.15 million-strong workforce could be displaced by 2030.

AI and automation could impact approximately 57 percent of all jobs in Malaysia over the next two decades, with the most vulnerable roles including vehicle drivers, data entry clerks, factory workers, travel agents, dispatchers, and possibly even teachers. AI can now perform non-routine cognitive tasks that, until recently, only humans could manage.

However, it's not all grim. According to a report by the World Economic Forum, while 85 million jobs may be displaced globally by 2025, 97 million new roles could emerge, emphasizing AI-related tasks, data analytics, and software development. This shift will demand significant upskilling and reskilling efforts, and businesses must work with legal advisors to structure and implement these changes.

WHY CONSULT A LAWYER AND HOW TO BE PREPARED FOR WORKFORCE SHIFTS

Legal guidance plays a crucial role in preparing for AI-driven changes to workforce dynamics. As AI transforms employment patterns, businesses will face various regulatory and contractual considerations that could significantly impact their operations and liability. Lawyers can help companies prepare for these shifts by advising on compliance with emerging AI and labour laws, restructuring workforce contracts to reflect changing roles, and implementing policies to safeguard employees' rights during transitions.

One primary concern for employers is managing employment contracts and employee rights in an evolving job market. Legal counsel can guide businesses on drafting flexible employment terms that address potential role reassignments, retraining obligations, and redundancy procedures. By preparing these contracts in advance, companies can avoid costly disputes and ensure smoother transitions as workforce roles shift due to AI integration.

REFERENCES 1

- [World Economic Forum. "The Future of Jobs Report 2020."](#)
- [Malaysia's National Fourth Industrial Revolution \(IR 4.0\) Policy.](#)
- [AI and automation reshaping workforce.](#)
- [Reskilling and Upskilling the Future-ready Workforce for Industry 4.0 and Beyond.](#)
- [Artificial Intelligence: AI-driven Business Process Automation.](#)
- [AI for Legal Professionals.](#)
- [The Impact of Artificial Intelligence on Legal Systems: Challenges and Opportunities.](#)

Additionally, regulatory compliance is crucial as AI continues to advance. While Malaysia currently lacks specific AI regulations, businesses should work with legal advisors to stay ahead of regulatory developments, particularly concerning data privacy, algorithmic accountability, and ethical use of AI in workplace decision-making. Proactive legal counsel can help companies establish frameworks that anticipate regulatory changes, minimizing future risks and ensuring responsible AI deployment.

In Malaysia, initiatives like the National Fourth Industrial Revolution (IR 4.0) Policy aim to harness AI's benefits while mitigating its disruptive effects. However, businesses must be proactive by

investing in workforce development and adapting to evolving business models. Clients should discuss workforce strategy with their lawyers, considering legal frameworks that will support a transition toward a more skilled, AI-competent workforce.

Additionally, the rise of generative AI in performing tasks traditionally reserved for legal professionals—such as contract analysis, legal research, and even preliminary dispute resolution—raises critical considerations for companies relying on legal services. AI may enhance operational efficiency, but businesses will need to work with their lawyers to re-evaluate the role of "human" judgment and adapt service delivery accordingly.



By consulting legal experts, clients can better anticipate and mitigate potential employment disruptions, safeguard their workforce, and establish a foundation for responsible AI use in the workplace. Legal advisors not only provide guidance on regulatory matters but also equip businesses with strategies for ethical and sustainable AI implementation, positioning them to thrive in a rapidly evolving economy.

As AI continues to reshape industries, businesses and workers must collaborate to ensure that automation's benefits do not come at the expense of human employment. By embracing change responsibly, and with the right legal guidance, Malaysia can not only mitigate potential workforce disruptions but position itself as a leader in the global AI economy, evolving alongside the adoption of AI in the workforce.

REFERENCES 2

- [Artificial Intelligence: AI-driven Business Process Automation.](#)
- [AI for Legal Professionals.](#)
- [The Impact of Artificial Intelligence on Legal Systems: Challenges and Opportunities.](#)
- [Top VC Kai-Fu Lee says his prediction that AI will displace 50% of jobs by 2027 is 'uncannily' accurate.](#)
- [In the Age of AI \(full documentary\) | FRONTLINE](#)