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The Case for AI Literacy in Consulting and Change Management

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Abstract

Change and management consultants increasingly need AI literacy because technology is moving at incredible speed. This means that consultants should equip themselves with the knowledge to help clients embrace AI, not just in terms of technicalities but also ethical consideration and creating solutions. For consultants to succeed, they have to deal with setbacks such as worker opposition and set ways ('We always do it this way'). Emphasizing the importance of understanding how AI works makes it possible for one to survive amidst tough completion adopted artificial intelligence (AI) based businesses; you cannot afford not mastering it at this point if your goal is not to become outdated due to inappropriate change initiative.

Introduction

Based on a few findings and studies of the major consultancy houses we know that Artificial Intelligence (AI) is changing the way companies work, decide and bring value.

- Accenture (Reuters, 2024 1): $900 million in GenAI revenue, ($100 million the previous year) GEN-AI services related
- Cognizant (Reuters, 2024 2): Cognizant lifts annual revenue forecast on strong AI demand
- (McKinsey & Company, 2024) 2024 survey: 71% of organizations reported using GenAI in at least one business function

For consultants and managers, this brings with it both opportunities and threats. Despite 67% of firms growing generative AI budgets (Deloitte, 2024), less than 30% of businesses have operationalised their AI programs. This gap points at the role for professionals who are AI literate, not just technically but from a strategy and ethics standpoint.

The paper claims that AI literacy is now essential for consultants and change managers. It is not something optional, but a prerequisite to facilitate the real organisational changes and remain professionally relevant.

Notes on Methodology

This study uses a secondary research, conceptual-based approach. With reference to a range of industry surveys, practitioner perspectives and academic literature, it considers the significance of AI literacy in consulting and change. The points of argument are interpretive, as opposed to data-gathering arguments.

Literature Review

The Rise of AI Literacy

AI literacy includes the competencies companies require to comprehend, evaluate and apply AI solutions in daily business contexts (Long and Magerko, 2020). It runs the gamut from technical knowledge to ethical awareness, data governance, and teamwork (Allen and Kendeou, 2024). Typically, consultants would be engaged to assist clients in adopting new technologies, such as enterprise-resource planning (ERP) or cloud computing. But AI presents different challenges because of its dynamic learning models, its opaque algorithms and its regulatory implications. Unlike other tech, AI is ever adapting and evolving and requires always staying abreast and learning (MIT Sloan, 2024).

AI is also becoming more embedded in organisational decision making, resulting in its transition from a supporting function to strategic imperative (Mandava, 2026). Consultants who are not AI-literate put themselves at risk of misunderstanding the heart of the client's challenges or providing antiquated advice. Accordingly, an interdisciplinary approach to AI - interweaving data science, ethics, and business alignment - is now a necessity.

Identifying the Gap: AI as a Distinct Challenge

While a lot of consultants have exposure to digital transformation, AI adds a layer of complexity. The latest research reveals that these developments, even if happening at an accelerated rate, have not necessarily been reflected at the same pace in the way professional services firms themselves are changing the way they deliver their services. Indeed, many of the contemporary training modalities still lag in realizing that AI should not be approached as if it were an immutable, typical IT upgrade, but as a transformation of the way of work, business culture, and value generation (Deloitte, 2024; Thomas, 2024). This leaves a large skills and strategy hole. From the standpoint of consultants there is an urgent need for structured guidance that links AI implementation to organisational change strategies to ensure transformations are not just technological but also cultural and operational (Gino, 2024; Petrovska et al., 2024).

Leveraging these research gaps and challenges, we identify in the following the emerging evidence and real-world practices that influence the adoption of AI in consulting.

Evidence and Emerging Practice

Research also shows that while GenAI adoption is on the rise, organizations have difficulty progressing beyond pilot stages. The numbers speak for themselves. According to Deloitte's report for Q3 2024, 70% of respondents said that less than 1/3 of genAI experiments are moved into production. This reflects the challenges of broadening AI projects, for the most part around challenges related to data readiness, governance, and risk aversion.

An early 2024 McKinsey survey found that 65% of companies were using GenAI regularly, nearly double the share of the previous year. Yet almost half (47%) reported one or more adverse GenAI impacts; (inaccuracy, cybersecurity, and explainability) were reported most frequently.

Role of Consultants and Change Managers?

It is a paradigm under which consultants guide clients to comprehend practical applications of AI by fitting the concepts into actual business models. These now extend to include AI integration roadmaps, AI initiatives that align with leadership goals and responsible AI use policies. Change management, however, must work to ensure the sustainability of AI adoption. This involves mobilising middle management, dealing with resistance, and weaving AI literacy into organizational learning.

Change Management Review (2023) cited that it can take two to four years to fully integrate AI into the culture of an organisation. Therefore, consultants and change leaders need to move beyond unlimited instruction. They need to adapt AI literacy to business outcomes, in particular in long term transformations (Petrovska et al., 2024).

AI Literacy for Consultants
Given AI is disrupting industries incredibly quickly today, it's hard to imagine how it may apply for consultants when it comes to learning (Papastephanou, 2024). Organisations that seek to improve decision-making through the introduction of AI need to step outside of the usual way of acting, as it is possible that such goals are "advanced by consultants and change managers of such processes" (Grisold, Klammer, & Kragulj, 2020).

Defining AI Literacy

AI literacy includes:

- Knowing how AI tools function and how they influence workflow.
- Making AI available for non-technical users in their daily decision-making.
- Ethical issues and risks associated with AI implementation.
- Building the connection between AI and business goals through cross-functional teamwork.

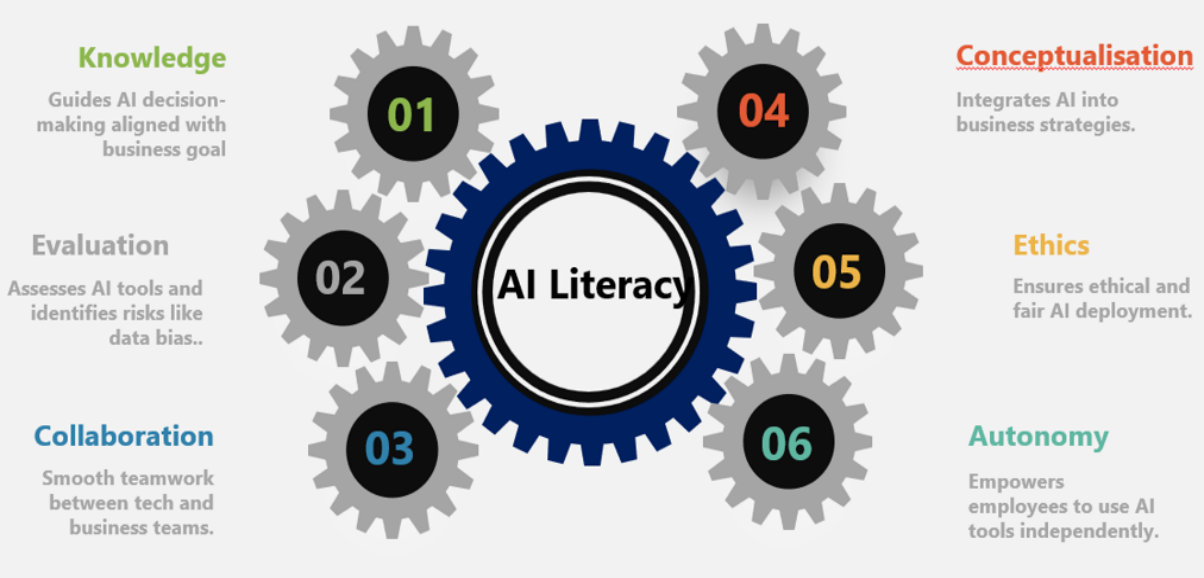
Allen and Kendeou (2024) suggest a model of AI literacy characterized by four vital elements:

- System Comprehension – The ability to describe what AI does, how it does it and how it is not like software.
- Interpretation of Implications – Understanding the social, ethical and professional implications of AI decisions.
- Human-AI Collaboration – The ability to collaborate with AI tools effectively, and the understanding of responsibilities.
- Critical Engagement – Asking how AI is being implemented; by whom; and to what end?

This is particularly pertinent to consultants who need to lead organisations through digital transformation while being conscious of opportunities and threats of AI systems.

Concepts such as the attention to AI systems, the critical thinking behind their implications, and the promotion of cooperation among others are core components for AI literacy in an interdisciplinary manner that the ED-AI Lit (education) can account for, systematically.

Table 1: Steps from ED-AI Literacy (Allen, K. L. x Kendeou, P.-2024)



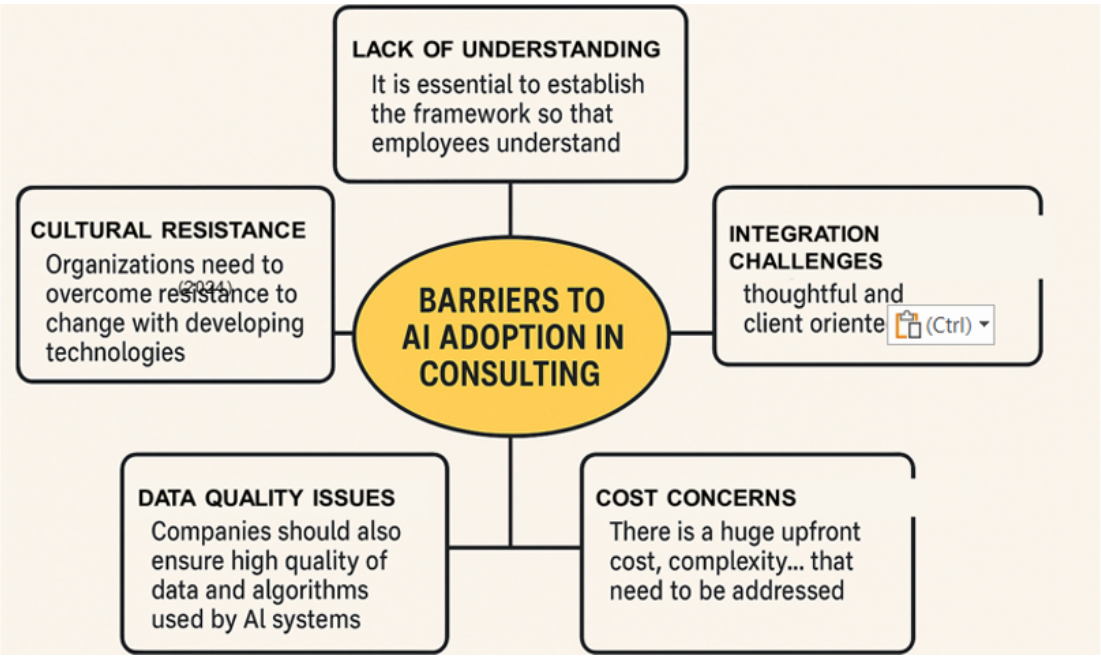
Unlearning and Resistance

An important issue is unlearning - getting rid of out-of-date knowledge or practices (Grisold, Klammer and Kragulj, 2020). Many consultants are stuck on old frameworks that don't really cater to AI's fluid and probabilistic nature. Behavioral unlearning requires leaving behind familiar tools, while cognitive unlearning requires shifting mental models (Klammer, 2021). Sentimental attachment to past success can also impede transition (Zaidi, 2023).

Poor or non-structured training means the non-structured training is dated, not inclusive and does not support the pace in which people learn (The vision is for FeraShee Ninja to offer accelerated learning experience for individuals to expand on their AI skills and fill in the sector's existing challenges). Coursera and edX are popular online platforms that provide generic content but not role-specific depth or feedback (Thomas, 2024). Others such as IBM's AI Skills Academy or MIT's Digital Leadership program have more appropriate frameworks, but they are not broadly available and not customized enough for consultants.

A fascinating rational explanation of the resistance can be derived from the findings of Lari and Ks, 2025 to apply the factor of resistance where it can be formulated as shown in Table 2.

Table 2: Barriers to AI Adoption in Consulting (Lari and Ks, 2025)



Consulting suffers the same barriers to AI adoption as anything else: lack of understanding, culture clash, costs, lack of quality data, the hurdle of implementation - for each there is a solution, but some of the friction may be eased by a bit of well-prepared thinking and planning.

Table 3 provides consultants with what they must know to begin using AI tools to decent effect so they can work on their assignments more quickly and reach better decisions (or answer customers promptly in real time). These are things that any consultant should have just to stay marketable and viable when AI starts taking hold and routinely doing the daily chores. The skills below can represent the 'AI Literacy Basic Model'. Drawing on academic and practitioner literature about digital transformation, skills, and readiness (see Appendix A), the skills framework synthesises this existing understanding.

Table 3: Skills We Use Now; What We Need to Unlearn; Upskills; and New Skills

Category	Market Analysis and Research	Client Relationship Management	Strategy Development	Project Management	Risk Assessment	Financial Planning and Budgeting	Competitive Analysis
Current Skills Required	Collecting and analyzing data	Communication and relationship	Solving problems and planning	Organizing tasks and time	Identifying and managing risks	Budgeting and financial checks	Tracking competitors
Unlearning Skills	Relying on outdated methods	Relying on old CRM systems	Using only fixed methods	Manually tracking tasks	Only using past data	Manual calculations	Outdated tracking methods
Upskills	Using data to make quick decisions	Understanding client data better	Adjusting strategies with new data	Using digital tools for tracking	Real-time tracking of risks	Using advanced budgeting tools	Following competitors digitally
New Skills	Interpreting insights from AI tools	Personalized client interaction with AI	Creating strategies with AI insights	AI-supported project scheduling	Predicting risks using AI	AI-enhanced financial predictions	Analyzing competitors with AI

Overlooking AI Literacy and Clients' Expectations

The responsible use of AI tools is underpinned by ethics. Its consultants need to not just back innovation but also make sure that strategies being implemented for clients are fair, transparent, and secure. This involves creating governance policies, working with bias, and involving stakeholders in a meaningful way.

Non-AI-literate specialists are in danger of becoming obsolete (Samokhvalov, K. 2024). Clients are demanding more than an understanding of the technical implications of AI from their consultants with a need for consulting on the strategic implications as well - this means using AI in an ethical manner and being able to assess risks, as well as construct governance structures. (Sharma, R., & D'Souza, M.-2024). This means consultants need to be more than "do-ers" – they also need to be the voice of ethics and change in the room.

Conclusion and Recommendations

Critical Reflections on AI Literacy

Even as AI literacy becomes more and more of a necessity in consulting, not all consultants will necessarily need a super technical understanding of how AI works. In some positions, AI fluency - understanding when and how to work with the experts - might be more helpful than knowing the nitty-gritty. Overstating AI expertise may ghetto-ise some excellent human and strategic thinking that is essential in the advisory business.

These days, a part of consultants' roles as AI navigators are assisting companies to position AI tools in the context of their models. They integrate technology into leadership plans and establish responsible use guidelines. Change managers drive adoption through managing resistance and integrating AI literacy into learning workstreams. With a growing role of AI in business transformation, AI literacy for consultants and change is critical.

This paper also points to the transformation from perceiving AI as a mere tool towards viewing it as a key ingredient of strategic value generation. Professionals who are literate in AI will be more equipped to drive change, control risk, and match business objectives with technological potential.

In order to stay competitive, consultants need to:

- Prioritize ongoing AI upskilling in the context of business.
- Build cross-functional skills in ethics, data and management.
- Make it easier to unlearn old models.
- Support equality for all training for clients and teams.

AI literacy is not an optional add-on - it is a strategic imperative.

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