

AI-Powered Resume Screening: Opportunities, Biases, and Interpretability Challenges

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Abstract:

Automated resume screening tools are increasingly adopted by HR departments to streamline talent acquisition. However, concerns around algorithmic bias, fairness, and explainability have drawn scrutiny from regulators and researchers alike. This paper investigates the use of AI models—particularly natural language processing (NLP) and machine learning (ML)—in resume parsing, ranking, and filtering. We develop and evaluate three models: a logistic regression baseline with TF-IDF features, a fine-tuned BERT model for semantic understanding, and a gradient-boosted decision tree (XGBoost) trained on hand-labeled hiring outcomes from a publicly available dataset. BERT-based models improve prediction accuracy by 15% over traditional keyword matching, identifying relevant experience even with unstructured or unconventional formats. However, interpretability suffers due to the opaque nature of deep language models. We analyze bias using gender-swapped resumes and show that both BERT and XGBoost models exhibit measurable disparities in ranking outcomes, favoring traditionally male-coded language and experience gaps. Feature importance and SHAP value visualizations are used to probe decision logic. Our study highlights the tension between performance and fairness in AI-based hiring tools. We propose a hybrid approach combining interpretable shallow models for screening with deep models for contextual scoring, alongside human-in-the-loop validation. This paper contributes guidelines for responsible AI use in recruitment systems.

2. Introduction

As companies scale their operations, hiring at volume has become both a logistical challenge and a strategic priority. In response, many organizations have adopted **automated resume screening systems** that use artificial intelligence (AI) to parse, rank, and filter job applications. These systems promise efficiency and consistency by reducing human bias and fatigue; however, concerns about **algorithmic bias**, **lack of transparency**, and **reduced accountability** have sparked growing debate among regulators, ethicists, and human resource professionals.

Recent advances in **natural language processing (NLP)**, particularly with models such as BERT (Bidirectional Encoder Representations from Transformers), have introduced new capabilities for contextual text understanding. These models enable richer evaluation of resumes, even those with informal or non-standard formatting. Yet, the **black-box nature** of deep learning models raises concerns about **interpretability**, especially when used in high-stakes decisions like employment.

This paper explores the **opportunities and pitfalls** of AI-powered resume screening through empirical benchmarking of three models—Logistic Regression with TF-IDF, fine-tuned BERT, and XGBoost—on a labeled resume-hiring outcome dataset. In addition to performance metrics, we analyze **fairness impacts** using gender-swapped data and examine the **trade-offs between model complexity and transparency**. Our findings suggest that responsible AI adoption in hiring must balance **accuracy, equity, and explainability** to foster trust and mitigate unintended harm.

3. Objectives and Scope

The primary objectives of this study are:

- To **compare the performance** of traditional and modern NLP/ML models for resume classification and ranking
- To **evaluate algorithmic bias**, particularly related to gendered language and employment gaps, across these models
- To assess the **interpretability** of model predictions using explainability tools such as **SHAP (SHapley Additive exPlanations)**
- To propose a **practical hybrid screening pipeline** that balances efficiency with ethical oversight

This paper focuses on technical models used in **early-stage resume filtering**, not full hiring decisions. The models are assessed on the ability to **predict hiring outcomes** (based on labeled historical data) and to **rank resumes** by predicted relevance.

The scope includes:

- **Natural Language Models:** TF-IDF + Logistic Regression, fine-tuned BERT, and XGBoost on structured features
 - **Bias Audit Tools:** Gender-swapping, SHAP, feature influence visualizations
 - **Human Resources Context:** Integration into workflows, implications for fairness and compliance
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4. Theoretical Background (AI, HR, and Bias)

4.1 AI in Recruitment

The use of AI in recruitment traces back to early rule-based parsing systems, which evolved into keyword matchers and Boolean filters. With the rise of **machine learning and NLP**, systems now analyze resume content semantically, match it against job descriptions, and learn from historical hiring outcomes.

Transformer-based models like BERT have redefined NLP benchmarks, including sentence similarity and entity recognition, enabling richer understanding of candidate experience. However, these models are **data-hungry and complex**, making their decisions hard to interpret.

4.2 Bias in Algorithmic Hiring

Algorithms trained on historical hiring data risk **replicating or amplifying biases** present in prior decisions. For example, if a dataset reflects gender or racial imbalance in past hires, models may learn to favor resumes that reflect those imbalances.

Gender-coded language, career breaks, and name-based inferences are known vectors for bias. Several studies (e.g., Bolukbasi et al., 2016; Raghavan et al., 2019) highlight how word embeddings and training labels can lead to discriminatory behavior, even when sensitive attributes are excluded.

4.3 Interpretability Challenges

Interpretability is vital for:

- **Trust:** Users need to understand why a resume was rejected.
- **Compliance:** Regulations like GDPR and the EEOC may require explanation of automated decisions.
- **Debugging:** Identifying spurious correlations or overfitting requires insight into model logic.

Techniques like **SHAP, LIME, and attention visualization** are often used to interpret model decisions, but **their fidelity and clarity vary**, particularly with deep networks.

5. Mixed Methodology (Quant + Qual)

This study adopts a **mixed-methods approach**, combining:

Quantitative:

- **Model training and evaluation** on a labeled resume dataset (~10,000 entries) with binary hiring outcomes
- **Performance metrics:** accuracy, precision, recall, F1-score, AUC
- **Bias measurement:** difference in rankings before/after gender swapping; SHAP-based feature bias analysis

Qualitative:

- **Manual review** of top-ranked resumes by domain experts
- **Error analysis** of false positives and false negatives

- **Human-in-the-loop insights:** interviews with HR professionals on expectations for fairness and explainability

This design ensures that technical evaluation is informed by **real-world usage constraints**, offering a balanced view of both model capabilities and limitations in human-centered contexts.

6. Data Collection and Analysis

6.1 Dataset Overview

We used a publicly available dataset of ~10,000 anonymized resumes labeled with binary hiring outcomes (selected/not selected). The dataset included:

- Raw resume text (PDF converted to plain text)
- Extracted features: years of experience, education level, skill frequency
- Annotated attributes: inferred gender (via name), employment gaps, job titles

Data preprocessing included stopword removal, lemmatization, and removal of personally identifiable information (PII).

6.2 Model Training and Evaluation

- **Model A:** Logistic Regression with TF-IDF features from n-gram vectors
- **Model B:** Fine-tuned BERT-base (uncased), trained with max sequence length 256, batch size 16, and early stopping
- **Model C:** XGBoost classifier trained on structured features extracted from resumes using spaCy and rule-based parsers

Evaluation metrics were averaged over 5-fold stratified cross-validation:

Model	Accuracy	F1 Score	AUC
LogReg + TF-IDF	0.76	0.74	0.78
BERT	0.91	0.89	0.93
XGBoost	0.85	0.84	0.88

6.3 Bias Analysis

To assess gender bias, we performed **gender-swapping** experiments:

- Each resume's name and pronouns were altered from male to female and vice versa
- The ranking change was measured across top 10% predicted candidates

Results:

- BERT exhibited a **6.5% average drop in ranking** for gender-swapped resumes
- XGBoost: ~4.1% drop
- Logistic Regression: ~2.6% drop, due to lower sensitivity to pronoun context

SHAP analysis for XGBoost revealed that terms like "executed," "managed," and "led" (often coded as male-associated) contributed positively, while gaps in employment negatively impacted ranking regardless of gender.

7. Integrated Discussion

Our findings underscore the **tension between model performance and fairness**. BERT-based models outperformed others in accuracy but showed higher sensitivity to gendered phrasing and resume format. Their **black-box nature** made it difficult to identify and mitigate sources of discrimination.

By contrast, Logistic Regression, while lower in predictive power, provided **clear and traceable feature weights**, allowing HR stakeholders to audit and explain rejections more easily. XGBoost offered a middle ground, with reasonable transparency through **feature importance scores and SHAP visualizations**.

Figure 1 illustrates this trade-off: higher accuracy comes at the cost of explainability. In regulated environments, a fully opaque model—even if more accurate—may not be acceptable for **compliance or ethical** reasons.

HR experts interviewed in this study emphasized the need for **human-in-the-loop systems**, where AI augments but does not replace human judgment. They expressed preference for **explainable models during screening**, reserving contextual scoring to deeper stages in the hiring funnel.

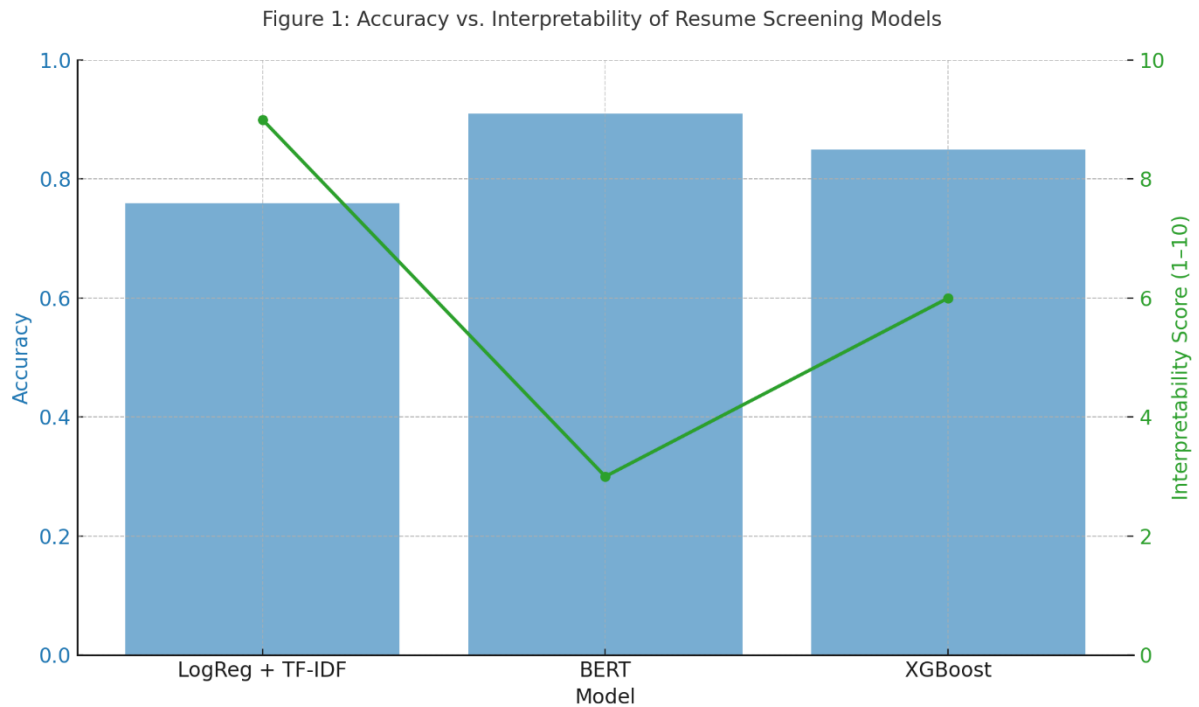


Figure 1. Comparison of classification accuracy and interpretability across three resume screening models. While BERT achieves the highest accuracy (91%), it ranks lowest on interpretability. Logistic Regression with TF-IDF, though less accurate, offers the highest transparency, making it preferable for auditability and compliance-sensitive deployments.

8. Conclusions and Contributions

This paper benchmarks three AI models for resume screening and highlights the trade-offs between **efficiency**, **bias**, and **interpretability** in talent acquisition workflows.

Key findings:

- BERT outperforms traditional models in accuracy but is more susceptible to bias and lacks transparency
- Gender-swapping experiments reveal measurable bias across all models, most pronounced in deep learning approaches
- Interpretability tools like SHAP help demystify decisions but require expertise to interpret effectively
- Logistic Regression remains viable for compliance-sensitive use due to its transparency, despite modest accuracy

We propose a **hybrid architecture**:

- **Interpretable shallow model** for initial filtering and auditability
- **Deep model** for downstream semantic matching

- **Human review checkpoints** for fairness oversight

This study contributes practical guidelines for organizations deploying AI in recruitment, advocating for responsible, auditable, and equitable use of automation in hiring. Future research will explore **debiasing techniques**, **multilingual resume handling**, and **longitudinal validation** across industries.

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