



Reducing **Bias in HR** using
Artificial Intelligence 

Authored by: **Torin Ellis**

Acknowledgments & Gratitude

This was an exciting first project for the brand. We experienced tremendous support from Aptitude Research willing to lend access to their network, privilege, wealth of knowledge, and genuine spirit. There are not enough words to underscore our appreciation for Madeline Laurano and Kyle Lagunas over the last few months. This research is an example of collaboration, diverse touchpoints, and inclusive viewpoints. To the focus group participants, know that your contributions are woven heavily throughout ... Thank you kindly.

*We also thank our lead sponsor -
plum - for our blooming relationship and trust.*



- Torin Ellis

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Precursor

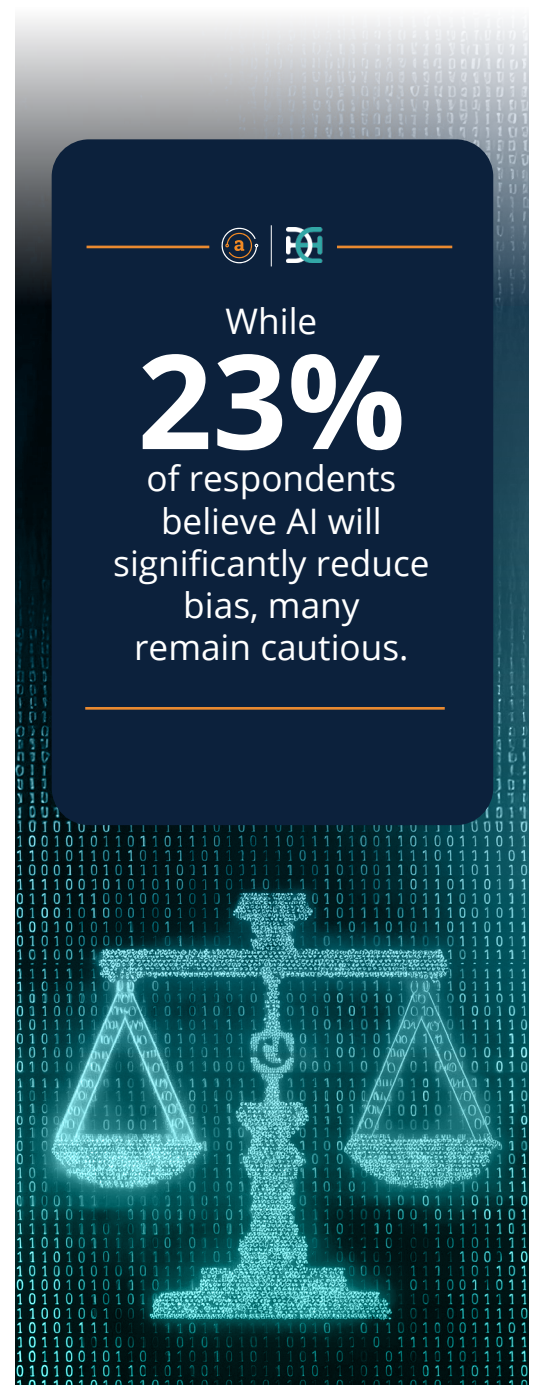
Five (5) years ago, the term Large Language Model (LLM) was less familiar outside of academic institutions, tech-related conferences, VC meetings, and a few government and large corporate entities. AI encompasses various technologies, including computer vision, speech recognition, robotics, and more. AI aims to replicate or simulate intelligent behavior, while LLMs focus on language processing. Large Language Models are designed to generate text like a human and are the basis of the next wave of HR Tech solutions. And while true, the use of LLMs has matured and progressed positively since a group of California scientists released *The Woman Worked as a Babysitter: On Biases in Language Generation* (2019), there is still cause for concern.

Introduction: Current State of AI in Reducing Bias

While we did not distinguish between types of AI (Artificial Narrow, Generative, or Super) for this report, it is safe to assume that most respondents weighed in leaning towards Generative AI solutions. We are riding a wave of adoption and frenetic pace as to how these solutions are being deployed, making this an ideal time to evaluate the current state and modify as necessary and often to mitigate harm. This report explores these uncertainties, presenting research that evaluates how AI is being used to reduce bias, what outcomes have been observed, and where companies still struggle.

Common and necessary technologies such as Applicant Tracking Systems (ATS), Human Resource Information Systems (HRIS), and Learning and Development (L&D) solutions provide automation, compliance, record keeping, and skill development repositories. It would make sense that an increased amount of AI development and deployment is taking place around this nerve system of data and digital tissue. Applied strategically and thoughtfully, the chosen AI technique will reduce bias and deliver lifts in employee engagement, performance, and productivity, as well as an uptick in positive attrition. ⁽¹⁾

The growing adoption of **artificial intelligence (AI)** in human resources is reshaping traditional practices, particularly in addressing bias in hiring, performance evaluations, and promotions. As HR departments across industries grapple with systemic bias, AI offers the promise of reducing human error and helping companies achieve Diversity, Equity, Inclusion, and Belonging (DEIB) goals more efficiently. However, uncertainty remains high, with a significant number of organizations unsure whether AI will actually reduce or exacerbate bias. AI-driven HR solutions have gained momentum, but the role AI will ultimately play in reducing bias is still debated. While **23% of respondents believe AI will significantly reduce bias**, many remain cautious. ⁽²⁾



Research Methodology

Our research involved a combination of **quantitative and qualitative** methods to capture the full spectrum of perspectives on AI's impact on bias reduction:

Quantitative Research: We received just under 450 responses from HR leaders, including directors and C-suite executives across industries and company sizes.

The company sizes ranged from 18% SMB (250-999), 22% (1000-4999), 28% (5K-999K) 32% Enterprise (10,000+)

Qualitative Research:

Focus groups and interviews provided an opportunity for HR leaders to share their in-depth experiences. Participants included current and former CHROs, Consultants, Data Analysts, Managers, Recruiters, and Startup Founders. In one particularly spirited discussion, participants debated whether bias is inherently human and whether AI can help mitigate it.



The findings reveal that **only 27% of companies are using AI to address bias** despite AI's potential to automate processes and minimize personal and unreasoned judgment. This is important because AI can help address bias in areas like candidate screening, performance reviews, and promotions, offering organizations a more objective lens. Yet, **half of HR professionals surveyed remain unsure** if AI will effectively reduce bias.

Focus groups provided deeper insights into AI's role in addressing bias and the challenges it presents. Companies of all sizes, from small and medium businesses (SMBs) to large enterprises, participated, ensuring a broad spectrum of perspectives. The conversations were lively and robust. For example, there was a spirited exchange that unfolded as described below:

Session II - Participant #3

"I'm just not going to assume that there is or is not bias. I want to be able to identify if there is or is not bias."

Session II - Participant #5

An abbreviated response included:

"I kind of get frustrated and my struggle is that it's absolutely there, because we're imperfect humans, and it's okay that it's there. We just need to work on it, but it's absolutely there."

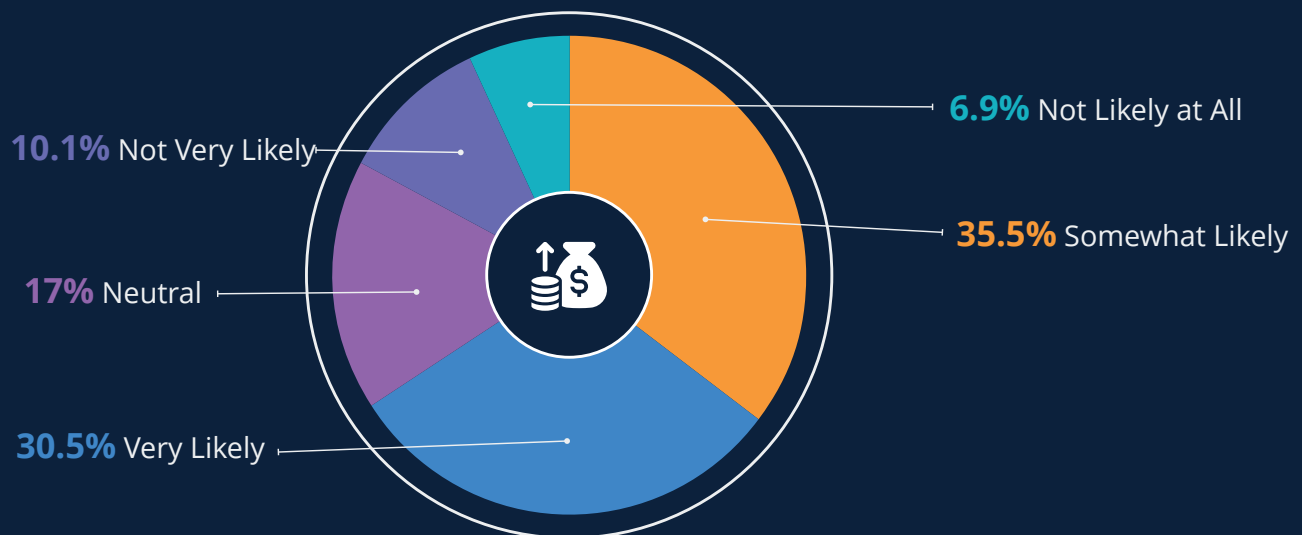
Although it was near the end of our discussion, it highlighted a **central tension** in the AI debate: while many see AI as a tool to eliminate bias, others caution that AI cannot address biases present in the data it's trained on. This tension was echoed in the broader survey results, with nearly half of respondents expressing **uncertainty about AI's effectiveness**. It was a reminder to some, reinforcement to others, as to our responsibility to build and invest in systems that do as little harm as humanly possible and that we move with intent rather than massage the current state any longer than necessary.

PART 1

OVERVIEW OF AI ADOPTION IN HR

AI adoption in HR has progressed significantly, particularly since the release of generative AI tools like ChatGPT in 2022. Technologies such as **Machine Learning (ML)**, **Deep Learning (DL)**, and generative AI are now embedded in recruitment, performance evaluations, and talent management systems. In our survey, **31% of companies reported they were very likely to increase AI investment**. However, concerns about **bias and unintended consequences** continue to limit broader adoption. We also learned that some participants, while advocates and bullish on AI, responded neutral or even less with regard to investing in AI because their organizations had recently made significant investments and needed to nurture adoption and usability to garner the desired result and return.

Figure 1: How likely is your organization to increase investment in AI to support DEI initiatives over the next 12 months?



For organizations that have embraced AI, **27% are using it specifically to address bias** in HR as well as processes adjacent to HR and talent acquisition. The most pronounced example being internal bias training followed by regular audits of policy, procedure and function processes. These audits are almost always done without internal fanfare or messaging, if mentioned at all. We've learned through consultancy work that HR is in a unique position to leverage a high level of this activity and diligence in ways that build external brand cache and internal trust. This could result in external marketing and social campaigns and internal messaging sequences that reinforce an HR function as being supportive of culture and engagement. These are signals that suggest a company is doing right by stakeholders while also protecting the business.

The most common applications of AI include **candidate screening**, where AI algorithms help standardize evaluations, and **onboarding**, where AI-driven platforms ensure that communication is consistent and objective.

Figure 2: What is your company doing to reduce bias?



HR systems, such as **Applicant Tracking Systems** and **Human Resource Information Systems**, are increasingly incorporating AI to automate processes, reduce manual errors, and provide predictive insights on employee performance and engagement. AI tools are increasingly becoming necessary efficiency and transformation tools of HR, connecting previously siloed functions and allowing for real-time data analysis that can help identify and reduce bias in decision-making.

Investment of DEIB

Investment in DEI remains vibrant, with 66% (combined somewhat + very likely) of companies planning to increase their DEI budgets in 2024. Despite increased hostility from political figures, public platforms, and retraction by some C-suite leaders to de-prioritize anything that includes a mention of DEI, this is the precise time that companies should be doubling down on their commitments to DEI and allocating funding to AI preparedness and equitable AI. As indicated by [The Partnership for Global Inclusivity on AI \(PGIAI\)](#), ignoring or missing this opportunity to leverage AI in ways that reduce bias is a detriment to operations and will cause measurable damage. [\[3\]](#)

AI-driven DEI initiatives represent an opportunity for HR leaders to advance equity in the workplace. Our survey revealed that while many companies are increasing investment in AI, there remains a deep-seated fear of unintended consequences. Nearly half of the respondents reported concerns that AI could introduce new forms of bias rather than eliminate existing ones. Additionally, only 31% of companies felt confident enough to increase their investment in AI without seeing more evidence of its success. [\[4\]](#)

Given the significant potential AI holds for reducing bias, our opinion is that companies must approach AI adoption with caution, ensuring that they are investing in solutions that align with internal DEIB goals. Without thoughtful implementation and proper oversight, AI could exacerbate biases rather than mitigate them.



“ Interested yet reserving investment because they [clients] are not confident current solutions will do less to compound to present harm. ”



- Anessa Fike, Fike & Co.

The Potential of AI to Reduce Bias in HR Processes.

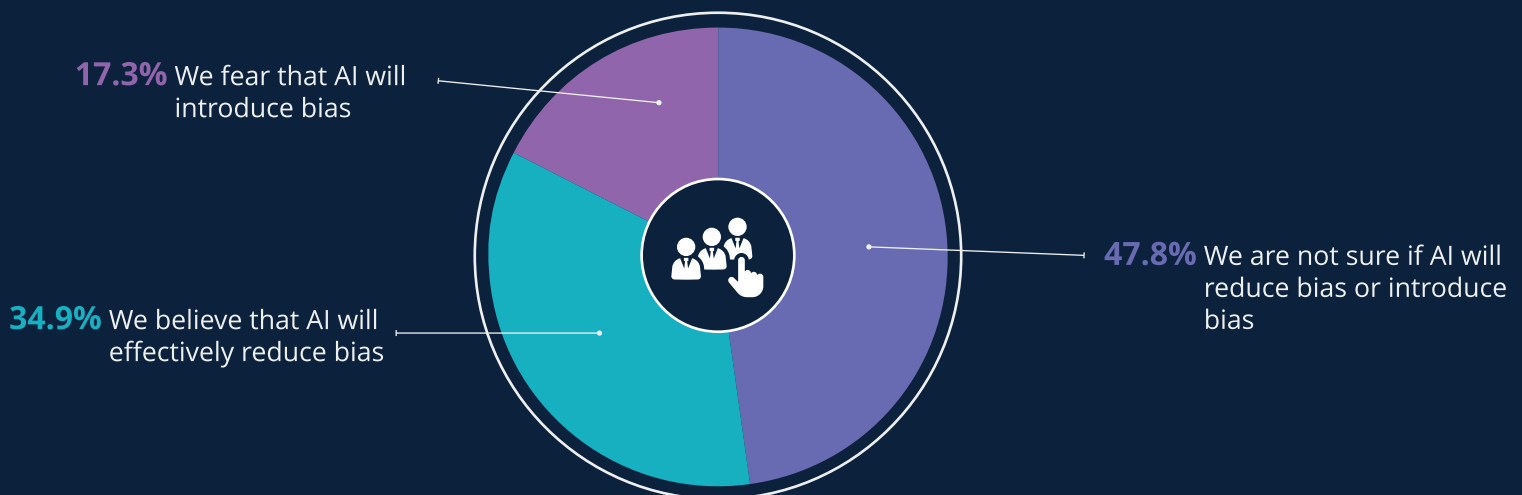
Despite promising advancements, developing ethical guidelines, promoting transparency in algorithms, mitigating bias in data sets, implementing robust testing and monitoring systems, investor interest, and fostering public education, **47.8% of respondents remain** unsure about whether AI can truly reduce bias. This skepticism largely stems from concerns about how AI interacts with flawed datasets or how its decisions might be biased due to imperfect training data.

Boards and senior leadership teams should be looking at assembling multidisciplinary talent from across the organization, external consultants and resources, and those with specialized AI or big data technical skills with experience in disciplines like Audit, Compliance, Environmental Social Governance (ESG), HR, Legal, and Risk Mitigation functions. To ensure AI systems operate fairly, companies should create cross-functional AI governance teams composed of HR, Legal, IT, and DEIB professionals and those to be impacted. These teams can ensure that the AI systems being used are ethical, transparent, and aligned with the organization's diversity goals.

The potential for AI to reduce bias in HR processes is significant. AI can automate tasks that are prone to human error, such as screening resumes, and help standardize evaluations to ensure that all candidates are assessed based on the same criteria. According to our survey, 70% of companies using AI report a higher percentage of diverse applicants compared to only 28% of those not using AI.

There are concerns with existing AI solutions around data sharing, ethics, intellectual property, privacy, transparency, and bias, which is the center of this report. Research indicated that most respondents are not sure (47.8%) and it will reduce or fear (17.3%) that AI will introduce bias. Despite existing and loud concerns around AI, there undoubtedly exists the opportunity to reduce bias when the data is accessible and clean and users are intentional in their efforts, operational strategy, and processes.

Figure 3: Most companies are not sure if AI will reduce bias or not.



AI has proven particularly effective in reducing bias during the candidate screening phase, where algorithms can be programmed to ignore factors such as age, gender, or race. For AI to reach its full potential in reducing bias, it requires clean and representative data. Organizations must prioritize data governance and ensure their data accurately reflects a diverse range of experiences.

Uncertainty About AI's Effectiveness in Reducing Bias

Before illustrating some of the ways AI might reduce bias in core HR activities and functions, let's highlight some of the concerns captured within responses. Nearly half of those queried fear AI will replace the HR and Recruiting function, eliminating their role. In terms of fears, a poor candidate or employee experience marked a considerable 40% expressing this concern. This fear of job displacement and experiential erosion has created this measurable trepidation, slowing down the proactive evaluation and eventual implementation of AI-based solutions.

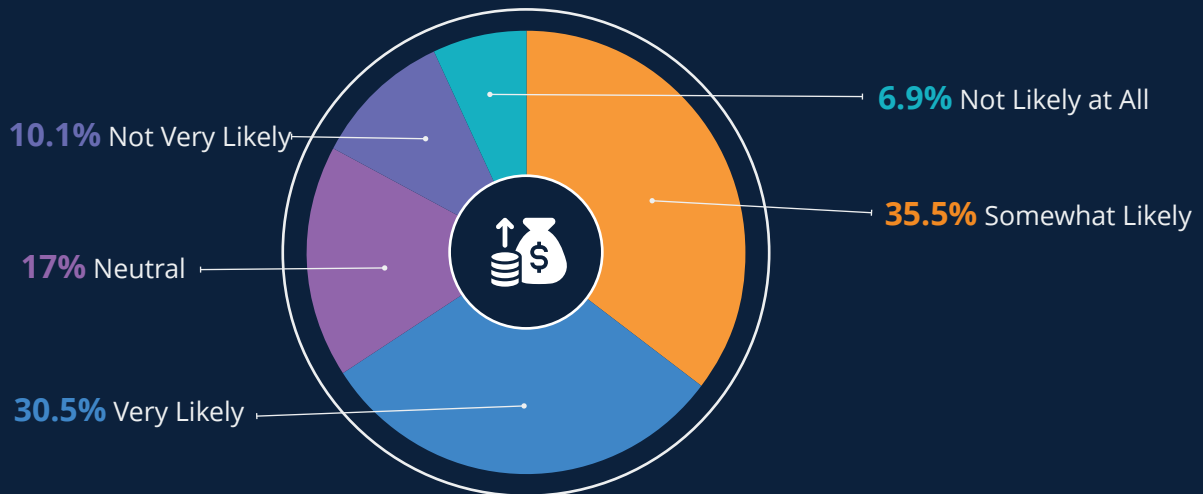
Figure 4: What is your greatest fear with using AI to reduce bias?



This fear itself is a form of bias for some, immediate concerns for others, that overshadow the potential long-term benefits of AI in HR.

The data reveals that only 31% of companies are likely to increase their investment in AI. It is true, AI can transform the way we work, making processes fairer, more transparent, and more efficient. AI can also introduce new risks if not properly managed. We believe factors in determining if/when to increase a company's investment in AI lies in evaluating key performance indicators and understanding efficiency, errors, gains, and losses, among other considerations. 23% of our respondents struggled with believing AI would effectively reduce bias. This level of uncertainty, compounded by previously mentioned fears, further prolongs the presence of, if ever, measured bias having an impact on the lifecycle of every employee one way or another.

Figure 5: How likely is your organization to increase investment in AI to support DEI initiatives over the next 12 months?



“You’re looking to interrupt bias at scale aiding mid-level managers to change their behaviors and thoughts.”

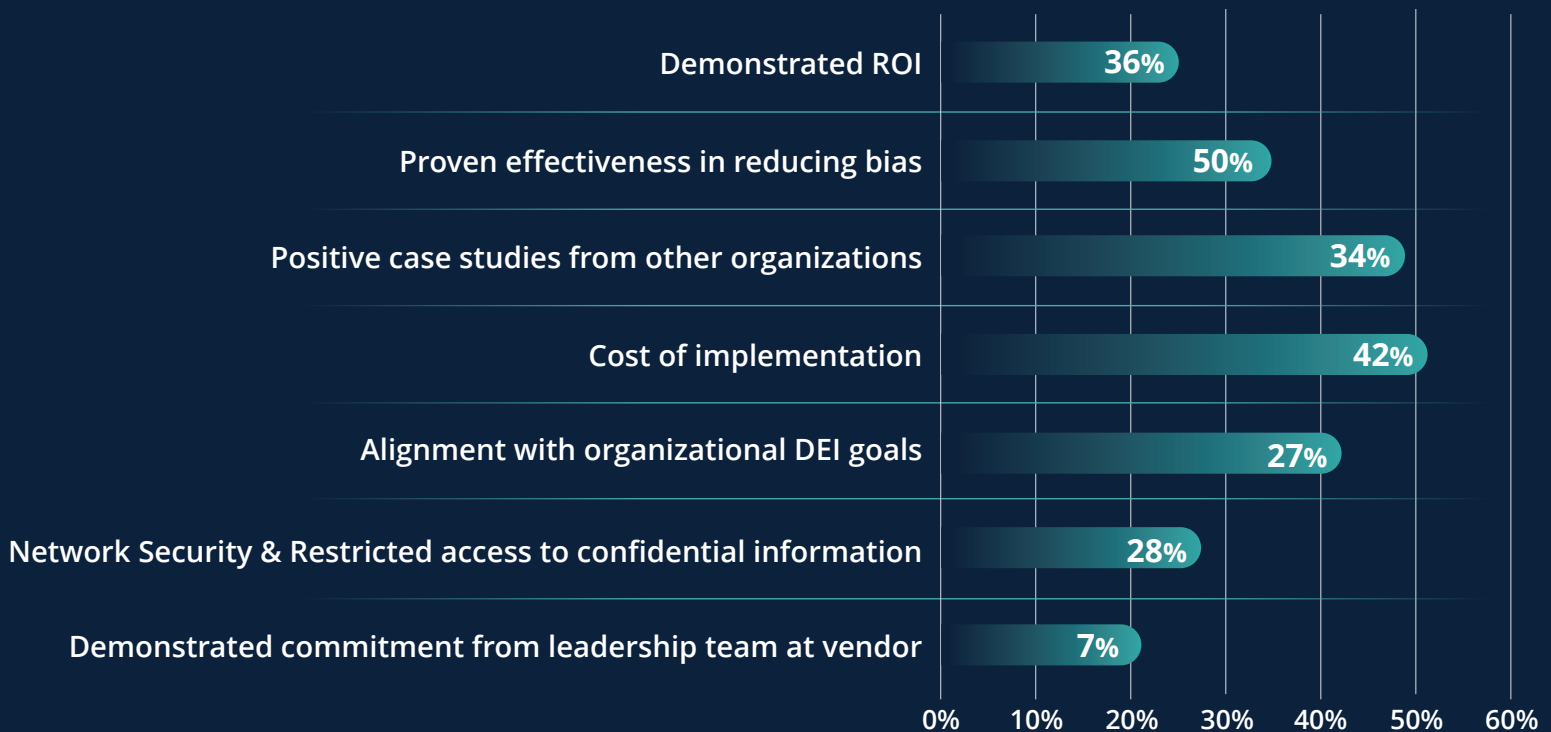


- **Rocki Howard**, Diversiology

Dr. Elizabeth M. Adams, CEO of EMA Advisory Services, and an award-winning Responsible AI pioneer. She has been featured in numerous publications as a Scholar-Practitioner and has delivered keynote speeches worldwide, emphasizing the importance of purpose and authenticity in technological innovation. She is also an author of four (4) children's books. During one of her projects to develop a comic strip of an African American girl preparing for AI to take over her small western town. Her vision was to create various angles of the character to enhance the storytelling. You'll want to watch her TedTalk [Responsible AI Now for a Just Tomorrow](#) to see exactly what happened. Spoiler: she received over-sexualized images of a cowgirl. [\(5\)](#)

Another example is [David Gilbert's](#) October 2024 reporting, in which it was uncovered that Google, Microsoft, and Perplexity promoted scientific racism in AI. AI-infused search engines have been surfacing deeply racist and widely debunked research promoting race science and the idea that white people are genetically superior to nonwhite people. Categorized as adjacent or direct to HR, we find leaders faced with listening to sales presentations, wondering less about the whiz-bang-bam and more about the dangers and repercussions of their decision. Hence, desiring a proven effectiveness in reducing bias (49.8%) and positive case studies from other organizations (34.1%) registered an overwhelming number of respondents on pause. [\(6\)](#)

Figure 6: What factors would make you want to invest in AI to reduce Bias or support DEI?



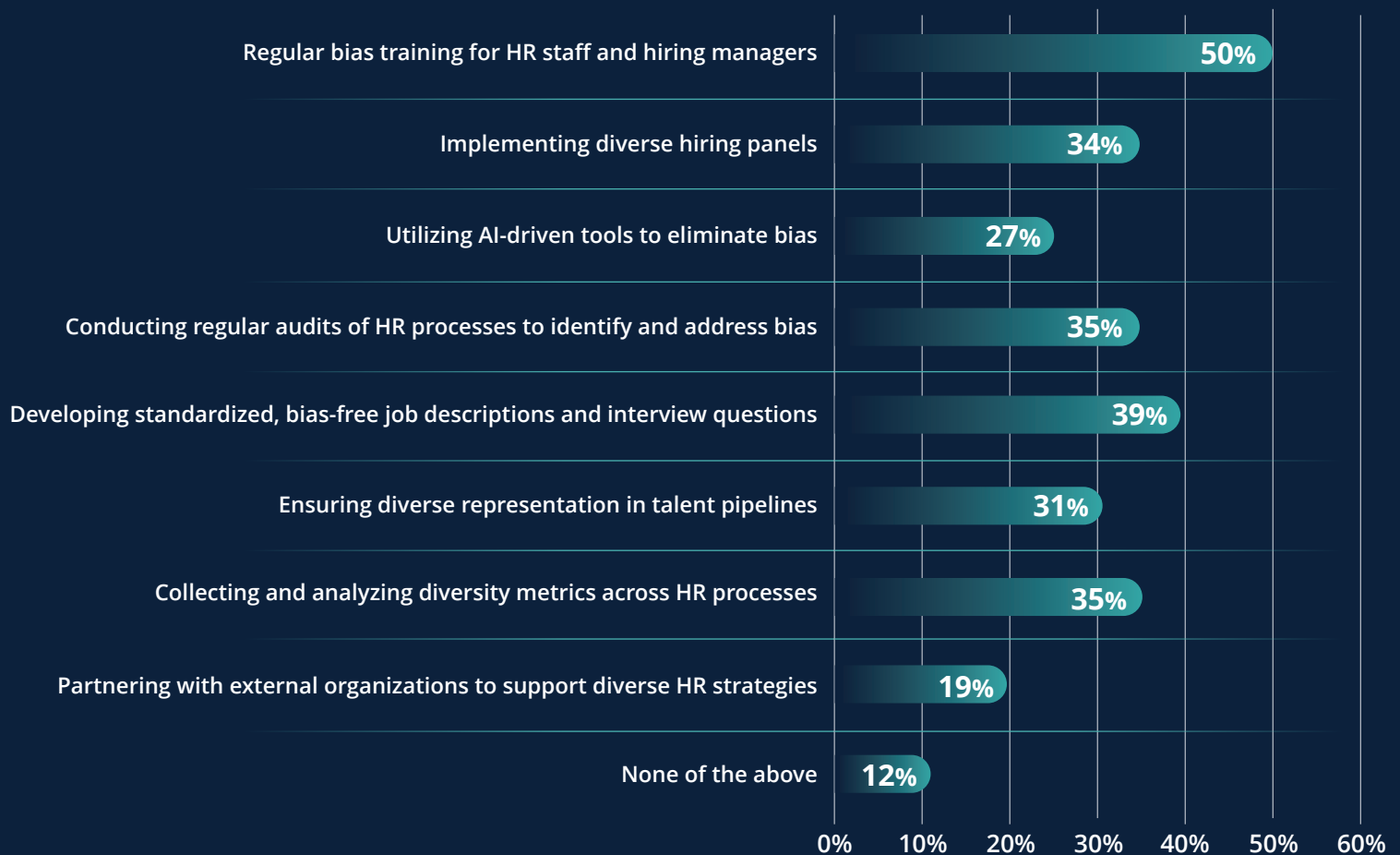
Given the previous data reference, we found it slightly concerning that just over one-fourth of respondents were compelled to invest in the AI solution because it aligned with organizational DEIB goals. We also saw that 7.1% of respondents didn't value a demonstrated commitment to DEI from the vendor's Leadership Team as worth further exploring. This conflicts with the foundational approach of our consultancy, Torin Ellis Brand. What we have pursued and proven to add results and value are a declarative statement from the CEO, resource allocation of headcount and dollars, and managerial accountability as critical factors in galvanizing participation and ensuring the sustainability of DEIB initiatives.

We saw the 7.1% survey question as a signal of how the vendor positioned and took seriously the responsibility to address DEI within their product offering or suite. These disconnects had to be highlighted and deserve continued exploration and monitoring. Reducing bias in Human Resources requires forensic discovery, organizational redesign as needed, shifts in mindset and behavior modification at a hyper-local level. Bias can manifest in areas like compensation, onboarding procedures, performance evaluations, promotion decisions, leveling, and role assignment, to name a few. Companies that fail to align their DEIB efforts with macro and micro organizational strategies risk realizing the broader benefits that equity-driven practices can deliver.

How Companies Are Currently Using AI to Address Bias

Before we dive into the most promising findings, let us touch on how companies are currently viewing and using AI to tackle bias. A notable 27% of participants indicated they are actively using AI to address bias in their processes. However, it is telling that just over a third—34.9%—believe that AI will actually be effective in reducing bias. This indicates that two-thirds of respondents are mired in a skepticism that can't be ignored. For HR leaders, this means creating opportunities for ongoing education and development – both for employees and leadership. HR should play a pivotal role in promoting a culture of learning since they are uniquely positioned to guide their organizations through these transitions.

Figure 7: *What is your company doing to reduce bias?*



Some of the specific areas where AI is being deployed include candidate evaluation and hiring, which is helping to create a more equitable experience for new hires. These early-stage processes are critical because they lay the foundation for an employee's experience within the company. AI tools are also being used to standardize communication across the employee base, aiming to level the playing field from the start. Companies that have begun using AI in performance management have reported mixed results, with some seeing improvements in consistency and objectivity while others are concerned about the lack of contextual judgment that AI can provide.

These applications show that AI's impact is being felt primarily at the front end of the talent acquisition (TA) process. This suggests use cases earlier in the TA process present a clear lane of innovation, for example, opportunities in employer branding and messaging, social media and posting strategies, and targeting prospects that are just poking around on an employer website or job board.

It won't be long before AI is initiating retargeting campaigns we currently experience in everyday internet searches:

You look for a pair of shoes, tools, or a vacation...

leave that site and open a news article and notice an ad for that same item or place following you from page to page.



AI is being leveraged; its use is still largely experimental and predictable during the earlier stages of the candidate and employee lifecycles. Companies are testing the waters, particularly in recruitment and initial employee engagement, where the potential for bias is high. This early adoption phase is crucial as it sets the stage for how AI will be integrated into more complex HR functions down the line that involve pay equity, performance evaluations, and leveling being chosen for stretch assignments, promotions, and succession planning opportunities.

There is a need for greater transparency and human oversight to ensure that these decisions are equitable.

Case Study



Entering a New Era of Talent Acquisition

As organizations challenge the traditional paradigms of talent evaluation, a transformative shift has emerged. Pioneering companies are no longer narrowly focusing on education and direct experience; instead, they are valuing their people's broader potential and diverse capabilities. This approach to talent acquisition and management enriches the evaluation process by considering a broader spectrum of skills and attributes beyond conventional metrics.

In pursuit of more profound, data-driven insights into an applicant's overall capabilities, forward-thinking organizations have increasingly begun integrating AI-enabled technologies into their talent evaluation processes. A leader among Canada's multinational banks exemplifies this shift.



A More Human Approach to Hiring

Recently, a prominent global financial services institution with operations in over 30 countries and approximately 90,000 employees began investigating its talent evaluation strategy. Traditionally, its campus recruiting program—spanning interns, co-ops, and full-time operations positions—relied heavily on a patchwork of talent tools. Yet, it predominantly depended on résumés and academic degrees to gauge role fit.

Despite an abundance of applicants and the variety of HR tools at their disposal, they found themselves unable to accurately determine who truly was best suited for their open roles. The hiring team fell into a pattern-matching cycle: sifting and prioritizing the same talent pools, drawing from the same five universities, and valuing the same finance degrees. This method not only limited their scope but also hindered their long-term goals of fostering a more diverse and dynamic workforce.

Recognizing the need for a more innovative solution, this trusted banking organization decisively removed résumé requirements from its campus hiring process. Capturing essential qualities that predict success from a résumé alone has always been challenging but can be especially difficult when recruiting college-aged individuals. This demographic often lacks extensive résumés that outline indicators of their potential success. So, instead of recruiters spending time on brief résumés that revealed little, they adopted behavioral talent assessments as the primary method for evaluating inherent potential and suitability for specific roles.

To facilitate this transition, they partnered with Plum, a leader in behavioral talent assessments, to leverage their expertise in capturing deep insights into candidates' innate abilities and potential. Applicants were now asked to complete the Plum Discovery Survey, a 15- to 25-minute assessment, instead of submitting résumés and cover letters.

Upon completing the survey, candidates received a personalized Plum Profile highlighting their key strengths and areas for professional growth. This profile provides lasting value, offering insights that candidates can utilize throughout their careers, regardless of the hiring outcome. Meanwhile, the multinational bank's hiring team gained access to science-backed behavioral data from the survey, which helped them assess how well candidates align with the specific demands of the role.

This data-driven approach equipped their recruiters with a far more holistic view of each applicant, enabling them to make better-informed hiring decisions focusing on long-term fit and developmental potential. It profoundly changed how they connect with and understand early talent.



Real Results, Real Impact

Since implementing its résumé-less model, the North American banking leader has witnessed remarkable improvements in its recruitment outcomes.

They expanded their talent pool to 33 colleges and universities, significantly enhancing their ability to connect with more diverse student bodies. As a result, the bank achieved impressive diversity milestones: 60% of campus hires now come from visible minority backgrounds, and women represent over 50% of new hires. Additionally, they experienced a 40% increase in STEAM (Science, Technology, Engineering, Arts, and Mathematics) hires. Retention rates also increased, soaring from 26% to 46% with the new system. These achievements contributed to an outstanding 182% return on investment for the institution in just seven months.

Thanks to the success of this approach, their commitment to a human-centered workplace now extends beyond recruitment. The financial institution has begun integrating behavioral assessment data into ongoing employee development and coaching programs, enhancing the candidate experience and fostering a more inclusive, supportive work environment. This strategy has enriched the bank's diversity and reinforced its stature as a trailblazer in inclusive employment practices, committed to a fair and progressive hiring process.

Ultimately, their success with an assessment-driven hiring model showcases the transformative potential of using AI-enabled technology effectively. It underscores how such innovative practices can meet and exceed goals for equity and representation, aligning seamlessly with broader objectives. This strategy is a beacon for the industry, proving that intentional, inclusive hiring practices are achievable and beneficial in cultivating more inclusive and diverse workplaces.

PART 2

POTENTIAL RISK



The pressing question: Can AI truly reduce the biases that humans have struggled with for decades, or is it simply automating flawed systems? The truth lies somewhere in between. Our position is clear: AI has the potential to standardize processes that are otherwise prone to human bias. AI's real value is in its ability to automate and process massive amounts of data and identify patterns that humans might miss. At the same time, AI poses significant risks if not used responsibly. The danger of automation bias, where humans trust AI systems without questioning their decisions, cannot be overstated. [\[7\]](#) A few examples:



Bias in Applicant Tracking Systems (ATS):

AI-driven ATS platforms often use Natural Language Processing (NLP) to analyze resumes and rank applicants. However, these algorithms can inherit biases from historical data or interpret certain languages in ways that unintentionally favor certain demographics. For example, [\[8\]](#) **Amazon discontinued an AI hiring tool** after discovering it penalized resumes that included the word “womens,” and favored terms more commonly associated with men, such as “executed” or “captured.” These biases can lead to unfair exclusion of qualified candidates, particularly those from underrepresented groups. [\[8\]](#)



Over-Reliance on Predictive Analytics over Human Judgment:

While AI is valuable for predictive analytics in areas like employee retention, performance tracking, and hiring potential, it can overshadow human judgment when relied on too heavily. [\[9\]](#) **For instance, in healthcare, AI-based diagnostics** may overlook rare conditions that an experienced clinician might catch through intuition or comprehensive context. Similarly, in HR, AI-driven evaluations could lead to misjudgments regarding an employee's potential or fit within a team, reducing nuanced insights that only human evaluators can provide. This reliance on AI-generated predictions can dehumanize decision-making processes, risking morale and undermining organizational culture. [\[8\]](#)



Age and Digital Ageism:

AI systems in HR may unintentionally reinforce ageism by categorizing “older adults” broadly (often starting at age 50) and not accounting for their diverse skill sets or career interests. As a result, older adults and their needs can become invisible to AI systems. In this way, AI systems reinforce inequality and magnify societal exclusion for sections of the population, creating a “digital underclass” primarily made up of older, poor, racialized, and marginalized groups. [\[9\]](#) **Digital ageism** can arise when ageist attitudes influence technology design, or when ageism makes it more difficult for older adults to access and enjoy the full benefits of digital technologies. [\[9\]](#)

RISK EXPOSED

Sam Farao, CEO of Banqr and first-generation Iranian immigrant of Norway, says, “We cannot hide behind data to justify a lack of equity in the way our financial technologies perform their functions. We made these technologies, we must direct it and when it derails due to our lack of care, like a good father, we must redirect it again and take responsibility.” [\[10\]](#)

Joy Buolamwini is not just a computer scientist; she’s a visionary, an artist, and a “poet of code” working to advance justice in the digital age. As the capabilities of and enthusiasm for artificial intelligence advance at a breakneck pace, her work delves deep into the murky depths of algorithmic bias, exposing the hidden prejudices that exist within artificial intelligence systems and advocating for fair and equitable technology. Her 2017 TED Talk on algorithmic bias has nearly two million views, and her book, “Unmasking AI,” as a Black woman in computer science has deeply influenced her work on bias and discrimination in artificial intelligence systems. [\[11\]](#)

Artificial intelligence is built on streams of data and information, promising impartiality, precision, and speed which are undeniable. Yet placing too much dependency on AI could lead to automation bias, which should be interrupted by human involvement. The urgency lies in forming operational protocols that are complementary, efficient, scalable, and underpinned by constant and rigorous review that results in value-driven judgments that are uniquely human. For example, AI can ensure that resumes are evaluated based on experience and skills not personal identifiers. This speaks directly to Manager and Senior Executive involvement.

AI can also provide real-time analytics to flag disparities in pay or promotion rates, helping companies take proactive steps toward equity. By analyzing employee engagement surveys, performance metrics, and exit interview data, AI can offer insights that help organizations understand where bias exists and how to address it. The debate over AI as a solution or a risk is ongoing, but the conclusion is clear: AI is a tool. Minimizing risk depends entirely on how it’s used, who oversees it, and the governance structures in place to ensure its fairness.

Sources:

[!\[\]\(17413706fd4997a1a4bdf85c6864eee1_img.jpg\) *The AI-Bias Problem And How Fintechs Should Be Fighting It: A Deep-Dive With Sam Farao*](#)

[!\[\]\(faf942dc3e59ce8eb64b4ac481eca7e0_img.jpg\) *Unmasking the Bias: How Joy Buolamwini Is Fighting for Ethical AI*](#)



But here's the catch: while AI's potential to deliver measurable results is clear, there is a growing divide between companies that are seeing success with AI and those that are struggling to deploy and harness its power. The difference lies not in the technology itself but in how AI is applied.

With continued examination of disparity and inequalities, we have a responsibility to be and do better for our stakeholders. The potential of AI to improve business outcomes and reduce bias has become a focal point for many HR leaders. Organizations adopting AI to support DEIB initiatives have reported impressive gains. Companies that successfully integrate AI in these efforts see reductions in turnover, increased employee engagement, and improved productivity.

Understanding this, Torin Ellis Brand emphasizes the importance of addressing DEIB at every point of an organization's value chain. AI's impact on bias must be evaluated carefully, considering both qualitative and quantitative data signals generated through cultural, geographical, procedural, representational and structural dynamics. DEIB priorities will differ given the aforementioned as well as understanding the stage of business. For example, hypergrowth differs from transformation just as continuous improvement and maturity.

Much of business is nuanced and addressing or identifying bias is no different. AI-related DEIB decisions involve a more pronounced emphasis on mid-level manager relationships with their direct reports and a cascading set of intangible criteria. As these tools are adopted, they learn from outcomes and refine internal algorithms. This means that the more AI is used, the better it becomes at aligning, predicting, and understanding business cycles and objectives. By anchoring AI-driven decisions to a comprehensive DEIB framework, organizations can use AI strategically to drive long-term, meaningful outcomes.

Our challenge question:



Is our organization approaching this technology with the necessary depth and foresight, ensuring it serves as a force multiplier for equity rather than perpetuating existing disparities?



The answer will shape work today and tomorrow. Organizations are increasingly recognizing that diverse, equitable, and inclusive workplaces yield tangible benefits in terms of employee satisfaction, profitability, innovation, and market competitiveness.

Outcomes of Reducing Bias with AI

One of the key benefits of AI is its ability to standardize these processes, reducing the potential for unconscious bias to creep into resume reviews or candidate evaluations. 82% of companies using AI reported an increase in the diversity of their new hires, compared to just 31% of companies not using AI. Furthermore, 64% of AI users noted an improvement in candidate experience, suggesting that AI can help streamline the recruitment process while ensuring that all candidates are evaluated fairly.

Analysis of key metrics from the survey data:



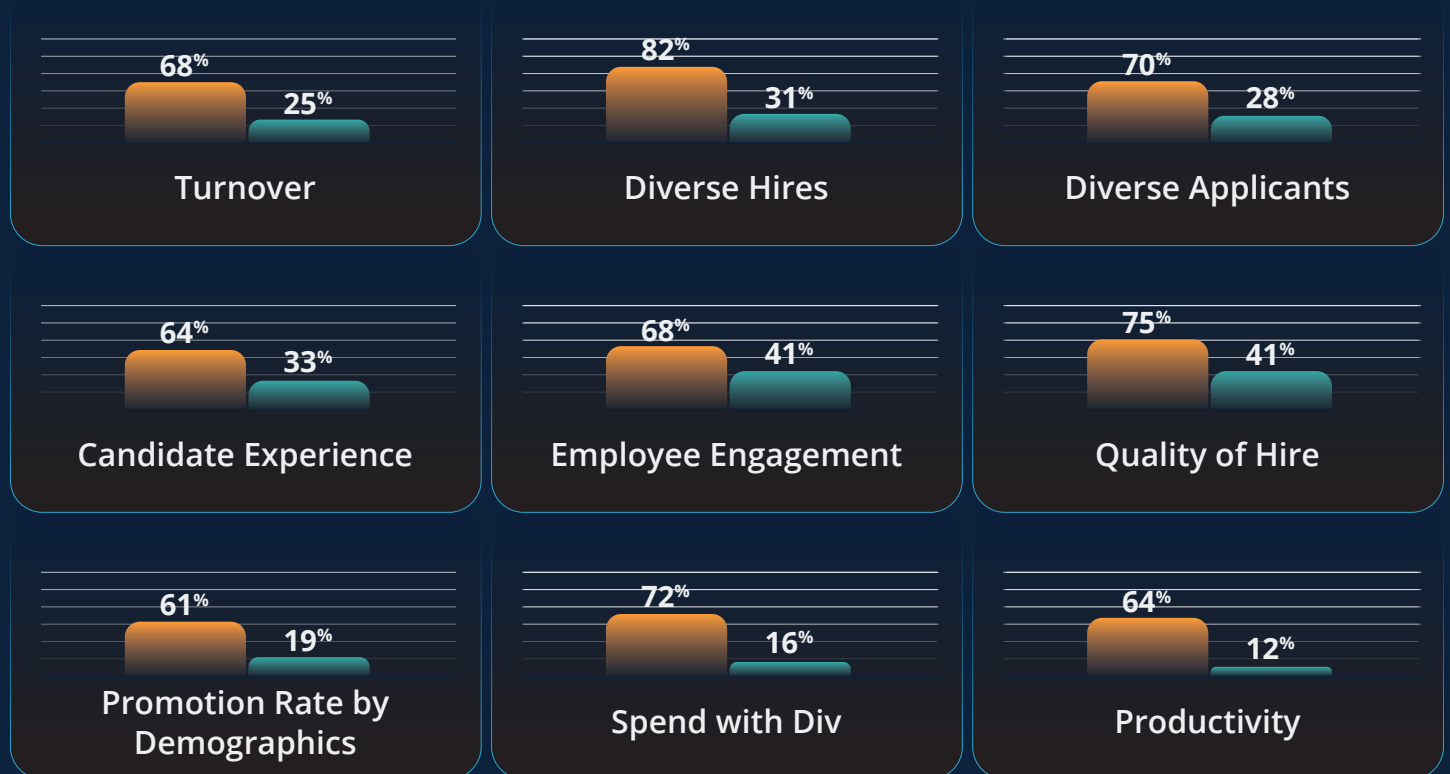
Turnover Reduction:

Companies that adopted AI for DEIB reported a **68% decrease in turnover** rates compared to just **25% of non-AI users**. This is no small feat. Turnover is one of the most costly and disruptive challenges in HR. When employees feel valued, supported, and treated equitably, they are far more likely to stay. AI, when used effectively, can identify patterns in employee behavior and flag potential issues before they lead to attrition.



Employee Engagement:

AI-driven DEIB initiatives have also shown promise in improving engagement. **68% of AI users** reported higher levels of employee engagement, compared to just **41% in companies that do not use AI**. Engaged employees are more productive, more creative, and more committed to their organization’s mission. AI can help by providing personalized learning opportunities, improving communication, and ensuring that employees feel heard and supported.



■ Using AI to Support DEI
 ■ Not Using AI to Support DEI

Business Impact of Reducing Bias with AI

When bias is reduced in hiring, onboarding, compensation, development, learning, and supporting employees, it largely translates into engagement, production, and retention. A signal the entity is taking care of stakeholders which should be primary.

Analysis of key metrics from the survey data:



Diversity of Hires:

The impact on hiring practices is perhaps the most visible success of AI in HR. **82% of AI adopters reported increased diversity in their hiring processes.** This isn't just about numbers. It's about creating a more inclusive workforce, one that benefits from a wide range of perspectives, experiences, and ideas. Companies that fail to embrace this diversity will find themselves out of touch with the needs of a globalized market.



Promotion and Pay Equity:

AI has also made strides in **promotion equity**, with **61% of AI users** reporting more equitable promotion practices compared to only **19% of non-AI users**. AI's ability to identify disparities in promotion rates by gender, race, and other demographic factors can be a game-changer, ensuring that employees are promoted based on merit rather than unconscious bias.

While all of this operates like a symphony, mid-level managers are the day-to-day conductors. They build a team, develop, inspire, resource, and support talent that drives so much of the results necessary to grow and sustain a business. Equipping leaders with real-time insights that help them better support their people is table stakes these days. There is no shortage of data or technology. The best leaders and those aiming to be better are keenly aware of how they lead.

Companies leveraging AI in these areas are seeing an uptick in fairer performance evaluations, contain bidirectional observation, and have less gut feeling. When you look at the numbers, the case for AI gets even clearer. Companies using AI report lower turnover rates, increased retention, and increased diversity in hiring. Metrics show that companies actively using AI to reduce bias are outperforming those that are not.

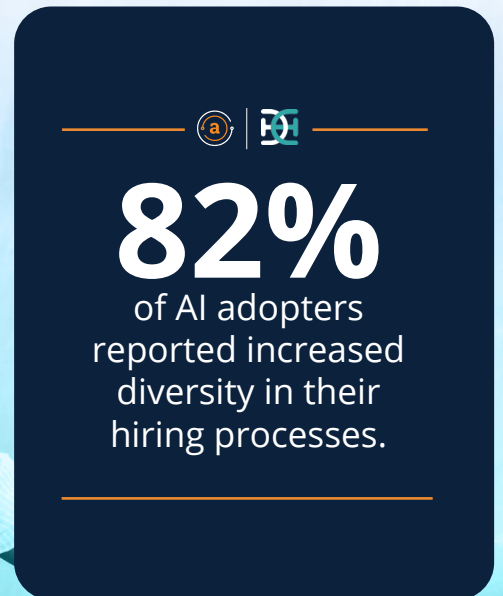
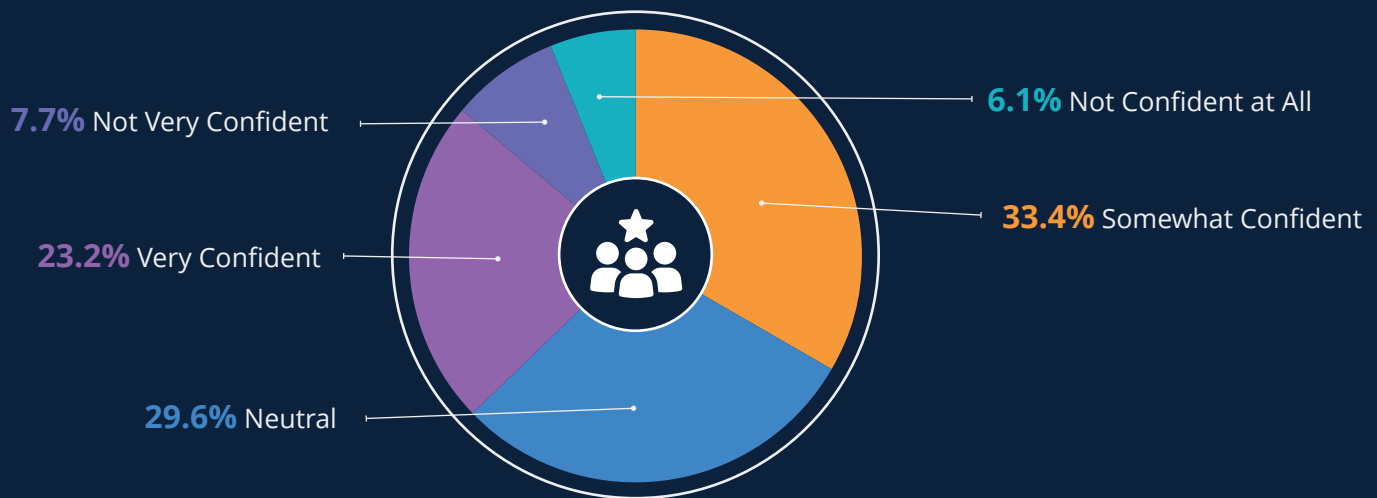


Figure 8: How confident are you that AI can help mitigate bias, discrimination, and harassment at the Manager and Senior Executive levels?



“ I’m vacillating between neutral and not very confident because when I look at former employers and current clients, so much of the issues sit at the Manager and Senior Executive level. ”



- **Tracie Sponenberg**, Fractional Chief People Officer

Our challenge question:



What needs to be done to create more equitable opportunities in succession planning, stretch assignments, and personalized development plans that foster high-potential talent across diverse employee groups?



Consider if your AI strategy is supporting equitable identification of high-potential employees and ensuring fair access to development resources that prepare all talent for advancement.

In addition to diversity of hires, promotion, and pay equity, when bias is reduced in areas like corporate social responsibility, philanthropic efforts, and supplier diversity, those same organizations typically experience broader market appeal and reach, connectedness to community and geographic sentiments, and heightened awareness on collective issues in addition to profits. Net... shareholders are rewarded.

Reducing bias with AI isn't just a feel-good initiative; it's a business imperative that impacts every value point within the organization. Value points within an ecosystem create returns on investment and for shareholders. In the modern market, where workforce diversity, equitable practices, and inclusion significantly affect organizational performance, AI becomes a powerful tool for both mitigating bias and optimizing processes. When bias is left unchecked, it creates inefficiencies, threatens relationships, retention and seeds reputational risks that erode trust.

Ensuring equitable succession planning, stretch assignments, and individualized learning and development opportunities is critical for creating a diverse, engaged, and high-performing workforce. These practices allow companies to identify and nurture talent from various backgrounds, which ultimately enhances organizational adaptability, resilience, and innovation — tenets of inclusive capitalism.

Using AI to reduce biases in these areas can help HR leaders make more data-driven decisions that prioritize merit, potential, and representation. This focus on objective insights fosters a leadership pipeline that reflects the company's values and culture while reducing the risk of overlooking talent that may otherwise go unrecognized. By addressing equity in developmental practices, organizations demonstrate a commitment to supporting all employees, reinforcing trust and a sense of belonging across the workforce.

Our challenge question:



Has the organization developed an AI-enabled DEIB strategy that influences external business outcomes, including brand reputation, customer loyalty, and investor confidence?



Consider whether your AI-driven efforts to reduce bias in HR are aligned with broader corporate social, environmental, and governmental responsibilities or any philanthropic efforts, impacting areas like community engagement and supplier diversity.

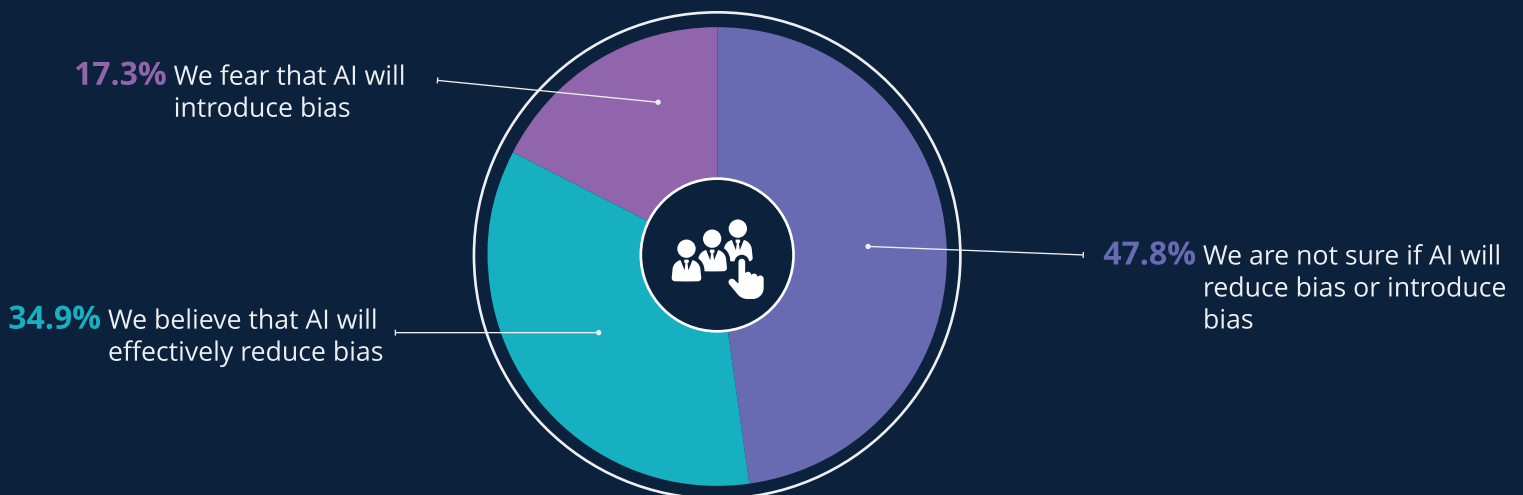
Summary

Our findings are clear: AI, when applied thoughtfully, plays a critical role in building more equitable HR practices. The findings throughout this report underscore the critical role AI is already playing and will continue to play in advancing equitable HR practices. Our data revealed that 27% of companies are leveraging AI in recruitment and evaluation processes and just over a third believe it will effectively reduce bias. Despite the skepticism, a majority of organizations are testing the waters in the early stages of the talent acquisition lifecycle. With AI being applied in areas like candidate screening and employee engagement, it's clear that the groundwork has been laid for even broader adoption.

Trends show that AI will continue to evolve, offering even more sophisticated ways to address bias and equity in real time. However, the technology will only be as effective as the data, language models, and the people using it. Leaders must focus on building diverse teams to manage these AI tools, ensuring they reflect the values of equity, inclusion, and representation. The next 18 to 24 months will likely see significant advancements. Companies experimenting with AI-driven DEIB initiatives are seeing promising results such as increased engagement, reduced bias, and higher productivity.

Early adopters are benefiting from noticeable cost savings and improved workforce engagement, as seen in the 47.8% of respondents who expressed uncertainty about AI but should acknowledge its potential when properly integrated.

Figure 9: Most companies are not sure if AI will reduce bias or not.



The future will reward those willing to embrace these solutions head-on, not just for compliance but for competitive advantage. For organizations considering AI to support their DEIB efforts, now is the time to take a holistic approach. Build multidisciplinary teams, make AI adoption a strategic priority, and ensure proper governance to balance human oversight with technology. AI's ability to reduce bias, when applied thoughtfully, can be a catalyst for innovation, improved workforce morale, and equitable advancement across demographics. The real question isn't whether AI can reduce bias but whether organizations will rise to the occasion and make the necessary investments to do it right.

Yes, in 2024, the AI industry continues to struggle with representation. Although some efforts have been made to diversify the workforce, there is still a dearth from design and engineering, investing to leadership impacting product roadmaps, prototypes, and profit centers, which have been reflected in biased artificial intelligence systems: voice recognition that can't 'hear' women's voices, facial identification systems that struggle to identify darker skin pigmentation and trans people, and autonomous vehicles that present safety risks to children and disabled people. These roles remain dominated by a narrow demographic profile, which constrains diverse perspectives that are essential for truly inclusive AI development.

“ Gray areas are the relationships, networks and cultural dynamics that are integral to companies and employees — today more than ever,” said Wingfield, an expert on race, class and gender inequality in the workplace. “They determine how we learn about potential jobs, who gets serious consideration for them, how their performance is evaluated, how we advance and more. ”

Sociologist Adia Harvey Wingfield sheds light on the “gray areas” in the workplace—the subtle relationships, networks, and cultural dynamics that determine everything from who gets considered for jobs to how advancement decisions are made. These invisible barriers play a critical role in perpetuating inequality, and in an era where AI is increasingly guiding decision-making, we must address these hidden dynamics before they exacerbate existing biases. Wingfield's insights highlight that as much as AI can serve as a tool for objectivity, without proper governance and application, it can reinforce the very inequities it is designed to eliminate. [\[12\]](#)

To move beyond superficial measures like unconscious bias training, companies must ensure that diversity efforts include measurable, strategic outcomes that hold executives accountable. This includes creating pathways for diverse talent to move into Design, Leadership, P&L, and Research roles, which are crucial for shaping product direction and financial performance. Furthermore, corporate board representation needs to reflect a wider range of voices to guide ethical considerations and risk management tied to AI use. Addressing these gaps would make diversity initiatives more impactful by embedding diversity within the structural core of organizations and enhancing decision-making at the highest levels.

Conclusion

Be proactive, be intentional. Ensure that your DEIB goals are not just words but embedded in your AI strategy. Don't rush to buy the first tool that promises fairness; evaluate providers rigorously and integrate human oversight to avoid automation bias. Organizations seeing success have reported an average 10-15% reduction in bias-related issues, proving the value of a strategic, well-implemented approach. AI is powerful, but it's not infallible. The human element will always be necessary to guide, monitor, and improve these systems. The companies that understand this will not only lead in reducing bias but will position themselves as future-ready in an ever-changing landscape.



Prioritize Data Quality:

Companies must ensure that the data used to train AI systems is representative and free of bias. Regular audits should be conducted to identify and correct any disparities. By maintaining clean, structured data, your AI solution will be able to quickly provide accurate information and insights to your teams, allowing better decisions for the firm.

As considerations and technologies are pursued, adopt AI as part of a comprehensive DEIB strategy that touches each activity and function under the HR umbrella. Remember that AI tools must be integrated into a larger DEIB framework that includes human oversight, regular audits, and clear communication about the goals and limitations of AI.



Foster Leadership Accountability:

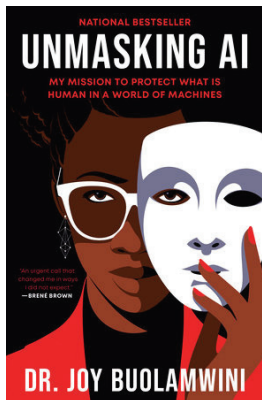
HR leaders and executives must hold themselves accountable for ensuring that AI is used ethically and effectively within the organization. This includes acting on the insights provided by AI and making necessary changes to improve equity.

Operate with a high level of curiosity and dedication to doing what is right for all stakeholders.

Successor:

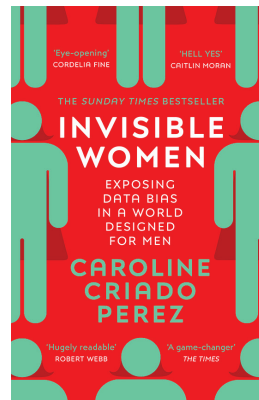
For as long as I can remember, it has always been important to me that ignored, marginalized and underrepresented audiences and communities are current on market and technology trends. It was the reason I launched Method 1518 in the early 2000s, pursued radio as a contributor and host on SiriusXM, and composed this report. As we worked through data collection and shaping the narrative, which incorporates the use of ChatGPT (about 12%), encourages curiosity and taking action over reticence. Shout out to my right hand man Bryan Vaults – we did a thing.

Reading Options



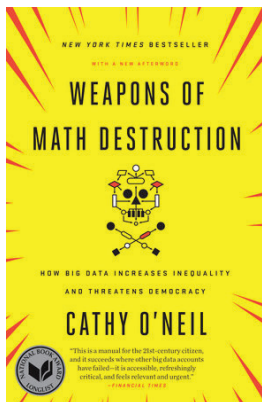
Unmasking AI
My Mission To Protect
What Is Human In A
World Of Machines
By **Joy Buolamwini**

[Read the Book](#)



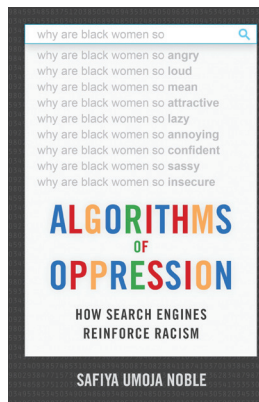
Invisible Women
Exposing Data Bias In
World Resigned For Men
By **Caroline Criado Perez**

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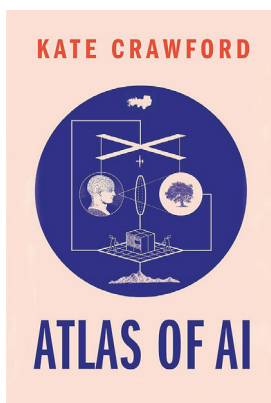
**Weapons of
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How Search Engines
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Atlas of AI:
Power, Politics, and the
Planetary Costs of
Artificial Intelligence
By **Kate Crawford**

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RFI/RFP Framework



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Learn More

Footnotes

1. **October 13, 2022.** *Harvard Business Review.* *Where AI Can — and Can't — Help Talent Management.* Jessica Kim-Schmid, Roshni Raveendhran.
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3. **August 25, 2024, 08:00 AM EDT.** *Forbes Magazine.* *DEI Backlash, 4 Legitimate Concerns To Avoid.* Julie Kratz.
4. **September 23, 2024.** *U.S. Department of State.* *United States and Eight Companies Launch the Partnership for Global Inclusivity on AI. Fact Sheet, Office of the Spokesperson.*
5. **June 10, 2024.** *YouTube TedX.* *Responsible AI Now for a Just Tomorrow.* Elizabeth Adams, TEDxSavannah.
6. **October 25, 2024, 9:22 AM.** *ArsTechnica.* *Google, Microsoft, and Perplexity Promote Scientific Racism in AI Search Results: AI-powered search engines are surfacing deeply racist, debunked research.* David Gilbert.
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8. **May 5, 2023.** *National Library of Medicine, National Center for Biotechnology Information.* *Racial Disparities in Pulse Oximeter Device Inaccuracy and Estimated Clinical Impact on COVID-19 Treatment Course.* Sylvia E. K. Sudat, Paul Wesson, Kim F. Rhoads, Stephanie Brown, Noha Aboelata, Alice R. Pressman, Aravind Mani, Kristen M. J. Azar.
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10. **September 29, 2021, 08:45 PM EDT.** *Forbes Magazine.* *The AI-Bias Problem and How Fintechs Should Be Fighting It: A Deep Dive With Sam Farao.*
11. **February 19, 2024.** *Capital Technology University.* *Unmasking the Bias: How Joy Buolamwaini is Fighting for Ethical AI.*
12. **October 17, 2023.** *Amistad.* *Gray Areas: How the Way We Work Perpetuates Racism and What We Can Do to Fix It.* Adia Harvey Wingfield.



Torin Ellis (TE) leads a progressive HR boutique with a focus on diversity, equity, inclusion, and belonging (DEIB). We empower our partners' talent function through a comprehensive catalog of human capital solutions to ensure they effectively attract, nurture, and retain the most dynamic talent necessary to not only meet, but transcend their business vision.

Our collaborative talent approach is built on transparency, objective clarity, actionable strategy, precise execution and rigorous performance monitoring — it's the reason some of the world's most forward thinking companies — Cielo, Nike, ESPN, Redfin — have relied on us to solve their DEIB equation. We galvanize stakeholders and provide value to shareholders.



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