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Making sense of globalised AI in the context of the workplace

Abstract

From the perspective of Albania, a country currently outside the EU but which is taking steps to join it, this article reviews the current legislative framework introduced within the EU on artificial intelligence, workplace applications of which are transforming the dynamics of employee-employer relations. It seeks to develop understanding within Albania of how employment legislation can adapt to the new challenges in the sense of ensuring a fair, inclusive and ethical working environment which serves the preservation of the rights and dignity of workers. In reviewing the details of the framework, both technically and in the context of international jurisprudence, and how this applies in the workplace, the article points to the need for inclusivity and social dialogue with the dignity of workers remaining non-negotiable. It concludes with a series of recommendations that are intended to achieve a balanced approach to AI in the context of workplace relations and which recognises the new perspectives it offers but which does not ignore the real concerns that exist about what happens to equality, transparency and job security.

Keywords*: employee relations, digitalisation, artificial intelligence, just transition, equal treatment, transparency, job security*

Introduction

In the last decade, artificial intelligence (AI) has developed rapidly, becoming a key factor that is profoundly changing the way human activity, society and the global economy function as a whole. In some respects, AI may appear as an ally in complex organisational processes, while in others it may be perceived as constituting a potential risk that threatens the jobs and livelihoods of workers. The transformation that this technology brings is no longer simply of a technical nature but one that directly affects the social and legal frameworks that regulate labour relations. It is now widely accepted that continuous advances in this field have transformed the way professional activities are organised and managed in the 21st century, where AI has become an integral part of human resources (HR) processes such as staff selection, performance evaluation and the supervision of workers at work. Essentially, this changes not only the structures of organisations but also the dynamics of the relationships between employees and employers at an individual level but also, collectively speaking, the employment relationship itself with all its legal and social implications.

Statistically, referring to data in a report compiled for UNI Europa and the Friedrich-Ebert-Stiftung Competence Centre on the Future of Work, a significant

share of companies in the European Union, around 42 %, are already negotiating on themes related to the use of AI (Brunnerová 2023: 9). Despite these technologies bringing obvious benefits in terms of productivity and in the reduction of operating costs, they raise at the same time serious concerns about the protection of employees' fundamental rights, mainly in respect of privacy, the prevention of discrimination and preservation and the non-infringement of human dignity in the workplace, or even in avoiding the loss of the job itself. This refers, in part, to the use of algorithms that help in the selection of candidates or the measurement of efficiency at work, but also refers to the elimination of jobs (suppression) due to 'restructuring by AI'.

In order to address these challenges, the European Commission has passed the Artificial Intelligence Act,[1] which emphasises the importance of transparency, accountability and the presence of human control in systems that pose high risk, in particular those that affect decision-making related to employment relationships. The aim of this legal instrument is to create a sustainable balance between technological innovation and the protection of human interests (i.e. in this specific case, workers). The European Union's Digital Strategy for 2020 also highlights the need for an 'open, fair, inclusive and people-centric internet' on the basis that 'people are entitled to technology that they can trust' (European Commission 2020) and which also respects the principles and rights set out in the EU Charter of Fundamental Rights. This also goes for the development of artificial intelligence and of digital technology in general.

In this context, it is essential to understand how current employment legislation can adapt to the new challenges posed by the use of AI in order to propose measures that ensure a fair, inclusive and ethical (Eurofound 2023) working environment which is in the service of the preservation of the rights and dignity of workers. The aim is to deliver legal regulation which, on the one hand, balances the development of technology and, on the other, ensures that employment relations are not undermined.

The contemporary framework in the European Union in relation to artificial intelligence

The AI Act

The European Union's Regulation (EU) 2024/1689 in the attempt to recognise current developments in AI and to regulate the sphere in the interests of people. The Regulation is considered essential in creating a common and standardised framework for the use of artificial intelligence in the European legal space. At its core, there is an approach built on classification according to the level of risk, categorising AI systems into four distinct groups, as follows:

1 Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence (AI Act). *Official Journal of the European Union* accessed 11 November 2025 at: https://eur-lex.europa.eu/eli/reg/2024/1689/oj/eng.

1. minimal risk: systems that do not pose any significant risk to the rights of citizens (workers/employees) and are permitted without special restrictions
2. limited risk: transparency is required, such as notification of the use of artificial intelligence in communications (automatic communications) (such as chatbots)
3. high risk: technologies that can profoundly affect the lives and rights of individuals, such as those used in recruitment, education or public safety – for these applications, strict obligations are foreseen such as compliance control, human oversight, technical documentation and incident reporting and accountability
4. unacceptable risk: uses that violate fundamental principles and are categorically prohibited – such as emotional assessment in the workplace, systems which deploy 'subliminal techniques beyond a person's consciousness or purposefully manipulative or deceptive techniques' (which refers to the use of technology to influence a person's behaviour or decision-making without their awareness) or 'social scoring' (an AI system that rates or ranks people based on their behaviour, social actions or personal data to determine whether or not they are trustworthy or desirable).

In the context of the employment relationship, while not without debate concerning some of its provisions, the Regulation brings new guarantees and a fresh approach, specifically as regards:

- prohibiting the use of AI for emotional assessment at work (unacceptable risk)
- requiring direct human intervention in any decision-making that affects the professional status of an employee – including hiring, promotions or dismissals
- establishing clear responsibilities for developers and users of AI systems (legal liability arising from the misuse of AI through obligations on technical security, auditing and cooperation with independent supervisory authorities).

As a legal instrument, the Regulation is not only technical-legal in its language but it also conveys an ethical philosophy that aims to guarantee respect for human dignity and rights by adapting to new technological realities such as those encompassing evolving AI applications. In its legal idea and concept, it thus frames and establishes the foundations of a legal philosophy combining ethics with law, thereby protecting human interests without hindering the continued development of the technology.

Directive on employment relationships on digital platforms

Conditioned by the significant increase in work through platforms structured around deployments of AI, especially in sectors such as distribution, transportation and freelance services, the European Union has undertaken a legal initiative that addresses the challenges of employment mediated by algorithms or other means of artificial intelligence. This directive – the Platform Work Directive (PWD) – is designed to establish clearer legal boundaries and increased protection adapted to the situation of workers in such forms of employment. The Directive includes several essential elements, the most important of which are:

- review of employee status: under the Directive's presumption of employment, platform workers who were previously treated as self-employed may now bene-

fit from the right to reclassification, gaining access to insurance, paid leave and legal protection from the unfair termination of employment
- increased algorithmic transparency: AI platforms are required to explain the functioning of their algorithms, how tasks are allocated, how performance is measured and how decisions that affect employees' income or status are made
- a conditioning of automated decision-making by human control: decisions originating within AI applications must be supervised, explicable and contestable and always with the prior consent of workers themselves.

Since many of the technologies used by digital platforms fall into the category of high-risk systems, and are therefore regulated in parallel by both legal instruments, the PWD naturally complements the AI Act and comes as a legal guarantee which forms a tool in the hands of workers.

Opinion of the European Economic and Social Committee (EESC)

The EESC, as an advisory body with an important consultative role in the formulation of EU policies, has stressed the importance of an approach that places people at the centre of the digital environment. In its recent opinions, the Committee has outlined several basic principles for a fair regulation of AI, such as:
- sustainable and ethical development, in which technology should serve people and not become a means of control or exclusion, i.e. technology at the service of the individual
- awareness of the risk of algorithmic bias, highlighting the need to avoid the reproduction of unconscious discrimination in historical, confidential data, etc.
- the sphere should be influenced by the organised participation of workers, through the involvement of trade unions and representative groups in the drafting and implementation of regulations affecting the workplace
- the establishment/creation of independent complaint and oversight mechanisms, guaranteeing that workers can appeal against automated decisions that negatively affect them.

According to the EESC, the digital transformation must be inclusive and built on the principle of social dialogue and that AI systems must serve to enhance, not replace, workers (EESC 2025).

Practical implications of AI in employer-employee relations

The gradual incorporation and inclusion of AI in the labour law armour has opened a new front in relations between employees and employers. Alongside the positive effects such as improved efficiency or reduced operational costs, serious issues arise regarding the rights of individual employees in the workplace – including the right to confidentiality, equal treatment and the guarantee of fair and just relationships in the workplace.

Automation, the changing structure of occupations and the employee-employer relationship

Analysed at macro level, it is evident that technological developments are fundamentally transforming the landscape of the labour market. Automation, supported by AI systems, has replaced traditional roles, especially in sectors with a high intensity of repetitive processes such as manufacturing, logistics and essential services. This structural shift has brought about the need for adapted legal responses to ensure sustainable protection for workers at risk as well as to safeguard the principles of the employee-employer relationship itself.

In this context, the European Pillar of Social Rights emphasises, in its very first principle, the right to good education and training throughout professional life. Furthermore, any lack of measures for retraining or retraining may constitute a deviation from the standards set out in articles 14 and 15 of the EU Charter of Fundamental Rights, guaranteeing the right to work and to access vocational and continuing training.

Referring to international jurisprudence, the European Court of Human Rights (ECtHR) in *Kjeldsen, Busk Madsen and Pedersen v. Denmark*[2] emphasised the need for training that reflects technological progress and social developments – an approach that strongly supports investment in new capacities to meet the challenges of the digital era.

Employee management through algorithmic systems

AI in itself and specifically in the deployment of algorithms to manage key and crucial aspects of employment relationships – such as candidate selection, productivity tracking or disciplinary decision-making – is increasingly becoming a reality. This development, although often justified with reference to efficiency, raises logical and legal questions about respect for fundamental human rights, in particular privacy (confidentiality) and non-discrimination.

Article 22 of the General Data Protection Regulation (GDPR)[3] sets out that individuals have the right not to be subject to decisions based entirely on automated processing that has legal consequences for them or which otherwise affects them. As we have seen above, the AI Act seeks to reinforce this approach, classifying the use of AI for employee management as a 'high risk' or 'unacceptable risk' and requiring a strict approach to technical documentation, transparency, human oversight and regular auditing. Moreover, regarding the question of privacy in the workplace,

2 ECtHR judgment in *Kjeldsen, Busk Madsen and Pedersen v. Denmark*, application nos. 5095/71, 5920/72 & 5926/72, 7 December 1976, accessed 11 November 2025 at: https://hudoc.echr.coe.int/eng?i=001-57509.

3 Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data. *Official Journal of the European Union* accessed 11 November 2025 at: https://eur-lex.europa.eu/eli/reg/2016/679/oj/eng.

the ECtHR in *Barbulescu v. Romania*[4] established an important standard: workers enjoy the right to a reasonable level of privacy in the workplace and any form of monitoring must be lawful, proportionate and foreseeable by law (via specific regulations, etc.). Furthermore, the Court of Justice of the European Union (CJEU), in the *Schrems II* case,[5] prohibited the transfer of personal data to jurisdictions that do not offer an equivalent level of protection – including data processed by AI for work purposes.

Given that the development of AI is taking place on a global basis, as are its applications, other countries have also taken legal steps regarding the interface between the employee-employer relationship and AI. In Canada, the AIDA Bill aims to establish an ethical and verifiable system for the use of AI systems in order to maintain a balance between innovation and human rights. Meanwhile, Australia has prepared a voluntary framework that emphasises transparency, fairness and accountability in the use of AI in the public and private sectors. In contrast, and returning to the discussion above on continuing professional development, in the USA there is no (federal) legal framework that would oblige employers to offer retraining opportunities to employees affected by applications of technology. Nevertheless, some states such as California have launched initiatives towards the provision of educational support and technical training, representing an example of a decentralised response to this global phenomenon.

The impact of artificial intelligence on employment relationships is therefore complex and multifaceted. It requires not only new legal and regulatory mechanisms, but also a reconceptualisation of the role of humans in relation to technology in which the value of human dignity remains non-negotiable.

Contemporary challenges of AI and the need for legal reform

Interaction between AI and fundamental human rights

The reflection and implementation of artificial intelligence in both public and private spheres has confronted legal systems with new situations, issues and challenges, often hypothetically unforeseen in the law. Among these, the most sensitive are the conflicts that arise between the use of advanced technologies and the preservation of fundamental rights. Algorithmic systems, in the way they function, are often invisible to users, making it difficult to understand the basis on which decisions are made that directly affect the lives and wellbeing of individual workers.

The lacunae between real-life situations and the law, arising in response to a lack of transparency, not only undermines the right to full and clear information but also creates a favourable terrain for the emergence of implicit discrimination, especially in employment relationships. The intervention of AI in the selection, assessment and treatment of employees, when not accompanied by strong protective mechanisms,

4 ECtHR judgment in *Barbulescu v Romania*, application no. 61496/08, 5 September 2017, accessed 11 November 2025 at: https://hudoc.echr.coe.int/eng?i=001-177082.

5 CJEU judgment in *Data Protection Commissioner v. Facebook Ireland and Maximillian Schrems* (Case C-311/18) [Schrems II], 16 July 2020, accessed 11 November 2025 at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:62018CJ0311.

potentially contradicts standards of equality and the right to a fair hearing. These concerns have been addressed at judicial level by the European courts. In *Big Brother Watch v. the United Kingdom*,[6] it was clearly emphasised that the use of surveillance technologies, including those which deploy algorithms, must be justified, proportionate and equipped with effective guarantees for the individual. Also, in the *Schrems II* case,[7] the importance of considering the protection of personal data as an essential component of human freedom and dignity in the digital age was underlined.

In parallel with this legal framework, it is evident that vacuums in the legal framework not only increase legal uncertainty for actors using or developing AI systems, but also create space for arbitrary or unmanaged uses that can fundamentally and directly infringe fundamental freedoms.

Towards a standard, appropriate and internationally aligned legal framework

Faced with the accelerated pace of technological innovation, the traditional model of legislation (which often reacts late to changes) seems insufficient, not least alongside its typically parochial locus. In such conditions, there is a need for a new legal approach, adapted to the situation and applicable across all countries. Of course, the law must not only respond to the existing problems but also anticipate and guide future developments in a responsible manner; when the latter is missing or unclear, it is definitely 'time to create a new legal framework'.

As explored above, the European Union has already taken concrete steps in this direction, through efforts to build a stable legal framework that is sensitive to fundamental rights. Its AI Act aims to create a clear system for classifying the risks arising from the use of AI and to impose specific obligations on systems that pose a high or unacceptable risk; but the Commission's 'Digital Omnibus' proposal, due later in November 2025 but about which leaks have suggested an intention to water down important rights and privacy protections set down in the EU Charter of Fundamental Rights,[8] point to a deregulatory intent which is particularly disappointing, coming not least as soon as it does following the passing of the AI Act in the first place.

It is worthwhile re-emphasising in this context that the approach originally adopted in that Act does not aim to curb technological development but to ensure that it does not come at the expense of individual freedom and social rights.

6 ECtHR judgment in *Big Brother Watch and others v. The United Kingdom*, application nos. 58170/13, 62322/14 and 24960/15, 13 September 2018, accessed 11 November 2025 at: https://hudoc.echr.coe.int/eng?i=001-186048.

7 CJEU judgment in *Data Protection Commissioner v. Facebook Ireland and Maximillian Schrems* (Case C 311/18) [Schrems II], 16 July 2020, accessed 11 November 2025 at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:62018CJ0311.

8 See 'Social democrats lay down red lines on revamping EU's digital rulebook', *Euractiv* 12 November 2025, accessed 13 November 2025 at: https://www.euractiv.com/news/social-democrats-lay-down-red-lines-on-revamping-eus-digital-rulebook/.

In addition, the Court of Justice of the EU has also stressed in its case law the importance of judicial review and effective mechanisms to protect citizens against the risks of new technology.

To be as effective as possible, legal reform must be open and inclusive. This means the active engagement of different actors – from civil society organisations and trade unions to experts in technical and academic fields. Only through open interdisciplinary dialogue can rules be built that reflect the complex reality of the digital age and that protect human dignity at all levels, including globally where, ultimately, a response will have to be made which reflects the globalised nature of AI.

Conclusions and recommendations

Artificial intelligence is fundamentally changing the way the labour market operates, opening up new perspectives but also raising real concerns about equality, transparency and job security. It is not enough to assess this transformation only from an economic or technological perspective; analysis and action must start from the principle that technological development should serve people and not vice versa.

This requires an integrated approach in which legislation, public policies and organisational practices work together to set clear standards and to ensure that new technologies do not reinforce existing inequalities but rather mitigate them.

Cooperation between public institutions, the private sector, employee organisations and civil society is a prerequisite for building a sustainable and ethical model for the use of AI.

The European Union has the opportunity to lead this process not only through regulatory instruments but also by setting standards that can serve as a point of reference on a global scale. Only through a vision in which technology and humanity coexist in a balanced way can we build a fairer, safer and more inclusive future of work for all and with AI at the service of people.

Achieving such a balanced approach to AI in the context of legal workplace relations will not be straightforward but can be built around the following series of recommendations:

Building a European legal framework for the use of AI in the workplace

To create a common basis that guides the use of artificial intelligence in the employment sector, it is necessary to draft a code of ethics that applies throughout the European Union. Such a document should not be merely declarative but should provide clear guidelines and specific obligations on how AI technologies should be applied in accordance with human dignity and workers' rights. It should address issues such as respect for privacy, protection from discrimination, ensuring transparency in decision-making processes and the obligation of institutional accountability. Such an initiative would contribute to mitigating legal inconsistencies between EU Member States and would significantly strengthen legal certainty in employer-employee relations.

Increasing the powers of supervisory and inspectorate institutions

The implementation of ethical and legal standards cannot rely solely on the goodwill of private actors. It is therefore essential that the authorities responsible for data protection and rights at work have sufficient resources, expertise and independence to exercise effective control over the use of AI. The role of the European Data Protection Supervisor should be strengthened through reinvigorated auditing and investigatory powers in the processing of employee complaints and the ability to impose sanctions when legislation is breached. Proactive supervision by each country and by the international jurisprudential institutions is essential to prevent abusive uses pf AI and to maintain the balance between innovation and social ethics.

Legal guarantees for the right to explanation and human intervention

Automated decision-making that affects individuals' lives in the workplace must not be unreasonable or disproportionate. Every employee must have the right to understand the rationale behind a decision that has particular consequences for his or her position, benefits or assessment at work. The right to review by an independent human authority, which can correct or revoke unfair decisions, must also be guaranteed. These principles are not only technical but part of a broader right to fair and dignified treatment in employment relationships. The role of trade unions and employee representatives in this process must be strengthened, giving them a real voice in defining acceptable limits for the use of AI by directly providing for such a role both within the international legal framework and in each country individually.

Vocational education/training in response to the technological transformation of the labour market

The emergence of artificial intelligence has brought about structural changes in the way work is organised and what skills are required of the workforce. For this reason, it is essential to invest in vocational education and continuous training that help individuals adapt to new demands. Programmes should be inclusive and accessible, targeting not only current employees but also young people entering the labour market for the first time. Technology should not be perceived as a threat to jobs, but as an opportunity for personal and professional development. This can be achieved as long as – and perhaps only if – there is the political and strategic will to manage its introduction fairly and in a way that openly recognises the need for justice.

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