European Leveraged Finance Association

DEI Annual Panel Discussion Summary: AI & DEI – Friend or Foe

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Inside this issue...

AI & DEI – Friend or Foe

Summary

- AI impact on DEI: AI has the potential to significantly enhance Diversity, Equity, and Inclusion (DEI) in the workplace by improving talent acquisition, as well as talent retention by enabling individualised skill development and support.

- Support for neurodiversity: AI offers opportunities to support neurodivergent talent in a way that integrates them seamlessly into the workforce without singling them out.

- EU AI Act: The EU AI Act emphasises data privacy and protection by requiring human-accountability for high-risk tasks and advocating for AI to assist human decision-making rather than replace it.

- Equalising skills: AI can reduce the relative skill gap among employees and necessitates a re-thinking of what talent, experience and success should mean in an AI-integrated workplace.

- Audience opinion: 64% of the audience strongly agreed that learning to leverage AI is crucial for professional success.

- Words of caution: If implemented without careful thinking and guardrails, it risks exacerbating existing inequalities and divides that already exist across society

Introduction

The ELFA DEI Committee organised its annual panel on the topic 'AI and DEI: Friend or Foe', which explored the risks and benefits of integrating AI into critical workplace processes such as recruitment, compensation, and promotion. The discussion also delved into the impact of AI on how talent is defined and valued, as well as the mental health consequences of AI adoption for the workforce.

The panellists included:

- **Hema Bakhshi:** Founder of Reimagine and a Global Advisory Board Member for the Diversity Economics Institute

- **Cyrus Suntook:** EMEA Sustainability Lead for Operating Models at Accenture, leading a research project in collaboration with Progress Together

- **Charlotte Valeur:** Founder of Global Governance Group, Board Apprentice, and the Global Institute of Neurodiversity (ION)

AI Impact on Improving DEI in the Workplace

Audience Poll

The session began with a poll to gauge the audience's views on where AI could most effectively enhance DEI (Diversity, Equity, and Inclusion) in the workplace. The majority (46%) voted for individualised support (e.g., skills training, mental health, parental help), followed by talent recruitment (38%).

Panel Insights

Impact of AI on talent recruitment

One panellist reasoned that talent recruitment would be the most impactful area. They explained that while AI can influence the entire employee lifecycle, recruitment offers a unique opportunity to disrupt traditional methods by detecting biases and analysing recruitment data in ways humans cannot. This can help reduce prejudice and promote diversity early in the talent funnel, expanding the inclusion of marginalised groups. However, they emphasised the importance of maintaining the human element and exercising caution when applying AI in these processes.

Balancing individualised support and talent recruitment

Another panellist supported the importance of both individualised support and talent recruitment. They highlighted Progress Together's publication[1] on the importance of AI governance and organisational leadership to ensure that AI is not used in an irresponsible way, but partners with humans in the loop to ensure that we are building a meritocratic and diverse workforce. They stressed that AI could level the playing field across different social and ethnic backgrounds, offering real opportunities for democratisation and improving prospects for people from diverse backgrounds.

Support for neurodiversity

The discussion also touched on the impact of AI on individualised support for dyslexic and autistic employees. It was noted that while workplaces and classrooms are inherently neurodiverse, they often fail to accommodate these differences. AI can bridge this gap

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[1]RISE with AI: Get your workforce AI-ready for the future of financial services - Progress Together

4 June 2025

by providing alternative learning and understanding methods. For instance, if 20% of the workforce struggles to read written health and safety protocols, AI could read these aloud and allow employees to ask specific questions they might be uncomfortable posing to their managers, significantly enhancing understanding and safety.

The Need for Diversity in Tech Teams

While AI has applications across various domains, achieving truly effective and inclusive approaches requires acknowledging that tech teams themselves are often not inclusive in their design. This is a challenge that needs addressing. Diversity in tech teams is frequently overlooked, as DEI is seen as a HR activity rather than a business imperative. In reality, DEI is a strategic enabler for business performance.

EU AI Act

The moderator asked the panellists for their views on upcoming legislation and regulation, particularly the EU AI Act, which imposes heavy fines for non-compliance.

Panel Insights

Mitigating risks and balancing innovation

It was emphasised that there is a real need to have a lens to mitigate risks, as if left unchecked, AI can become problematic. This requires a well-balanced approach that does not stifle innovation. In such scenarios, it is vital to question whether legislation is agile enough. Furthermore, technology often evolves much quicker than regulation, so proposed regulations should be nimble and dynamic.

Establishing protection levels

There is a need to establish different levels of protection for individuals. The landscape is open to significant wrongdoing, whether intended or unintended, that employees might experience. Ideally, there should be international collaboration since much of the concern around the EU AI Act revolves around fundamental rights and the right to privacy. We know that this largely depends on disclosure, but properties such as emotional reading and tracking will be banned in Europe. This is welcome since the dangers of screening people's emotions are becoming better known.

Balancing competitive advantage and privacy

There is a risk of losing competitive advantage due to the AI Act. However, the need for data protection and privacy is fundamental. It is often rare for individuals to make a genuine decision to opt into sharing data, as even if we opt in, we might not know exactly what we are opting in for.

The Need for Accountability

The panellists highlighted the importance of accountability, especially in hiring processes. They cited examples of auto-rejection of CVs, where even managers and CEOs have had their CVs rejected. It is crucial to understand where value can be created in such processes without losing the human element. Increasing diversity can counteract groupthink and foster productive disagreements. The EU AI Act mandates that a natural person must be involved in decision-making, ensuring that AI informs but does not replace human judgement. The right tools are needed to aid this process, given the human tendency to make poor decisions.

AI Contribution to Equalising Relative Skill and Experience

Audience Poll

The audience was polled on whether they believe AI will contribute to equalising relative skill and experience among employees within roles. 62% agreed, 8% strongly agreed, and 31% disagreed.

Panel Insights

Redefining skills and experience

A panellist highlighted the need to redefine skills and experience, especially for diverse groups. They noted that very few people have extensive experience in AI applications and business, as it is a nascent sector. There is much speculation about AI's impact on various roles, with concerns that AI might replace jobs. The panellist opined that those who can use AI will replace those who cannot. Access to resources is often limited, and those from privileged backgrounds may have an advantage, potentially leading to tokenism.

Rethinking talent acquisition

Organisations need to rethink their approach to talent acquisition, from sourcing to screening. With multigenerational workforces and varied expectations, attitudes towards technology, and communication methods, technological advancements can render certain industries, skills, and experiences redundant. There is a need to improve how we assess and advance people to create better career paths, which requires reviewing the policies that govern these systems.

Adopting skills based hiring

It is imperative to analyse the factors driving success in AI-integrated roles and to adopt more skills-based hiring practices. Transparency in performance measurement is also crucial.

4 June 2025

We must evaluate how AI can assist with skills training and making knowledge equitable, considering factors such as seniority, responsibility, and compensation.

Importance of inclusive leadership

A well-defined AI programme would support this adoption, and inclusive leadership would be key. While well-managed and well-led diverse teams outperform homogeneous ones, poorly managed diverse teams do not. Viewing diversity as a goal and the difficulty in measuring inclusion make valuing diversity challenging.

The Need to Learn to Leverage AI

Audience Poll

The audience was asked whether they believed learning to leverage AI is necessary for professional success. 64% strongly agreed, 27% agreed, and 9% disagreed.

Panel Insights

It was noted that we need to consider what it means to be professionally successful. AI should not create another factor of exclusion or generational divide, a common bias in tech adoption. Not everyone has the same level of confidence with technology, and mentoring is required regardless of age.

A recent study[2] indicated that 47% of all working hours in the UK could be impacted by AI, either through automation or augmentation. Employers need to determine how to utilise this freed-up capacity. One panellist suggested using this capacity to focus on creating value and improving job satisfaction. The use of AI as an automator differs from its use as an augmenter. There is an opportunity to leverage our minds more broadly and think more holistically.

Conclusion

The panel discussion highlighted the transformative potential of AI in enhancing DEI in the workplace, supporting neurodiversity, and equalising skills among employees. However, it also underscored the importance of being well-prepared and cautiously optimistic about these changes. Viewing and utilising AI as a tool to make better-informed decisions, while being cognisant of data sharing and privacy, is integral to responsible AI adoption. Issues such as inequitable access to resources, age discrimination, and socioeconomic background need to be proactively addressed.

Additionally, the importance of balanced and agile legislation, accountability, and inclusive practices in tech teams was emphasised. As AI continues to evolve, it is crucial to ensure that it serves as a tool for positive change, fostering a more inclusive and equitable work environment.

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[2] Work, workforce, workers Reinvented in the age of generative AI - Accenture