[Adopting AI In Employment Practices](#)

The increased sophistication, availability, and use of AI technologies is having a profound and lasting impact on both the nature of work and employment practices. In Canada, employment law, once governed by high-level and non-binding principles, is undergoing national changes due to the use of AI and related legislative responses.

For instance, Ontario's proposed amendments to its *Employment Standards Act*, 2000 requires employers to disclose their use of AI in their hiring processes. This proposal aims to promote transparency in hiring practices and encourage employers to minimize unintended errors, biases, and discrimination flowing from their use of AI decision-making systems. Employers established in and outside of Canada will need to take into consideration global developments, such as the EU AI Act, and developments in the United States.

Beyond the use of AI in hiring, employers using AI to evaluate employee performance and make disciplinary decisions are likely to be impacted by proposed national privacy laws. Businesses will be subject to significant penalties where they fail to properly collect, use, or disclose personal information processed by AI tools whether they are developed in-house or by a third party.

The use of AI by employees also presents opportunities and challenges. For example, AI can boost productivity by automating time consuming and repetitive administrative tasks. The challenge for employers, however, is to ensure that employees do not disclose confidential or commercially sensitive information to AI, as such data may become publicly disclosed at a later date. Policies governing the use of AI in the workplace will need to be sensitive to these issues and comply with existing employment, privacy, and human rights legislation.

Further legal challenges arise when AI-driven productivity gains alter employers' labour needs. Employees may find their roles completely different or rendered obsolete by AI. The introduction of AI should be weighed against the potential risk and complexity of constructive dismissal claims and terminations.

As the landscape of AI, employment, and labour law continues to evolve, employers are recommended to take proactive steps to best navigate legal challenges, including but not limited to, their disclosure mandates, privacy policies, and workplace dynamics.

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