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#### MOBLEY V. WORKDAY: AN EVOLVING AI COMPLIANCE LANDSCAPE



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## I. INTRODUCTION

Mobley v. Workday is a groundbreaking legal dispute that sits at the intersection of artificial intelligence ("AI") and employment law. The key issues in Mobley are whether the use of algorithmic screening tools in hiring decisions, as implemented by Workday, result in unlawful disparate impact discrimination under the Title VII of the Civil Rights Act of 1964, ("Title VII"), under the Age Discrimination in Employment Act ("ADEA"), or under the Americans with Disabilities Act ("ADA"). Another key issue in Mobley centers around whether Workday can be held liable as employer's agent for unlawful disparate impact discrimination under these three acts. While this case is still pending, it is among the first major cases to challenge algorithmic hiring under anti-discriminatory statutes. It could set precedent for how AI hiring systems are regulated in the U.S. While Mobley was filed in California, this note will examine the issues of employment discrimination and AI under Illinois' Human Rights Act ("IHRA").

This Note proceeds as follows. Part II explores the mechanics of AI-driven discrimination, provides an in-depth analysis of the *Mobley v. Workday* case, and examines IHRA as it relates to AI. Part III analyzes why Workday would be liable under the IHRA and considers AI regulatory efforts in other states such as Colorado. Part IV addresses the critical implications for businesses deploying AI systems, emphasizes the importance of these developments, and provides practical guidance for businesses.

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<sup>&</sup>lt;sup>1</sup> Mobley v. Workday, Inc., 740 F. Supp. 3d 796, 801, (N.D. Cal. 2024).

<sup>&</sup>lt;sup>2</sup> *Id.* at 803.

<sup>&</sup>lt;sup>3</sup> *Id.* at 806.

<sup>&</sup>lt;sup>4</sup> *Id.* at 805.

<sup>&</sup>lt;sup>5</sup> *Id.* at 805.

## II. BACKGROUND

Most AI systems, especially those based on machine learning, learn from large datasets. These datasets allow it to identify patterns, make predictions, and perform tasks with increasing accuracy. If these datasets contain historical biases, stereotypes, or underrepresentation of certain groups, AI will learn to reproduce those biases.8 For example, a hiring algorithm trained on past hiring data might favor male candidates if the company historically hired more men.9 Biased outcomes like these do not necessarily occur because the software developers instruct it to discriminate; instead, by programming AI to prefer words that are typically used by men such as "executed" or "captured," or activities like chess club, AI will automatically choose male candidates over others. 10 Even if biological attributes (like race or gender) are excluded, other variables can act as substitutes and reintroduce biases.11 For example, an algorithm that does not explicitly use race but uses location, education, or income data may still reflect racial disparities.<sup>12</sup> In 2021, The Markup analyzed more than two million mortgage applications using data from the Home Mortgage Disclosure Act.<sup>13</sup> The study found that algorithmic systems used by lenders were more likely to deny home loans to African American and Latino applicants than to Caucasian applicants with similar financial backgrounds.<sup>14</sup> In fact, high-earning Black applicants with less debt were rejected more often than high-earning White applicants who have more debt. 15 While the lenders did not use race as an input, the models included variables like zip code, loan type, and lender-all of which can serve as substitutes for

<sup>&</sup>lt;sup>6</sup> Santosh Kumar Singh and H.K. Pallwal, A state-of-the-art review on the utilization of machine learning in nanofluids, solar energy generation, and the prognosis of solar power, SCIENCE DIRECT, 62, 68 (2023).

<sup>&</sup>lt;sup>7</sup> How Does AI Recognize Patterns and Make Predictions?, STACK AI (Mar. 14, 2025), https://www.stack-ai.com/blog/how-does-ai-recognize-patterns-and-make-predictions.

<sup>&</sup>lt;sup>8</sup> Matthew G. Hanna, et al., Ethical and Bias Considerations in Artificial Intelligence/Machine Learning, 38 MODERN PATHOLOGY (2025), https://www.sciencedirect.com/science/article/pii/S0893395224002667.

<sup>&</sup>lt;sup>9</sup> Amanda B. Blair and Karen L. Odash, *New Study Shows AI Resume Screeners Prefer White Male Candidates: Your 5-Step Blueprint to Prevent AI Discrimination in Hiring*, FISHER PHILLIPS (Nov. 11, 2024), https://www.fisherphillips.com/en/news-insights/ai-resume-screeners.html.

<sup>&</sup>lt;sup>10</sup> Jake Silberg & James Manyika, *Notes from the AI Frontier. Tackling bias in AI (and in humans)*, MCKINSEY GLOBAL INST. (June 2019), https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Artificial%20Intelligence/Tackling%20bias%20in%20artificial%20intelligence%20and%20in%20humans/MGI-Tackling-bias-in-AI-June-2019.ashx.

<sup>&</sup>lt;sup>11</sup> Jon Kleinberg, Jens Ludwig, Sendhil Mullaninathan, & Cass R Sunstein, *Discrimination in the Age of Algorithms*, 10 OXFORD ACADEMIC 113, 121, (Apr. 22, 2019).

<sup>&</sup>lt;sup>12</sup> *Id.* at 121.

<sup>&</sup>lt;sup>13</sup> Emmanuel Martinez & Lauren Kirchner, *The Secret Bias Hidden in Mortgage-Approval Algorithms*, THE MARKUP (Aug. 25, 2021, 6:50 AM), https://themarkup.org/denied/2021/08/25/the-secret-bias-hidden-in-mortgage-approval-algorithms.

<sup>&</sup>lt;sup>14</sup> *Id*.

<sup>&</sup>lt;sup>15</sup> *Id*.

race, even when race is not explicitly used.<sup>16</sup> The algorithms were trained on past lending decisions, which embedded those same biases.<sup>17</sup> These defective data sets are deeply troubling and can result in penalizing marginalized groups.<sup>18</sup>

Problematic AI data sets also lead to employment discrimination in the workforce.<sup>19</sup> The IHRA, codified as 775 ILCS 5, governs employment discrimination.<sup>20</sup> Employment discrimination occurs when an employer treats an applicant or employee less favorably because of their race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, disability, age or genetic information.<sup>21</sup> Some examples of employment discrimination include refusing to hire a candidate because they are over the age of forty or based on their race or disability.<sup>22</sup>

In the case of *Mobley v. Workday Inc.*, Derek Mobley's ("Mobley") class action lawsuit was filed in federal court in the Northern District of California.<sup>23</sup> In his lawsuit, he alleges that Workday's AI-powered hiring tool discriminated against him and other similarly situated job applicants based on race, age, and disability.<sup>24</sup> Mobley, the lead plaintiff and an African American man, claims that he was rejected for over 100 jobs due to his race, age (over 40), and mental health conditions, including anxiety and depression.<sup>25</sup> Mobley claims to have been qualified for these positions.<sup>26</sup> The companies he applied for all used Workday's AI-based screening tools, which include personality and cognitive tests.<sup>27</sup> These screening tools then interpret a candidate's qualifications through advanced algorithmic methods and can automatically reject candidates or advance them along in the hiring process.<sup>28</sup> Mobley argues that Workday's AI screening tools perpetuate existing biases in the hiring process. In fact, Mobley applied for a job position at 12:55 a.m. only to be rejected less than an hour later.<sup>29</sup> He asserts a disparate impact claim, arguing that Workday's AI system led to biased outcomes, violating federal antidiscrimination laws, including Title VII, the

<sup>&</sup>lt;sup>16</sup> *Id*.

<sup>&</sup>lt;sup>17</sup> *Id*.

<sup>&</sup>lt;sup>18</sup> *Id*.

<sup>&</sup>lt;sup>19</sup> Silberg & Manyika, supra note 10.

<sup>&</sup>lt;sup>20</sup> 775 III. COMP. STAT. 5/1-101 et seq. (2024).

<sup>&</sup>lt;sup>21</sup> *Id*.

<sup>&</sup>lt;sup>22</sup> Id.

<sup>&</sup>lt;sup>23</sup> Mobley v. Workday, Inc., 740 F. Supp. 3d 796, 802 (N.D. Cal. 2024).

<sup>&</sup>lt;sup>24</sup> Id. at 802.

<sup>&</sup>lt;sup>25</sup> *Id*.

<sup>&</sup>lt;sup>26</sup> Id. at 803.

<sup>&</sup>lt;sup>27</sup> *Id.* at 802.

 $<sup>^{28}</sup>$  Id. at 803.

<sup>&</sup>lt;sup>29</sup> *Id*.

ADEA, and the ADA.<sup>30</sup> Four other plaintiffs over the age of forty have since joined him with allegations of age discrimination claims under the ADEA.<sup>31</sup>

Illinois has taken a proactive stance in regulating the use of AI in employment decisions, particularly to prevent discrimination and ensure fairness.<sup>32</sup> On August 9, 2024, Governor Pritzker signed into law the Illinois House Bill 3773 ("HB-3773") amending the Employment Article of the IHRA 775 ILCS 5/2-102.33 The IHRA prohibits employment practices that "adversely affect" a group based on protected classes such as race, sex, age, disability, national origin, and other protected categories.<sup>34</sup> Specifically, the amendment to 775 ILCS 5/2-102, Section 2-102, establishes that the following are civil rights violations: "With respect to recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure, or the terms, privileges, or conditions of employment, for an employer to use artificial intelligence that has the effect of subjecting employees to discrimination on the basis of protected classes identified under this Article or to use zip codes as a proxy for protected classes identified under this Article; and for an employer to fail to provide notice to an employee that the employer is using artificial intelligence."35 Intent is not mentioned in the law as a factor. 36 Therefore, even if an employer does not intend to discriminate, if the system does discriminate, they will be held liable.<sup>37</sup> The law will hold AI models to the same standards that it holds humans who are manually making employment hiring decisions.<sup>38</sup>

This bill was enacted to address concerns about the potential for AI systems to inadvertently bolster discrimination in employment and credit decisions, and to guarantee that employees are given notice about the use of AI.<sup>39</sup> The bill aims to ensure that AI technologies are used responsibly, promoting fairness and transparency through mandatory disclosures about the use of AI in the workplace.<sup>40</sup> By amending the IHRA 775 ILCS 5/2-102, the law reinforces existing civil rights protections, assuring that AI applications do not undermine efforts to combat discrimination in

<sup>&</sup>lt;sup>30</sup> *Id*.

<sup>&</sup>lt;sup>31</sup> Clare Duffy, Lawsuit Claims Discrimination by Workday's Hiring Tech Prevented People Over 40 From Getting Hired, CNN (May 22, 2025, 9:09AM), https://www.cnn.com/2025/05/22/tech/workday-ai-hiring-discrimination-lawsuit.

<sup>&</sup>lt;sup>32</sup> Adam S. Forman, Nathaniel M. Glasser, & Naomi C. Friedman, *Illinois Prohibits Discriminatory AI in Employment Decisions*, EPSTEIN BECKER GREEN (Aug. 14, 2024), https://www.workforcebulletin.com/illinois-prohibits-discriminatory-artificial-intelligence-in-employment-decisions.

<sup>&</sup>lt;sup>33</sup> *Id*.

<sup>&</sup>lt;sup>34</sup> *Id*.

<sup>&</sup>lt;sup>35</sup> 775 ILL. COMP. STAT. 5/2-102 (2023).

<sup>&</sup>lt;sup>36</sup> *Id*.

<sup>&</sup>lt;sup>37</sup> *Id*.

<sup>38</sup> Id

<sup>&</sup>lt;sup>39</sup> Press Release, Ill. House Dems., *Andrade, Rashid Pass Bill Cracking Down on AI-Based Discrimination* (May 24, 2024), https://ilhousedems.com/2024/05/24/andrade-rashid-pass-bill-cracking-down-on-ai-based-discrimination/.

<sup>&</sup>lt;sup>40</sup> *Id*.

the workplace.<sup>41</sup> The law goes into effect January 1, 2026, providing employers time to comply with its provisions.<sup>42</sup>

Illinois is one of the first states to adopt comprehensive AI employment regulations. This bill could serve as a model for other states or even federal policy, showing leadership in adapting to emerging technologies. On the flip side, the bill could serve as a compliance burden for small and mid-sized businesses. These businesses may lack the resources to audit AI systems for biases or to implement new compliance processes. This could increase operational costs for them, and it may be more effective for them to not utilize AI at all, making AI only accessible to larger businesses. This can deepen inequality in the labor market, and lead to larger businesses having a major advantage in speed and quality candidate, while smaller businesses without access to AI will fall behind.

#### III. Analysis

After Mobley filed his discrimination complaint, the judge dismissed Mobley's allegations that Workday intentionally discriminated against him based on age, race, and mental health. However, the judge allowed his *disparate impact* discrimination claims to proceed. The court found these claims plausible, particularly on the basis that Workday could be considered an "agent" of the employers to which the applicant applied. This decision implies that AI vendors, not just employers, can be held liable for discriminatory impacts in hiring. Likewise, taking Mobley's allegations as true, the Court held that he plausibly alleged the necessary elements for disparate impact discrimination under Title VII, the ADA, and the ADEA by (1) showing a significant disparate impact on a protected class or group; (2) identifying the specific employment practices or selection criteria at issue; and (3) showing a causal relationship between the challenged practices or criteria and the disparate impact.

On the first element (disparate impact), the Court found that Mobley had pled a specific employment practice by alleging that Workday's use of algorithmic decision-making tools to screen applicants had relied on biased training data and personality tests, on which applicants with mental health and cognitive disorders performed more

<sup>&</sup>lt;sup>41</sup> 775 ILL. COMP. STAT. 5/2-102 (2023).

<sup>&</sup>lt;sup>42</sup> Simon R.D. Francis, Benjamin W. Perry, Lauren N. Watson, *Illinois Steps Up AI Regulation in Employment: Key Takeaways for Employers*, NAT'L L. REV. (Aug. 29, 2024), https://natlawreview.com/article/illinois-steps-ai-regulation-employment-key-takeaways-employers.

<sup>&</sup>lt;sup>43</sup> Forman, Glasser & Friedman, *supra* note 32.

<sup>44</sup> I.A

<sup>&</sup>lt;sup>45</sup> Mobley v. Workday, Inc., 740 F. Supp. 3d 796 (N.D. Cal. 2024).

<sup>&</sup>lt;sup>46</sup> *Id.* at 809.

<sup>&</sup>lt;sup>47</sup> *Id.* at 808.

<sup>&</sup>lt;sup>48</sup> *Id*.

<sup>&</sup>lt;sup>49</sup> *Id.* 809–10.

poorly.<sup>50</sup> The Court also held that the tools which were designed to screen applicants unfairly penalize older candidates (40+).<sup>51</sup> While these screening tools did vary based on customer hiring preference, the Court held that this fact was not sufficient to dismiss Mobley's claims because he showed a common component that discriminated against applicants based on protected characteristics.<sup>52</sup>

On the second element (disparity), the Court found a reasonable inference of disparity based on Mobley's allegations that he had applied for over 100 job positions and had been rejected from every single one due to Workday's allegedly biased screening tool. One of the jobs that he was rejected from was a job that he was already working at as a contractor.<sup>53</sup> The court also looked at the rapid rejection that Mobley received, even receiving rejections in the middle of the night.<sup>54</sup> For the last element (causation), the Court held that Mobley plausibly alleged that the disparity was caused by Workday's algorithmic screening tools based on the "sheer number of rejections" he received combined with allegations that Workday's AI tool relied on biased training data.<sup>55</sup>

Mobley's attorney alleged that "because there are no guardrails to regulate Workday's conduct, the algorithmic decision-making tools it utilizes to screen out applicants provide a ready mechanism for discrimination." <sup>56</sup>

Illinois is likely to find the reasoning in Mobley persuasive, particularly his arguments about Workday being held liable as an employer's agent, and disparate impact liability in AI-driven hiring. Illinois has robust anti-discrimination laws and has taken an active role in regulating AI and employment practices. <sup>57</sup> Both federal and Illinois state laws recognize disparate impact claims. While federal protections like Title VII, the ADA, and the ADEA apply only to employers with more than fifteen employees, IHRA extends coverage to employers with just one employee, offering broader protection. <sup>58</sup> Under the IHRA, a practice that appears neutral—such as the use of Workday's AI tools—can still be unlawful if it disproportionately harms a protected group. <sup>59</sup> Courts examine whether a neutral policy exists, whether it causes statistical disparities among protected groups, whether the employer can justify the

 $<sup>^{50}</sup>$  Id. at 809.

<sup>&</sup>lt;sup>51</sup> *Id.* at 810.

<sup>&</sup>lt;sup>52</sup> *Id*.

<sup>&</sup>lt;sup>53</sup> *Id.* at 810.

<sup>&</sup>lt;sup>54</sup> *Id.* at 811.

<sup>&</sup>lt;sup>55</sup> *Id*.

<sup>&</sup>lt;sup>56</sup> *Id*.

<sup>&</sup>lt;sup>57</sup> 775 ILL. COMP. STAT. 5/2-102 (2023).

<sup>&</sup>lt;sup>58</sup> Family and Medical Leave Act, 29 U.S.C. §§ 2601–2654; Americans with Disabilities Act, 42 U.S.C. §§ 12101–12213; Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e–2000e-17; 775 Ill. Comp. Stat. 5/et seq. (Illinois Human Rights Act).

<sup>&</sup>lt;sup>59</sup> See Griggs v. Duke Power Co., 401 U.S. 424, 430–31 (1971); City of Rome v. United States, 446 U.S. 156, 176–77 (1980); Gaston Cty. v. United States, 395 U.S. 285, 297 (1969).

practice as job-related and consistent with business necessity, and whether the plaintiff can suggest a less discriminatory alternative that still meets the employer's goals.<sup>60</sup>

Disparate impact discrimination occurs when a facially neutral policy or practice, such as Workday's AI-based screening tool, disproportionately harms members of a protected class, even if there is no intent to discriminate.<sup>61</sup> The IHRA prohibits employment practices that "adversely affect" a group based on race, sex, age, disability, national origin, and other protected categories.<sup>62</sup> Illinois courts have held that plaintiffs can bring disparate impact claims under the IHRA, similar to Title VII claims.<sup>63</sup> Under the IHRA, courts analyze whether a neutral employment policy exists and if the plaintiff can show that the policy causes a statistical disparity under a protected group, if the employer can then show that the policy is job-related and consistent with business necessity, and if the plaintiff can then show an alternative practice that would have less impact and still meet the employer's goals.<sup>64</sup>

Common examples of disparate impact in the workplace include hiring exams that disproportionally exclude minority candidates, height or strength requirements which may exclude women, or requiring a four-year college degree where a high school diploma would suffice could disproportionately affect minority applicants or those from lower-income backgrounds, who may have fewer opportunities to pursue higher education. <sup>65</sup> All of these policies are unlawful under Title VII if they are not job related and consistent with business necessity. <sup>66</sup>

When analyzing *Workday v.* Mobley, under the IHRA, the neutral employment policy is Workday's AI-based screening tool. Workday's policy caused a statistical hiring disparity with Mobley and other class-action members protected under Title VII, the ADA, and the ADEA. This led to them being rejected for every single position they applied for.<sup>67</sup> While as a defense, Workday can show that the policy was job related, as it was for hiring people for employment, Mobley can rebut this claim by showing that instead of employers' using Workday's AI-based screening tool, they could have used human review of resumes which would have achieved similar business objectives. Or they could have monitored Workday's AI-based screening tool, to ensure that it was free of biases.

It may appear that cases involving disparate impact claims are currently under attack, and to an extent, that is true. President Trump's Executive Order 14281, issued in April 2025 and titled "Restoring Equality of Opportunity and Meritocracy," seeks to

<sup>&</sup>lt;sup>60</sup> See Griggs, 401 U.S. at 430–31.

<sup>61</sup> Lau v. Nichols, 414 U.S. 563, 568 (1974).

<sup>&</sup>lt;sup>62</sup> 775 III. COMP. STAT. 5/1-101 et seq. (2024).

<sup>63</sup> Id.

<sup>64</sup> N.Y. Urban League v. New York, 71 F.3d 1031, 1036 (2d Cir. 1995).

<sup>&</sup>lt;sup>65</sup> Disparate Impact vs Disparate Treatment: Complete Guide, CASE IQ, https://www.caseiq.com/resources/disparate-impact-treatment (last visited June 21, 2025).

<sup>&</sup>lt;sup>66</sup> *Id*.

<sup>67</sup> Mobley v. Workday, Inc., 740 F. Supp. 3d 796, 810 (N.D. Cal. 2024).

eliminate the use of disparate impact theory in federal civil rights enforcement.<sup>68</sup> Agencies like the U.S. Equal Employment Opportunity Commission (EEOC), who filed an amicus brief on April 9, 2024, in support of Mobley, have been directed to stop using disparate impact in investigations, rulemaking, or enforcement actions.<sup>69</sup> However, private individuals, such as Mobley, may still bring disparate impact claims in federal court.<sup>70</sup> Moreover, many states such as Illinois still recognize liability under disparate impact discrimination.<sup>71</sup> Employers could still face lawsuits or penalties under state anti-discrimination laws such as the IHRA 775 ILCS 5/2-102.<sup>72</sup>

Illinois is not the only state that has enacted laws to protect its citizens from AI based employment discrimination.<sup>73</sup> Colorado was the first state to enact laws regulating AI in the workplace.<sup>74</sup> The Colorado AI Act requires developers and deployers of "high-risk" AI systems to use "reasonable care to avoid algorithmic discrimination."<sup>75</sup> This duty extends to any foreseeable risk of algorithmic discrimination from the intended and contracted uses of their AI products.<sup>76</sup> The law also mandates transparency and requires businesses to inform individuals when AI is used for making consequential decisions.<sup>77</sup> Moreover, Colorado job applicants will be able to challenge a company's decision not to hire them.<sup>78</sup>

#### IV. RECOMMENDATIONS

As employers' use of AI faces increasing legal scrutiny, businesses should pay close attention to *Mobley v. Workday Inc.*, a revolutionary legal case that could significantly impact how businesses implement AI in hiring and employment decisions, particularly under civil rights and anti-discrimination laws.<sup>79</sup> Understanding the implications of this case can help businesses proactively manage AI-related risks, ensure compliance with evolving regulations, and avoid costly legal challenges.<sup>80</sup>

<sup>&</sup>lt;sup>68</sup> Exec. Order No. 14281, 90 Fed. Reg. 17537 (Apr. 23, 2025).

<sup>&</sup>lt;sup>69</sup> *Id*.

<sup>&</sup>lt;sup>70</sup> *Id*.

<sup>&</sup>lt;sup>71</sup> *Id*.

<sup>&</sup>lt;sup>72</sup> 775 ILL. COMP. STAT. 5/2-102 (2025).

<sup>&</sup>lt;sup>73</sup> Forman, Glasser & Friedman, *supra* note 32.

<sup>&</sup>lt;sup>74</sup> Colorado Governor Signs Broad AI Bill Regulating Employment Decisions, SEYFARTH (May 18, 2024), https://www.seyfarth.com/news-insights/colorado-governor-signs-broad-ai-bill-regulating-employment-decisions.html.

<sup>&</sup>lt;sup>75</sup> COLO. S.B. 24-205, 2024 Gen. Assemb., Reg. Sess. (Colo. 2024) (enacted).

<sup>&</sup>lt;sup>76</sup> Colorado Governor Signs Broad AI Bill Regulating Employment Decisions, supra note 82.

<sup>&</sup>lt;sup>77</sup> *Id*.

<sup>78</sup> Id.

<sup>&</sup>lt;sup>79</sup> Diamiana Saad, Where Are We Now with the Use of AI in the Workplace?, NAT'L L. REV. (June 17, 2025), https://natlawreview.com/article/where-are-we-now-use-ai-workplace.
<sup>80</sup> Id.

In Mobley v. Workday, the court allowed the lawsuit to proceed under the theory that Workday, as an AI vendor, could be considered an "agent" of employers.<sup>81</sup> Businesses using AI tools will be accountable for discriminatory outcomes, even if the bias originates from the software provider. 82 As a result, businesses can face public backlash, media scrutiny, and loss of consumer and employee trust. 83 Since AI obfuscates bias with layers of ostensibly objective mathematical authority, the presence of these biases cannot fully be eliminated until AI is harnessed correctly. 84 AI is unlikely to be harnessed correctly unless a diverse set of software engineers assist with the creation of AI algorithms. For example, a science, technology, engineering, and mathematics ("STEM") pipeline would allow more women and minorities to pursue careers in the STEM field.<sup>85</sup> Leveling the playing field and creating diversity initiatives for those from diverse backgrounds will help them to climb the ladder in the STEM world and allow their influence to be felt as well when programming these products.86 However, a STEM pipeline undoubtedly requires significant time, effort, and resources. So, due to the biases that AI currently perpetuates, governments and regulatory bodies should establish clear guidelines and standards for the use of AI in hiring ensuring fairness, transparency, and accountability.<sup>87</sup>

For those businesses that still choose to use AI as it is in the workplace, it is essential to thoroughly vet AI tools. 88 This involves identifying which decisions are being made by AI, assessing how protected characteristics (race, gender, age) might be impacted, evaluating the potential for disparate impact, and regularly testing for such impact. 89 Additionally, businesses should carefully select AI vendors by requesting documentation on how the AI models were trained and validated, ensuring the vendor provides tools for auditing fairness and explainability and including contractual provisions that require non-discriminatory outcomes. 90 Finally, businesses must continuously monitor AI performance after deployment, watching for "drifts"—

<sup>81</sup> Mobley v. Workday, Inc., 740 F. Supp. 3d 796, 808 (N.D. Cal. 2024).

<sup>&</sup>lt;sup>82</sup> *Id*.

<sup>&</sup>lt;sup>83</sup> AI Hiring Lawsuits: Risks and How Employers Can Stay Compliant, MONDO, https://mondo.com/insights/ai-hiring-lawsuits-risks-and-how-employers-can-stay-compliant/ (last visited June 21, 2025).

<sup>&</sup>lt;sup>84</sup> *Id*.

<sup>&</sup>lt;sup>85</sup> Abhishek Bahl, *Why We Need More Women In STEM*, SHE CAN CODE, https://shecancode.io/why-we-need-more-women-in-stem/ (last visited June 21, 2025).

<sup>86</sup> Id

<sup>&</sup>lt;sup>87</sup> Stylianos Kampakis, *Bias and Discrimination in AI: Legal Remedies and Ethical Obligations*, IBM (June 11, 2025), https://community.ibm.com/community/user/blogs/stylianos-kampakis/2025/06/10/bias-and-discrimination-in-ai.

<sup>88</sup> Saad, supra note 79.

<sup>&</sup>lt;sup>89</sup> *Id*.

<sup>&</sup>lt;sup>90</sup> Id.

where models may develop bias over time due to changing data—and updating models and processes as needed.<sup>91</sup>

## V. CONCLUSION

As seen in *Mobley v. Workday*, employers face considerable risks when they use AI. AI systems can unintentionally reinforce biases, leading to discriminatory hiring or employment decisions that may result in costly legal challenges, reputational harm, and regulatory penalties. <sup>92</sup> Ongoing monitoring of AI in the workplace is crucial to identify and mitigate any biases that may develop, helping to maintain fairness and compliance with anti-discrimination laws. <sup>93</sup>

<sup>&</sup>lt;sup>91</sup> Veronica Drake, *Best Practices for Monitoring AI Systems Post-Deployment*, STACK MOXIE (July 29, 2024), https://www.stackmoxie.com/blog/best-practices-for-monitoring-ai-systems/.

<sup>&</sup>lt;sup>92</sup> Lena Kempe, Navigating the AI Employment Bias Maze: Legal Compliance Guidelines and Strategies, ABA (Apr. 10, 2024), https://www.americanbar.org/groups/business\_law/resources/business-law-today/2024-april/navigating-ai-employment-bias-maze/.

<sup>&</sup>lt;sup>93</sup> Continuous Monitoring, Data Governance, and Compliance: A Guide to Optimizing AI Performance, NANOMATRIX, https://www.nanomatrixsecure.com/continuous-monitoring-data-governance-and-compliance-a-guide-to-optimizing-ai-performance/(last visited June 21, 2025).