Public consultation on National Implementation of EU Harmonised Rules on Artificial Intelligence (AI Act)

The context

It is increasingly clear that AI can provide great opportunities to drive outcomes such as improved productivity and innovation which is important to every organisation and the Irish economy as a whole. Used responsibly, it can also help to create better jobs that utilise people's skills more effectively, support their wellbeing and engagement, give people opportunity for meaningful work and support greater inclusion, all of which in turn enable outcomes like productivity, innovation and social inclusion.

But while AI development is moving fast, uptake, rationale and results from deployment across sectors and organisations is patchy. Many businesses are unsure how to proceed or when to jump on to a fast-moving train. Commentators talk of $200bn+ being invested by 2025 by the big four technology companies - MS, Facebook, Amazon, Google. Some recent estimates of the generative AI market are that it may reach $1.3 trillion by 2032 and compound annual growth (CAG) expectations of 40%+.

There is widespread optimism about AI's potential to support growth and other beneficial outcomes at work but as yet this is not matched with knowledge or confidence about best practice. Understanding the risks, opportunities and choices through the process of procurement, development, adoption, adaption and ongoing monitoring is what will drive the best outcomes for firms and people alike (Pissarides et al, 2024). The CIPD's recent exploratory roundtables with AI leaders, HR and business leaders have confirmed this assessment, and highlight the need for practical tools and guidance.

EU Artificial Intelligence (AI) Act 2024 and national strategy

The EU Artificial Intelligence (AI) Act 2024 is the first-ever comprehensive legal framework on AI worldwide. The aim of the new rules is to foster trustworthy AI in Europe and beyond, by ensuring that AI systems respect fundamental rights, safety, and ethical principles and by addressing risks of very powerful and impactful AI models.

The AI Act ensures that Europeans can trust what AI has to offer. While many AI systems pose limited to no risk and can contribute to solving many societal challenges, certain AI systems create risks that we must address to avoid undesirable outcomes.

The proposed rules and risk based approach will impact the people profession, as much of the data set that the profession manages include personal details and may be labelled high-risk. The rules aim to:
- address risks specifically created by AI applications;
- prohibit AI practices that pose unacceptable risks;
- determine a list of high-risk applications;
- set clear requirements for AI systems for high-risk applications;
- define specific obligations deployers and providers of high-risk AI applications;
- require a conformity assessment before a given AI system is put into service or placed on the market;
- put enforcement in place after a given AI system is placed into the market;
- establish a governance structure at European and national level.

Understanding what these mean and their implications in practice will require significant investment in education and informational campaigns.

High-risk

AI systems identified as high-risk include AI technology used in:
- educational or vocational training that may determine the access to education and professional course of someone's life (eg scoring of exams)
- safety components of products (eg AI application in robot-assisted surgery)
- employment, management of workers and access to self-employment (eg CV-sorting software for recruitment procedures)
- migration, asylum (eg automated examination around visas)
- administration of justice and democratic processes (eg the implications for disciplinary procedures which could result in a person could losing their job or having their pay reduced)
- the rules around biometric identification systems will need considerable clarity as many organisations and individuals use such tools on a daily basis.

The definition and monitoring of AI systems to ensure they are correctly classified will be critical to success. Fears have been expressed by members about the effort needed to manage high risk systems in the workplace, conduct test and model evaluations, as well as cybersecurity requirements or whether the mitigation measures required will be too overwhelming and too expensive to allow for usage.

Overall, our consultation with CIPD members has highlighted how critical it will be in the framing of the legislation and guidance to adequately inform practitioners and the public, to:
- make the legislation accessible by keeping it as simple and straightforward as possible
- build in human oversight into critical decisions
- ensure elimination of bias is central to all operating systems. This is particularly relevant to decisions about people, whether it be performance or recruitment – so would require that AI be rigorously trained, is regularly audited to mitigate bias, and that people remain in charge of people decisions
- build in the approach that defines human centricity and includes a focus on good work, employee protections and employee sustainability, not just societal benefits
- recognise the dynamic nature of AI, its early stage of maturity, and allow for this in legislation
- be alert that where solutions to convert high-risk systems to low-risk situations become very arduous, this will serve as a blocker to AI use.

National AI Strategy: AI - Here for Good

The National AI Strategy: AI - Here for Good, was launched in July 2021 and set out the means by which Ireland can be an international leader in the use of AI to benefit our economy and society. The strategy is founded on three core principles: adopting a human-centric approach to the application of AI; staying open and adaptable to new innovations; and ensuring good governance to build trust and confidence for innovation to flourish.

1. The 2023 review, AI- Here for Good Progress Report on the National AI Strategy, called out areas where progress has being made but also indicated that the rapid pace of change and the explosion of generative AI based on large language models was not clearly understood and used in many businesses in Ireland. While funding availability is a positive development, the review made it clear that this is reaching few businesses in Ireland.

2. Initiatives around AI education, skills and talent are called out, but progress seems more at a policy level. To be more responsive, we believe the government has to move from assuming the interventions connected to AI are operating in a static environment and need to move to much more dynamic approaches, like hackathons, to speedily identify and take action. Overall there was little evidence of commitment to systemic change and mass

upskilling to address Ireland's education, skills and talent needs to maximise the benefits of AI.

3. Central to the strategy is adopting a human-centric approach to the application of AI. However, the gap in covering this in the review document shows that this has got little attention to date, and presumably is not well-understood.

Generally references to human-centred AI relate to how AI can benefit society, improve health care outcomes, etc but regularly avoid examining what is happening in workplaces where AI is being implemented, how it links to good work, sustainable employees and what good practice looks like. This needs further attention and research at both a national and international level. Below we address this in further depth, to ensure it is integrated into the governance of AI use.

Getting serious about human-centric adoption of AI

Outstanding in much discourse is how to take a human-centred approach to AI adoption and implementation. The best outcomes will come from holistic approaches bringing understanding of technology together with people, skills, and processes. And from understanding more about the actual use of AI, its workplace impact and outcomes, what is happening to jobs and skills, and what interventions might assist where adoption is lagging. We encourage building a body of knowledge that helps bring this to life, with use cases, guidance frameworks and methodologies that would benefit to policy-makers, researchers and business stakeholders.

Questions to consider include how skills development and policy should evolve, where existing initiatives could be extended or strengthened. Consideration will need to be given to supporting people who may find themselves displaced or otherwise unable to access good jobs, and the responsibilities of employers as well as government in supporting them in reskilling and finding new jobs. These are elements of what we describe as a 'just transition' – analogous to the use of this term for the changes expected in the energy sector as we move away from fossil fuels to the green economy.

There are currently issues of a tight labour market, low engagement with learning, increasing hazards of poor wellbeing and high levels of stress in jobs and the workplace. Addressing these risks will be central to remaining competitive and sustaining labour productivity and economic growth in the face of AI. Equality and access to employment concerns continue despite 25 years of equality legislation.

AI in and of itself won't solve these problems. Indeed, there is a risk that AI could result in some of these issues worsening, such as job displacement and leaving people behind who don't have the capabilities or support to adapt, inclusion, or where technology reduces human decision-making, autonomy and control.

Positive outcomes will be driven by how we understand and apply AI to create better jobs, by understanding impact on skills and how we adapt our organisations and operating models and bring people with us. And by taking holistic approaches to adoption that define the anticipated wider outcomes for all stakeholders.

Our members have commented on the unforeseen impact of current changes driven by technology, expecting this to expand in the near future. Therefore clear protections need to be put in place to ensure the workforce, at national and individual level, is sustained and protected. Various predictions exist as to the impact of AI on jobs, many identifying an expansion in activities to validate and manage AI systems and outputs. However, there is significant risks to people in more traditional roles. Opportunities to upskill at both employer and national levels will be required.

In examining human-centric adoption of AI, we believe the following deserve mention:

1. Skills and capabilities

While the skills agenda has been strong in recent years in Ireland, it has become increasing more difficult to map changing skills supply or demands, joining the dots between skills shifts and technology investment and for education and learning provision to keep up. The early stage of AI maturity also raises issues. Over a million people added the 'prompt engineering' skill to their LinkedIn profile in the last year or so, but will it be needed in 24 months' time after large language systems have further developed? Significant work and investment is required to improve digital literacy across the economy, and work should be carried out and continuously updated on a digital capability framework.

As AI impacts all of our lives, employers will need to be confident that their workforce has an understanding of what AI is, and for example, how to use it safely and responsibly. It has become a truism that while AI may not directly take your job, someone who is using AI effectively might, and it might change the nature, environment and quality of your job in significant but sometimes unseen ways.

Much learning content may already be created, and there is an opportunity to promote use of AI to assemble this and convert it into 'on the go' learning. The capacity to manage knowledge content, its ownership, validation and keep up to date is emerging as a key area of responsibility in organisations.

A wider skills base is required in organisations including transversal, analytical and creative thinking skills as well as pivoting skills that help workers to adapt to new influencing situations and disrupted workplaces. Organisations can support employees by allowing space and time for skills development. Interventions to give individuals the space to adapt and upskill will be needed, and support for those who may out of work for periods of time.

These are important skills agendas that also need to link to policy thinking, and for example, funding mechanisms that can encourage and support individuals and employers to understand and build these skills in a fast-paced environment.

2. Work and job design

AI is predicted to augment rather than replace many jobs. We have a pivotal opportunity to influence and educate around how to create and shape good work. A holistic approach to job design is recommended. This can ensure changes have a broader impact than simply task and skill variety but also contribute to improved health and wellbeing using technology. Consideration has to be given to how roles can be redesigned to achieve vertical job enlargement and empowerment through transferring more responsibility and scope for decision making to operational/technical roles.

Role ambiguity can be a source of stress for employees, where a lack of clarity around the tasks associated with their role exists. We are aware that AI is also driving increased standardisation, especially across sites, which has to be balanced with adequate autonomy and control.

In (re)designing roles, it's important to be cognisant of the management of psychosocial risk, as part of an occupational health and safety management system to consider what steps can be taken instead to eliminate or mitigate any risks to health and wellbeing. Job design is crucial to creating sustainable work. Eurofound defines sustainable work as existing when working and living conditions are such that they "support people in engaging and remaining in work throughout an extended working life." Both working time, and work intensity, are deemed important elements of sustainable work. Accreditations such as ISO 45003 should be encouraged to demonstrate an organisation's commitment to ensuring decent work conditions, health and wellbeing and affirms sustainability aims through indicating a commitment to creating better designed jobs and thus working lives.

3. People management

Digitalisation has a significant impact on the role of managers, as the skills needed to perform effectively in middle management roles are shifting. Skills such as persuasion, stewardship and conceptualisation are of growing importance to develop in managers along with opportunity to become familiar with the key concepts and language relating to AI and new technologies in their organisation.

Relational skills and people management are also areas of growing importance. Ensuring that jobs still encompass opportunities for human interaction in the context of increased digitalisation will continue to be a key issue for organisations.

From a job design perspective, lack of interaction across core teams can create barriers for knowledge sharing and collaboration across the organisation. Employees need to be supported to develop transversal and pivoting skills such as digital skills, digital literacy, and design thinking.

Our research shows many leaders are unclear how to minimise risks of bias, for example in recruitment. Increasing emphasis is on keeping people as the decision-maker, providing rigorous training for AI, auditing AI and then only using AI if it makes sense as not all judgements can be reduced to a formula that AI requires.

4. Improving wellbeing

Employee wellbeing has to be placed at the heart of job design and we must not lose the opportunity that digitalisation presents to optimise performance and make jobs better. Workload, stress and mental health all emerged as growing concerns in the CIPD's HR Practices in Ireland 2024 report and consideration of improving wellbeing and reducing stress and workload have to be central to AI implementation strategies.

Engaging with employees from the outset of new AI and digitalisation processes and resulting job redesign is to be encouraged. It allows suggestions for improvement and feedback on the worst aspects of current job roles from an employee perspective. Improvements in physical wellbeing, greater employee control over scheduling of work hours and greater autonomy over work tasks provide benefits from a wellness perspective.

From a physical wellbeing perspective, automation can help to alleviate the more physically demanding or repetitive elements of roles resulting in a positive health and safety impact.

Conclusion

The CIPD as the professional body for HR and people development strongly believes that we are at a critical time and need to use the EU AI Act as way to lay down ethical and trustworthy approaches to AI use. The people profession should be closely involved in working within and across organisations in addressing these issues and working directly on job design, operating model and organisation development strategies, and understanding the skills implications and how to address them. The CIPD has already been taking a lead in engaging with a number of organisations, developing initial content, and to understand the different capabilities needed, and the communities that can influence and reach the wide range of stakeholders.

We have identified a pressing need for practical guidance and tools which are specific to the workplace in support of ethical and responsible use and implementation of AI from a business perspective. There is a need for responsible pilots to deepen and share learning, and provide bridges from the best and latest multi-disciplinary research into an accessible form, empowering HR professionals and business leaders to apply AI principles in human-centred, context-sensitive ways.

The gaps in relation to adopting a people-centric approach to AI are significant and the protections in the workplace need full consideration in Ireland's legislative approach. We recognise that further research will add value to using the opportunity of technology to benefit job design, employee

welfare, inclusion as well as performance. And investment in education and skills will be paramount for successful AI adoption.