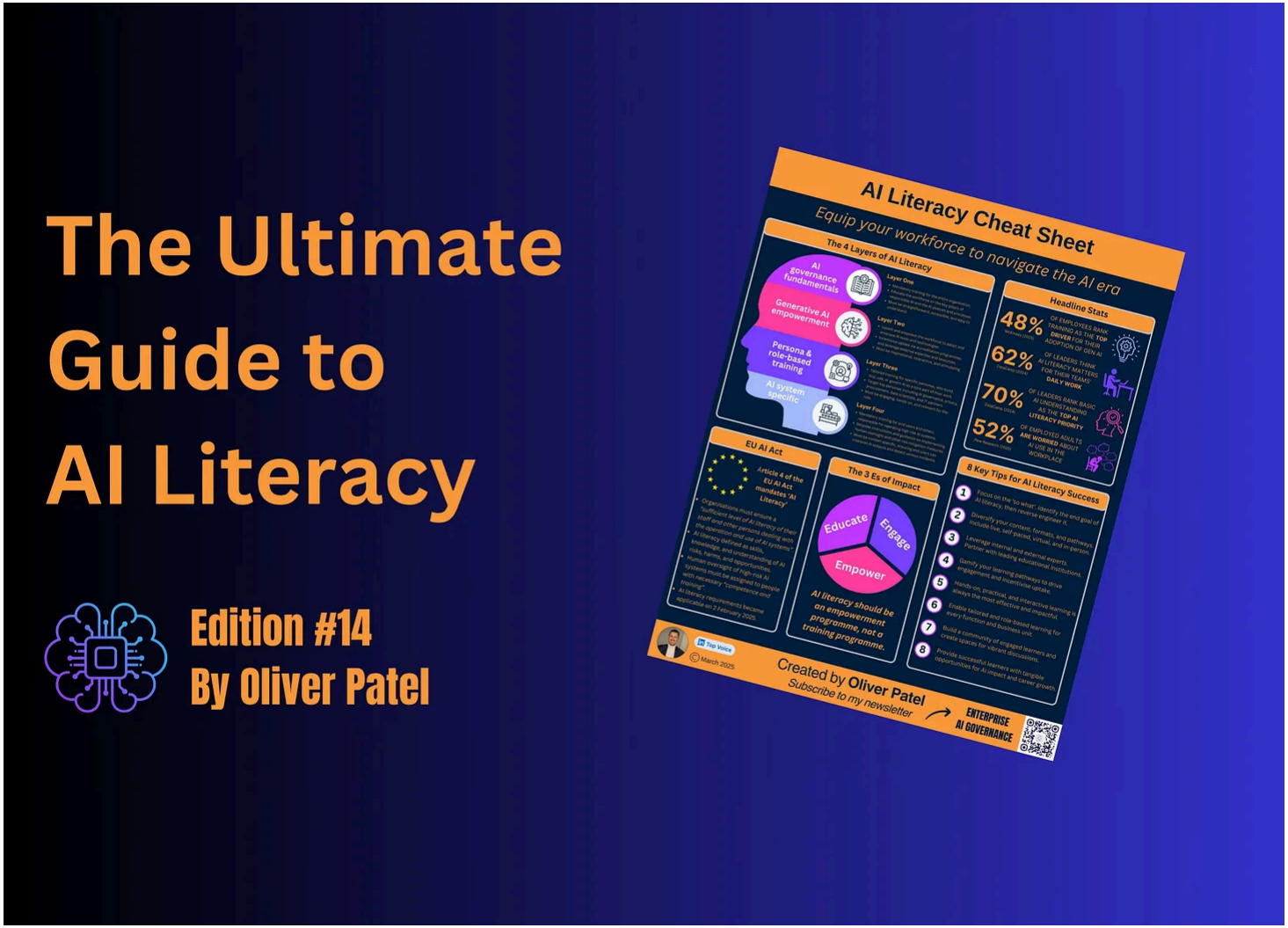

Hey 👋

I'm Oliver Patel, author and creator of ***Enterprise AI Governance***.

This free newsletter delivers practical, actionable, and timely insights for AI governance professionals.

My goal is simple: to empower you to understand, implement, and master AI governance.

If you haven't already, subscribe below and share it with your colleagues and friends. Thank you for your support!

This week's edition is a practical guide to implementing and scaling an impactful AI literacy programme. It covers:

✅ What is AI literacy and why does it matter?
✅ What does the EU AI Act require?
✅ The 4 Layers of AI Literacy (the 'what')
✅ 8 Practical Tips for AI Literacy Success (the 'how')
✅ The 3 Es for Impact: Educate, Engage, Empower (the 'why')
✅ AI Literacy Cheat Sheet - *scroll to the end to download the high-res pdf!*

Please note that this analysis is geared towards larger organisations in the private and public sector, as opposed to educational institutions like schools and universities, which have a unique set of challenges and considerations.

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What is AI literacy and why does it matter?

AI literacy is a crucial part of modern business in 2025.

Any organisation investing in AI technology and implementation will struggle to maximise the value of AI without embedding AI knowledge, skills, and understanding across its workforce.

If people don't know how to use AI, you are not going to achieve ROI. According to McKinsey, 48% of employees rate training as the most important factor driving their adoption of generative AI. However, many feel that they receive inadequate support.

AI literacy means educating and upskilling employees on AI. A comprehensive, dual approach to AI literacy focuses on both AI risks and opportunities. Specifically, AI literacy deepens understanding of how to anticipate and mitigate AI risks, avoid harms, comply with regulations, and use AI in a safe and responsible way. It also advances

understanding of what AI is, what it can and cannot do, how the technology is developing, and how it can be used in a positive, impactful, and transformative way.

AI literacy matters because AI is far more sophisticated and complex than most other tools and technologies we use. AI can mimic, replicate, and even surpass the cognitive, intellectual, and creative abilities of human experts across an infinite number of tasks and topics, from coding to poetry. Across hundreds of thousands of years of human history, this has never before been possible.

Therefore, unlike many other tools and technologies we use each day, safe, responsible, effective, and impactful use of AI is far from obvious or intuitive. It requires insight, understanding, and the curiousity to keep up with the latest developments.

According to DataCamp:

- 62% of leaders believe AI literacy is important for their teams' daily tasks. Bear in mind this covers leaders working across many business functions, not just AI and data.
- 'Basic understanding of AI concepts' and 'AI ethics and responsible AI best practices' are ranked by leaders (70% and 69% respectively) as the two most important AI skills for their teams.

What does the EU AI Act require?

Article 4 of the EU AI Act is simply titled 'AI literacy'. This humble article is undeniably a big part of why this has become such a hot topic.

AI literacy is now mandatory. It was one of the first EU AI Act provisions to become applicable, alongside prohibited AI practices, on 2 February 2025.

Here is the full text of Article 4:

Providers and deployers of AI systems shall take measures to ensure, to their best extent, a sufficient level of AI literacy of their staff and other persons dealing with the operation and use of AI systems on their behalf, taking into account their technical knowledge, experience, education and training and the context the AI systems are to be used in, and considering the persons or groups of persons on whom the AI systems are to be used.

AI literacy is also defined in Article 3(56) of the EU AI Act:

'AI literacy' means skills, knowledge and understanding that allow providers, deployers and affected persons, taking into account their respective rights and obligations in the context of this Regulation, to make an informed deployment of AI systems, as well as to gain awareness about the opportunities and risks of AI and possible harm it can cause.

Here is a simplified breakdown of what this means and what you need to do.

Organisations which develop and use AI must ensure their workforce—especially those who develop, use, and operate high-risk AI systems—have the requisite skills, knowledge, and understanding to enable AI risk mitigation, regulatory compliance, and the protection of people from potential harms and other negative impacts of AI.

Although organisations will not be fined for failure to comply with the AI literacy provision in Article 4 (as it is not explicitly covered in the penalty and enforcement regime), such non-compliance will certainly not help in the event of investigations, enforcement action, or legal proceedings relating to other EU AI Act provisions.

Furthermore, it will be practically impossible to comply with many other aspects of the EU AI Act without implementing robust AI literacy.

For example, Article 14 obliges deployers to: *assign human oversight to natural persons who have the necessary competence, training and authority, as well as the necessary support*.

This effectively mandates tailored, role-based training for those tasked with oversight of high-risk AI systems. Although AI literacy should be interpreted as applying to the whole organisation, this is a key part of it.

The 4 Layers of AI Literacy

The 4 Layers of AI Literacy is a framework which I developed that describes the ‘what’ of AI literacy.

For your AI literacy programme to be robust, compliant, and effective, all 4 of these elements must be part of it.

1. **AI governance fundamentals**
    a. Mandatory training for the entire organisation.
    b. Educate the workforce on the key pillars of responsible AI and the AI policies and processes. The high level Do’s and Don’ts.
    c. Must be straightforward, accessible, and easy for all to understand.
2. **Generative AI empowerment**
    a. Upskill and empower the workforce to adopt and embrace AI tools and technologies, from generative AI to agentic AI.
    b. Incentivise uptake via gamification and leverage external expertise and resources.
    c. Must be inspirational, interactive, and hands-on. Provide safe environments for experimentation and discovery.
3. **Persona and role-based training**

   a. Tailored training for specific personas who build, buy, use, deploy, or govern AI as a core part of their work.
   b. Target key personas including AI governance, privacy, procurement, data scientists, and IT business partners.
   c. Must be engaging, practical, and relevant for the role, as well as likely scenarios which will arise.

4. **AI system specific**
   a. Mandatory training for end users and others responsible for operating high-risk AI systems.
   b. Bespoke instructions and guidance on implementing human oversight, transparency, and other risk mitigation measures.
   c. Must be context-specific, ensuring end users can interpret AI outputs and detect serious incidents.
   d. Requires collaboration between providers and deployers.

AI literacy is about much more than generic company-wide training. Although this is important for compliance, it is only the first layer.

For example, without implementing Layer 4, you cannot comply with the AI Act's human oversight requirements.

This AI literacy framework is not intended to cover absolutely everything. It should be complementary to relevant educational initiatives focusing on data literacy, cyber security awareness, ethics training etc.

8 Practical Tips for AI Literacy Success

Now that you know what your AI literacy programme should consist of, here are 8 practical tips that will help you succeed. These tips are the 'how' of AI literacy.

1. **Focus on the 'so what'. Identify the end goal of AI literacy, then reverse engineer it.** There is no point in rolling out AI literacy merely for the sake of it. In the planning phase, carefully consider what you are hoping to achieve and design your programme accordingly. Consider the skills, capabilities, and knowledge you need to embed and the type of organisation you want to become. Critical objectives should include:
    - ensuring all employees have a baseline understanding of responsible and compliant use of AI;
    - driving understanding regarding what AI is, how to use it effectively, which AI tools and technologies are available, and how to identify promising use cases;

- providing employees with high-quality training and development opportunities, to boost morale, engagement, and retention; and
- preparing the workforce for the jobs of the future and fostering the skills required to succeed.

A world-class AI literacy programme will be designed and structured to achieve all of these objectives. But if your resources are constrained, start with the first.

2. **Diversify your content, formats, and pathways. Combine live, self-paced, virtual, and in-person learning.** We have never had access to more high-quality, engaging, and free educational content. Your audience—whose attention you are competing for—has high standards for what keeps them engaged. Therefore, your content needs to be at least as good, if not better than, what can be found externally. The best thing you can do is diversify. Offer a range of different types of content, including live keynotes, panel discussions, workshops, in-person events and conferences, and online modules with videos, infographics, and synthesised materials. Traditional teaching and learning methods are becoming archaic in the era of YouTube, TikTok, DuoLingo, and AI coaching apps; meet your learners where they are.
3. **Leverage internal and external experts. Partner with leading educational institutions.** There are thought leaders and experts all over your organisation. Your job is to find them and give them a voice. Your AI upskilling initiatives represent an ideal opportunity to provide a platform to individuals and teams

leading on impactful and transformative work. Being proactive in convening a broad range of voices is win-win. Your learners will benefit from a richer experience and you will forge strong relationships with key stakeholders across different functions, who will appreciate the opportunity for visibility. You should also mix it up by bringing in external experts, who can offer thought-provoking, challenging, and even divergent views. This could be leading academics and researchers, policymakers and regulators, or industry leaders from other sectors.

4. **Gamify your learning pathways to drive engagement and incentivise uptake.** Gamification, defined as "using game design elements in non-game contexts", is an increasingly popular approach to designing and delivering effective learning experiences, in both educational and professional settings. Gamification covers a broad range of different techniques, including points, badges, and leaderboards (PBL), levels, feedback, challenges, and even missions. Many studies prove that introducing such elements leads to more engaged, motivated, and proactive learners. To keep your learning participants inspired and excited, and to generate momentum across the organisation, offer badges, accreditations, and awards, for a more meaningful and rewarding learning journey.
5. **Hands-on, practical, and interactive learning is always most effective and impactful.** If it's not hands on, it will quickly be forgotten. The biggest flaw with most AI trainings is that participants do nothing with AI. This makes no sense. You need to be creative in incorporating practical and scenario-based activities, which

give people a chance to experiment with AI tools, understand their capabilities and limitations, and tackle realistic problems and challenges. Simply learning how to 'prompt' is not going to cut it in 2025. Get people involved in deeper activities, such as hackathons, AI model red-teaming, reviewing live cases, AI incident response, use case ideation, and product development workshops.

6. **Enable tailored, role-based learning to be provided for every function and business unit.** Different people and teams will require specialisation in different aspects of AI and AI governance, based upon the core focus of their role or work. You should offer advanced pathways which cater to different audiences. You should also provide frameworks, tools, and resources which enable every function to develop bespoke, role-based AI literacy programmes, building on the company-wide curriculum. You won't have the bandwidth to create training for every group, but you can enable and empower this work to be done by others (e.g., local L&D teams).
7. **Build a community of engaged learners and create spaces for vibrant discussions.** Community building is the best way you can elevate AI literacy beyond a training programme. Content on AI is abundant and never-ending. There is no shortage of educational materials for people to study and consume. What is harder to come by is opportunities for meaningful and in-depth discussions, with people from many different geographies, departments, roles, and backgrounds. Given the concurrently high levels of concern, confusion, and

excitement about the impact of AI on the future of work, keeping the discussion going and encouraging this collaboration is key.

8. **Provide successful learners with tangible opportunities for impact and career growth.** There should be ample opportunities for employees to apply what they have learnt, to benefit their career and the wider organisation. Don't just reward and acknowledge with certificates and badges, without providing a meaningful follow up or next step. Connect AI literacy and upskilling achievements with opportunities for promotion, career advancement, and change. For example, empower people with specific roles or leadership positions—such as mentoring and guiding others, chairing forums, championing AI initiatives, and leading on parts of future AI literacy initiatives—which they can perform alongside their day job. Alongside gamification, providing meaningful opportunities for growth and impact is the best way to keep learners engaged.

The 3 Es for Impact: Educate, engage, empower

We've covered the 'what' (The 4 Layers of AI Literacy) and the 'how' (8 Practical Tips for AI Literacy Success). To conclude, we will focus on the 'why'.

AI governance is change management. And AI literacy and upskilling is at the heart of driving that cultural change.

First and foremost, AI literacy is about serving others. Your role is to ensure that colleagues across your organisation feel like they are playing an active part in the AI revolution, rather than it being something passively happening to them, or worse, passing them by.

You can use my *3 Es for Impact* framework to shape and guide your approach, to ensure you fulfil this overall objective of serving others.

Prioritising these 3 Es is vital for delivering the meaningful change and impact you hope to achieve, for your organisation and workforce.

Educate: It is challenging to track and keep up with all of the developments in AI and AI governance, even for professionals working at the cutting-edge. It is even harder to cut through the noise and figure out what trends and developments really matter. Therefore, by synthesising and simplifying the vast amount of AI-related educational content which is out there, rendering it digestible, useful, and actionable for your organisation, and outlining the foundational and conceptual basis required for deeper understanding, you are providing immense value.

Engage: Be creative and use all of the tools and resources at your disposal to cultivate buzz and excitement, motivate learning, facilitate community building and, ultimately, engage learners with a diverse range of practical and interactive offerings, delivered by a diverse cast of educators. As an AI governance leader, you cannot bury your head in

the sand. Being an impactful, visible, and engaged thought leader in your organisation is non negotiable.

Empower: AI literacy should be an empowerment programme, not a training programme. There is a palpable sense of concern, and even fear, about the impact of AI on the future of careers and work. People are uncertain regarding which jobs will be automated or outsourced, what skills they should develop, and what to prioritise. According to Pew Research, 52% of employed adults are worried about the future impact of AI in the workforce. By providing a safe and inspiring space for people across the organisation to come together and discuss, debate, and collaborate, you are empowering people to shape and take control of their future. This action drives empowerment.

AI Literacy Cheat Sheet

AI Literacy Cheat Sheet
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