

## Artificial Intelligence and algorithmic management

### *Why the European Union needs coherent legal frameworks and strong social dialogue to remain competitive*

Artificial Intelligence (AI) is transforming the world of work, offering new opportunities to enhance productivity, improve recruitment processes, and support inclusive labour markets. Regulatory development must keep pace with innovation, but it must do so in a way that supports growth rather than constrains it. While targeted regulation is essential to ensure the responsible use of AI, excessive or duplicative legislation risks undermining Europe's competitiveness and its position as a global technological and industrial leader.

The World Employment Confederation (WEC)-Europe, the voice of the private employment services sector, believes that **no further legislation is needed on AI in employment**. Instead, the focus should be on applying existing legal frameworks consistently and effectively, and promoting a positive and enabling environment for social dialogue. Such a **coherent and streamlined approach** towards regulating AI at the workplace would reinforce Europe's competitiveness and global leadership in technological advancement, in line with the ambitions of the *European Competitiveness Compass*<sup>1</sup> and the recommendations of the *Draghi report*<sup>2</sup>.

Therefore, WEC-Europe calls upon the European institutions to:

- **Adopt a non-legislative approach on AI at work**, such as Council recommendations or Commission Guidelines. This method can promote policy alignment, facilitate implementation of existing frameworks, and encourage innovation across member states within the digital sphere, while allowing flexibility to EU enterprises and strengthening workers' rights.
- **Apply existing legal frameworks consistently and effectively**, thus strengthening legal certainty for employers and workers alike, while avoiding overlapping obligations.
- **Promote and support strong social dialogue**. The 2020 Autonomous Framework Agreement on Digitalisation and its implementation highlight the importance of AI related issues for social partners and the fact that they are well placed to make the best of the related labour market opportunities and challenges. Capacity building and best practice sharing among social partners will be key to ensuring inclusive and effective AI integration in the workplace.

As we detail below, the existing regulatory framework provides the required foundation for the responsible use of AI in employment and the HR services industry has already embedded human-centric and trustworthy AI in its practices, notably through skilling and social dialogue.

<sup>1</sup> The European Competitiveness highlights the need to simplify EU rules, boost competitiveness, and unlock additional investment capacity (especially through the European Omnibus Packages). This in turn creates a more favourable business environment to help EU companies grow, innovate, and create quality jobs.

<sup>2</sup> [Draghi's Report](#) states that while the GDPR and AI Act have commendable goals, their complexity and potential overlaps risk hindering EU AI development. Simplified rules, harmonised enforcement, and the removal of regulatory redundancies are needed to prevent administrative burdens, legal uncertainty, and delays in compliance.

## 1. *The current EU regulatory landscape offers a solid foundation for workers' rights*

A growing body of research<sup>3</sup> confirms that the existing EU regulatory framework already offers a comprehensive and effective foundation for the responsible use of AI in employment. European and national legislation - covering anti-discrimination, working conditions, and data protection - alongside recent court rulings<sup>4</sup>, ensures a high level of transparency, worker consultation, and protection of fundamental rights.

The proposed Directive on AI at Work, introduced in the draft legislative own-initiative report (INL) on digitalisation, artificial intelligence, and algorithmic management in the workplace (17 June 2025), largely duplicates obligations that are already enshrined in EU law. For instance:

- **Articles 3 and 4** are addressed by Directive 2019/1152 on Transparent and Predictable Working Conditions and the Information and Consultation Framework;
- **Articles 5 and 6** fall under the scope of the General Data Protection Regulation (GDPR);
- **Article 7** is covered by the Occupational Safety and Health (OSH) Framework Directive.

Rather than enhancing protection, this proposed Directive risks creating **legal fragmentation and uncertainty** across Member States. It would impose **significant administrative and compliance burdens** on employers, particularly on corporates operating across borders, thereby weakening Europe's competitive edge in employment and innovation.

Minimising regulatory and bureaucratic overhead is essential to sustaining economic growth—growth that directly contributes to the creation of quality employment opportunities.

For these reasons, WEC-Europe calls for the complete removal of the INL's Annex and urges policymakers to refrain from introducing additional legislation in the field of AI and employment.

## 2. *Human-centric and trustworthy AI is already embedded in corporate practices*

According to the AI Act, human-centric and trustworthy AI is paramount to promote innovation while safeguarding fundamental rights<sup>5</sup>. The private employment services sector already operationalised this vision in 2023 with its [Code of Ethical Principles in the Use of Artificial Intelligence](#).

<sup>3</sup> As suggested by [Study exploring the context, challenges, opportunities, and trends in algorithmic management in the workplace - Publications Office of the EU](#).

<sup>4</sup> Recent rulings from the Court of Appeals in the Netherlands (2023), the Data Protection Authority in Italy (2021) and CJEU Case C-634/21 SCHUFA Holding (Scoring) (2023) underscore that the GDPR offers employees with legal protection against breaches of workers' rights, including the right to information on algorithmic decision-making processes, including dismissal (article 15(1) sub h GDPR); the right to transparency in task allocation based on algorithmic management; prohibition of excessive data collection leading to algorithmic monitoring (article 5 GDPR); the expansive interpretation of article 22(1) GDPR to include probability values in the employment context under the scope of an automated decision

<sup>5</sup> Preamble 1 to [Regulation \(EU\) 2024/1689](#) (AI Act)

Being mandatory for all WEC members to abide by, the Code imposes strict standards on 43 national federations and 13 corporates worldwide, ensuring fairness, non-discrimination, privacy and a human-centric approach in all AI applications related to recruitment and employment.

The Code is also reinforced by the [WEC AI Toolkit](#), which provides practical guidance to ensure ethical and transparent deployment of AI tools in accordance with the AI Act.

The HR services industry does not wait for regulation to act responsibly. It leads by example, embedding human values into AI systems to build trust, foster inclusion, and ensure that technological progress aligns with societal goals.

### ***3. The private employment services sector is equipped to upskill and reskill the European workforce for the digital transition***

In the context of an intensifying global competition for talent and a shrinking working-age population in the EU, Europe's competitiveness increasingly depends on equipping people with future-oriented skills. Skills are not only an economic driver, but also a foundation for social and territorial cohesion.

EU initiatives such as the AI Continent Action Plan<sup>6</sup>, the Union of Skills<sup>7</sup> and the proposed Quality Jobs Roadmap<sup>8</sup> rightly aim to strengthen inclusive and adaptable education, training, and skills systems in the digital transition. Yet, while these initiatives are only now being rolled out, **WEC-Europe and its members have been advocating and delivering on this agenda for many years**, translating vision into concrete best practices across Europe:

- **Randstad Digital Academy** equips workers with the knowledge and skills to thrive in an AI-driven environment, with a strong focus on AI compliance and digital capabilities<sup>9</sup>.
- **Experis Academy**, in partnership with Microsoft since 2017, identifies market skills gaps and delivers tailored training programmes that prepare new professionals to enter the tech industry, fuelling organisations with skilled talent<sup>10</sup>.
- **PRODIGY - Promoting Digital and Green Skills for Youth** aims to improve the digital and green skills of 240 young NEETs (Not in Employment, Education, or Training) in Italy, Greece, and Bulgaria, promoting their job placement and active participation in social life.<sup>11</sup>
- **Gi group Training Hub** supports companies, students, jobseekers, and workers alike through innovative learning methodologies and tailored career pathways, enabling them to adapt to ongoing transformations in the world of work.<sup>12</sup>

The private employment services sector is not only aligned with EU policy priorities, it is already ahead of them. With continuous innovation in training and career management, the industry demonstrates that Europe's workforce can be upskilled, reskilled, and encouraged to embrace lifelong learning without additional regulatory or administrative burden.

<sup>6</sup> [The AI Continent Action Plan](#)

<sup>7</sup> [Union of Skills](#)

<sup>8</sup> [Quality Jobs Roadmap](#)

<sup>9</sup> [Randstad Digital Academy](#)

<sup>10</sup> ManpowerGroup, [Experis Academy](#)

<sup>11</sup> The Adecco Group, [PRODIGY](#)

<sup>12</sup> Gi Group Holding, [Gi Group Training Hub](#)

#### 4. *Social dialogue is the key tool for deploying AI tools in the workplace*

Social dialogue, when conducted at the appropriate level and grounded in mutual trust and recognition, is a **critical enabler of the digital transformation of the labour market**, including the responsible introduction of AI technologies in the workplace. It also plays a vital role in **dispelling myths and alleviating concerns** surrounding AI, helping to build trust among workers and employers and supports the **practical enforcement of the existing legal framework**, ensuring that AI deployment respects workers' rights and aligns with EU values.

WEC-Europe and UNI-Europa, the recognised EU sectoral social partners for temporary agency work, have maintained a robust and constructive **EU Sectoral Social Dialogue** for over two decades, consistently addressing evolving labour market trends, including the impact of digitalisation and the use of online talent platforms and digital tools<sup>13</sup>.

Rather than introducing new legally binding instruments at EU level, investing in capacity building for social partners and promoting best practice sharing would add far greater value to the debate on AI at work. This approach empowers both employers and workers to navigate technological change collaboratively and responsibly, ensuring that innovation enhances, rather than disrupts, the European labour market.

#### *About the World Employment Confederation-Europe*

The World Employment Confederation-Europe serves as the voice of the HR services industry at the European level, representing both national federations and workforce solutions companies worldwide. Our diverse membership encompasses a broad spectrum of HR services, including agency work, direct recruitment, career management, Recruitment Process Outsourcing (RPO), and Managed Service Provider (MSP) solutions.

Our mission revolves around securing recognition for the pivotal role played by the HR services industry in fostering well-functioning labour markets and advocating on behalf of our members to enable appropriate regulation. By fostering an environment conducive to sustainable growth of the HR services sector, our ultimate goal is to deliver better labour market outcomes for all.

By bridging the supply and demand gaps in labour markets, creating pathways to employment, enabling agile organisations, balancing flexibility with protection and deploying digital solutions responsibly, the HR services industry plays a central role in addressing labour market challenges and delivering people-centric solutions.

<sup>13</sup> WEC-Europe and UNI-Europa joint project, "[Online talent platforms, labour market intermediaries and the changing world of work](#)" (2018)