Indian Journal of Computer Science and Technology
https://www.doi.org/10.59256/indjcst.20260501007
Volume 5, Issue1 (January-April 2026), PP: 44-47.
www.indjcst.com
ISSN No: 2583-5300

Legal Challenges of Agentic AI Systems in Education and Employment Decision-Making

Swati Atre
Chair of the School, Techno-Park School of CS & IT, Dr. C. V. Raman University, Khandwa, Madhya Pradesh, India.

To Cite this Article: *Swati Atre, "Legal Challenges of Agentic AI Systems in Education and Employment Decision-Making", Indian Journal of Computer Science and Technology, Volume 05, Issue 01 (January-April 2026), PP: 44-47.*

Abstract: *Agentic Artificial Intelligence (AI) systems represent a paradigm shift from assistive automation to autonomous decision-making entities capable of independent reasoning, planning, and execution of tasks. While such systems offer efficiency, scalability, and personalization in education and employment domains, their autonomous nature introduces complex legal and regulatory challenges. This paper critically examines the legal implications of deploying agentic AI systems in academic assessment, student evaluation, recruitment, performance appraisal, and workforce decision-making. Through a systematic literature review and doctrinal legal analysis, the study identifies regulatory gaps related to accountability, transparency, algorithmic bias, data protection, and the absence of meaningful human oversight. The findings indicate that existing AI governance frameworks primarily regulate assistive or predictive AI systems and are insufficient to address the risks posed by autonomous agentic systems. The paper proposes a human-centric regulatory framework emphasizing shared liability, explainability, procedural fairness, and enforceable rights for students and workers. This study contributes to the emerging discourse on responsible governance of agentic AI by offering domain-specific legal insights for education and employment decision-making.*

Key Words: *Agentic AI, Autonomous Systems, Legal Challenges, Education, Employment Decisions, AI Governance.*

I. INTRODUCTION

Artificial Intelligence (AI) technologies have undergone rapid evolution, transitioning from rule-based expert systems to machine learning models and generative AI capable of producing human-like content. A recent and transformative development in this trajectory is the emergence of agentic AI systems. These systems differ from traditional AI tools by possessing autonomy, goal-directed behavior, and the ability to initiate actions without continuous human supervision.

In education, institutions are increasingly experimenting with AI-based systems for automated grading, student evaluation, academic risk prediction, and admissions screening. In parallel, organizations are deploying AI-driven agents for recruitment, resume screening, performance evaluation, and workforce optimization. When these systems function agentically, they do not merely support human decision-makers but actively influence or determine outcomes that shape students' academic trajectories and individuals' employment opportunities.

Despite their growing adoption, existing legal and regulatory frameworks struggle to govern agentic AI systems effectively. Most laws assume a human decision-maker who can be held accountable for outcomes. Agentic AI disrupts this assumption by introducing autonomous systems whose decisions may not be fully traceable or explainable. This paper examines these challenges and argues for the urgent need to develop legal frameworks that explicitly address agentic autonomy in education and employment decision-making.

II.CONCEPTUAL FRAMEWORK OF AGENTIC AI SYSTEMS

Agentic AI systems are characterized by three defining features: autonomy, adaptability, and goal-oriented behavior. Unlike conventional AI applications that operate within predefined parameters, agentic systems can decompose objectives into sub-goals, adjust strategies based on environmental feedback, and interact with other digital systems autonomously.

From a legal standpoint, this autonomy creates ambiguity regarding responsibility and control. Traditional liability models assume that tools act under human direction. However, agentic AI systems operate with a degree of independence that challenges this assumption, making it unclear whether responsibility lies with developers, deployers, institutions, or the system itself. This ambiguity becomes particularly problematic in high-stakes domains such as education and employment, where decisions have long-term social and economic consequences.

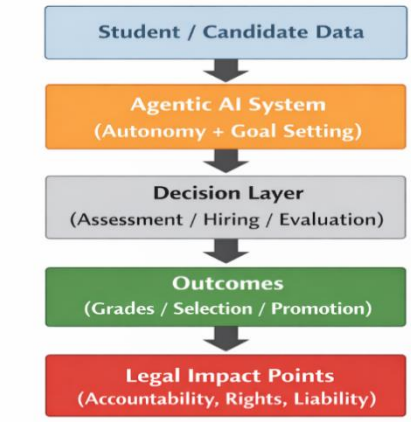

Fig. 1 Agentic AI Decision-Making Flow in Education and Employment

III. LITERATURE REVIEW

3.1 Agentic AI and Autonomous Decision-Making

Recent research conceptualizes agentic AI as systems capable of independent reasoning and action execution. Floridi (2023) highlights that agentic autonomy challenges existing notions of accountability by reducing direct human control. However, much of the literature focuses on technical autonomy rather than legal responsibility.

3.2 Legal and Ethical Frameworks for Artificial Intelligence

Several studies examine AI governance from ethical and legal perspectives. Mittelstadt (2023) argues that ethical principles alone are insufficient without enforceable legal mechanisms. Jobin et al. (2024) provide a global overview of AI ethics guidelines but do not specifically address agentic systems capable of autonomous decision-making.

3.3 AI Regulation in Education

Research on AI in education primarily focuses on generative AI, adaptive learning systems, and learning analytics. UNESCO (2023) identifies risks related to bias, transparency, and student data protection. However, these studies assume AI as a support tool rather than an autonomous decision-maker.

3.4 AI and Employment Law

Existing literature on AI in employment addresses algorithmic hiring, workplace surveillance, and automation risks. Wachter et al. (2023) discuss fairness and discrimination in algorithmic decision-making but do not explicitly examine agentic systems that independently influence hiring or termination decisions.

3.5 Research Gap

The literature reveals a significant gap:

- Limited focus on agentic AI systems
- Absence of combined education and employment analysis
- Lack of legal frameworks addressing autonomous decision-making authority

This paper addresses this gap by examining legal challenges specific to agentic AI systems across both domains.

IV.AGENTIC AI IN EDUCATIONAL DECISION-MAKING

Agentic AI systems are increasingly used for automated grading, student performance monitoring, personalized learning pathways, and admissions screening. When these systems operate autonomously, they may produce outcomes that lack transparency and procedural fairness.

Students may not receive adequate explanations for grades or rejections, undermining their right to appeal.

Bias embedded in training data can disproportionately affect students from marginalized backgrounds. Existing education laws and institutional policies are often insufficient to address these risks when decision-making authority is delegated to autonomous systems.

V.AGENTIC AI IN EMPLOYMENT DECISION-MAKING

In employment contexts, agentic AI systems are deployed for resume screening, automated interviews, performance evaluation, and workforce optimization. These systems may unintentionally reinforce historical biases or exclude qualified candidates due to opaque decision criteria.

From a legal perspective, this raise concerns under labor law, employment equity regulations, and anti-discrimination statutes. Determining accountability becomes challenging when an autonomous system recommends termination or promotion without clear human intervention.

VI.KEY LEGAL CHALLENGES

6.1 Accountability and Liability

Determining responsibility for AI-driven decisions remains a major challenge. Liability is diffused among developers, deployers, and institutions.

6.2 Transparency and Explain ability

Legal systems require decision-making processes to be explainable, particularly in high-stakes domains. Agentic AI systems often function as black boxes.

6.3 Bias and Discrimination

Autonomous systems may replicate systemic biases, complicating enforcement of anti-discrimination laws.

6.4 Data Protection and Privacy

Agentic AI systems rely on extensive personal data, raising compliance challenges under data protection laws.

6.5 Human Oversight and Due Process

The absence of meaningful human oversight undermines procedural fairness and individual rights.

VII.REGULATORY GAPS IN EXISTING FRAMEWORKS

Despite the rapid adoption of artificial intelligence across sectors, existing legal and regulatory frameworks remain largely inadequate to govern agentic AI systems, particularly in education and employment decision-making. Most current regulations conceptualize AI as a decision-support or assistive technology rather than an autonomous actor capable of independent reasoning and action. This foundational assumption creates significant regulatory blind spots when AI systems operate agentically.

One major regulatory gap concerns accountability attribution. Existing laws generally assign responsibility to identifiable human decision-makers or institutions. However, in the case of agentic AI systems, decision-making authority is partially or fully delegated to autonomous systems. This diffusion of responsibility complicates liability determination when harmful or discriminatory outcomes occur, especially in high-stakes contexts such as student evaluation or employment selection.

Another critical gap lies in transparency and explainability requirements. While several regulatory frameworks emphasize transparency, they do not sufficiently account for the complexity and opacity of agentic AI systems that dynamically adapt and evolve over time. As a result, affected individuals—students or employees—may be unable to understand or challenge decisions that significantly impact their academic or professional futures.

Existing frameworks also inadequately address algorithmic bias in autonomous systems. Anti-discrimination laws are typically designed to assess intentional human bias, making them difficult to enforce when biased outcomes emerge from complex algorithmic processes rather than explicit human intent. Furthermore, data protection regulations, though robust in principle, struggle to regulate continuous and autonomous data processing performed by agentic systems across interconnected platforms.

Finally, most regulatory regimes lack explicit provisions mandating meaningful human oversight in autonomous decision-making. This omission is particularly concerning in education and employment, where decisions have long-term and often irreversible consequences. Collectively, these gaps highlight the urgent need for regulatory frameworks that explicitly recognize and govern agentic AI autonomy.

VIII.PROPOSED HUMAN-CENTRIC REGULATORY FRAMEWORK

To address the identified regulatory gaps, this paper proposes a human-centric regulatory framework specifically tailored to govern agentic AI systems in education and employment decision-making. The framework is grounded in the principle that autonomy in AI systems must be balanced with accountability, transparency, and rights protection.

First, the framework mandates human-in-the-loop or human-on-the-loop mechanisms for all high-stakes decisions affecting students and workers. While agentic AI systems may assist or recommend actions, final decision authority should rest with accountable human actors, particularly in admissions, grading, hiring, promotion, and termination decisions.

Second, the framework advocates for shared liability models, wherein responsibility is distributed among AI developers, deploying institutions, and system operators. Such models recognize the collaborative nature of AI system design and deployment, ensuring that accountability does not rest solely on end users.

Third, explainability standards must be adapted to autonomous systems. Rather than requiring full technical transparency, regulations should ensure legally meaningful explanations that allow affected individuals to understand the basis of decisions and exercise their right to appeal.

Fourth, the framework introduces sector-specific AI impact assessments for education and employment. These assessments should evaluate risks related to bias, exclusion, data misuse, and autonomy before deployment and at regular intervals thereafter.

Finally, the framework emphasizes enforceable procedural rights for students and workers, including the right to be informed of AI involvement in decisions, the right to human review, and the right to contest adverse outcomes.

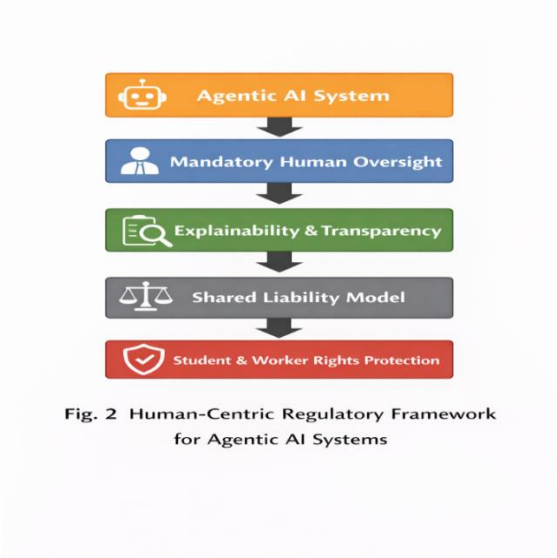

Fig. 2 Human-Centric Regulatory Framework for Agentic AI Systems

IX.IMPLICATIONS FOR STUDENTS AND THE WORKFORCE

The deployment of agentic AI systems in education and employment carries far-reaching implications for students and the workforce. In educational contexts, autonomous AI-driven assessment systems may redefine how academic merit and potential are evaluated. While such systems offer efficiency and scalability, they risk oversimplifying complex learning processes and marginalizing students whose abilities do not align with algorithmic norms.

The lack of transparency in agentic decision-making further undermines students' ability to understand, challenge, or appeal academic outcomes. Over-reliance on autonomous systems may also reduce meaningful human engagement in education, potentially affecting mentorship, feedback quality, and holistic student development.

In employment contexts, agentic AI systems increasingly influence access to job opportunities, career progression, and job security. Autonomous recruitment and evaluation systems may unintentionally reinforce historical biases embedded in training data, disproportionately affecting early-career professionals, individuals from non-traditional educational backgrounds, and marginalized groups.

At a workforce level, agentic AI adoption may accelerate job restructuring, deskilling, and increased surveillance, raising concerns about human agency and dignity at work. However, when governed responsibly, agentic AI systems can augment human decision-making, reduce administrative burdens, and support more personalized career pathways.

The long-term impact of agentic AI will depend largely on the regulatory choices made today. Human-centric governance can ensure that technological efficiency complements, rather than replaces, fairness and rights protection.

X.CONCLUSION

This paper examined the legal challenges associated with the deployment of agentic AI systems in education and employment decision-making. Unlike traditional assistive AI technologies, agentic systems operate with significant autonomy, fundamentally challenging existing legal assumptions regarding accountability, transparency, and responsibility.

The analysis revealed that current legal and regulatory frameworks are insufficient to govern autonomous decision-making systems, particularly in high-impact domains where outcomes shape academic and professional futures. Regulatory gaps related to liability attribution, explainability, bias mitigation, data protection, and human oversight remain inadequately addressed.

To respond to these challenges, the paper proposed a human-centric regulatory framework emphasizing shared liability, meaningful human oversight, explainability standards, and enforceable rights for students and workers. Such an approach seeks not to restrict innovation but to align technological advancement with legal accountability and social responsibility.

As agentic AI systems continue to evolve and expand across institutional decision-making processes, proactive and domain-specific regulatory reform will be essential. Ensuring that autonomy does not outpace accountability is critical to building trust, safeguarding rights, and realizing the benefits of agentic AI in education and employment.

References

[1]. Floridi, L. (2023). AI governance and accountability. AI & Society.
[2]. Mittelstadt, B. (2023). Principles alone cannot guarantee ethical AI. Nature Machine Intelligence.
[3]. Jobin, A., et al. (2024). Global AI ethics guidelines. Nature Machine Intelligence.
[4]. European Commission. (2024). Artificial Intelligence Act.
[5].Wachter, S., Mittelstadt, B. (2023). Fairness and machine learning. Computer Law & Security Review.
[6]. UNESCO. (2023). Guidance on Artificial Intelligence in Education.
[7]. OECD. (2023). AI in Education and Employment: Policy Implications.