

A real-world example of this ethical challenge is the ongoing case of *Mobley v. Workday*. In this lawsuit, a federal judge allowed a nationwide class action to proceed against Workday, a company that provides AI-powered hiring and applicant screening tools to thousands of employers. The case was brought by Derek Mobley, a Black man over the age of 40 who also lives with anxiety and depression. Mobley applied to over 100 jobs at companies using Workday's automated hiring system and was rejected every time—often without any human ever reviewing his application.

In the case of *Mobley v. Workday*, the problem lies within primarily the model, but procurement plays a second enabling role. The model unintentionally encodes historical hiring bias, and the output disproportionately excludes protected groups. However, procurement plays an important role as it relies on heavily automated recommendations and does not audit for a disparate impact. Procurement allows the system to operate on a bias scale as there is no implemented auditing system in place for Workday's results.

The stakeholders in this case are the applicants, Workday and its vendor, and employers or investors. The applicants bear direct harm through automated rejection and potential systemic exclusion from the labor market. The vendor of Workday designed and deployed its tool to avoid legal liability and arguably functioning as an employment decision-making tool. Employers at workday rely on AI for screening and hiring and facing potential liability under employment discrimination law. This outcome affects the applicants as they are only able to see a denial or admission to the company without a reason as to why this decision was made.

The Workday algorithm produces harmful, biased, or malfunctioning outputs due to faulty training data, that resulted in an unintentional mechanism of harm through a chain of automated decision-making processes that lead to discrimination against certain individuals, especially applicants over 40 years old. The algorithm is not designed to exclude certain applicants; however, the system analyzes data patterns that reflect real-world hiring biases which could state that older applicants are less likely to be hired by companies. This system is used by thousands of employers, meaning that this potential bias could be replicated across millions of applicants and becomes a large structural issue. The lack of human oversight and transparency in this system also contributes to the problem as the applicants cannot see why they were rejected nor is there a process to appeal the decision by speaking to a representative about the issue because they cannot see why either.