

A Quantitative Comparison of the Effects of Artificial Intelligence Literacy Multi-Dimensions on Employability

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ABSTRACT

Artificial Intelligence(AI) is being incorporated into industries which is causing a shift on how the labor market operates and the need to understand AI for an occupation. Yet the unique contributions of each different dimension of AI literacy were not clear. This work quantitatively compares the way different parts of a person's AI literacy impact their employability, which was measured with three things: if they think their job will be stable, chances they will move up in their career, and how easy it would be for them to learn new tech stuff. It studies the four components of AI literacy by carrying out a cross-sectional survey with 450 people in an economy front-runner country: AI Foundations, AI Tech, AI Using, AI Ethics & Society. Using multiple regression analysis it is clear that all dimensions influence a person on his or her employability. Although AI use holds the most impact on perceived career progression and the market seems inclined toward practicalities. It's rather surprising how important AI Ethics and Society makes people feel about their job security, which means having context matters as much as just doing things correctly. Skills related to AI are mainly used for adapting to new technologies. These show the necessity for well-rounded and integrated AI education that contains technical, practical, and ethical elements, so as to produce both able and accountable workforces. Disaggregate AI literacy to give teachers, employers, and policymakers who prepare individuals for an AI future with more detail.

KEYWORDS

Artificial intelligence literacy; Employability; AI skills; Workforce development; Job security; Career advancement; Technological adaptability; AI ethics

1 Introduction

Artificial Intelligence (AI) is rapidly being integrated into nearly all aspects of the world's economy. This is beginning a massive change in workplaces like never seen before since the big industrial revolutions of the past. AI powered systems, like Machine Learning based predictive analytics for finance or Natural Language Processing for Customer Service or Computer Vision for Manufacturing, have gone beyond just high tech specializations now. They're now integral in each core function, be it healthcare, or logistics, creative arts, public administration.

The pervasive technological shift has brought a huge and urgent demand for a labor force that can understand it, interact with it, and make strategic use of AI technology. So, there is a "AI literacy" that has gone from being at the fringes into a core part of having modern professional competence. It is a kind of brand-new, high-level digital fluency that goes way past just being able to use a computer and involves having a much deeper and more critical understanding of AI's inner workings, all the amazing things it can do, all the limits that exist, and how it affects society in complicated ways.

As companies of all sizes and industries start to embrace AI to boost performance, stimulate innovation, cut costs, and secure a decisive edge competitively, individuals' ability to show off their high level of AI literacy is becoming more and more a non-negotiable element of being employable and long-term job-stable.

This paper does not want to just acknowledge the existence of the idea of "AI literacy" as generally significant, but instead wants to use a proper, numerical research to figure out AI literacy's exact pieces. Main research objective, break down the broad idea of "AI literacy" into important, measurable things and figure out the exact difference each bit makes in things that matter for finding a job and moving up in your career, like how safe people think they are in their job and the ways they can change what they do in a world where everything keeps changing. In order to meticulously compare and quantify those effects, this study tries to supply solid empirical evidence so as to help the planning of educational curricula, company training efforts, and national workforce policies aimed at preparing the global workforce for the AI future.

2 Literature review

There is much in both the academic and broader public discourse about the future of work that speaks to the

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disruptive and transformative potential of AI, oscillating between dystopian scenarios of massive technological displacement and utopian visions of seamless human-machine partnerships. Early literature, heavily influenced by the first wave of automation technologies, focused primarily on the substitution effect, suggesting that jobs involving routine, predictable, and repetitive cognitive and manual tasks were most likely to be replaced. However, as the technology has matured, more recent work has adopted a nuanced and optimistic view, focusing on skill augmentation and job re-definition rather than outright job replacement ^[1]. This contemporary outlook posits that AI will primarily reconfigure the essence of most job roles rather than eliminate them, creating a significant labor market premium for individuals with the skills to collaborate with, manage, and innovate using intelligent systems.

In this constantly shifting landscape, the concept of AI literacy has become much more pronounced. It is now commonly characterized as the comprehensive set of competencies required to effectively evaluate, utilize, responsibly engage with, and communicate about AI technologies. While different scholars have offered various conceptual frameworks for AI literacy, they largely agree that it is a diverse and multidimensional skill set. These frameworks typically comprise an understanding of fundamental concepts (e.g., machine learning, neural networks, data); practical technical skills (e.g., data analysis, programming languages like Python, model validation); the ability to use and apply AI tools in specific domains; and a sophisticated awareness of ethical principles and broad societal implications.

Despite the existence of these valuable conceptual models, a review of empirical research reveals a significant gap regarding the relative importance and market value of these individual competencies. Most existing studies are qualitative, theoretical, or based on case studies, and the few quantitative analyses tend to treat AI literacy as a monolithic, undifferentiated concept. This failure to distinguish the unique contributions of its constituent parts results in a lack of granular evidence, making it difficult for educators, curriculum designers, and policymakers to prioritize investments and efforts in developing effective AI training programs. This study directly addresses this critical gap by empirically testing a multifaceted model of AI literacy to precisely identify which components most significantly enhance employability in roles requiring AI expertise ^[2].

3 Methodology

The study was done with the quantitative, cross-sectional survey method; it obtained a lot of data from many different sorts of professionals, which allowed it to analyze how different elements were related at one point in time. The main aim was to generate and examine a statistical model of the connections between the independent variables- four of the specified dimensions of AI literacy – and the dependent variable-a multifaceted concept of employability.

The target population for this study consisted of full-time employees in knowledge-based industries within a major metropolitan area recognized for its robust and innovative technology sector ^[3]. To have a good representative and relevant samples a purposeful sampling approach was taken. Using this approach I wanted to make sure we had enough representation from industries that will be heavily impacted by AI and are thus more likely to have an understanding of it, such as technology, finance, healthcare, marketing, and consulting. This gave us a final sample size of 450 after the validation process.

Data were collected via a structured online questionnaire, which was developed following a comprehensive review and synthesis of validated AI literacy frameworks and established employability scales from organizational psychology. The survey instrument was created after a review and synthesis of all known, validated AI literacy frameworks and established employability scales from the field of organizational psychology.

The questioner was split into 3 different parts logically. The first section got necessary demographic information like age, gender, industry, exact job role and years of professional experience so we could do control and moderate analysis ^[4]. The second, the longest, part was made for discovering self-perceived knowledge about AI using four predefined groups: I found concepts, AI tech skills, AI app and use, AI tech eth and soc impact. Each dimension was measured through a battery of five-point Likert scale questions, with individuals rating their proficiency as novice to expert. The third section measured employability with three well-established subscales: Job security, career advancement opportunities, adaptability to change, all measured using a 5-point Likert scale.

Prior to the main study, a pilot test with 50 professionals was conducted to ensure the reliability and validity of the measurement scales. Next, Cronbach's alpha was done for every construct showing all of them above at 0.80 which is good for internal consistency. Then the collected data was analyzed by IBM SPSS Statistics. Analysis included descriptive stats to describe the sample, but most importantly 4 different MLR models. These models were created to assess the overall effect of AI literacy on an artificial construct employing score as well as the particular and delicate contribution of the AI literacy dimensions on each of the three parts of the employing score ^[5].

4 Results

Data analysis revealed significant and nuanced relationships between the dimensions of AI literacy and employability outcomes. Descriptive statistics gave an overall sense of the samples' average proficiency levels, showing moderate scores on all, with the highest on 'AI Application and Use'. The following multiple regression analyses then quantitatively measured the predictive power of each AI literacy dimension on the different aspects of employability. The detailed results for each model are presented in the following tables.

Table 1 shows the findings of the first regression model, which estimated composite employability using the four AI literacy factors. The overall model is statistically significant, $F(4, 445)=58.24$, $p<.001$, so the model does explain more variance than a model with zero predictors. the four dimensions of AI literacy collectively explained a considerable amount of the variances of overall employability with an R^2 of .344: This means that 34.4% of all the variability in employees' overall sense of employability is due to differences in their AI literacy. Within this model, the largest and most notable single predictor was AI Applications and Uses ($\beta = .35$, $p < .001$), indicating that the practical ability to leverage existing AI tools is the most impactful skill for general employability in the current market.

Table 1 Regression analysis for composite employability score.

Variable	B	Std. Error	β (Beta)	t
(Constant)	1.25	0.18		6.94***
AI Foundational Concepts	0.15	0.05	0.14	3.00**
AI Technical Skills	0.18	0.06	0.16	3.00**
AI Application and Use	0.38	0.06	0.35	6.36***
AI Ethics & Societal Implications	0.22	0.05	0.21	4.40***

*Note: $R^2 = 0.344$; * $p < .01$, ** $p < .001$

Table 2 presents the regression results for perceived job security. This model was significant as well ($F(4, 445)=35.11$, $p < .001$), explaining 24% of the variance ($R^2 = 0.240$). Interestingly, and contrary to common assumptions, the strongest predictor was not a technical dimension but rather an understanding of AI Ethics and Societal Implications ($\beta = 0.28$, $p < 0.001$). This suggests that employees who grasp the broader societal context, potential risks, and ethical landscape of AI technologies feel more secure in their roles long-term, perhaps reflecting a greater perceived ability to navigate complex implementation challenges.

Table 2 Regression analysis for perceived job security.

Variable	B	Std. Error	β (Beta)	t
(Constant)	1.55	0.22		7.05***
AI Foundational Concepts	0.12	0.06	0.11	2.00*
AI Technical Skills	0.10	0.07	0.09	1.43
AI Application and Use	0.25	0.07	0.23	3.57***
AI Ethics & Societal Implications	0.31	0.06	0.28	5.17***

*Note: $R^2 = 0.240$; * $p < .05$, ** $p < .001$

Table 3 shows the regression results for career advancement opportunities. The model was highly significant ($F(4, 445) = 65.98$, $p < 0.001$) and explained the most variance among the three sub-construct models ($R^2 = 0.372$). In line with the composite model findings, AI Application and Use was by far the strongest predictor ($\beta = 0.41$, $p < 0.001$). This strongly indicates that both employees and employers perceive the ability to apply AI in tangible, value-creating ways—such as optimizing processes, generating novel insights, or developing new solutions—as the primary driver for promotions, increased responsibility, and leadership roles.

Table 3 Regression analysis for career advancement opportunities.

Variable	B	Std. Error	β (Beta)	t
(Constant)	0.98	0.19		5.16***
AI Foundational Concepts	0.14	0.05	0.13	2.80**
AI Technical Skills	0.20	0.06	0.18	3.33**
AI Application and Use	0.46	0.06	0.41	7.67***
AI Ethics & Societal Implications	0.15	0.05	0.14	3.00**

*Note: $R^2 = 0.372$; * $p < .01$, ** $p < .001$

Finally, the model for adaptability to technological change is examined in Table 4. The model was significant ($F(4, 445) = 42.81$, $p < 0.001$, $R^2 = 0.278$). In this context, the greatest influence was exerted by AI Technical Skills ($\beta = 0.30$, $p < 0.001$), followed closely by AI Foundational Concepts ($\beta = 0.25$, $p < 0.001$). This finding aligns with the theoretical expectation that a solid grounding in technical and theoretical fundamentals provides the mental models and practical capabilities necessary for professionals to confidently learn and master new AI-driven tools and workflows as they emerge.

Table 4 Regression analysis for adaptability to technological change.

Variable	B	Std. Error	β (Beta)	t
(Constant)	1.22	0.20		6.10***
AI Foundational Concepts	0.28	0.06	0.25	4.67***
AI Technical Skills	0.32	0.07	0.30	4.57***
AI Application and Use	0.19	0.07	0.18	2.71**
AI Ethics & Societal Implications	0.13	0.06	0.12	2.17*

*Note: $R^2 = 0.278$; * $p < .05$, ** $p < .01$, *** $p < .001$

5 Discussion

The numeric data from these results produce a multifaceted impression of AI literacy's effects on job outcomes, clearly showing that there is no single most critical aspect of this vital skill set.

Firstly, the overarching and most dominant finding is that practical, "in-the-job" literacy is the biggest and fastest lever for overall employability, but especially career progress. As the AI Application and Use dimension continues to hold strong predictive ability across multiple models, it signals a market where those who can deliver and show results do particularly well. Employers and organizations, motivated by a desire for quick efficiency and innovation, place the greatest importance on those who can immediately apply their AI knowledge to generate practical solutions, measurable improvements in processes, and actual strategic advantage. This has enormous and instantaneous significance for both academics and corporates when it comes to training; there is an urgent need to move away from solely theoretical or abstract forms of instruction, opting instead for a more applied sort of pedagogy such as project-based learning, deep-dive case studies, hackathons, and actually using real-world AI tools and platforms. The curriculum of the future needs to be deliberately designed to bridge the permanent gap between "knowing about" AI versus "knowing how to do" with AI.

Secondly, that an understanding of AI Ethics and Societal Implications is the most significant predictor for perceived job security is interesting, persuasive, and surprising. It fundamentally upends the conventional wisdom that deep technical skill is the most secure guard against technological displacement. This could signify that individuals who can appreciate the finesse of ethical boundaries, the potential for algorithmic prejudice, data privacy worries, and the wider societal outcomes of AI have an advantage over others when managing the great intricacies and dangers that come with AI implementation. They might seem like more answerable, forward-thinking, and strategic assets who can mitigate both legal and reputational risks, and guarantee that artificial intelligence is utilized sustainably, openly, and in a user-friendly manner. This "contextual intelligence" seems to create a potent feeling of psychological safety and indispensability because one's role is thought to be more than just technical; rather, it's viewed as being about strategic governance, which means it can't be easily replaced by machines without morals.

Moreover, the special and supplementary roles that AI Technical Skills and Foundational Concepts play in forecasting adaptability also highlight them as essential enablers for sustained long-term career resilience. They're not the most direct drivers behind an immediate promotion compared to applied skills, but they form the rock-solid foundation that can support the rapid acquisition of new skills. In a world where technology constantly changes at an accelerated pace, the ability to continue learning, unlearning, and adapting is invaluable. Having a deep knowledge of the fundamentals of machine learning, for example, would allow a professional to immediately understand how a new algorithm or software works, while having great technical skills in data processing or programming can help them use it. This points toward a savvy, two-tiered strategy of workforce advancement: extensive, obligatory education on the application and ethical considerations of AI for all workers, and thorough, much more focused, and continual teaching of foundational and technical skills to those who actually work on the creation, improvement, and upkeep of artificial intelligence systems.

6 Conclusion

This study aimed at making a quantitative separation and comparison as to how different dimensions of AI literacy impact a professional with a view to move away from the generic assertions and give way to the detailed and concrete evidence to make it actionable.

Firstly, the studies show very well that AI skills, which is also very clear, is really not a single thing. It's a bunch of different skills that combine together. They all have a big deal different impact on a person's career in the modern economy. And the empirical evidence shows beyond a shadow of a doubt that having the ability to apply and use AI tools in a real world situation has by far the highest influence when it comes to getting career advancement opportunities and having a higher chance for employment. But it does draw attention to how very valuable – maybe even systematically downplayed – a richer appreciation for ethics and society that feeds into this important feeling of work security is. At the same time, technical, foundational knowledge is what provides the crucial, non-negotiable building block that underpins long-term adaptability, and I might argue this is the most important metaskill in an environment of constant change.

Secondly, this study contributes significantly and timely to the area of education, organization improvement, and the labor economics field with the help of the given data by giving a detailed, granulated analysis of what the true worth of AI literacy in today's job market is. All kinds of people, including teachers, company bosses, policy makers, and professionals should know: If we want to train a really smart person who can understand artificial intelligence well, they need a complete education plan that brings together and balances ideas from different places. Curricula and corporate training programs have to develop quickly past a cramped and outdated attention on technical skills to form up an all-encompassing ability that mixes the straightforward applying, complex ethical thinking, and permanent starting-up information skillfully. Taking this multi-faceted approach, we can best help people not only endure the shocks of the AI epoch, but to be vibrant parts of it, so that the unprecedented technological leaps forward are experienced as sustainable, inclusive, and meaningful professional gains by everyone.

Finally, the shortcoming in this cross-sectional study allows for more follow up study using longitudinal approaches that would map out people's career path as they develop. Through experiments and other causal investigations of specific training activities, how this kind of intricate web changes in different cultural, industry, and economic contexts would be good to do.

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