In 2024, a discrimination lawsuit was filed against Workday, a major technology vendor in the Human Resources and Finance space.  This lawsuit, which was certified as a class action, was brought by Derek Mobley, identified as a black male over 40 who suffers from anxiety and depression, claiming he applied and was turned down for more than 100 jobs using Workday's platform, decisions powered by Workday's AI applicant filtering system (Wang, 2025).

The courts have twice denied Workday's motions to dismiss, and in June of this year, the court granted conditional certification of Mobley's claims that the Workday platform was “designed in a manner that reflects employer biases and relies on biased training data” (Brenner, 2025).  In their discovery filings, Workday estimates that over a billion applicants were rejected by their algorithm (Brenner), which would make this one of the largest class action suits in history, easily surpassing the 64,000 members of an anti-trust case against technology companies, also based on claims over hiring practices (High tech employees class action lawsuit, no date).

AI is heavily used in recruiting, which, given the high volume of document review and parsing required, is a natural fit.  Current estimates indicate that 87% of companies are utilizing some type of AI tool in their hiring processes, 65% of recruiters are leveraging these tools, and the recruiting AI industry is projected to generate over $1 billion in revenue by 2023 (Kumar, 2025).  The lasting impact of the Workday case is likely to determine the future of this segment.

Regardless of the outcome, this case has made clear the inherent dangers of relying on a system that may not be clear on the reasons for decisions being made.  While Workday claims their “AI recruiting tools do not make hiring decisions, and our customers maintain full control and human oversight of their hiring process” (Asare, 2025).  The potential of underlying bias in their platform, coupled with the court’s agreement that while not an employer, they function as an agent of such, will set a significant precedent regarding the reliance of black-box AI systems to score, sort, or rank candidates.  These decisions are regulated and subject to anti-discrimination laws.  While the US laws around the use of AI are minimal, this case could lead to significant changes in the use of AI in recruiting and other business functions in the immediate future.

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