

Impact of the Consequences of Artificial Intelligence in Employability in Sri Lankan IT Sector

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Abstract

The rapid integration of Artificial Intelligence (AI) into the Sri Lankan IT sector presents both opportunities and challenges for employability. While AI enables innovation and efficiency, it also raises concerns about potential job displacement and changing skill requirements. The research aims to examine the influence of AI on employability in terms of job displacement, job creation, and evolving workforce skill requirements. A quantitative, deductive approach was adopted, using a convenience sampling method was applied to 384 IT professionals. Data were collected through structured questionnaires and analyzed using SPSS with descriptive statistics, correlation, and regression analysis. Results indicate a statistically significant positive relationship between AI and employability. AI adoption contributes to job creation in specialized fields such as AI development, data science, and ethics, while also displacing roles involving routine and repetitive tasks. Changing workforce skill requirements particularly in digital literacy, adaptability, and AI-related competencies show the strongest correlation with employability outcomes. The study concludes that Sri Lanka's IT workforce must proactively engage in reskilling and upskilling to remain competitive, and that coordinated action between industry, academia, and policymakers is essential to align skills development with evolving market demands. This research contributes to the literature by offering localized, data-driven evidence on AI's dual impact, supporting the development of targeted educational and workforce strategies in emerging economies.

Keywords: artificial intelligence, employability, job creation, job displacement, workforce skill requirements