

The Ethics of Algorithmic Hiring Tools

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Introduction

In recent years it has become increasingly common for companies to use AI to sort through resumes to make their hiring process faster and more efficient. This in and of itself raises ethical concerns, but there is already evidence that these machine-learning hiring tools have AI inherited biases that cause discrimination in hiring. In one particular case, Amazon used an AI-based hiring tool to score job applicants' resumes that ended up being scrapped due to gender bias. Using utilitarian ethics, the Amazon hiring case shows that the harm of the system's discriminatory bias far outweighs the benefits, and any technology that teaches historical discrimination cannot be ethically defended.

Case Overview

Amazon first started to develop an automated hiring tool during 2014 that would rate applicants from one to five stars (Dastin, 2018). The typical goal of these systems is to lower the workload of recruiters and to make the hiring process more efficient. The algorithm used ten years of prior hiring data, which reflected a big majority of male hires, so the system learned to give lower scores to applications that included terms relating to women (Dastin, 2018). Hiring algorithms like this usually function as "black boxes" meaning it's hard to understand why they make certain decisions (Fabris et al., 2025). Amazon even tried to correct the biases, but the system kept picking up little gender biases, and since it's so hard to interpret its decisions, it was nearly impossible to get rid of all the discrimination of the system (Dastin, 2018; Fabris et al., 2025). Ultimately, Amazon decided to disband the project since they couldn't ensure that there were no biases in the system.

Ethical Dilemmas

Though it may seem this case only has one ethical dilemma, there are actually many dilemmas that must be considered. The first and most obvious ethical dilemma is the bias of the algorithm causing the hiring process to be unfair. The other ethical issues we must consider are transparency and responsibility/accountability, which we will explore in the next sections.

Bias and Fairness

With any algorithm or system that improves efficiency, we must consider the cost, which in this case was that it disadvantaged a certain group of people. This method of weighing the benefits versus the costs is called utilitarianism (Quiambao, 2022). It is not fair to trade ethics and morals for speed and efficiency, which we will dive deeper into later in the paper. The AI was taught to evaluate resumes based on past successful applicants, which ended up meaning that it would reinforce existing gender disparities in the past hiring processes (Kleinberg, 2020). This raises the question: Is it ethical to use AI when it allows the recurrence of historical bias? This case proved that it is not ethical, since it ended up causing the discrimination of women and the loss of job opportunities for female applicants of Amazon (Dastin, 2018).

Transparency

Most algorithmic hiring systems, including Amazon's function as "black boxes," as stated in the case overview, which means that no one can see how the system is making decision on the scores (Fabris et al., 2025). The fact that Amazon couldn't fully explain why the system scored certain resumes higher easily became an issue when biases started to appear. Since the decision-making process is opaque, the applicants and the recruiters cannot contest or understand the

decisions being made. Companies like Amazon should always be able to support their reasoning for not hiring someone.

Responsibility and Accountability

Another ethical issue with the Amazon case, and any others like it, is that it is unclear who (if anyone) is responsible for the discrimination. Would the data engineers be responsible since they created the algorithm? Would Amazon leadership be responsible because they were ultimately the ones who decided to use this algorithmic system? Or is the algorithm's training data what is at fault? These are important questions to ask not only ethically, but also legally, if this continued for longer than Amazon allowed it to. Of course, it is not good to play the blaming game, but it is even more of a problem if no one or nothing can clearly be held accountable for an ethical issue.

Stakeholder Analysis

The Amazon case affected many people, whether directly or indirectly. The primary stakeholders would be the applicants, especially the women who were directly harmed by the biased ranking and discrimination, and other applicants were affected by the lack of transparency of the decision-making process. Amazon HR and recruiters were affected because they rely on accurate tools, and they are the ones that are responsible for keeping the hiring process fair. And finally, Amazon leadership and shareholders are stakeholders because they are the ones that would face legal, ethical, and reputational consequences.

The secondary stakeholders are the people and things that are affected indirectly by the case. The first would be any other corporations adopting AI hiring tools since they will either follow or avoid Amazon's example. AI developers and engineers are impacted because they are

the ones that are expected to design ethical AI systems. And finally, society at large is a stakeholder because diversity in employment affects anyone in the workforce and in the application process.

Utilitarian Ethical Analysis

As stated before, utilitarianism is a method of moral reasoning where one weighs the cost of a decision against the benefits, and according to Jan Quiambao (2022), “Utilitarianism is a form of consequentialism, providing the most effective approach for determining ethically correct behavior in every given circumstance.” For most cases, the benefits are short term while the harms are more long term (Quiambao, 2022). However, since the benefits are more in sight, they disproportionately look like they outweigh the potential costs. For Amazon’s case, the benefits of the AI hiring tool were faster resume screening, reduced workload for HR, potential cost savings, and scoring standardization (Dastin, 2018). These benefits are great, but when efficiency and speed are gained, we have to take a look at what is being lost or sacrificed for them. The costs of using AI to screen resumes are gender discrimination and lost opportunities for women, reinforcement of inequalities, ethical and legal risks to employers, and damage to Amazon’s reputation (Dastin, 2018).

When all these considerations are made, we can see that the efficiency gains are miniscule compared to the widespread harm. This is further proven by the fact that the costs affected not only the applicants but also society and industry norms. Therefore, using utilitarianism to analyze this case, using an AI hiring tool is not ethically correct.

Recommendations

After using utilitarianism to analyze the Amazon algorithmic hiring system case, there are several recommendations that other corporations should consider. To prevent bias, developers should use diversified and balanced training datasets instead of historical hiring data and apply algorithmic auditing tools to detect bias before the system is used (Kleinberg, 2020). These solutions will help ensure that there is little-to-no bias within the algorithm that will cause serious ethical issues. Fabris and his colleagues (2025) agree that if companies are going to use an AI hiring tool, they should use interpretable models or provide explanation layers for its decisions. Through this, the applicants could also receive the explanation records, so they can learn and understand why they did or did not get the job. And finally, one thing I think should be assumed, but is very important, is that humans should always be involved in the hiring decisions. AI should not be ranking applicants alone, it should only be a support tool, not a way for humans to not do any work.

Conclusion

The Amazon hiring algorithm case shows that systems that are created for and driven by efficiency can quickly cause widespread ethical harm when they are built on biased historical data. Though the tool offered many benefits, like a faster screening process, the discriminatory effect of gender bias, transparency issues, and unclear accountability led to serious moral and ethical costs. By using the utilitarian framework, we can see that the costs far outweigh the short-term benefits of the fast and efficient hiring system. Overall, this case serves a great reminder that bias and ethics must be considered when using AI in any way, especially when it could affect society as a whole. As AI grows, companies must learn from Amazon's mistakes and implement the recommendations to prevent bias, improve transparency, and ensure human oversight when implementing algorithmic tools.

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