

# EXPLORING THE ETHICAL DYNAMICS OF THE USE OF ARTIFICIAL INTELLIGENCE (AI) IN HIRING IN HEALTHCARE ORGANIZATIONS

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## ABSTRACT

*Artificial Intelligence (AI)-driven resume screening holds immense potential for improving the hiring process. However, organizations must actively address the ethical and bias challenges that may arise. This paper explores a consultant-based intervention research approach in a real-world healthcare organization. Integrating Artificial Intelligence (AI) in the healthcare industry has brought about transformative advancements in patient care, diagnostics, and administrative processes. Healthcare companies have recently embraced AI technologies to revolutionize their resume screening and hiring procedures. This paper explores the various ways in which healthcare organizations utilize AI in their talent acquisition endeavors. From optimizing candidate sourcing and screening to identifying top talent and enhancing diversity, AI-driven systems have demonstrated their efficacy in streamlining the hiring process. However, it is essential to address potential ethical and bias concerns and ensure that AI complements the human element in making informed and inclusive hiring decisions. By understanding the multifaceted applications of AI in healthcare companies' hiring practices, this paper emphasizes the pivotal role that AI plays in shaping the future of healthcare talent acquisition.*

**KEYWORDS:** AI, Artificial Intelligence, AI in healthcare, AI in hiring, bias in Artificial Intelligence

## 1. Overview

The company XO Healthcare is facing a significant crisis due to a class action discrimination lawsuit filed by African-American, Latino and Arab-American job applicants and current employees. The lawsuit alleges that the company's recruiting tool, which used Artificial Intelligence (AI) to screen resumes, had biased algorithms that discriminated against

these groups. The plaintiffs were able to prove at trial that the biased and discriminatory human judgment in the programming and development of the system was enshrined in the algorithm itself. The court awarded the plaintiffs a settlement of \$19 million. XO Healthcare is a fictitious name used to protect the privacy of the real organization.

The company must now address the cultural and technical issues that led to the biased algorithms and develop new policies and procedures to prevent such problems from happening in the future. The company must also communicate its actions to the public and stakeholders to minimize the risk and rebuild trust. The company needs to implement significant changes and develop a plan to manage this risk effectively, including addressing cultural and organizational issues, identifying and prioritizing the needs of stakeholders, implementing change management processes, and making ethical decisions based on principles of fairness and justice.

The increasing integration of AI into various aspects of human resources, particularly in the recruitment process, holds significant promise for enhancing efficiency and objectivity. However, this unprecedented reliance on AI algorithms for applicant screening also raises profound ethical concerns, primarily centered on the potential risks of racial and gender bias. As organizations strive to leverage AI-driven solutions to streamline candidate evaluation, there is a critical need to confront and mitigate the inherent biases that may seep into these systems.

The rapid advancement of AI technologies has led to widespread implementation across various industries, including talent acquisition (Wilfred, 2018). AI-driven resume screening has gained popularity due to its ability to expedite the candidate selection process and efficiently identify suitable applicants (Wilfred, 2018). However, using AI in this context has raised critical ethical considerations concerning fairness, transparency, and potential biases. The healthcare industry is witnessing a profound shift in adopting AI-driven technologies. As part of this digital transformation, healthcare companies are leveraging AI to augment their resume screening and hiring processes. By harnessing the power of AI, organizations

aim to streamline recruitment efforts, improve candidate selection, and achieve greater efficiency in identifying exceptional talent (Wilfred, 2018; Deshpande et al., 2020; Hunkenschroer & Luetge, 2022).

### ***1.1. AI-Enabled Candidate Sourcing***

AI algorithms can effectively scan and analyze vast candidate databases, job boards, and professional networks, enabling healthcare companies to source potential candidates with specific skills and qualifications more efficiently. Through natural language processing (NLP) and machine learning, AI systems identify relevant keywords, skills, and experiences to match job requirements with candidate profiles (Wilfred, 2018; Deshpande et al., 2020; Hunkenschroer & Luetge, 2022).

### ***1.2. Enhanced Resume Screening***

AI-driven resume screening tools automatically analyze resumes, identifying the most qualified candidates based on specified criteria. This process significantly reduces manual efforts and improves the accuracy and speed of candidate evaluation (Wilfred, 2018; Deshpande et al., 2020; Hunkenschroer & Luetge, 2022). By objectively assessing candidates' qualifications and experience, AI systems assist recruiters in identifying candidates with the potential to excel in the healthcare industry.

### ***1.3. Predictive Talent Analytics***

AI-enabled predictive talent analytics offer healthcare companies valuable insights into candidate performance and job fit. By analyzing historical data and candidate attributes, AI algorithms can identify candidates with the highest probability of success in specific roles, aiding in strategic workforce planning and talent retention efforts (Wilfred, 2018; Deshpande et al., 2020; Hunkenschroer & Luetge, 2022).

## **2. Problem Statement**

Many applicants need to be made aware of the extensive use of AI's service in hiring by employers today. Most Americans (61 %) have not heard of AI being used by employers in the hiring process (Rainie et al., 2023). AI can assist in hiring, from scanning and evaluating resumes to scoring candidates or conducting interviews (Wilfred, 2018). While some argue that people will always be part of the hiring process, companies' moves to embrace the role of AI have inspired debates about utility, equity, fairness, and digital literacy around the use and impact of AI in the hiring process. This paper explores these issues through an organizational development intervention with an organization seeking to improve its use of AI in the hiring process, following a lawsuit that uncovered bias in the use of AI in the hiring process.

### **2.1. Method**

The dynamic and complex nature of today's business environment demands management consultants to be equipped with innovative approaches that drive organizational success. Intervention research is emerging as a robust tool that enables consultants to effectively address challenges, create sustainable solutions, and propel organizational growth (Romme, 2011). Interventions are a powerful approach utilized by management consultants to create positive and sustainable change within organizations (Bott & Tourish, 2016; Davis, 2006). Intervention research encompasses a variety of organizational interventions, including structural, process-oriented, and behavioral interventions (Romme, 2011). Organizational development consultants tailor these interventions to address specific organizational challenges and align with the clients' strategic objectives (Romme, 2011). Along with the organizational development intervention, the recommendations were developed from a review of emerging and relevant literature.

The organizational development consulting process used intervention research from a critical incident analysis slant to identify flaws in business processes and systems, ultimately leading to improvements and enhanced organizational performance (Bott & Tourish, 2016; Davis, 2006). The first step in critical incident analysis involves gathering relevant incident data (Bott & Tourish, 2016). This process included conducting interviews, evaluating business processes, exploring systems, and making observations to collect detailed information about specific incidents leading to litigation. By analyzing these critical incidents, the consultants identified patterns, recurring issues, and potential weaknesses in the existing processes and systems (Bott & Tourish, 2016; Davis, 2006).

Once the data had been collected, the consultants moved on to the second step of the critical incident analysis, which was the identification of key themes and factors contributing to the incidents (Bott & Tourish, 2016; Davis, 2006). Through a systematic and thorough analysis, consultants can pinpoint common factors contributing to flaws in business processes and systems (Bott & Tourish, 2016; Davis, 2006). Through this systematic approach, organizational development consultants can leverage critical incident analysis as a valuable tool to facilitate positive change, optimize business processes, and foster a culture of continuous improvement within the organization (Bott & Tourish, 2016; Davis, 2006).

## **3. Literature Review**

Artificial intelligence (AI) and machine learning (ML) have emerged as powerful tools for organizations to streamline their hiring process and improve the quality of their workforce. However, recent studies have shown that AI algorithms used for screening resumes can perpetuate bias and discrimination against

certain groups, leading to significant legal and ethical issues (Scherer, 2019).

### ***3.1. Current State of the Organization and Implications***

The current state of the organization is one of crisis and instability due to the settlement of the class action discrimination suit. The organization was found to have used a biased AI recruiting tool that discriminated against African-Americans, Latina Americans, and Arab Americans. The consequences of not fixing these issues are severe and can include high turnover, lawsuits, workplace conflict, low employee morale, reputational damage, and loss of business.

The harm caused by this situation to the organization is significant. High turnover is likely to result from a lack of trust in the company and the perception that the company does not value diversity and inclusion (Hitt et al., 2017). This can lead to a loss of skilled employees, resulting in a decline in productivity and profitability.

Lawsuits can also be brought against the organization by affected employees, leading to further financial losses. Workplace conflict can arise due to the resentment of those who have been discriminated against and those who have not (Hitt et al., 2017). This can result in a hostile work environment, which in turn can reduce productivity and profitability.

Low employee morale can also result from the perception that the company does not value diversity and inclusion, leading to decreased productivity and increased absenteeism (Hitt et al., 2017). The reputational damage caused by this situation can also lead to a loss of business, as potential customers may choose to take their business elsewhere.

#### ***3.1.1. Impact on Employees***

Discrimination lawsuits can significantly affect employees, including employee disengagement, workplace anxiety, and job dissatisfaction. Firstly,

employees may feel disengaged from the company because of the negative publicity surrounding the discrimination suit. Such a high-profile lawsuit can tarnish the company's reputation and create a sense of distrust among employees (Bawa, 2017). As a result, employees may feel they need more motivation to work for the company, reducing productivity and morale.

Secondly, workplace anxiety can arise as a result of the discrimination suit. Employees may worry about their job security, fearing that the company's financial obligations could lead to layoffs or other negative consequences (Bawa, 2017). Additionally, employees may feel anxious about the company's commitment to diversity and inclusion, wondering whether they will be treated fairly and equitably.

Lastly, job dissatisfaction can occur if employees perceive the company as unfair or discriminatory. This can lead to frustration, anger, and disillusionment, which can cause employees to consider leaving the company (Bawa, 2017). Moreover, the company must take adequate measures to address the bias and discrimination in its recruitment processes. In that case, employees may need more confidence in providing a fair and inclusive workplace.

#### ***3.1.2. Fairness and Equal Opportunities***

When not designed with fairness as a priority, AI algorithms may inadvertently perpetuate systemic biases prevalent in historical hiring decisions. This can lead to the exclusion of qualified candidates from diverse backgrounds, undermining the principle of equal opportunities and potentially reinforcing existing inequalities (Deshpande et al., 2020; Mujtaba & Mahapatra, 2019; Lacroux & Martin-Lacroux, 2022).

#### ***3.1.3. Transparency and Accountability***

Lack of transparency in AI algorithms can hinder the ability to understand and challenge the decisions made during the

screening process. Organizations must establish clear guidelines and accountability mechanisms to ensure that candidates have a fair chance to understand and contest the outcomes (Deshpande et al., 2020; Mujtaba & Mahapatra, 2019; Lacroux & Martin-Lacroux, 2022).

### **3.2. Unintended Biases in AI Resume Screening**

#### *3.2.1. Data Bias AI*

AI systems rely on historical data to learn patterns and make decisions. Biases present in the training data, such as the underrepresentation of specific demographics or industries, can perpetuate discriminatory hiring practices (Deshpande et al., 2020; Mujtaba & Mahapatra, 2019; Lacroux & Martin-Lacroux, 2022).

#### *3.2.2. Language and Keywords*

Resume screening algorithms may favor certain keywords or language patterns that inadvertently exclude candidates from diverse backgrounds or with unconventional career paths (Deshpande et al., 2020; Mujtaba & Mahapatra, 2019; Lacroux & Martin-Lacroux, 2022).

#### *3.2.3. Digital literacy disparities*

Digital literacy disparities and discrimination in AI-based hiring processes are two critical elements that challenge fair and equitable talent acquisition. Digital literacy disparities refer to the unequal access to and ability to use digital technologies among job applicants.

#### *3.2.4. Socioeconomic Bias*

AI-based screening may inadvertently disadvantage candidates with limited access to education, resources, or networks, perpetuating socioeconomic biases in the hiring process (Deshpande et al., 2020; Mujtaba & Mahapatra, 2019; Lacroux & Martin-Lacroux, 2022).

#### *3.2.5. Candidate Experience*

Unfair or biased AI screening processes can undermine candidates' trust in the hiring process and damage an organization's reputation, leading to negative employer branding (Deshpande et al., 2020; Mujtaba & Mahapatra, 2019; Lacroux & Martin-Lacroux, 2022).

#### *3.2.6. Impact on Diversity and Inclusion*

Biases in AI screening can hinder efforts to build diverse and inclusive teams, depriving organizations of the benefits that diverse perspectives bring to innovation and problem solving (Deshpande et al., 2020; Mujtaba & Mahapatra, 2019; Lacroux & Martin-Lacroux, 2022).

AI algorithms can perpetuate bias in hiring practices due to several factors, such as the use of historical data, lack of diversity in the training data, and biased programming. In a study conducted by MIT researchers, it was found that an AI model trained on resumes and job postings that were biased against women resulted in a gender-biased system that prioritized male candidates over equally qualified female candidates (Dastin, 2018). Similarly, another study found that AI-based recruiting tools were biased against candidates from underrepresented groups, such as African-Americans, Latinas, and women, leading to discriminatory hiring practices (Scherer, 2019).

#### *3.2.7. The Implications of AI Bias in Hiring Practices*

Using biased AI algorithms in hiring practices can have significant legal and ethical implications for organizations. In the case of the company that settled a class action discrimination suit of 19 million dollars due to AI-based bias in recruiting, it was proven that the programming and development of the system were enshrined with bias and discriminatory human judgment, leading to discrimination against

African-Americans, Latina Americans, and Arab Americans applicants and current employees (Scherer, 2019). This case highlights the importance of ensuring that AI algorithms used in hiring practices are free from bias and discrimination.

### *3.2.8. Organizational Responses to AI Bias*

Organizations can take several measures to mitigate AI bias in hiring practices. First, they can ensure that their AI models are based on diverse and unbiased training data to avoid perpetuating historical biases (Scherer, 2019). Second, they can incorporate ethical principles into developing AI algorithms to ensure they do not discriminate against groups. Finally, organizations can regularly audit their AI-based recruiting tools to identify and address potential biases (Deshpande et al., 2020; Mujtaba & Mahapatra, 2019; Lacroux & Martin-Lacroux, 2022).

### *3.2.9. Stakeholder Theory Framework*

The Stakeholder Theory Framework is based on the idea that organizations have responsibilities toward various stakeholders, including customers, employees, suppliers, and society. This theory suggests that organizations should prioritize the interests of all stakeholders, not just shareholders, in order to create long-term value and sustainability (Fernando & Lawrence, 2014). In the case of the company's settlement of a class action discrimination suit, this framework is relevant because the stakeholders affected by the company's actions extend beyond just shareholders to include employees, job applicants, and the public.

AI technologies have reshaped the hiring landscape of the healthcare industry, offering promising opportunities to streamline recruitment processes and identify the best-fit candidates efficiently (Wilfred, 2018). However, implementing AI in the hiring process raises questions

about its ethical implications and the welfare of different stakeholders. The Stakeholder Theory Framework is essential for understanding the diverse interests, rights, and responsibilities of different stakeholders impacted by AI-driven hiring practices in healthcare organizations.

### *3.2.10. Defining Stakeholders*

The Stakeholder Theory Framework identifies individuals and groups affected by an organization's actions as stakeholders (Armenakis, Brown, & Mehta, 2011; Jones, Felts, & Bigley, 2007). In the context of AI in the hiring process of healthcare organizations, stakeholders include job applicants, current healthcare professionals, patients, management, shareholders, regulatory bodies, and society at large.

### *3.2.11. Stakeholder Perspectives and Interests*

Each stakeholder group has unique perspectives, interests, and expectations concerning AI-driven hiring processes. Job applicants seek fairness and transparency, healthcare professionals aim for enhanced team dynamics, and patients expect high-quality care from well-qualified professionals. In addition, management seeks efficiency and productivity gains, while regulatory bodies prioritize compliance and ethical considerations (Armenakis, Brown, & Mehta, 2011; Jones, Felts, & Bigley, 2007).

## ***3.3. Stakeholder Theory and AI in Healthcare Hiring***

### *3.3.1. Job Applicants*

AI-driven resume screening may raise concerns among job applicants about potential bias, privacy, and the role of human oversight in the selection process. Ensuring transparency and providing opportunities for feedback can address these concerns and enhance applicants' confidence in the recruitment process.

### 3.3.2. *Healthcare Professionals*

Healthcare professionals may feel apprehensive about AI's impact on team dynamics and potential job displacements. Transparent communication and providing opportunities for upskilling can alleviate fears and foster a culture of embracing AI as an ally in their work.

### 3.3.3. *Patients*

Patients expect that AI-driven hiring processes lead to selecting skilled and compassionate healthcare professionals who can deliver high-quality care. Ensuring that AI enhances the overall patient experience and does not compromise care quality is paramount.

### 3.3.4. *Human Oversight and Responsibility*

AI should augment human decision-making in the hiring process, not replace it. Incorporating human oversight and accountability ensures that AI does not undermine human values and judgment.

In terms of operations, the company will need to change how it uses AI to screen resumes and conduct job interviews to eliminate bias in the recruiting process. The company will need to reprogram and develop its AI tools to avoid discriminatory human judgment in the programming and development of the system, which was found to be enshrined in the algorithm itself (Hörisch et al., 2014). This will require collaboration between the human resources department and technology experts to ensure that the algorithm is programmed to eliminate biases and that the system is regularly audited to ensure it is fair and unbiased.

Organizational culture must also change to create a more inclusive environment that values diversity and eliminates discriminatory practices. The company should adopt policies and procedures that foster an inclusive and diverse workplace and promote diversity in

hiring, promotion, and leadership (Hörisch et al., 2014). Additionally, the company should train employees and managers on unconscious bias, diversity, and inclusion to ensure that everyone knows the importance of these issues and how to avoid discriminatory practices.

### 3.3.5. *Schein's Model of Organizational Culture*

The utilization of AI in healthcare companies' hiring processes holds immense potential to streamline recruitment and identify top talent efficiently. However, integrating AI technologies requires careful consideration of the underlying organizational culture, which plays a significant role in shaping the AI adoption process and its impact on talent acquisition. Schein's Model of Organizational Culture offers a comprehensive framework to understand how organizational values, beliefs, and assumptions influence AI implementation in healthcare companies' hiring practices.

Schein's Model of Organizational Culture is based on the idea that culture is a shared set of assumptions, beliefs, and values that shape an organization's behavior (Daher, 2016). This model suggests that organizational culture is influenced by three levels: artifacts and behaviors, values, and underlying assumptions. This framework is relevant to the case of the company's settlement of a class action discrimination suit because it highlights how culture influences behavior and decision-making in organizations. In this case, Schein's Model of Organizational Culture elements that relate to what is happening include the artifacts, values, and assumptions of the company's culture (Martinez et al., 2015).

### 3.3.6. *Artifacts*

Artifacts are the visible and tangible elements of organizational culture, including physical symbols, technology,

and practices. In the context of AI in hiring, artifacts may include AI-powered recruitment platforms, data analytics tools, and AI-driven interview scheduling systems.

#### *3.3.7. Espoused Beliefs and Values*

Espoused beliefs and values represent the explicit statements and principles articulated by healthcare organizations. In the context of AI adoption, this may encompass the organization's commitment to fairness, diversity, and data privacy in hiring.

#### *3.3.8. Basic Assumptions*

Basic assumptions are the deep-rooted, often unconscious, beliefs and norms that underpin organizational behavior. In the context of AI in hiring, basic assumptions may include the perception of AI as a trustworthy decision-making tool or skepticism towards its reliability in evaluating candidates.

### **3.4. Impact of Organizational Culture on AI Adoption**

#### *3.4.1. Alignment of Beliefs and Values with AI*

Objectives for successful AI integration, healthcare organizations must ensure that their espoused beliefs and values align with the goals of using AI in hiring. Alignment fosters a culture that supports innovation, data-driven decision-making, and the pursuit of talent acquisition excellence.

#### *3.4.2. Organizational Readiness and AI Acceptance*

Organizational culture influences the readiness and acceptance of AI adoption. An open and innovative culture encourages experimentation and learning, allowing healthcare companies to fully explore the potential of AI.

#### *3.4.3. Impact on Candidate Experience*

Organizational culture has a significant impact on the candidate experience during AI-driven hiring processes. A culture that values fairness and transparency ensures that AI technology is applied ethically, enhancing the candidate experience.

#### *3.4.4. Overcoming Resistance to Change*

Resistance to AI adoption may arise due to cultural norms and concerns about job displacement. Effective change management strategies and transparent communication can address these challenges.

#### *3.4.5. Emphasizing Ethical AI Practices*

Organizational culture plays a crucial role in promoting ethical AI practices. Healthcare companies can build a culture that upholds ethical AI adoption by prioritizing data privacy, fairness, and avoiding bias.

#### *3.4.6. Kotter's Change Management Theory*

Kotter's Change Management Theory is based on the idea that successful change requires a structured approach that includes eight steps: establish a sense of urgency, form a powerful coalition, create a vision for change, communicate the vision, empower others to act on the vision, create short-term wins, consolidate gains and produce more change, and anchor new approaches in the organization's culture (Rajan & Ganesan, 2017). This framework is relevant to the case of the company's settlement of a class action discrimination suit because it provides a roadmap for how the company can manage the changes needed to eliminate bias and discrimination in the recruiting process. In this case, Kotter's Change Management Theory elements that relate to what is happening include establishing a sense of urgency, creating a powerful coalition, and communicating the vision for change (AlManei et al., 2018).

As healthcare organizations embrace the transformative potential of Artificial



Intelligence (AI) in the hiring and recruiting process, addressing ethical and unbiased AI implementation becomes paramount. Kotter's Change Management Theory is a guiding framework to navigate the complexities of AI integration, ensuring that healthcare organizations align their culture and processes with ethical and unbiased AI principles.

#### *3.4.7. Establishing a Sense of Urgency*

Healthcare organizations must recognize the importance of ethical AI integration and understand the potential consequences of biased AI algorithms in hiring. Establishing a sense of urgency highlights the significance of adopting ethical AI practices to promote a fair and inclusive workplace.

#### *3.4.8. Forming a Powerful Coalition*

Creating a coalition of stakeholders, including leaders, H.R. professionals, data scientists, and recruiters, is crucial in driving ethical AI adoption. This cross-functional team can collectively advocate for unbiased AI integration and collaborate to address challenges effectively.

#### *3.4.9. Creating a Vision for Change*

A compelling vision for ethical AI integration articulates the organization's commitment to fairness, diversity, and inclusion in hiring. The vision guides the AI implementation process and inspires stakeholders to rally behind the cause.

#### *3.4.10. Communicating the Vision*

Transparent and effective communication is essential to ensure all organization members understand the vision and rationale for ethical AI adoption. Clear communication fosters a shared commitment to unbiased AI integration.

Kotter's Change Management Theory provides a robust framework for healthcare organizations seeking an ethical and

unbiased approach to AI integration in hiring and recruiting. By emphasizing the significance of leadership commitment, stakeholder engagement, and continuous learning, Kotter's theory enables organizations to navigate the complexities of AI implementation and foster a culture that promotes fair, transparent, and responsible AI-driven hiring practices. Embracing change management principles enables healthcare organizations to leverage AI's potential while ensuring ethical considerations and stakeholder inclusivity are at the forefront of their talent acquisition endeavors.

#### *3.4.11. Fairness/Justice Approach*

The Fairness/Justice Approach is based on the idea that fairness and justice are essential ethical principles that should guide organizational behavior (Cohen & Cohen, 2015). This approach suggests that organizations should treat all stakeholders fairly and justly, which is essential for ethical and practical reasons. In the case of the discriminatory AI system, this framework is highly relevant because it highlights the ethical considerations at stake in the company's recruiting process.

Healthcare organizations can mitigate bias, bridge digital literacy gaps, and combat discrimination by promoting transparency, accountability, and stakeholder engagement. The Fairness/Justice Approach empowers healthcare organizations to embrace ethical principles while harnessing the transformative potential of AI in talent acquisition, ultimately fostering an inclusive work environment and ensuring equitable opportunities for all candidates.

Elements of the Fairness/Justice Approach related to what is happening, in this case, include the principles of distributive justice and procedural justice. Distributive justice is concerned with the fair distribution of benefits and burdens, while procedural justice is concerned with the fairness of the processes used to make decisions (Walters, 2021).

Ethics are critical in preventing discrimination and bias in developing and implementing AI-based recruiting tools (Ferrell, 2016). In this case, the company's AI-based recruiting tool was found to be biased against African-American, Latino Americans, and Arab American applicants and current employees, leading to a class action discrimination suit of 19 million dollars. The company could have prevented this from happening by adhering to ethical principles.

Integrating AI in healthcare organizations' hiring processes offers numerous benefits, but concerns surrounding fairness, digital literacy disparities, and discrimination must be addressed. The Fairness/Justice Approach provides a moral compass to navigate these ethical challenges, emphasizing transparency, accountability, and inclusivity in the AI-driven hiring process.

#### *3.4.12. Definition and Principles*

The Fairness/Justice Approach posits that fairness, impartiality, and equitable treatment of all stakeholders should guide ethical decision-making. It emphasizes the importance of justice in ensuring equal opportunities and avoiding discrimination.

#### *3.4.13. Fair Distribution*

The Fairness/Justice Approach advocates for the fair distribution of benefits and burdens among all stakeholders. In the context of AI-based hiring, this entails ensuring that AI algorithms do not favor or discriminate against specific candidate groups.

#### *3.4.14. Transparency*

Transparency is essential in AI-driven hiring processes to understand how algorithms make decisions and identify potential biases. Healthcare organizations must be transparent about the AI system's criteria, training data, and its impact on candidate selection.

#### *3.4.15. Accountability*

Healthcare organizations should be accountable for the outcomes of AI-based hiring decisions. This involves regular audits and evaluations to assess the algorithm's fairness and effectiveness and address any identified biases promptly.

### **4. Intervention Recommendations**

To address the issues highlighted in the case, a multi-pronged approach is needed to change the organization's current state. This includes policies, training, and senior leadership support. Firstly, the organization must develop and implement policies that explicitly address bias and discrimination in recruitment processes (Al-Ali et al., 2017). These policies should provide clear guidelines on how to identify and address bias in algorithmic decision-making tools, as well as establish a system for monitoring and reporting on the impact of these policies.

Secondly, the organization should train all employees on the importance of diversity, equity, and inclusion in the workplace and on recognizing and addressing bias in recruitment processes (Al-Ali et al., 2017). This training should be mandatory for all employees, including senior leaders, and should be updated regularly to ensure that it remains relevant and practical.

Lastly, senior leadership support is crucial in changing the organization's current state. Leaders must demonstrate a solid commitment to diversity, equity, and inclusion by advocating for policies and training addressing bias and discrimination in recruitment processes and holding themselves and others accountable for creating an inclusive workplace (Al-Ali et al., 2017).

#### **4.1. Redesign AI Algorithm**

The company should redesign the recruitment algorithm to remove any discriminatory bias. This may involve retraining the algorithm with new, unbiased

data and incorporating methods to reduce bias in the model. Healthcare organizations must critically assess historical data used to train AI algorithms for hiring. Identifying and mitigating biases in the training data can ensure the algorithm produces fair and unbiased results (Deshpande, Pan, & Foulds, 2020).

#### ***4.2. Algorithmic Bias Evaluation***

Conducting comprehensive bias evaluations using fairness metrics can identify discriminatory patterns and enable adjustments to the AI system to ensure fairness (Deshpande, Pan, & Foulds, 2020).

#### ***4.3. Inclusive User Interface Design***

Healthcare organizations should ensure that the AI system's user interface is intuitive, user-friendly, and accessible to all candidates, including those with varying digital literacy levels.

#### ***4.4. Candidate Feedback Mechanisms***

Providing candidates with avenues to offer feedback on the AI-driven hiring process allows healthcare organizations to gain valuable insights into candidate experiences and make necessary improvements.

#### ***4.5. Data Diversification and Preprocessing***

Organizations can address data biases by diversifying training data and implementing preprocessing techniques to minimize the impact of biased information (Deshpande, Pan, & Foulds, 2020; Mujtaba & Mahapatra, 2019; Lacroux & Martin-Lacroux, 2022).

#### ***4.6. Regular Audits and Algorithmic Fairness***

Continuous auditing of AI algorithms and assessing their fairness can help identify and rectify potential biases over time (Deshpande, Pan, & Foulds, 2020;

Mujtaba & Mahapatra, 2019; Lacroux & Martin-Lacroux, 2022). Conduct an internal audit of AI: The company should comprehensively audit its AI recruitment tool to identify the root causes of bias in the algorithm. This should include examining the data used to train the model and the methods used for selecting and labeling the data.

#### ***4.7. Human-In-The-Loop Approach***

Combining human expertise with AI systems can enhance the decision-making process, allowing for human intervention and ensuring ethical oversight (Deshpande, Pan, & Foulds, 2020; Mujtaba & Mahapatra, 2019; Lacroux & Martin-Lacroux, 2022).

#### ***4.8. Get the Diversity Office Involved***

The diversity office can play a role in addressing bias in every process and system in all hiring processes. Addressing the issues identified in the class action discrimination suit requires a comprehensive approach that involves identifying and addressing bias in the recruitment algorithm, implementing diversity training, and communicating the company's commitment to diversity and inclusion.

### **5. Conclusions**

As the world of recruitment and hiring undergoes transformative changes with the integration of AI technologies, it is imperative to recognize and address the ethical issues related to potential racial and gender biases. The utilization of AI in applicant screening holds immense promise for streamlining processes, identifying top talent, and enhancing organizational efficiency (Deshpande, Pan, & Foulds, 2020). However, the inherent biases present in AI algorithms must not be overlooked or dismissed. Instead, organizations must prioritize the implementation of robust and transparent mechanisms to detect, prevent, and rectify biases in their AI-driven hiring systems (Deshpande, Pan, & Foulds, 2020).

By promoting transparency, accountability, and inclusivity, healthcare organizations can ensure that AI-driven talent acquisition fosters equitable opportunities for all candidates. Implementing the Fairness/Justice Approach empowers healthcare organizations to embrace ethical principles, combat bias, and bridge digital divides while harnessing the transformative potential of AI in creating a diverse and inclusive workforce. By incorporating stakeholder engagement and continuous feedback, healthcare organizations can build a culture of fairness and justice in AI-driven hiring, ultimately shaping a more equitable and harmonious work environment.

Organizations can instill fairness and accountability into AI-powered hiring processes by cultivating diverse and inclusive

development teams, utilizing training data, and conducting regular audits. Embracing ethical AI principles, stakeholders can establish a hiring landscape that respects candidates' individuality and fosters an environment where diversity is celebrated, and equal opportunities are provided.

Ultimately, the responsible and ethical use of AI for applicant screening can serve as a beacon of progress, promoting a culture of meritocracy and inclusivity within organizations. The journey towards an equitable and bias-free hiring landscape demands a collective commitment from stakeholders, and it is through such collaborative efforts we can build a future where technology facilitates the realization of a genuinely diverse and thriving workforce.

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