

Algorithmic management in the workplace

Algorithmic management (AM), which the European Commission's Joint Research Centre defines as the use of computer-programmed procedures to coordinate labour input in an organisation, is on the rise. More than 40 % of surveyed EU workers report being subject to AM use. Although the Platform Work Directive (PWD) covers some AM-related aspects, its scope is limited to 'persons performing platform work'. This European added value assessment presents a brief overview of the main outcomes of an EPRS study that investigates the prevalence and impact of AM in the workplace and identifies possible EU action to address gaps in the current regulatory framework. It aims to provide input to the legislative initiative report drafted by the European Parliament's Committee on Employment and Social Affairs (EMPL), titled 'Digitalisation, artificial intelligence and algorithmic management in the workplace – shaping the future of work' (2025/2080(INL)).

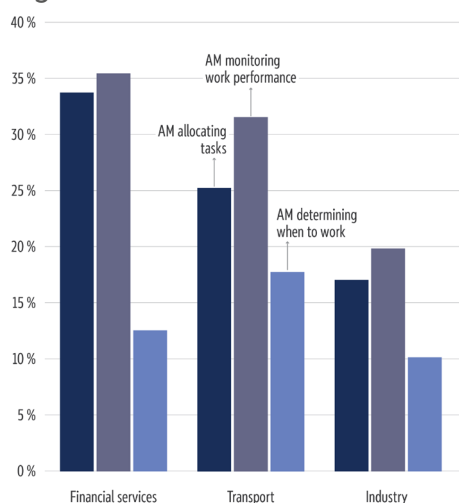
AM use in the workplace increases across the EU

According to EPRS data analysis based on the 2025 [European working conditions survey](#) (EWCS) conducted by Eurofound, around 42.3 % of workers in the EU may be subject to AM, with a great variation across the EU (Figure 1). Drawing on the above survey data, EPRS estimates that the share of workers exposed to AM tools will increase to 55.5 % in the next five years. According to the [Fourth European survey of enterprises on new and emerging risks](#) by the European Agency for Safety and Health at Work (EU-OSHA), only 14.5 % of companies report AM use, indicating a higher prevalence in large companies. Figure 2 shows use levels and functions that AM can perform in the workplace, in a selection of sectors.

Use of AM is linked to increased psychosocial risks

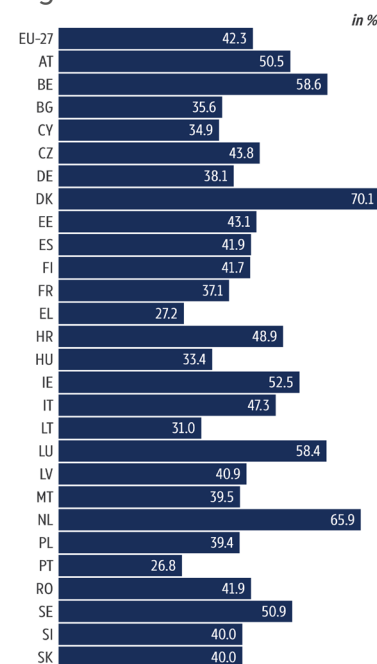
The use of AM brings opportunities such as increased productivity (e.g. through streamlining processes), efficiency (e.g. through automatic scheduling) and enhanced compliance with labour law (e.g. through enforcing working time requirements). However, AM has been associated with challenges to employment relations, working conditions and workers' wellbeing. Continuous monitoring, performance pressure and lack of human oversight could contribute to heightened stress, anxiety and burn-out risk. Data suggest that the presence of AM is also linked to a lower work-life balance, reduced ability to get an hour off if needed, and less rest between workdays. As workers with lower digital skills are disproportionately affected by AM systems, upskilling remains key.

Figure 2 – AM in selected sectors



Source: EPRS based on [Eurofound](#), 2025.

Figure 1 – Prevalence of AM



Source: EPRS analysis of the 2025 [EWCS](#), 2025.



AM only partially addressed at EU level, national approaches emerge

A detailed analysis of key legal instruments – covering digital (General Data Protection Regulation, Artificial Intelligence Act), occupational safety and health, the labour *acquis* and the Platform Work Directive (PWD) – has revealed several regulatory gaps. These relate to limitations in personal and material scope (digital tools), information, consultation and transparency rights, human oversight and right to explanation, ex-ante assessment, data protection, privacy and discrimination. For example, the PWD covers many aspects of AM use but its personal scope is limited to those performing platform work: workers in other sectors or solo workers are not covered.

Member States have put in place different measures addressing certain challenges of AM use at work. For instance, [the Netherlands](#) has created an algorithm register, [Italy](#) obliges employers to declare the use of AM systems in any aspect of the employment relationship, and [Germany](#) envisages extending AM-related protections to solo workers and tightening rules for processing sensitive employee data.

Possible avenues for EU action on AM

The EPRS study explores three policy options that could address the identified gaps:

- adopting a recommendation (policy option 1);
- amending a package of existing legislation including the PWD (policy option 2);
- adopting a new legislative instrument to regulate the use of AM (policy option 3).

Potential impacts of policy option 1 would depend on whether Member States decide to follow up on a recommendation by adopting a binding (companies need to comply) or a non-binding measure (voluntary compliance). Both situations create uneven conditions either at EU level (diverging national measures) or national level (uneven protection for workers).

Policy option 2 could address most of the identified gaps and reduce negative impacts on workers stemming from the use of artificial intelligence. However, it would require amending several pieces of legislation. Changing provisions contained in the PWD would be rather difficult, as the directive was conceived to regulate a specific business model. Such amendments might bring potential unwanted secondary effects, affecting third parties not involved in AM.

Policy option 3 also has the potential to close the identified gaps and limit negative effects. However, while both policy options 2 and 3 would imply compliance costs on companies, policy option 3 could better target the specific use of AM in the workplace (better responding to the gaps) and be more proportional (e.g. simplified assessments for low-risk use cases and small and medium-sized enterprises). Policy option 3 has the highest potential to enhance legal certainty and ensure a level playing field across the EU.

European added value

As the use of AM is expected to increase, not acting at EU level would affect both workers and companies. Workers will likely experience worsening of some negative impacts relating to AM use such as higher stress levels or a loss of autonomy. Some Member States have already taken action to address certain risks relating to the use of AM but their approaches differ. Diverging national rules could contribute to an additional fragmentation of the single market and imply additional compliance costs for companies.

Acting at EU level would therefore bring benefits compared with action at national level. The added value of common action has been identified in ensuring the same level of protection for all workers, improving their working conditions and fundamental rights (such as privacy and mental health) on the one hand, and enhancing the level playing field and increasing legal certainty for companies on the other.