

Episode 9: Special Episode – Busting Myths on Remote Work and Inequality

Overview: Since the pandemic, remote work has become much more commonplace, especially for knowledge workers. While it has many advantages for workers, remote work isn't going to mitigate inequality unless organizations implement it purposefully and with the intention to prioritize well-being and equity for workers. This episode delves into the effects of remote work on workplace inequality and makes suggestions for better workplaces for all. This special episode was written and produced by Rotman Executive Summary and features GATE's director, Sarah Kaplan, and Senior Research Associate Carmina Ravanera.

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Featured Guests:

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Research Mentioned:

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5. Kouki, A. and Sauer, R.M. (2022). Remote Work, Children's Health and the Racial Gap in Female Wages. IZA Discussion Paper No. 15072.

Transcript:

Sarah Kaplan: If we're really going to adopt remote work as a fundamental way that knowledge workers work, then we're going to have to not just say, just like plonk remote work on top of the old working system, we're going to have to actually redesign the system.

Sonia Kang: That was Sarah Kaplan, talking about why companies need to be purposeful about how they implement remote work. Welcome to Busted, a podcast by the Institute for Gender and the Economy, otherwise known as GATE. We team up with leading experts to bust prominent myths about gender and the economy and give you the tools you need to bust each myth yourself. I'm Dr. Sonia Kang, Canada Research Chair in Identity, Diversity, and Inclusion at the University of Toronto, and my pronouns are she and her.

Carmina Ravanera: And I'm Carmina Ravanera, Senior Research Associate at GATE, and my pronouns are she and her.

Sonia: Today we have a special episode. We're going to be talking about remote work, something that many of us have become very familiar with since the pandemic started. And our experts today are Sarah Kaplan, Director of GATE, and you!

Carmina: Yeah! A couple of months ago, Sarah and I had the opportunity to speak with the Rotman School of Management's podcast, Executive Summary, about our recent research report on remote work and inequality. We talked about the effects of remote work and busted some myths around it. So we're going to share that episode with our Busted listeners today!

Sonia: So what myth about remote work are you and Sarah going to be discussing?

Carmina: Well, something we want to emphasize is that remote work is not a catch-all solution for workplace inequality. Don't get me wrong, remote work can make work more accessible overall. It also helps marginalized workers get away from discrimination or microaggressions they might face in the office. And it might be easy to think that remote work is this panacea because it helps caregivers, who are predominantly women, with so-called work-life balance. But the reality is that if organizations aren't implementing remote work with the intention to be equitable and to prioritize workers, some remote-working employees – especially those from marginalized groups - are going to be disadvantaged.

Sonia: Right. Like for caregivers, it's not always easy to work from home and take care of kids or dependants at the same time. That can take a huge mental toll, especially if employers are monitoring them or expecting them to be checking their emails all the time.

Carmina: Definitely. There's a big question around well-being and how it's affected by remote work. And research also shows that employers tend to penalize remote workers; they might be less likely to get promoted or they might not get raises because they're seen as not devoted to their jobs. Which is of course totally unfair, because you can be great at your job and still work from home. And women tend to experience this penalization more, because they already don't fit that norm of the ideal worker that society tends to have.

Sonia: Interesting. So it seems like we not only need fair remote work policies, we also need to change our ideas of work, and what an ideal worker is.

Carmina: And we need structural changes that will help remote workers, like affordable childcare so caregivers aren't so overwhelmed, and for organizations and society to normalize men being caregivers so it's not only women who have this role.

Sonia: So before we get into the episode -- if listeners hear someone saying that remote work will solve inequality, what would you say?

Carmina: I would say that remote work definitely makes work more accessible and that it can be a great thing for people who need or want flexibility. But according to research, it can be a double-edged sword unless organizations address how they might be biased against remote workers. If they don't, marginalized groups will end up being penalized. And I would also say that if we don't address underlying inequality in our society, remote work is only a band-aid solution. Remote work doesn't change the fact that women do most of the unpaid and undervalued work in society, and as a result face disadvantages in the economy. Public policy and cultural shifts need to address that.

Sonia: Great. So with that, let's get into the episode!

Megan Haynes: In March 2020, the world embarked on the great work-from-home experiment. Prior to the pandemic, fewer than 4 per cent of Canadians work from their homes; at the height of lockdown orders in 2021, a full 32 per cent of Canadians logged into their offices virtually. And while businesses have been calling people back to the office, as of September 2022, one survey found that foot traffic in downtown cores was still 46 per cent lower than before the pandemic. Some very public calls for a full return to office have been met with derision and even mass quitting.

Sarah: In all of my conversations with folks in corporate Canada, it's sort of their number one big question that they're asking: What do you know about this? Because they're understanding that the demands of workers are

changing. And they don't know how to respond to it in terms of how to design work, and how to change their policies, and many of them are worried about the effects that could on inequality.

I am Sarah Kaplan, and I'm the director of the Institute for Gender and the Economy and a professor at the Rotman School.

Megan: The confusion makes sense. Many workers found freedom in working from home, and being asked to return to the office feels, for many, like an arbitrary decision.

Carmina: It can improve well-being in a lot of different ways. It increases job satisfaction, it increases people's feelings of motivation when they're working, and it even increases job performance. And people, of course, don't have to waste time commuting. They can be a little more relaxed, they can have a more enjoyable working environment.

I am Carmina Ravanera. I'm a senior research associate at the Institute for Gender and the economy at the Rotman School

Megan: In October 2022, Sarah, Carmina, and their colleague Kim de Laat, a former post doc at the Institute, published a paper called "The Future of Work: Will Remote Work Help or Hinder the Pursuit of Equality?" In it, they explore how the change in work arrangements might impact the push equality and equity. During their research, one thing became clear: remote work can work. But you can't just impose old office norms onto this new structure. If you want things to be accessible and equal for all employees, companies are going to need to invest in making it work for everyone.

This is the Executive Summary - I'm Megan Haynes, editor of the Rotman Insights Hub.

Let's start with some important caveats.

Not everyone can work from home. There are lots of jobs – from cleaners to dentists to loading dock workers to cashiers – who can't benefit from a remote work policy.

And there are people who enjoy coming into the office - maybe they like the separation between home and work life, or maybe they enjoy the social elements in seeing their colleagues.

But importantly, there are folks who, because of their home or location circumstances, won't be able to work remotely. That includes people who are living in domestic violence situations, and folks who might be lower income or live in more rural communities and who can't get access to things like high-speed internet.

But for people who can - and want to - take advantage of a work from home policy, the new normal offers some intriguing possibilities, including some compelling financial arguments.

Carmina: A researcher in the United States studied renters versus home ownership in relation to remote work and found that in the US almost 2 million workers are at what they call a tipping point of homeownership. So they could actually own property if they were able to work remotely, because they would be able to buy houses outside of the very expensive areas where they have to work, but because they don't have that permanent telework option, they're not able to do that.

Megan: The ability to telework would be particularly beneficial to certain racial and ethnic groups: The study found that 26 per cent of LatinX workers and nearly 25 per cent of Asian employees were on that tipping point.

There is also some early evidence that remote work policies help alleviate micro aggressions that women, people with disabilities and people of colour face in the workplace.

Sarah: I've talked to many, many pregnant women who have said that Zoom has been really great, because they were able to just continue working as normal without any weird comments, without any assumptions that they couldn't do their work. And then if they were feeling poorly at some point during the, during their pregnancy, they could just turn the camera off for that moment, and, you know, have their saltine cracker or whatever it is that they needed to do.

Megan: Carmina and Sarah also point to a study from the Future Forum group, which found that while 21 per cent of white workers wanted to return to the office, just 3 per cent of Black professionals wanted to return, citing the reduction in microaggressions and demeaning remarks as a primary factor.

And of course, remote and work-from-home policies are particularly useful for people in caregiving roles.

Since women are disproportionately laden with these responsibilities, remote work can be hugely beneficial in keeping them in the workforce by allowing them more flexible hours in their work days.

Carmina: So when they have the option for remote work, it's no longer so difficult to say I have to balance school pickup with the hours that you need to go into work, or help with homework or make lunches or any other thing that you might have to do for your dependents.

Megan: So, it can be better for employees' mental health, more equitable, and have a big financial upside for staff members. But a work-from-home policy isn't the panacea to solving all employee problems. Part of the problem: most companies aren't being purposeful enough.

There's this longstanding concept of the ideal worker – someone who can dedicate their entire work selves, and maybe even some of their home selves, to the job.

Carmina says people who are seen as the ideal worker are often rewarded with promotions and raises. But this "ideal worker" norm has historically been detrimental to the careers of people who can't – or don't want to – dedicate their entire lives to their job, which can disproportionately impact people in caregiver roles.

Carmina: There is a perception that remote work is going to solve all these problems of gender inequality in the workplace.

Megan: At the root of some of these issues is the stigma surrounding remote workers – a myth that those who work from home aren't as productive or as dedicated as those who come into the office.

And badly implemented policies can make these perceptions worse.

Carmina points to pre-pandemic research that suggests women who opted for remote work options because of their caregiving responsibilities were evaluated more poorly when compared to men who opted for remote work for the same reasons. And women – particularly black women – were more likely to see wage penalties when they opted for remote work.

There are also big concerns that mental health will take a further hit as the boundaries between home and work blur, since many organizations continue to uphold this "ideal worker" norm.

Carmina: That can lead to things like monitoring employees online, which we saw a lot of that during the pandemic, a lot of organizations are tracking things like employee mouse clicks, or what they're doing on their computer at a specific time of day.

Megan: The result is employees often feel glued to their screens – negating some of the flexibility benefits working from home provides. Sarah and Carmina stress that monitoring employees simply doesn't work. Not only does it contribute to employee burnout, but it can also erode trust employees have in their organizations.

Sarah: If we're really going to adopt remote work as a fundamental way that knowledge workers work, then we're going to have to not just say, just like plonk remote work on top of the old working system, we're going to have to actually redesign the system. And that's the piece that I think is still missing from most organizations' conversations about how they would implement it.

The problem for company leaders, of course, is change is really hard.

Sarah: If you're already busy with a whole bunch of other things, and if we're coming to this economic downturn, to ask them to devote a whole bunch of time and attention to redesigning work practices, it's a lot. And so they resist simply because of organizational inertia. And it'll be especially hard if you do it in the ways that Carmina and I and our co-author Kim De Laat, who's done a lot of research in this area, the way that we're advocating, which is to redesign with attention to equity. That's even harder.

Megan: But for businesses that are willing to take that time, the upsides could be unexpected, particularly for organizations looking to improve their equity and inclusion efforts.

Sarah: I did talk to one MBA student who had an internship on a trading floor, downtown on Bay Street. They had done it in person one summer, and then COVID happened. And so the next summer, they did this same kind of work, but over Zoom. And this woman commented that it was actually easier for her to access mentoring and training. because when you're on a trading floor, to get the best mentorship, you actually need to see the computer screen that the trader is using, and then have access to asking the trader questions about what they're doing and why they're doing it. And if it's a whole bunch of interns crowded around one trader, it's hard to elbow your way to the front. And often women were feeling that they were being excluded from those mentorship opportunities. But on Zoom, where the mentor is just one box and all the other interns are just other boxes and that screen is another box, it gave everyone on the on the Zoom call equal access to seeing the screen and equal access to asking questions.

Megan: For Sarah and Carmina, businesses are in a position to really, deeply, think about how to make a work-from-home policy that works for everyone.

Just because working arrangements worked one way in the before times, it doesn't mean we can't figure out a way to improve it now.

And it's vitally important for businesses to figure this out – as Sarah puts it:

Sarah: Every employer is still facing a war for talent, they want the best people. And so from an organization standpoint, you don't want to have to lose some of your best talent because you're not offering the kinds of options that now workers are demanding.

Megan: It's an extreme example, but when Elon Musk called Twitter employees back to the office and to brace themselves to be "hard core," more than 1,200 people quit. Other organizations – including heavyweights like JP Morgan, Apple, Amazon and Starbucks have faced backlash when demanding workers return.

Business leaders really need to start asking themselves what's the point of the office, and why should employees be there? If the answer is simply "so I can make sure they're doing their jobs," companies probably need to start thinking of a more compelling argument.

Sarah: Now if most people are working from home, then when they have come to the office, it better be worth it. And then it had better be worth it for the organization in terms of what they're getting out. If it's just people coming to work, and then sitting on Zoom, doing remote calls all day, that's not going to pay off.

Megan: Solutions may not be straightforward, or even universally loved – but there's probably a way to make it work: Just take something like hotelling, where people book a desk when they need to come into the office, rather than have one permanently assigned to them.

Sarah: Certainly for an organization, from an economic standpoint, hotelling is going to make a lot more sense because you can have a lot fewer desks and use a lot less space if you have remote workers and people only coming in some time. And so there can be huge financial savings that come with that. The question is Who benefits from those financial savings. If you said to an employee who loves their office like I do, I'm a nester, I want my own office, I want a door I can close, but if you told me, we're going to save X amount of money if we get rid of the offices and that you just have an office when you come in, but it's not going to be your own personal little nest, and we're going to pass those savings along to you, I might say, okay, I get it, this makes sense. And you're compensating me in other ways. Or, they might say, if you're going to come in three days a week, you can have an office, but if you're going to be fully remote, or only come in once or twice a month, then you're going to have to be hotelling. And then I make the trade off for myself, which is the thing that I prefer, that may work a little bit better.

Megan: This might also be an opportunity for everyone - including employees - to think a bit about the role offices play in our social lives – and does that need to be the case?

Carmina: I think this is a really good idea, is question[ing] why we are at a place where we get all of our social connection from work? And what does that mean for our communities and our societies as a whole? Should we

be rethinking where we get most of our social connection? Should it be at work? Or should it be with our communities and the people around us.

Megan: Ultimately, crafting a remote work plan is a chance for businesses to introspect on some of the reasons people don't want to come back.

Sarah: So If one of the reasons that people prefer to work from home is because they get a whole bunch of microaggressions when they come into the office, and you want people to come into the office, more than maybe you have to address your workplace culture.

Megan: This isn't going to be an easy shift. We haven't even talked about how things need to change at a public policy level to address the underlying issues of racial and gender inequality that remote work can make worse.

Sarah and Carmina say organizations and governments need to do more to make things like subsidized day care, or access to high-speed internet, and other supports that help address some of these systemic issues, more accessible for everyone. But ultimately, businesses need to be ready to invest in a strategy that works, because it matters for more than just employees' working arrangements.

Sarah: I think we need to think about this question of remote work in a more holistic conversation about creating greater equity and equality inside organizations. And remote work is just one of those pieces of the puzzle that can either exacerbate inequalities or it can actually help address them, but only if they're included in a suite of other organizational design choices.

Good remote work is going to have to come with an extensive investment and building a trust-based organization...

Building trust in organizations is extremely difficult, and it's easy to erode. And so I think we are at a time where the role of the leaders, anybody who has other people who work for them, supervisors all the way up to CEOs, their role in terms of being culture creators, and maintainers is going to become even more important.

Megan: This has been the Rotman Executive Summary, a podcast bringing you the latest insights and innovative thinking from Canada's leading business school.

Special thanks to Professor Sarah Kaplan and Senior Research Associate Carmina Ravanera. We'll be back in a few weeks with associate professor Aida Wahid to talk about the new face of executive boards.

This episode was written and produced by Megan Haynes and Jessie Park. It was recorded by Dan Mazzotta, and edited by Avery Moore Kloss.

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Thanks for tuning in.

Carmina: Thanks to Rotman Executive Summary for having us on your podcast. Busted is written and produced by me, Carmina Ravanera, and Sonia Kang, and edited by Ian Gormely. If you liked this episode, please rate, subscribe and share. The Institute for Gender and the Economy also produces more great podcasts, which you can find at gendereconomy.org or by searching "Institute for Gender and the Economy" wherever you find your podcasts. Thanks for listening!