

Artificial Intelligence in Action: Ensuring Ethical and Socially Responsible Hiring Decisions with HireVue

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Summary

This case study explores the ethical dilemma faced by Matthieu Ayoude, the global head of talent acquisition at a multinational company based in Paris. Ayoude is confronted with a decision regarding the implementation of an AI-based interview platform called HireVue for hiring and selection purposes. However, Ayoude, who comes from immigrant parents and identifies as a black person, harbors concerns about potential biases in AI-backed applications. This case study delves into the ethical implications of using AI technology in recruitment processes and highlights the importance of addressing potential discrimination and bias.

Teaching objectives

By the end of this case study, students should be able to (1) understand the ethical implications of using AI technology in talent acquisition, (2) analyze the potential biases and discrimination that can arise from AI-based interview platforms, (3) evaluate the impact of biased AI systems on diversity and inclusion efforts within organizations, and (4) propose strategies to mitigate bias in AI systems and promote fair and inclusive recruitment practices.

Keywords

Ethical decision making, AI-based interview platform, bias in AI systems, hiring, recruitment, discrimination, fairness



Synopsis

This case study revolves around Matthieu Ayoude, a global head of talent acquisition, who faces an ethical dilemma when the company considers implementing HireVue, an AI-based interview platform, for hiring and selection decisions. Matthieu, an immigrant and a person of color, is concerned about potential biases in the platform and the lack of human interaction it offers. Despite his efforts to raise awareness and advocate for ethical hiring practices, Matthieu's concerns initially go unnoticed by upper management.

Target Learning Group: Appropriate for both undergraduate and graduate students. This case can be relevant for digital transformation, human resources, organizational behavior, ethics courses. At the same time, this case may present a venue for introductory discussion for students specializing in machine learning, philosophy, and law.

Teaching Objectives:

- Understand the ethical considerations and challenges associated with AI-based interview platforms in the hiring process.
- Explore the potential biases and limitations of AI algorithms, particularly in relation to underrepresented individuals.
- Examine the importance of diversity and inclusion in training datasets and its impact on hiring outcomes.
- Analyze the role of individual advocacy and grassroots initiatives in driving organizational change and promoting ethical hiring practices.
- Examine the legal and regulatory frameworks within the given context, if appropriate.

Discussion Questions:

1. What are the ethical concerns associated with AI-based interview platforms like HireVue? How can these platforms perpetuate biases and impact diversity and inclusion efforts in hiring? How and why AI can lead to biased outcomes in hiring?
2. Discuss the potential limitations of using facial recognition technology as a sole determinant in the hiring process. What are the implications of relying solely on algorithms for candidate assessment?
3. What are the legal and reputational risks? What steps can organizations take to ensure representation and mitigate potential biases?
4. Evaluate Matthieu's approach to addressing the ethical dilemma. What strategies did he employ to raise awareness and advocate for ethical hiring practices?
5. Analyze the role of grassroots initiatives and individual advocacy in driving organizational change. How can employees influence ethical decision-making processes within their organizations?

Additional Activities

Divide students into groups and ask them to conduct further research on AI-based interview platforms. Have them explore case studies or real-life examples where biases and limitations of such platforms have been identified. Each group can present their findings and discuss the implications.

Role-play activity: Assign students the roles of Matthieu, Greg the CHRO, and other stakeholders. Have them engage in a debate or negotiation, presenting their perspectives on the implementation of HireVue. Encourage students to explore different ethical considerations and potential solutions.

Guest speaker session: Invite a professional from the field of AI ethics or diversity and inclusion to share their insights and experiences. Students can ask questions and engage in a dialogue about the ethical challenges surrounding AI in hiring.

Key Takeaways

- AI-based interview platforms can introduce ethical concerns and biases into the hiring process if not carefully monitored and regulated.
- Diversity and inclusion should be prioritized in the development and implementation of AI algorithms and training datasets.
- Individual advocacy and grassroots initiatives can play a crucial role in driving organizational change and promoting ethical practices.
- Organizations should foster an environment that encourages open dialogue and considers diverse perspectives when making decisions about technology implementation.

Notes to Instructors

This case study provides an opportunity for students to explore the ethical implications of AI-based interview platforms in the hiring process. Instructors should ensure that they encourage students to critically analyze the potential biases and limitations of such platforms and consider the importance of diversity and inclusion in training datasets, facilitate discussions that highlight the role of individual advocacy and grassroots initiatives in promoting ethical decision-making within organizations and discuss questions and additional activities to encourage active participation and engage students in deeper exploration of the topic.

Delivery Method:

Before Assigning the Case (30 Mins):

Instructors can choose to start by assigning either the reading by Metz (2020) or the video available in Harwell (2019) before introducing this case study. These resources provide insight into how algorithms are utilized in hiring and selection decisions within organizations, serving as a foundation for discussions.

The reading by Metz (2020) might take around 20 minutes to complete, offering a comprehensive understanding of the subject. On the other hand, the video provides a quicker introduction, taking less than 5 minutes. Instructors can decide whether to opt for the video for shorter lectures, suitable for undergraduate classes, or the more in-depth analysis provided by Metz (2020), which might be more appropriate for graduate and executive-level students.

IMPORTANT: Instructors should avoid assigning the entire reading of Harwell (2019) before finalizing the case study. This is because Harwell's article proffers ethical challenges and criticisms voiced by experts, which could potentially influence the students' approach to the case before their analysis is complete.

Detailed Analyses and Solutions to Discussion Questions (60-90 mins)

Please leave 10 minutes for the reading of the case, if this case is used within the classroom setting. After finishing the reading, a summary can be expected. Please make sure that all key ethical challenges and concerns are correctly identified.

Matthieu Ayoude, a global head of talent acquisition based in Paris, faces a profound ethical dilemma as his company contemplates implementing HireVue, an AI-based interview

platform, for hiring and selection decisions. Matthieu's concerns stem from his background as an individual with immigrant parents and as a black person. He recognizes the potential biases in AI applications and the broader ethical implications of relying solely on technology for hiring decisions.

As this case deals with one of the most critical "human" resource management processes, students should be aware of the practices that they can be identified as dehumanizing and disrespectful ways to treat job candidates. Therefore, first and foremost, they should be making a remark on the very existence of HR functions in organizations.

Eventually, the use of algorithms can be problematic because hiring algorithms often reinforce biases, individuals who acquired and hold positions in existing structures are more likely to be considered successful candidates, while marginalized individuals who have been historically marginalized from certain jobs may be labeled as unsuitable applicants. Historically, accumulated privileges may have excluded certain groups of individuals in organizations, thus the existing datasets may not present an objective criteria formation.

Key Ethical Concerns:

1. **Bias and Discrimination:** One of the most prominent ethical concerns in AI-based hiring platforms is the potential for perpetuating biases and discrimination. AI algorithms learn from historical data, and if this data contains inherent biases, the algorithm will replicate these biases. This perpetuates discrimination against underrepresented groups, such as people of color, women, and individuals from marginalized backgrounds.
2. **Lack of Transparency:** AI algorithms often operate as "black boxes," making it difficult to understand how they arrive at decisions. This lack of transparency challenges accountability and the ability to address potential biased outcomes. Transparency is crucial in ensuring fairness and reducing inequalities.
3. **Ethical Implications of Facial Recognition:** The use of facial recognition technology raises concerns about privacy, consent, and potential misuse of personal data. This becomes more crucial in light of laws like the European Union's General Data Protection Regulation (GDPR), which emphasizes the protection of individuals' personal data and privacy rights.
4. **Reinforcement of Existing Biases:** The historical biases present in AI training data can perpetuate systemic discrimination, further entrenching existing inequalities. This can hinder diversity efforts and prevent underrepresented groups from accessing equal opportunities.
5. **Non-native Speaker Disadvantage:** AI-backed-up platforms often heavily rely on language proficiency as an indicator of a candidate's ability, which can unfairly favor native speakers or those with a strong command of the language.
6. **Tech Savviness and Access:** AI-based platforms may favor candidates who are more tech-savvy or have better access to technology. This could disproportionately disadvantage individuals from low-income backgrounds or regions with limited access to technology.
7. **Legal and Regulatory Compliance:** The use of AI in hiring processes must comply with various laws and regulations, including anti-discrimination laws and data privacy regulations. Failure to comply can result in legal liabilities and perpetuation of inequalities.

In addition to the ethical considerations, there are also legal frameworks that are relevant within this context. For example, the Federal Trade Commission (FTC) warns companies for the ethical use of AI in order not to engage in any illegal activity associated

with the discrimination of race or other legally protected classes (Jillson, 2021). Specifically, it was advised not to overestimate what algorithms can do or whether they can deliver fair or unbiased results. FTC also states the following: “Under the FTC Act, your statements to business customers and consumers alike must be truthful, non-deceptive, and backed up by evidence. In a rush to embrace new technology, be careful not to overpromise what your algorithm can deliver. For example, let’s say an AI developer tells clients that its product will provide “100% unbiased hiring decisions,” but the algorithm was built with data that lacked racial or gender diversity. The result may be deception, discrimination – and an FTC law enforcement action.” At the same time, the European Union’s current legislations lay out the unacceptable risks associated with the use of AI, which require prohibition of uses including the cases where people are classified based on behavior, socio-economic status or personal characteristics and biometric identification systems, such as facial recognition (European Parliament, 2023).

Answers to Discussion Questions:

1. How and why AI can lead to biased outcomes in hiring?

In AI systems, biases can manifest through various stages of their development and implementation, leading to potential discrimination and unfair outcomes for certain groups. In the context of the case study, Matthieu's concerns about biases and discrimination in AI-based interview platforms stem from his awareness of these underlying mechanisms. He understands that even seemingly objective algorithms can produce biased outcomes due to the biased data they learn from, potentially perpetuating inequalities and hindering diversity and inclusion efforts.

Seemingly objective algorithms can reflect and perpetuate societal biases in many ways. Some concrete examples include:

- i. **Biased Training Data**: AI systems learn from historical data, which may contain inherent biases present in society. If the training data is unrepresentative or skewed, the algorithm will incorporate those biases, leading to biased outcomes. For example, if historical hiring practices were discriminatory, the AI system might inadvertently favor candidates from specific demographics.
- ii. **Data Preprocessing**: During data preprocessing, irrelevant or biased features can be inadvertently magnified, exacerbating existing biases. Biases present in demographic data (such as gender or ethnicity) can influence the algorithm's predictions, leading to discriminatory decisions.
- iii. **Algorithmic Design**: The algorithms themselves can embed biases if not designed carefully. For instance, if an algorithm relies on correlations between certain features and past outcomes, it can reflect historical biases, even if those correlations are unjust.
- iv. **Lack of Diversity in Training Data**: If training datasets lack diversity, the algorithm will struggle to make accurate predictions for underrepresented groups. This leads to unfair outcomes as the AI system may disproportionately favor candidates from the majority group.
- v. **Human Bias in Labeling Data**: When human annotators label training data, their inherent biases can transfer to the AI system. Biased labeling, intentional or unintentional, can influence the system's understanding and predictions.
- vi. **Feedback Loops**: Biased predictions made by AI systems can influence real-world decisions, creating feedback loops. If biased outcomes are used to make future decisions, the algorithm's biases are reinforced over time.

- vii. Lack of Transparency and Interpretability: Complex machine learning models, like neural networks, operate as "black boxes." The lack of transparency makes it challenging to identify and correct biases present in the decision-making process.
- viii. Overfitting: If an algorithm overfits to biased training data, it might make overly confident but incorrect predictions for underrepresented groups.

2. Discuss the potential limitations of using facial recognition technology as a sole determinant in the hiring process. What are the implications of relying solely on algorithms for candidate assessment?

Biased AI systems have far-reaching implications for the pursuit of diversity and inclusion within organizations. The significance of cultivating diverse teams is underscored by its role in driving innovation, enriching decision-making, and fostering creativity. However, the emergence of biased hiring practices propelled by AI technology poses a significant challenge. Such practices risk reinforcing existing inequalities by favoring specific groups, leading to missed opportunities to tap into a broader talent pool and hampering efforts to create inclusive workplaces. The consequences are manifold, including the formation of homogeneous teams that hinder innovation, compromised cultural sensitivity, and potential legal and ethical concerns. Organizations that neglect the importance of building diverse teams run the risk of eroded trust, negative impacts on organizational culture, and missed innovation opportunities. In this context, Matthieu's concerns are rooted in his understanding of how biased AI systems can compromise diversity and inclusion efforts, driving him to advocate for an equitable and inclusive approach to hiring practices.

Relying solely on facial recognition technology as a determinant in the hiring process comes with several potential limitations and implications that can impact the fairness and effectiveness of candidate assessment.

- i. Bias and Inaccuracy: Facial recognition technology can be biased against certain demographics, particularly people of color and individuals from diverse backgrounds. Inaccuracies can occur due to variations in lighting, poses, facial expressions, and even cultural differences in facial features.
- ii. Lack of Context: Facial expressions can be misinterpreted without considering the context of a candidate's responses or actions during an interview. This lack of contextual understanding can lead to misjudgments.
- iii. Cultural and Gender Differences: Facial expressions and mannerisms can vary widely across cultures and genders. A one-size-fits-all approach can lead to misclassification and misunderstanding of candidates.
- iv. Privacy Concerns: Facial recognition technology raises significant privacy concerns as it involves capturing and analyzing sensitive biometric data without explicit consent from candidates.

3. What are the legal and reputational risks? What steps can organizations take to ensure representation and mitigate potential biases?

The implementation of discriminatory AI practices carries significant legal and reputational risks that can profoundly impact an organization. From a legal perspective, biased AI hiring practices can lead to discrimination lawsuits, equal

opportunity law violations, and breaches of data protection regulations such as GDPR. Regulatory scrutiny and potential penalties further compound these legal risks. On the reputational front, the fallout from discriminatory AI practices can result in a negative public perception, eroding the trust of candidates, employees, and customers. This erosion of trust can lead to difficulties in recruitment, strained business relationships, and even a decline in market value. Employee morale and retention may suffer, and the company's brand image as an inclusive and ethical employer could be severely tarnished.

Matthieu's concerns regarding the legal and reputational risks associated with biased AI practices are grounded because he recognizes that such practices not only pose legal liabilities but also jeopardize the organization's reputation and ability to attract and retain a diverse pool of talent. By advocating for ethical and equitable hiring practices, Matthieu seeks to safeguard the organization from these risks and ensure its commitment to fairness and inclusivity. A reputation for discriminatory hiring practices can deter top talent from applying to the company, leading to difficulties in attracting skilled candidates.

Some of the solutions include the involvement of consultants and third parties. The involvement of ethicists, diverse stakeholders, and representatives from underrepresented groups is critical. Greg should have consulted external parties before implementing such solutions, but with the warning of Matthieu, he can still get an outsiders' view. Their input helps uncover potential biases, identify blind spots, and ensure AI systems uphold ethical and social standards. This collaborative approach promotes a more comprehensive understanding of the complexities surrounding bias and discrimination, leading to more effective and equitable AI solutions. Especially, when considering the unknowns in new technologies, organizations can gain from external experts in the long run.

In the context of the case study, these strategies are relevant as Matthieu seeks to advocate for fair and unbiased recruitment practices. By emphasizing diverse and representative training data, ongoing monitoring, accountability, and the involvement of various stakeholders, Matthieu aims to ensure that the adoption of AI technology aligns with the organization's commitment to diversity and inclusion, mitigating potential biases and promoting ethical decision-making.

4. Evaluate Matthieu's approach to addressing the ethical dilemma. What strategies did he employ to raise awareness and advocate for ethical hiring practices?

Matthieu prioritized advocating for fair and unbiased recruitment practices over the efficiency gains offered by AI. While AI can certainly bring efficiency benefits to the recruitment process, the potential risks associated with biased outcomes and discriminatory practices outweigh these gains. Upholding ethical principles and ensuring a diverse and inclusive workplace should be the foremost concern for any organization.

Fair and unbiased recruitment practices are essential not only for legal compliance but also for building a positive organizational culture, attracting top talent, and enhancing long-term business sustainability. Discriminatory practices can lead to

legal repercussions, damage the company's reputation, and erode employee and candidate trust. Moreover, diverse teams have been proven to drive innovation, foster creativity, and lead to better decision-making, ultimately contributing to an organization's success.

Matthieu's commitment to ethical hiring aligns with these principles. By advocating for fair practices, he not only safeguards the organization from legal and reputational risks but also sets the foundation for a workplace that values inclusivity, respects individual differences, and cultivates a culture of equality. This approach may require more time and effort in the short term but is a strategic investment that supports the company's long-term growth and success.

Matthieu's response to the ethical dilemma surrounding AI-based hiring practices showcased his determination to advocate for ethical standards and diversity and inclusion. He approached the issue methodically, starting with in-depth research to comprehend the potential biases and implications of such platforms. Armed with knowledge, he meticulously prepared a comprehensive report highlighting the weaknesses of AI and facial recognition technology.

Recognizing the power of collective action, Matthieu formed a diverse task force of colleagues who shared his concerns. This collaborative approach aimed to explore alternatives and ensure fairness in the hiring process. He engaged with upper management through presentations and discussions, using data-driven arguments and real-world examples to underscore the dangers of biased AI systems.

Furthermore, Matthieu's prioritization of advocating for fair and unbiased recruitment practices aligns closely with United Nations Sustainable Development Goal (SDG) 10: "Reduced Inequalities." SDG 10 aims to ensure that all individuals, regardless of their background, have equal access to opportunities, resources, and representation. By striving for fair recruitment practices that mitigate biases and promote inclusivity, Matthieu contributes to addressing the systemic inequalities present in many organizations and societies.

Matthieu's dedication to combating biases in AI-driven recruitment aligns with SDG 10's vision of fostering social, economic, and political inclusion. By valuing diversity and creating a level playing field for candidates, he actively works towards reducing discrimination and disparities within the workplace. His efforts to promote fair hiring practices contribute to building a more just and equitable society, a core aspiration of SDG 10.

5. Analyze the role of grassroots initiatives and individual advocacy in driving organizational change. How can employees influence ethical decision-making processes within their organizations?

Grassroots initiatives and individual advocacy hold a significant role in instigating organizational change, exemplified by Matthieu Ayoude's case. Such initiatives empower employees to voice their concerns and actively influence ethical decision-making processes within their organizations. By initiating conversations, raising awareness, and catalyzing change, grassroots advocates like Matthieu can drive meaningful transformations.

These initiatives empower employees to become advocates for ethical considerations, often shedding light on overlooked issues. Matthieu's dedication to addressing the potential biases in AI-based hiring platforms exemplifies this. By educating himself and others about the complexities and ethical implications, he became a source of awareness and education.

Moreover, grassroots initiatives serve as catalysts for open dialogue and collaboration. Matthieu's efforts initiated discussions about biases, technological limitations, and the ethical dimensions of decision-making. This dialogue can challenge preconceptions and encourage organizations to reflect on their practices.

Individual advocacy within grassroots movements also demonstrates the alignment between organizational values and actions. Matthieu's commitment to ethical hiring practices showcases how an individual's ethical compass can drive the organization to live up to its professed values, promoting fairness, diversity, and inclusivity.

Experience of using this case in teaching

In previous implementations of this case, I operated under the assumption that every student was already familiar with the mentioned technologies (i.e., face recognition, video interviews etc.) commonly employed within organizations. However, based on the lessons learned from these experiences, it is now advisable for instructors to provide illustrative similar examples showcasing the practical application of these technologies within an organizational context.

Drawing from these experiences, it has become evident that certain students might require a deeper understanding of the mentioned technologies. This understanding is essential for them to grasp both the methodology and rationale behind the utilization of facial recognition in hiring processes. To address this, I recommend that educators commence their instruction by directing students to the reading material (Metz, 2020) or the video (Harwell, 2019) provided in this teaching note. This approach will help elucidate the prevailing technologies and established practices commonly adopted across global organizations.

Overall, this case study has received a very positive feedback by students, who enjoyed the critical approach of the use of technologies and ethical dilemmas covered. The recency of the case, its practical approach has garnered significant appreciation from the students. Students not only displayed a high level of enthusiasm for engaging in discussions regarding artificial intelligence, particularly within the context of its practical utilization using existing technology, but they were also able to realize different dynamics and challenges arising from different interests of stakeholders. Overall, with the case, thanks to its relevance, its connections to the recent challenges of global economies, and importance, this study opens a venue for fruitful discussion on the ethical and responsible use of AI and to understand its limitations at various levels including organizational and societal. These practices carry utmost importance to reducing inequalities in economies, provide fair opportunities for social mobility and efficient outcomes.

United Nations Sustainable Development Goal 10: Reducing inequalities

This case study presents an opportunity to engage students in a thoughtful exploration of United Nations Sustainability Goal (SDG) number 10: Reducing inequalities arising from age, sex, disability, race, ethnicity, origin, religion or economic or other status. As AI processed information can contain certain biases in hiring, its fair implementation requires

a better understanding of how new technologies can malfunction and when they fail to work to offer efficient solutions. In order not to perpetuate inequalities within organizational and societal settings, this case provides a pertinent story. The ethical considerations and challenges presented in Matthieu's dilemma align closely with the broader objectives of SDG 10, which aims to address inequalities within and among countries. By integrating discussions about reducing inequalities into the teaching plan, students can gain a deeper understanding of the real-world implications of ethical hiring practices and their alignment with global sustainability goals. By explicitly integrating discussions on reducing inequalities into the teaching plan, students will gain a holistic understanding of the case's implications beyond the immediate organizational context. They will recognize the relevance of ethical hiring practices as a means to contribute to global sustainability objectives and to foster more equitable and inclusive societies.

What Happened Next

As of January 2021, HireVue no longer offers facial recognition technology in their hiring platform solutions in its screening assessments for job applicants. The discontinued facial analysis component analyzed candidates' facial expressions, aligning them with their responses. However, similar real-life scenarios and ethical dilemmas like Matthieu experienced have been the commonplace in many global organizations since the inception and use of these technologies in early 2020. After less than a year in use, this decision came amidst growing concerns about the appropriate and transparent use of AI in employment decisions. HireVue CEO Kevin Parker acknowledged that the visual components of the assessment contributed less over time and that public concerns regarding AI prompted the removal of the facial analysis feature. The move reflects the broader debate surrounding the responsible use of AI in HR processes. Lawmakers and experts are still urging transparency and oversight in algorithmic decision-making systems used for hiring, and at the governmental level, many new regulations restrict the irresponsible and unethical use of AI technologies.

However, the company continues to assist global firms with its software, which evaluates candidates through structured video interviews. This process aims to assess their suitability for roles and reduce human bias. Nonetheless, many critics argue that the impersonal nature of structured video interviews warrants cautious usage.

Conclusion

Matthieu Ayoude's case highlights the ethical challenges associated with implementing AI-based interview platforms in talent acquisition. The potential benefits of efficiency and objectivity must be weighed against the risks of perpetuating biases and discrimination. As business leaders, it is essential to recognize the potential harm that biased AI systems can cause and take proactive measures to mitigate these risks. By addressing the ethical dimensions of AI technology and ensuring fairness in recruitment practices, organizations can strive towards a more inclusive and equitable workforce. It is also worthwhile to note that HireVue currently no longer uses face recognition in video interviews, yet AI technology is still used by the company in assessing candidates' suitability for positions. Therefore, it is important to use this case as an illustration of unethical and risky uses of newer technologies in organizations.

Background Material

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