

**Chiba University Leading Research Promotion Program  
Online International Seminar (in English)**

**Social Fairness and Work Engagement in Canada  
during COVID-19: A Business Dimension**

**Date & Time : 21<sup>st</sup> Jun, 2023(Wed), Japan**

Abstract: This is a research essay based on the transcript of the first meeting of Chiba University Leading Research Promotion Program Online International Seminar serials in the academic year of 2023. Professor Patrick Charlton (Professor of Business and Hospitality from Algonquin College, Canada), with his collaborators, Professor Chris Castillo and Professor Michael Wood addressed the challenges for social fairness and work engagement in Canada during COVID-19 based on a business dimension in the presentation. Professor Jiro Mizushima initiated the discussion, and research ideas were exchanged afterwards.

**Moderator**

- **Prof. Hikari Ishido (Chiba University)**

**Panelists**

- **Prof. Patrick Charlton (Algonquin College)**
- **Prof. Chris Castillo (Algonquin College)**
- **Prof. Michael Wood (Algonquin College)**
- **Prof. Jiro Mizushima (Chiba University)**
- **Prof. Masaya Kobayashi (Chiba University)**
- **Prof. Takayuki Kawase (Chiba University)**
- **Dr. Xiaofang Zhang (Chiba University)**
- **Dr. Alfonso Torrero (Universidad Autónoma Metropolitana)**

**Organizer: Chiba University Global Fair Society Program**

## Main Speakers

**Patrick Charlton**  
PROFESSOR & COORDINATOR  
SCHOOL OF BUSINESS  
ALGONQUIN COLLEGE

**Recognized for Teaching and Leadership Excellence**

**Course Topic Specialties: Entrepreneurship, Professional Selling, Retail Marketing, Business Management**

**Enjoy family time, down-hill skiing, cooking, and amateur drumming!**

### Chris Castillo

Chris is a serial entrepreneur and a highly regarded small business and entrepreneurship expert. Chris has started and operated several successful businesses in a wide variety of industries including starting a restaurant, coffee shop, internet business, consultancy business, automotive repair shop, and music entertainment company.



<https://chris-castillo.com/>

“...during COVID-19, we experienced a drop in the number of people willing to work as we were competing with the government’s CERB program.”

“Throughout this time, there has been an explosion of “work from home” types of jobs and side hustles that people want to work.”

“... recently we have continued increase in sales. Profit hasn’t risen that much due to higher wages to pay for employees that will entice them to work and a rising supply chain costs which have recently started to decline due to the Bank of Canada increasing borrowing costs to cool inflation.”

“To address these new realities...entrepreneurs need to be prepared to offer higher wages, and being more of a servant leader, create a high trust and collegial culture, and be more in tune with current societal issues like climate change and economic conditions...”



**MICHAEL WOOD**  
SMALL BUSINESS

**CONTACT**

613 265-9967  
MichaelWoodOttawa@gmail.com  
Ottawa, Canada

Michael is currently an award-winning professor at Algonquin College, where he teaches in a music industry and business entrepreneurship programs. He is a former touring guitarist and was discovered by legendary radio DJ Casey Kasem. Michael is a published author, a voting member for the Juno Awards, and the former American Idol Insider for various Fox News stations in the United States.

Michael Wood has become the face and voice of small businesses throughout Ottawa, Ontario, and Canada. After the government-regulated shutdowns in the wake of the COVID-19 pandemic in March 2020, Michael watched the gross sales of his event rental company decline by ninety-seven percent compared to the previous year, resulting in losses of more than three million (\$3,000,000.00) dollars. Michael's previous clients included the National Hockey League, FIFA, Cirque Du Soleil, the Canadian Football League and many local fairs, festivals, conferences, and trade shows.

### **Introduction (by Prof. Hikari Ishido)**

This online seminar series focus on social fairness and wellbeing. We will have Professor Patrick Charlton (Professor of Business and Hospitality from Algonquin College, Canada), also with his collaborators, Professor Christ Castillo, and Professor Michael Wood to talk about the challenges for social fairness and work engagement in Canada during COVID-19 from the dimension of business in Canada. Then we would like to have Professor Jiro Mizushima make comments and initiate today's discussion. Professor Masaya Kobayashi and other participants will join the discussion and exchange research ideas afterwards.

### **Opening remark (by Prof. Jiro Mizushima)**

The central theme of our organization, **Chiba Studies on Global Fair Society** is fairness and fair society. How could we realize a fair society through collaboration between various kinds of fields? That is the main question we posed. Today we are very happy that we have several guests from Canada who will kindly speak about work engagement and social fairness. We have a colleague from Mexico, which means this is truly a Pacific online similar.

Our team consists of various kinds of experts in philosophy, law, and economics. I'm a political scientist, with a research field of politics and environmental economics. We are now not so good at business administration, and we're not so good at work engagement. By your presentation, we think we could enrich our knowledge and understanding on how to make fair society through more work and better engagement.

### **Social Fairness and Work Engagement in Canada during COVID-19: A Business Dimension (Presented by Professor Patrick Charlton, Professor Chris Castillo, and Professor Michael Wood)**

#### **Prof. Patrick Charlton**

It's a pleasure and an honour to be here with you. To discuss this topic, social fairness, and work engagement in Canada during COVID. This is from a business lens. The agenda today is to review just high-level social and economic impact of overview in Canada as it relates to COVID. I want to dig into Canadian small business and medium-sized business effects from the restrictions. With that, we have some interview findings with local business owners, and we're going to look at some Canadian work engagement trends and issues. We're going to look at some other social impact, and social business factors and provide some local context local from Ottawa, Canada.

Just a look at the timeline. We can all reflect on a 2-year span where most of us didn't leave the house. I know that was the case for us in Canada. It all started in March, I remember where I was teaching, and the school made their announcement to lock down officially. Everybody rushed to Costco to pick up toilet paper. The Costco is a big department store or a big warehouse discount store here in Canada. It was busy. It was the busiest I've ever seen the Costco. This (figure 1) was taken from the Stats Canada report on social and economic impacts during the 2 years. The significant implications on the lives of Canadians, Canadian businesses, and as well social and economic factors. Figure 1 represents a timeline of the social and economic impacts during this period. It covers health, safety issues, social cohesion, inflation, supply chain, labor, market conditions, and more. What I thought I would do is just break down the timeline into chunks, just to reflect on that period, a major headline that evolved over the last 2 years. As I mentioned, in March, I remember the day running to Costco, 90% of us were affected, and we had to adopt public health precautions in Canada. The majority of the population was affected. Our GDP declined 18% from pre-COVID levels. I am just cherry-picking some of the major headlines.

## COVID-19 in Canada: A Two-year Update on Social and Economic Impacts

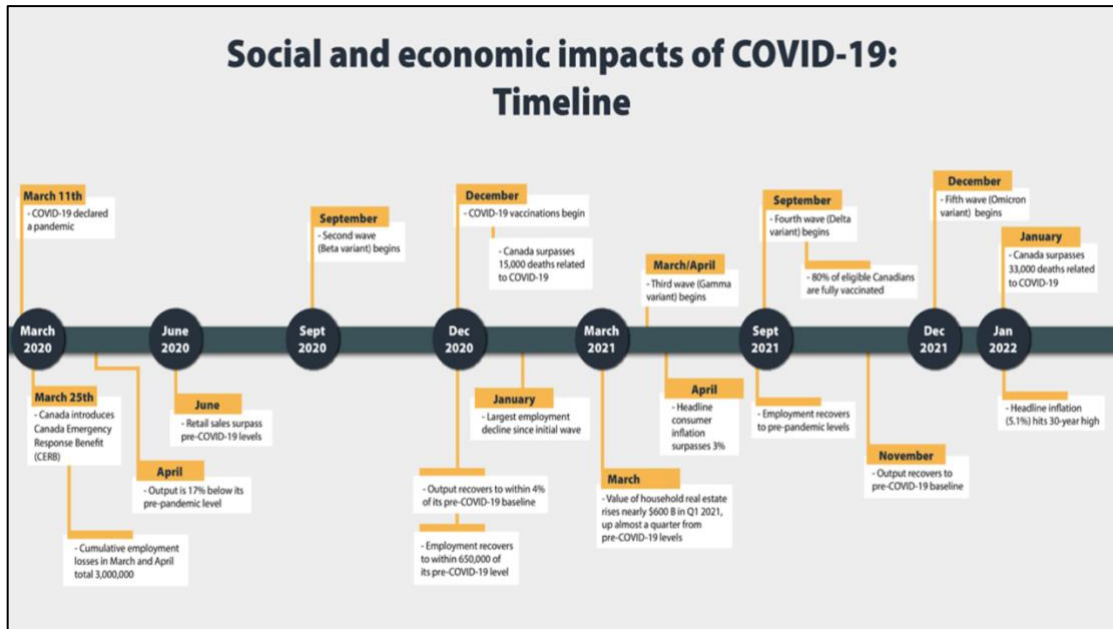


Figure 1<sup>1</sup>

The unemployment rate reaches a record high of 13% in May of that same year. By June 2020, retail sales surpassed pre-COVID levels. But I think that was all the toilet paper I bought when the restrictions went down, and everything else that you were hoarding, because everybody was in a bit of a big panic. There were declines in mental health during the year. It was quite dramatic. 55% reported having excellent, or very good mental health compared to 68%, just not even a year before. So that's quite a decline in mental health in that first year (Figure 2).

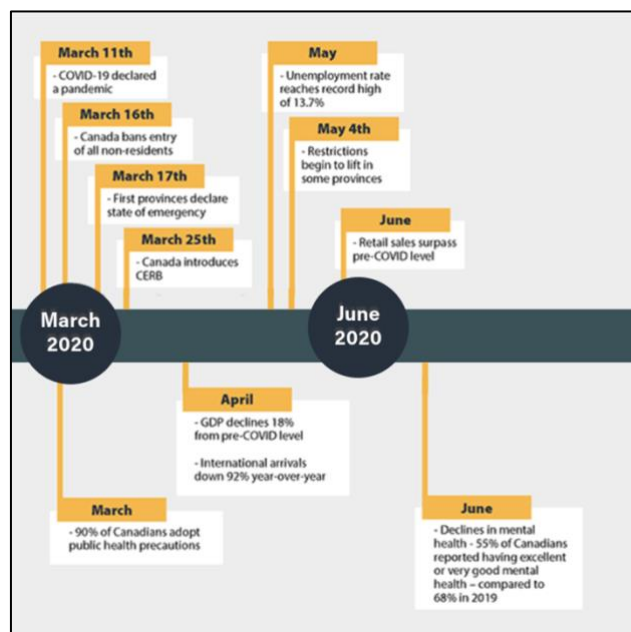


Figure 2

Moving on through the timeline, we started to get some pick-up on employment. The cumulative employment loss was 3.1% at that point, so things started to pick up as far as

<sup>1</sup> [statcan.gc.ca](http://statcan.gc.ca)

employment was concerned. Moving into December that year, 43% of Canadians employed were concerned, still concerned about contracting the COVID-19. There's a lot of anxiety during this period if we can all remember going places, masking, etcetera. In January 2021, employment declined by 200,000 people in Canada and young females were particularly affected. When I dug deeper into the research, there's a lot around the fact that kids, families, kids that were going to elementary schools or even high schools had to take school from home or be home-schooled, and so many women took on that role and dropped everything and looked after the family that way, which also affected employment from that perspective (Figure 3).

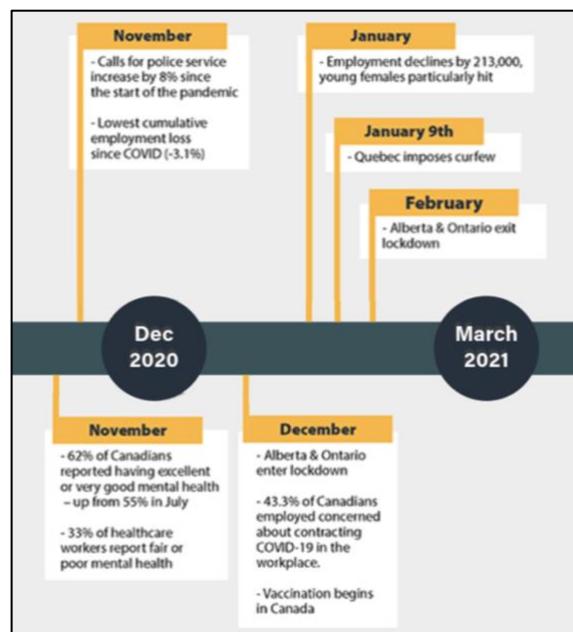


Figure 3

Moving down the timeline, consumer inflation starts to pick up. 3% in 2021 of April, and then again, mental health starts to improve, but still behind those 2019 numbers. Mental health is impacted. I know many contacts that have been affected more than others we'll get to maybe some of those reasons as well from the psychological perspective, of the psychologists in the room. Inflation hits 30%, a 30-year high in just a year in January 2022 (Figure 4).

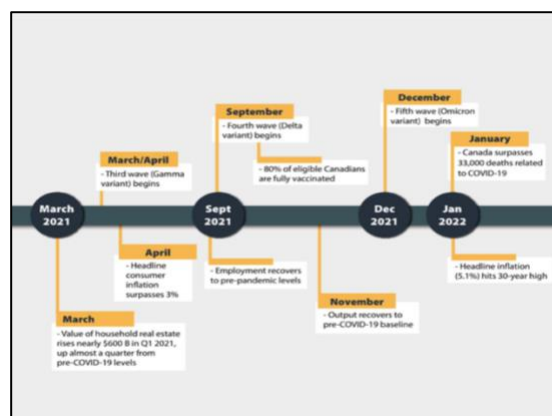


Figure 4

Moving through the timeline, the report from that I drew this timeline from actually speaks about many of these issues here (Figure 5). You can see from that the workload and on the upper left, you see that a term called triple-protected jobs. I'm going to dive into that definition

a bit further. There are a few that have done okay, that have done well through COVID. Those are the ones that had this triple-protected job status. Then at the bottom, you'll see financial uncertainties, competitiveness among workers, the front line, contact-heavy type employment workers or workers that worked for the employees that involve frontline dealing with people, health care, and food services. They didn't do as well, or, due to subsidies and government help, just didn't want to do that job anymore. Then we have these external factors health, public safety, the lack of social activity, restrictions on businesses, labor market imbalances. I mean there's a laundry list of core areas. I narrowed it down to ones that I thought were more in line with social fairness and the idea of work engagement. These five core areas from the report, and I wanted to dive a little deeper on labor market conditions for diverse Canadians.



Figure 5

Canada is very diverse where we welcome immigration and need immigration. This is constantly a concern when it comes to work engagement as well as social fairness, labor market imbalances, which we're going to dig deeper into. The impact on existing inequalities, end of life for emergency financial support. Looking into the labor market conditions improved for diverse Canadians, the headline is positive. They did improve for those working in primarily heavy works type of jobs, so lockdown measures, earlier in the pandemic disproportionately impacted these Canadians. This included newcomers and many Canadians and racialized communities who are more likely to work in those frontline jobs and high-contact settings. There's a demand that we still have today. Job recovery strengthened for many diverse groups in the second half of 2021. This is a little bit of good news and it's not all doom and gloom in this presentation. This is a good point. But now I must highlight it is for those high contact types of positions with these groups (Figure 6).

**Labour Market Conditions Improved for Diverse Canadians in the Second Half of 2021**

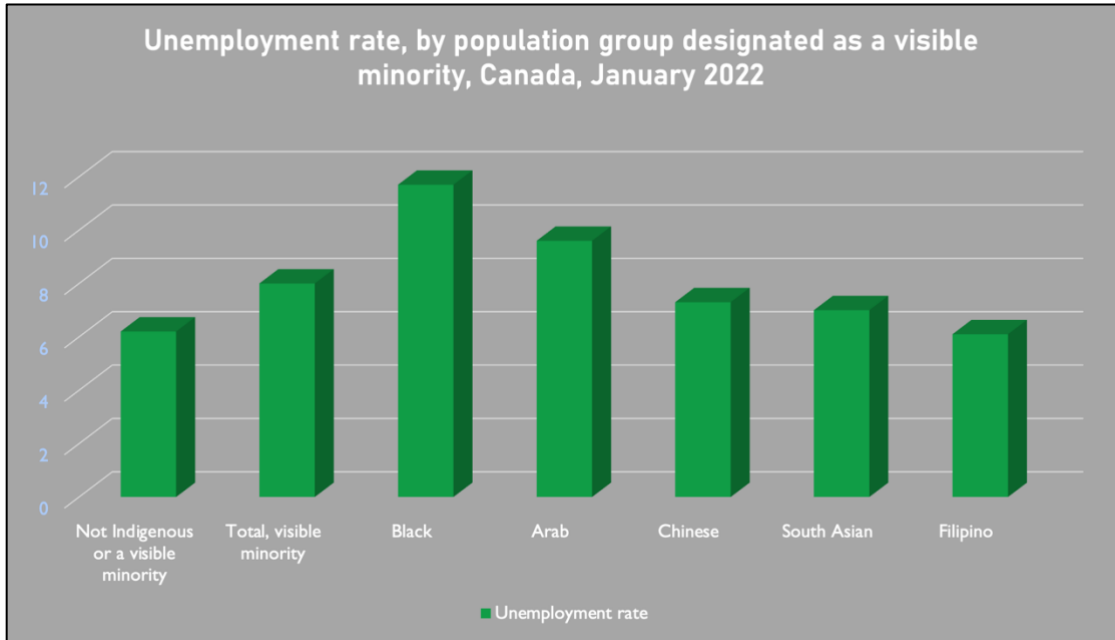


Figure 6

We examine labor market imbalances as shown in Figure 7, highlighting persistent job vacancy increases over two years. Significant demand remains in various sectors, notably accommodation and food services (113%), healthcare (79%), and manufacturing (62%), leading to an urgent need for workers. Contrary to the concept of a "great resignation" where employees are unwilling to work, Canada experienced robust demand for labor, particularly in these industries. Businesses are currently modifying their hiring approaches, including lowering educational requirements to attract applicants. For example, 10% of workers with high school diplomas or less have recently secured jobs typically needing university degrees, a rise from 4% pre-COVID. Additionally, wage adjustments are underway; new hires saw a 10% wage increase in the two years up to November 21, surpassing the 6.4% for existing employees. This disparity introduces tensions regarding fairness among long-term employees versus new hires receiving higher wages.

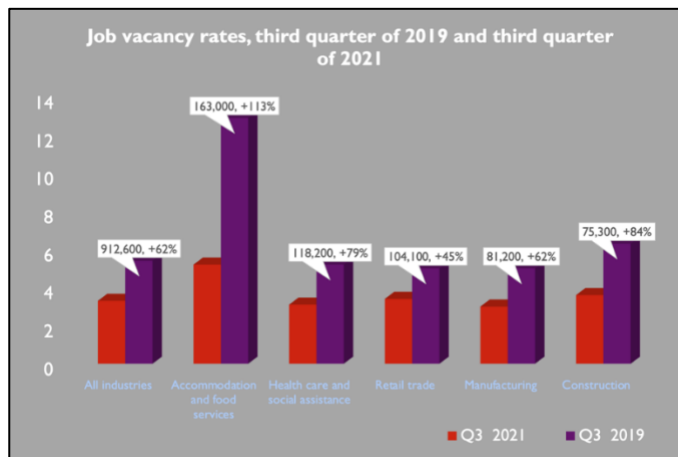


Figure 7

Next, we welcome Professor Chris Castillo to discuss his experience managing his restaurant. Initially, he faced no issues attracting and retaining high-quality staff. However, he later found

himself competing with government subsidies for employees. He will share insights into this shift in his staffing situation.

**Prof. Chris Castillo**

When COVID-19 struck, it was a complete shock to see everything close so suddenly. Navigating through the pandemic was undoubtedly tough for us, filled with numerous challenges. Being in such a situation, I had to step up as a leader, decisively outlining our path forward. Our vision shifted dramatically from expanding and franchising across Canada and the U.S. to simply surviving day-to-day.

This year, I noticed a significant decline in the number of people willing to work but would prefer to stay home and avoid COVID-19. Conversations often revealed a common sentiment given the choice between working for me or staying home to receive government subsidies, many found the latter more appealing. This wasn't just speculation; it was a tangible shift I observed when discussing our survival strategies with others. Remarkably, our restaurant has always boasted a strong, cohesive culture and a very low turnover rate. Despite the pandemic, we managed to maintain our staff numbers, moving from 24 to 25 employees, by keeping everyone on board with new initiatives, like creating new dishes, deep cleaning the restaurant, and enhancing our systems, policies and procedures.

I made it a priority to keep everyone employed, ensuring they had work and we were doing well collectively. Fortunately, not many of our team members opted for government payments, and those who did were partially subsidized. However, we weren't completely immune to challenges; we experienced poaching, losing one team member to a competitor offering higher pay.

Since becoming a business partner in 2018, I've led a significant rebranding effort, discarding the old name for a new, elevated identity. During the pandemic, we were able to stay open while many restaurants closed.

**Prof. Patrick Charlton**

My point is your restaurant has a lineup out the door. You're obviously doing something well with the menu, the culture, and your people are committed through developing that high leadership culture. From a financial perspective, what did you do different when everything shut down and you weren't allowed to open? What was the difference between you and the other restaurants that shut down? How did you set up your business to be able to survive?

**Prof. Chris Castillo**

Understanding the importance of saving for unforeseen circumstances, we prepared well in advance. Our strategy for survival included streamlining operations to be leaner. We leveraged Square and Weebly, which enabled us to offer our menu online efficiently. Unlike using platforms like Uber, which take a 25% to 30% cut. I negotiated rates down to 18% with one of the platforms. However, with Square, our costs were significantly lower, at only 2%.

This shift to online operations was critical when the pandemic caused an 80% drop in our sales, moving almost all transactions online. By being strategic about our costs, we managed to stay afloat. Additionally, our staff played a crucial role, pulling together to enhance our operational efficiency and effectiveness. Their commitment and adaptability were key factors in navigating through the challenging times and maintaining our business.



**Prof. Patrick Charlton**

I think there's a lot in there that appeals to our economic brains from a lean perspective, having that contingency fund, going into the COVID period allowed you to feel a bit more confident with your operations. I'm sure that as well from a psychological perspective, social perspective, that led to a more motivated staff. It's probably something you don't really think about because you just do and operate, and you don't necessarily reflect on what you're doing. But this is what I'm picking up on, noticing a lot of restaurants have not been able to survive. And ones that have been around longer than you have. There's that cash management perspective, even though you didn't have to dip into it.

**Prof. Chris Castillo**

For instance, in our mechanic business, an employee came up with the innovative idea to establish a drive-through service right in front of our shop. Customers could drive in, email their payment, and have their cars serviced without the need for a hoist. This solution was a result of collective brainstorming among owners, managers, and employees, all aiming to find ways to survive and keep our doors open. Remarkably, this teamwork enabled us to avoid layoffs at the mechanic shop as well. By working together and creatively tackling challenges, we found a way to keep operating and supporting our team.

**Prof. Patrick Charlton**

I'm moving to our next key topic, which will soon bring Mike into the conversation. The pandemic's prolonged effects are poised to deepen existing inequalities. Yet, 40% of Canadians are in jobs deemed resilient to the pandemic (refer to Figure 8). These individuals are the fortunate ones, often occupying higher-paid, more educated positions. I'll delve into the "triple-protected" definition shortly, highlighting this privileged group. Reflecting on the past two years, employment has bounced back to pre-COVID levels across Canada, except in accommodation and food services, which remain impacted due to many establishments shutting down or ceasing operations. While certain sectors were hit harder, overall employment figures have stabilized. Notably, there was a surge in employment within technical and scientific services, adding 179,000 new job opportunities. This discussion includes a graph showing wage distribution within the triple-protected group, where the top 10% earn the most, a common trend in wage models.

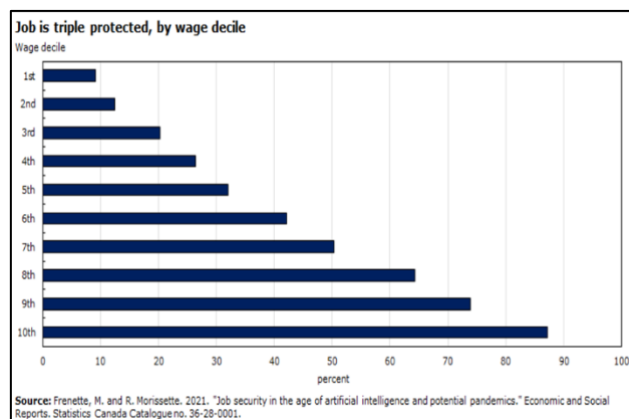


Figure 8

A triple-protected job is one that has no predetermined end date, faces a low risk of automation, so it's not affected too much by automation, and is resilient to the pandemic. A job that's resilient to pandemics meets at least one of the following conditions: it can be done from home, it

involves sufficient physical distancing, or it is deemed essential by authorities. There are two levels of different groups. Two in five employees aged 18 to 64 held those triple-protected jobs in 2019, which is about 40% and it is a high level for a population. Couples in the top 10% of the earning distribution were about 20 times more likely to have both spouses hold a triple-protected job than couples in the bottom 10%. People that have a partner, and where both spouses or both partners had a post-secondary degree were seven times more likely to both spouses to hold triple-protected jobs if they both held the degrees. There's a relationship to education in having those jobs. Among couples surveyed, the ones living in larger centers were the ones that held these jobs and fewer in the smaller rural communities.

The majority of these triple-protected or double earners fall within the Toronto or the province of Ontario with Ottawa and Toronto, much higher than perhaps Saskatchewan or East Coast as well as the Outaouais which is right next to Ottawa (Figure 9).

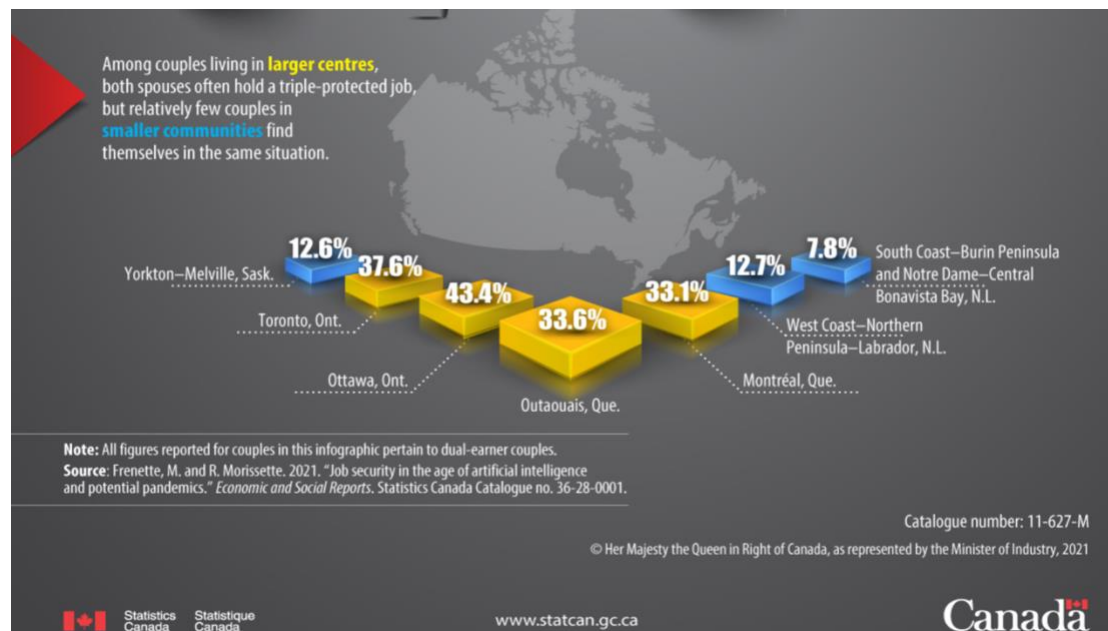


Figure 9<sup>2</sup>

That leads me to the next topic: financial uncertainties deepened for many businesses as emergency support programs wind down (Figure 10). Emergency programs have been a critical lifeline for many businesses during the pandemic. Business insolvencies have remained below pre-COVID-19 levels but rose 37% in the fourth quarter of 2021. During the fourth quarter of 2021, one-third of businesses reported that the absence of government support programs over the next 12 months would have a medium-to-high impact on their survival. This includes almost two-thirds of those in accommodation and food services, and 40% of businesses with 5 to 19 employees. About 15% of all businesses reported that it would be a major challenge to pay off funding received from repayable government support programs over the next 12 months, including almost 40% of those in accommodation and food services. Financial stresses may become more acute as cost pressures continue to rise. In the fourth quarter, 43% of businesses expected rising input costs to be an obstacle in the coming months, including 71% of manufacturers and two-thirds of businesses in accommodation and food services.

<sup>2</sup> <https://www150.statcan.gc.ca/n1/pub/11-627-m/11-627-m2021055-eng.htm>

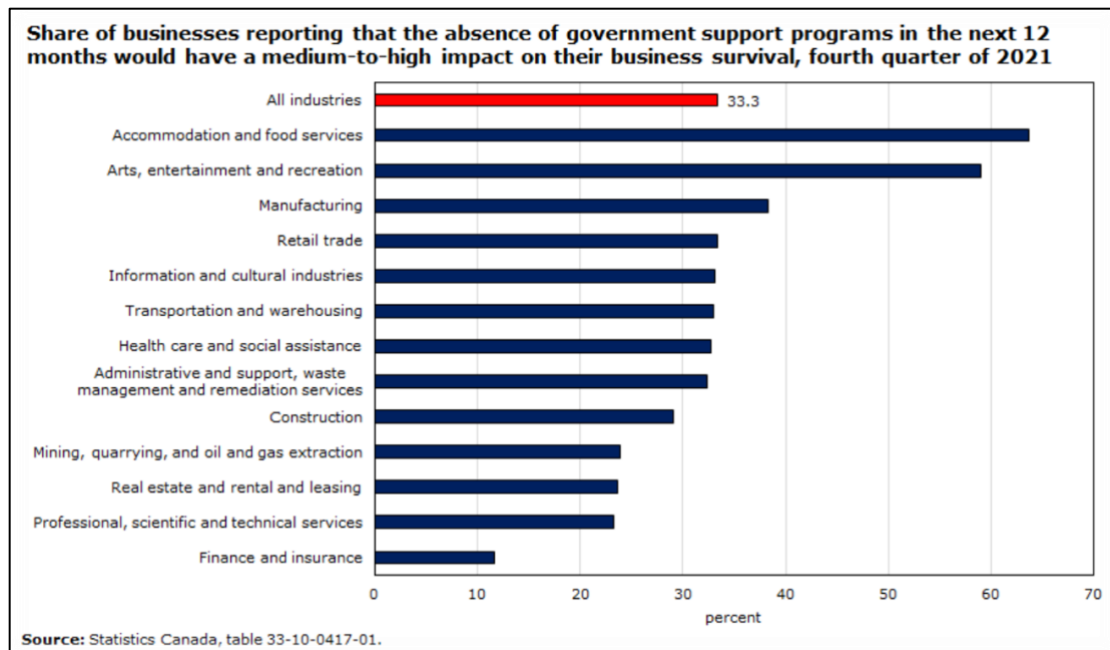


Figure 10

Next, I would like to have Mike to talk about this topic. Before that, I want to just ask Mike: what is the biggest challenge that you're hearing from your small business owners, medium-sized business owners? Does it reflect on the kind of statistics that we're talking about around the concerns of being able to survive?

**Prof. Michael Wood**

When the pandemic first began to escalate, the Canadian government introduced the Canadian Emergency Business Account (CEBA), or the CEBA loan. It's important to note that this loan is repayable and not a grant. With the repayment deadline approaching at the end of this year, on January 31, many small business owners are facing the challenge of repaying between \$20,000 and \$40,000 borrowed from the federal government. There's a forgiveness portion if repaid, converting a part of it into a grant, otherwise, it incurs a 5% interest. Currently, there's significant effort to persuade the federal government to extend this deadline.

Reflecting on the pandemic's onset in early March 2020, I remember sitting in my office with my executive assistant. I expressed my concern about COVID becoming a major issue, especially after seeing Europe shutting down. I decided to reach out to a city council member to inquire about potential shutdowns at the provincial and national levels. His advice to start contacting federal and provincial representatives immediately made me realize the gravity of our situation. Despite initially doubting why they would care about a single business owner like me, I followed his advice and made several calls. Surprisingly, after sending an email as requested during my first call, I was contacted within 20 minutes for a meeting with the minister. This experience taught me the importance of trying, regardless of the odds.

Throughout this period, I engaged with over 50 elected officials, missing an opportunity to meet with the Prime Minister due to scheduling conflicts. My approach was non-partisan; I needed support from all parties. On social media, I remained cautious about my posts, knowing the impact they could have. Despite the challenges, including inflation, supply chain disruptions, and the rising cost of materials and fuel, I managed to keep my staff and even work with a company facing neoprene shortages for their products.

My ability to meet with so many officials and host productive Zoom calls with 100 small business owners is thanks to my adherence to the "3P principle": be productive, professional, and polite. This rule ensured engagement and respect during our meetings. It's a principle I recommend for any endeavor in life for success and support.

**Prof. Patrick Charlton**

Moving on to the core discussion about the impacts of the pandemic on Canadian competitiveness, this remains an unresolved issue as illustrated in Figure 11. When examining the hours worked in Canadian businesses, we notice they've bounced back more quickly than our actual real output, raising some questions. For instance, the cost or unit labor cost in the business sector, which calculates the payments to labor needed to produce a unit of output, has risen by 6% year over year in the last quarter of 2021. Furthermore, investment in non-residential businesses, a key driver of productivity and wage growth, has been lagging. Investment in machinery and equipment still falls short of pre-pandemic levels, and business expenditure on research and development has decreased by 11% compared to pre-pandemic levels.

Another point to consider, as highlighted in the report, is investment in digital technology. Our current digital collaboration and the longer-term effects of working from home are crucial factors that will influence our business competitiveness. This will be another topic I plan to explore shortly.

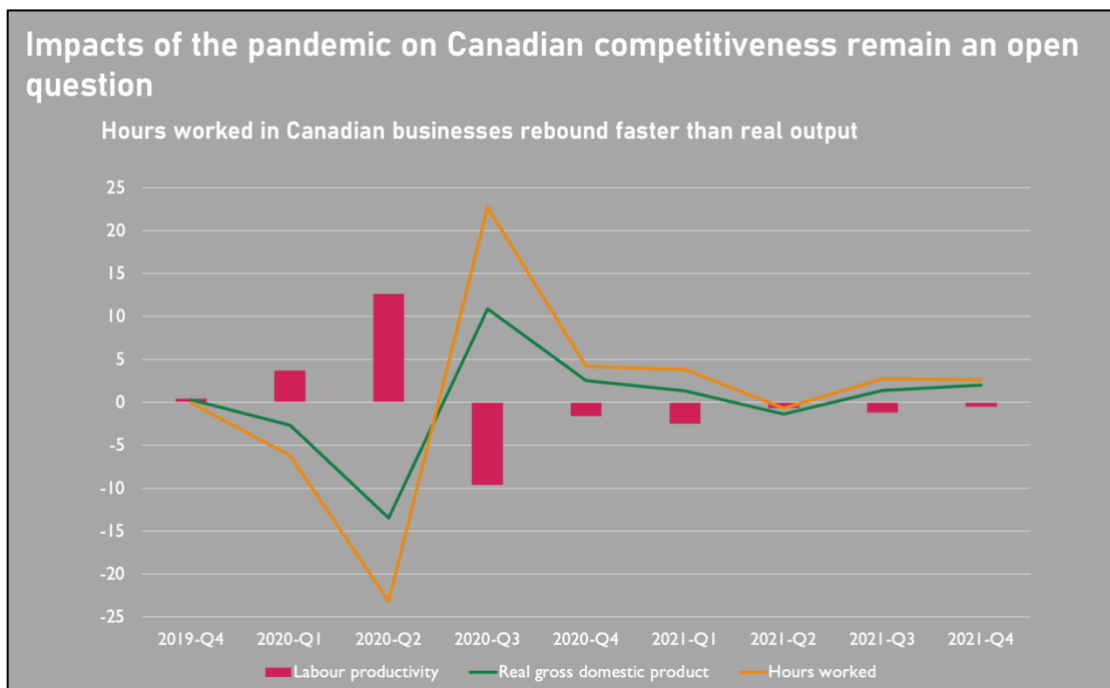


Figure 11

Are we progressing in Canada? Affordability issues are expected to worsen due to high inflation and modest wage increases that do not match inflation and the cost of living. The financial barriers to homeownership in Canada are frequently in the news, affecting social and economic mobility. Additionally, sectors requiring high physical contact continue to face uncertainty as input costs increase and vacancies stay near record levels. There's considerable debate in our business community about whether digitalization and remote work will lead to sustained improvements in business productivity. Currently, our downtown areas are deserted, as fewer

people are going to offices. The concept of a four-day work week is gaining attention, and more of us are working from home, which seems to benefit the 'triple-protected' employees. Regarding work engagement, a report from Future Skills Canada by the Government of Canada reveals emerging and maturing trends in the workforce, impacting employee motivation and how we design our business models (refer to Figure 12). Permanent remote work stands out as a key trend still unfolding, indicating a global workforce shift with potential tax implications and growth in services facilitating this mode of work. We're becoming increasingly accustomed to remote work, which is expected to continue evolving, possibly leading to expansion in mental health services. However, this new way of working could negatively impact those experiencing burnout and social isolation from being behind a screen all day. Without informal interactions, like chats in the hallway, there's a concern we might not be as productive. We need to pay close attention to these areas of focus.

**Future of Work: Emerging or Mature Trends to watch for and relationship to labour market implications<sup>3</sup>**



Figure 12

Another trend catching my attention is the degrowth movement, challenging the capitalist mindset prevalent in North America and Japan. There's a rising demand for workers skilled in environmental, social, and corporate governance strategies, focusing on community benefit over profit. This movement, aiming for reduced consumption and a minimalist lifestyle, could decrease demand in the retail and hospitality sectors. It also suggests a shift in wealth sources from selling physical products to prioritizing intellectual property, a change evident in the increasing reliance on technology and digitalization.

The "Workers First" movement emphasizes a potential decline in the luxury market, affecting high-end goods, services, and real estate. While there will always be a market for luxury items, the focus is on the average growth of this sector. Policies aimed at redistributing wealth could drive high net worth individuals out of the country, risking a talent exodus. Additionally, there's mounting pressure for better protection and working conditions for gig economy workers. This growing workforce, balancing multiple jobs, including part-time gigs and full-time employment,

<sup>3</sup> <https://fsc-ccf.ca/research/yesterdays-gone-exploring-the-future-of-canadas-labour-market-in-a-post-covid-world/>

highlights the need for governmental action. However, increased unionization efforts could prompt companies like Uber to reconsider their operations in Canada.

Lastly, "Tech to the Rescue" is not a new trend but remains significant. Companies must attract talent capable of adapting to automation, as some jobs disappear, others transform, and new roles emerge that complement automation. The growth in advanced manufacturing and robotics calls for highly skilled workers, pointing to a mature trend that our educational system is only just beginning to address.

These four areas merit close attention as we navigate the changing landscape of work and industry in Canada.

## **Comment, Discussion and Q&As**

### **Prof. Jiro Mizushima**

This is truly engagement of lecture. It seems to me that it is a team lecture. Because Professor Charlton plus Chris Castillo and Michael Wood, three professors we have at the same time. We got various viewpoints from three persons, and it was quite insightful and quite practical information we could get. Here are my comments.

I'm a political scientist. And one of my subjects is Work, Welfare, and Politics. I'm especially interested in the welfare state reform and labor relations including work and life balance policy. Therefore, I am particularly interested in the theme "Work Engagement" because work and life balance policy are quite necessary to promote work engagement. As for engagement, it is quite important as for a political scientist because the engagement of citizens in the politics, so-called civic engagement is quite vital to the functioning of democracy. Also work engagement is an essential factor for the economy. Work engagement and civic engagement, those are the two pillars of contemporary politics in the economy. It was quite interesting to hear about the work by Michael Wood. It is truly a civic engagement. In this sense of engagement is truly our central theme today.

When I thought about my comment for today, I found a newly published report by Gallup. It is a quite interesting report, named "The State of the Global Workforce in 2023"<sup>4</sup>. This report is about the work engagement. It is about the latest development among the employees in the world after the pandemic. It might help our understanding of the conditions of work engagement, especially from the competitive viewpoint. Employee engagement is essential for performance outcomes and the well-being of employees. Therefore, I would like to share the main points of this report.

The first and important message of this report is, in general, the work engagement is rising recently in the world, the percentage of engaged employees globally rose steadily in the latest 10 years. In 2022, the percentage of engaged full and part time employees' difference is 23%. But if we do look into the details, we can find many interesting results, which are sometimes contrary to our assumptions. During the pandemic, we experienced a large scale of remote work as Professor Charlton indicated. We would like to know the impact of remote work on the engagement of employees. According to the report of Gallup, exclusively, remote employees are more engaged than fully on-site and hybrid employees. It might mean that working remotely makes you more engaged at work. We could say that Corona pandemic has had some positive impact on the workplace by forcing other news title work than before. But at the same time, it has different impacts, as Professor Charlton pointed out today. As you know, people who can do remote work are almost white color and triple-protected workers. But anyway, remote work itself has some positive effect. The second interesting finding is the difference between the

---

<sup>4</sup> <https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx>

regions. In which part of the world are people more engaged than other regions? According to the survey, regions, with the highest levels of employee engagement are South Asia, the United States and Canada and Latin America and the Caribbean. All of them are higher than 30%. Other countries, the European region has the lowest employee engagement. It's only 13%. Also, in East Asia, employee engagement is quite low, namely 17%. In both sides of the Pacific, we see quite different pattern.

In the meantime, we can see some negative trend among employees, which has crossed relationship with well-being of employees. These 10 years, the employees stress has also increased. Stress would cause physical and mental problems with negative impact on well-being. It means that we have to do more to cope with growing stress of employees in the age of globalization and automatization and rapid change. But here also we see remarkable differences among regions. It is interesting that in the United States and Canada, today's hot topic counted 52% of workers reported stress a lot of the day, while the stress among the European employee is somewhat low, namely 39%. The picture here shows a clear contrast. High engagement with high stress in United States and Canada, and low engagement with low stress in Europe. It seems from these trends in Western countries, that high work engagement might produce more stress among employees. High engagement and more stress seem to be an explanation. But the things are not so simple. If we look into the situation in East Asia, we see another pattern. In East Asia, the engagement is low, as I mentioned, but the stress is quite high, namely 52%. In East Asia, high stress and low in engagement, which is quite different from European and Northern America.

The impact of remote work or stress is quite interesting. Exclusively, remote and public employees crucial more engagement than those working on site, report higher stress. It might be a result that if we work remotely, you must combine work and private life, which is not an easy task. My last comment, I would like to know your opinion about regional difference of engagement and stress. Is it possible to think over best combination? About remote work, how can you promote engagement, and at the same time with high stress?

### **Prof. Patrick Charlton**

Reflecting on regions of high engagement and stress, I've pondered the cultural and ideological approaches to work. This is a significant aspect of our daily lives, offering many benefits due to the ability to work from home, a practice that was somewhat in place even before COVID. Before the pandemic, we had the flexibility to work remotely, only needing to be on campus for classes. This flexibility shifted entirely during the years of restrictions, with no campus access, leading to financial savings from reduced transportation, clothing, and meal expenses. The impact of remote work and the associated cost savings felt akin to receiving a substantial raise. Stress, from my perspective, often boils down to whether the compensation aligns with one's lifestyle and the social aspects of work, which are crucial for engagement.

I see the benefits of a hybrid model, offering the choice to work from the office as desirable. Living in a government-centric town where the federal government is the primary employer, I've observed the mandate for government workers to return to the office at least three days a week. This requirement has introduced stress and impacted their engagement with work. This situation in Ottawa, where government employees are discontent with mandated office days, exemplifies the potential for decreased engagement or negative feelings towards work. The loss of freedom in dictating work location seems to directly affect engagement levels, underscoring the importance of considering worker preferences and the evolving nature of work environments.

**Prof. Masaya Kobayashi**

I could clearly get the overall picture and I cordially appreciate your presentation. Health and business deterioration (mental health as well) in Japan too. In our forthcoming book, this point is indicated<sup>5</sup>. Maybe larger government support in Canada than in Japan. I think without such governmental support, the negative damage might be bigger in Canada. In Japan, food services industry has experienced the same thing, but the overall the impact might not be so big here in Japan. What's your comment and idea?

Secondly, rapid expansion of remote work and online work here in Japan as well. Then in Japan negative impact on equality health, including physical and mental employment stability, income and assets, subjective well-being also deteriorates here. Then the issue, the concept of triple-protected job is a novel and impressive one. Then well-being in our survey in Japan deteriorated for some people, but increased for others to some extent. Work from home category of people might have experienced positive well-being with an increase of well-being. In a sense, well-being of the people in the triple-protected job increase in polarization might have happened as a result. Then the existing gap widened as this is a possibility, maybe here in Japan as well. Then lastly, your last point about digitalization and then remote work and their impact into the future, I'm really interested in these points.

In our research here in Japan under COVID, our sense of value or a value system, mental value system changed in two senses. First is in pursuit of security and safety. Then second, in pursuit of more mental or psychological richness or enriching type. These two, the latter is noteworthy. Any similarity or commonality in Canada?

**Prof. Patrick Charlton**

We are navigating a pivotal moment in history from various angles, especially concerning work dynamics. Remote work has emerged as a dominant topic across all sectors. For instance, Shopify, a leading tech company in our town, took a significant step by closing all office locations, selling most of their buildings, and transitioning to fully remote operations. This move by such a major employer in Ottawa underlines the shift towards leveraging technology and financial savings from not maintaining physical office spaces for employees. Personally, as someone working for a college, and my wife in the federal government, we find ourselves working from home more than ever before, even as workplaces reopen. The campus feels quieter, and interactions with colleagues are less frequent, indicating a change in our habits and lifestyles.

Mental health, which was once a taboo topic, has rightfully become a major concern, with increased investment and reduced stigma surrounding discussions and seeking help. This progress in openly addressing mental health challenges is crucial and must continue as society navigates through these transformative times.

Additionally, the way we view business and consumption is undergoing change. Though not covered in my presentation, the widening gap between the 'haves' and 'have-nots' is apparent. The 'triple-protected' workers experience a vastly different reality compared to those in frontline, field-based roles. This divide is manifesting in our city centers with rising homelessness and safety concerns, suggesting that security measures have not adapted to the changing dynamics of people returning to city centers. The pandemic has exacerbated these issues, highlighting the increasing divide and loss of social cohesion within our society.

---

<sup>5</sup> Masaya Kobayashi, Well-being and Fairness in the COVID-19 Crisis in Japan: Insights from Positive Political Psychology, *Social Fairness in a Post-Pandemic World: Interdisciplinary Perspectives*. London: Palgrave Macmillan. 2023.



**Prof. Takayuki Kawase**

I am a legal philosopher and today I have some remarks about cognitive issues. After talking something about that, I'd like to ask some questions to Professor Charlton. Many people, also here in Japan, say COVID pandemic has brought about some irreplaceable changes to our society. According to this idea, COVID has changed our society in some essential ways. We cannot go back to the past, previous way of life. But I have slightly different opinions about that. I think COVID suddenly changed our perspective. By perspective, I mean, our way of thinking, but it never changed the reality itself. For example, it never changed our human nature or the essential structures of our society or our basic values. Even if we find something new during pandemic, I think we just uncovered something being hidden previously. We just discovered something we ignored previously. For example, some people said COVID makes the gender gap in Japan worse and worse. But in my opinion, the gender gap issues has been existing and might be getting worse by other reasons as well. Even if COVID, for example, makes gender gaps worse, it may be just a trigger. Just a trigger, which is just accelerating the unfair social structures that has been existing for a long time. Or it is just a trigger that makes us aware to such issues. I think COVID-19 is a very good chance to discover our social unfairness, which has existed for a long time, but still, we haven't take care enough. This is my opinion or impression about the COVID issue.

My question is that, is COVID still a serious issue in Canadian economics? For example, in the labor market or in another way. Do people still care of COVID? I think the word "people" is too vague. For example, do workers still care of COVID? Do business owners still care of COVID? Or do stockholders still care of COVID? The point of my question is that who cares about the COVID issue the most or the least? Probably, the medical doctors care of COVID a lot, but this is very natural. But who cares about the COVID the most or the least among business sectors?

**Prof. Patrick Charlton**

In my research and observations of Canada's response to COVID, the impact on gender gaps is notably significant. Women, especially those with families, have been disproportionately affected across industries due to the increased burden of assuming homeschooling roles, impacting their work availability and opportunities. This situation represents a potential setback in gender equality, a concern highlighted in a section of my reference report titled "Gender Equality Rollback." This segment sheds light on the labor market implications, including possible continued barriers to workplace inclusion and a potential regression in salary transparency, which could hinder progress in narrowing the gender gap. It's worth noting that this impact is highly sector-dependent. For instance, at our college, women are well-represented in executive roles and faculty positions, indicating a positive trend towards gender equality within our institution.

Regarding industries still focused on COVID precautions, while mask-wearing has become less common, sectors with high customer contact, like accommodation, remain vigilant. Sanitation practices have been elevated, and customers now expect these higher standards. This shift in consumer expectations underscores the importance of businesses maintaining rigorous sanitation procedures, a lesson learned from the hard impacts of the pandemic. These practices not only align with current customer expectations but also contribute to the ongoing efforts to safeguard public health as industries adapt to the evolving situation.

**Dr. Alfonso Torrero**

My question is related to business. Did you find the tendency in organizations of having face-to-face services that survived the COVID-19 crisis, for example, and that changed their selling strategies, incorporated new technologies, merged with other organizations, or other activities they incorporated?

I was reflecting about the differences that we have. We are countries in the North American sector of the North American continent, but the Mexican situation during the COVID is very different from the Canadian. And maybe in other developed countries, you have similar phenomena. But here, there were very low subsidies for organizations or citizens. And my question is more about social comparison. What is the tendency of less educated citizens working in face-to-face activities also seen in other statistics? For instance, do you know during the COVID pandemic crisis, if there was a group of legal and illegal immigrants working in face-to-face activities? If you've found these kinds of differences in types of citizens in the different economic sectors, has that changed after the COVID-19 crisis?

**Prof. Patrick Charlton**

The pandemic has fundamentally altered the way many businesses operate, and it has reshaped our lives as citizens, workers, and leaders in profound ways, including our spending habits. Personally, my consumer behavior has changed significantly; the routine purchase of lunchtime coffee has drastically decreased because for two years, I adapted to going without it. This change is a double-edged sword, impacting the businesses that once relied on such habitual spending.

Focusing on the coffee shop that used to enjoy my patronage, the landscape has noticeably shifted. We no longer see a coffee shop on every corner. Many large franchises have reduced their presence, reassessing their locations and strategies. Professor Chris highlighted how some establishments pivoted to takeout-only models and utilized digital tools like Square over platforms like Uber to cut costs. These adaptations showcase the evolving nature of business in response to the pandemic.

On a related note, I recently encountered a fully automated coffee stall operated by robots. While I didn't try the coffee, the experience made me wonder if this is a glimpse into the future of retail — smaller physical footprints, less square footage, and increased reliance on technology to deliver products to customers. Retail is increasingly moving towards offering a touch-and-feel experience in smaller, more efficiently managed spaces, with purchases being made through apps for home delivery. This shift represents a more cost-effective approach to doing business in the new normal.

**Dr. Alfonso Torrero**

I wanted to know if the social gap grew in many ways. For example, in the case of illegal and legal immigrants, did they also participate more in face-to-face activities? And if so, after the COVID crisis, how is the different economic distribution of workers? Are more workers in the tertiary sector with these characteristics? Or has the distribution of workers changed?

**Prof. Patrick Charlton**

In Canada, immigration presents several challenges and opportunities, particularly concerning the integration of well-educated immigrants into the workforce. A significant issue is the alignment of immigrants' education levels with Canada's accredited system, leading to a situation where many highly qualified newcomers end up in high-contact jobs because they're unable to secure triple-protected employment. Our system's reliance on recognizing specific

credentials forces many immigrants, including those with doctorates and engineering degrees, to work as Uber or taxi drivers since obtaining accreditation in Canada could take an additional five years. This long-standing problem may have been exacerbated by the COVID-19 pandemic, highlighting the need for a reevaluation of our credential recognition processes to better integrate skilled immigrants into sectors where their expertise can be fully utilized.

**Dr. Xiaofang Zhang**

You were showing us employment rate by the population in Canada, I saw that the black population group has a higher rate than the other groups. How do you think is the situation? Is there any unfairness between the different population groups and the Employment Division in Canada, or it just happened around the time of pandemic?

**Prof. Patrick Charlton**

There has been a noticeable increase in employment opportunities for specific racial groups, with a higher uptake among the African population moving to Canada. This observation suggests a trend that merits further investigation to understand the reasons behind this increased employment uptake. Establishing a clear connection and backing it up with evidence is essential to address and potentially leverage this trend for mutual benefit.