

Navigating AI Ethics in Enterprise Operations: A Case Study of IFS Software Company in Colombo, Sri Lanka

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Abstract

As artificial intelligence (AI) becomes increasingly embedded in enterprise operations, organisations face not only opportunities for innovation but also a growing range of ethical challenges. This study explores how core ethical principles, privacy, security, transparency, fairness, and bias affect day-to-day operational activities at IFS Software Company in Colombo. While AI adoption promises enhanced efficiency and decision-making, the absence of clear ethical guidelines in many Sri Lankan firms raises concerns around accountability and trust. The study addresses this gap by investigating how AI ethics influence enterprise-level practices in a local context. A quantitative research approach was employed, using a structured questionnaire distributed to 132 operational-level employees. Convenience sampling was used to target individuals most directly involved in AI-supported processes. Data were analysed using SPSS software, applying descriptive statistics, correlation, and regression analysis to test five key hypotheses. Findings revealed strong awareness of privacy and transparency among employees, both of which showed statistically significant positive relationships with operational effectiveness. However, ethical dimensions such as security and bias received relatively less emphasis. The study also noted a general inconsistency in ethical understanding across operational roles, highlighting the lack of structured ethics training and standardised guidelines. The research emphasises the need for a comprehensive AI ethics framework within the organisation. Recommendations include the implementation of formal data protection policies, regular algorithmic fairness audits, and mandatory training programs for operational staff. By embedding ethical considerations into daily workflows, IFS Software Company can not only strengthen internal governance but also align its technological practices with broader societal values. This study contributes to the limited literature on AI ethics in Sri Lankan enterprise settings.

Keywords: AI ethics, bias, enterprise, fairness, operational activities