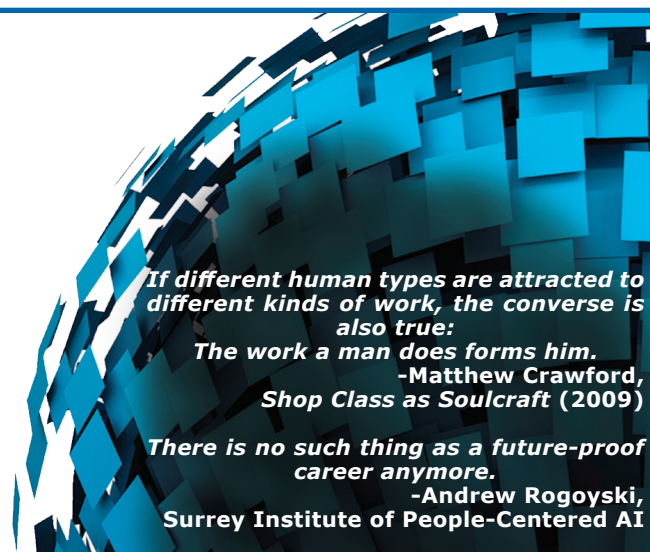


WORK IS BEING UPENDED: THE ONGOING CHANGE IN THE MEANING AND VALUE OF WORK



CONTEXT & DYNAMICS

The work world is being upended, not only by advances in technology but also by changing attitudes among employees as to what is desirable and necessary in a job. Workers once found an identity in their job; then they sought meaning through work; now they just want agency, the ability to control their work lives. This, along with technology, is turning the realm of work upside down – that is, changing its meaning, value and impact. Labor shortages in the midst of significant layoffs; automation in the midst of rising wages; an excess of white-collar employees with an increase in new business formation; and discontented workers and changing education levels for jobs: these are unusual phenomena to be happening at the same time. Society is undergoing a widespread reassessment of the value of different kinds of work, and that will change companies' hiring practices and individuals' work needs. Society will need to reassess its demand for college degrees as well as its, heretofore, downplaying of manual and minimum-wage work.

IMPLICATIONS

- Wages for people in the trades and in minimum wage jobs will increase.
- Many young people will turn away from a college education and enroll in vocational and job training.
- Jobs that require interpersonal skills will increase in value.
- Costs to companies, beyond initial CapEx, for work that can be done by machines will go down, while costs for human skills, including maintaining those machines, will go up.
- Jobs that do not engage employees will have higher turnover, perhaps forcing up wages.
- U.S. industrial policy will encourage certain kinds of jobs, especially in cutting-edge technologies.



Workplace as an Experiment

Ever since artificial intelligence (AI) became a thing in public discourse, and especially since the release of generative AI products such as ChatGPT, some commentators have touted AI's breakthrough capabilities, while others have focused on its existential threat to humanity. But most agreed that AI would affect or eliminate jobs. For instance, one study found that 80 percent of jobs will have 10 percent of their work done by large language models (LLMs) in the near future, while another said AI would be used to do away with as many as 50 percent of all current jobs. (*Economist*, 6/17/23)

Such predictions aside, a recent study by Karim Lakhani, of the Harvard Business School, on the effects of working with AI yielded some surprising results. The study divided participants into three groups of consultants. One group received training in how to use ChatGPT and applied that learning to an assigned project; the second group received no training in the use of ChatGPT yet used it on their assigned project; and the third group completed their project without access to ChatGPT. Contrary to what some critics of AI might think, the groups using ChatGPT worked 20 percent faster and, judged by outside evaluators, produced work that was 40 percent better than those who did not use ChatGPT. But on a separate task that involved reasoning, those who did not use ChatGPT performed more accurately than did those who used the software. (*New York Times*, 1/2/24)

In subsequent interviews with all the participants who had used ChatGPT, one response dominated: Having worked with the AI tool, no one was worried about losing their job to it. Rather, they worried that using ChatGPT and AI would cause their creative abilities to atrophy. That is, their reasoning power might remain strong, but their creativity and other intuitional and emotional

capabilities might be diminished. A corollary to that idea, although not part of the study, suggests that AI would negatively affect human self-esteem by lowering individuals' expectations of their own capacity to complete entire tasks well and on their own. (*New York Times*, 12/31/23)

The curious result of the ChatGPT-at-work experiment – better, faster work that degrades specific human capabilities – caught our eye. The standard story is either that AI replaced workers or that it helped employees perform better. Nothing in the literature suggested that humans would see an atrophying of basic and critical human capabilities. Such a change, while not existential *per se*, gives rise to another kind of concern about how technology in the workplace could alter human nature in ways not yet fully understood. Humans in the workplace, in short, were becoming part of an unmonitored experiment.

We wondered: Are there other curiosities – perhaps less threatening to human nature – that, nonetheless, portend significant changes in the value of work, whether with machines or not? We were surprised by our observations.

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"The numbers aren't working."

Some Curious Pairings

Statistics taken on their own can offer insights into what is happening in a given context. However, juxtaposed statistics – that is, facts counterposed against other facts – can offer broader insight. Consider the following pairings of facts about work today.

Worker Shortages and Layoffs

Perspective: Layoffs from high-end jobs and shortages of skilled workers suggest a shift in the value of certain kinds of work. In November, U.S. companies posted 8.8 million job openings, down from the prior month. What is interesting about those job postings is that in no month prior to the pandemic did American businesses ever issue more than eight million openings. Since the Second World War, American society has encouraged white-collar work, with incentives to get a bachelor's degree in preparation for office work paying higher salaries. That societal focus has led to a shortage of skilled laborers, and their value (and wages) are now increasing, while there is an excess of white-collar, high-tech workers. (*New York Times*, 1/4/24)

◆ In June 2023, the construction industry had roughly 374,000 job openings, and manufacturing had 582,000, with job postings in manufacturing increasing from 2022 by 46 percent by the end of 2023. Meanwhile, the shortage of welders and machinists surpassed 750,000 last year. (*Fox Business*, 8/28/23)

◆ Between March and May last year, the demand for carpenters increased by 23 percent, stonemasons by 45 percent and construction laborers by 18 percent. (*New York Post*, 8/4/23)

◆ Between January and August of last year, 95,000 employers across the U.S. posted 770,000 openings for skilled workers, according to PeopleReady Skilled Trades. (*New York Post*, 8/4/23)

◆ In 2023, companies announced 721,677 job cuts, 191,000 of which were in technology. The 2023 figure was up 98 percent over 2022, which experienced 363,832 layoffs. (*CNBC*, 1/3/24; *Crunchbase News*, 1/18/24; *NDTV World*, 1/23/24)

◆ Amazon announced plans to cut hundreds of jobs from its Prime Video and MGM Studios units, as well as to make cuts to its workforce at Twitch, all of which

were in addition to the company's prior announcement that it would be eliminating 18,000 jobs. (*ABC News*, 1/10/24)

◆ Retailers, which had a quit rate around 70 percent in 2022, have started to announce layoffs. Macy's is leading the way, with plans to cut 2,350 jobs and close five stores this year. (*Bloomberg*, 9/7/23; *CBS News*, 1/22/24)

◆ More and more companies from TikTok to the *Los Angeles Times* have announced layoffs so far in 2024. (*New York Times*, 1/24/24)

In Short: With more than one million deaths from COVID-19, with a greatly reduced number of available immigrant workers and with society's skewed perspectives on the value of office work, higher education and manual labor, the

economy is facing a huge dislocation in skills – a shortage of skilled laborers with an excess of college-educated white-collar workers.

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"Then I made the leap from skilled labor to unskilled management."

Automation and Minimum Wage

Perspective: Until recently, most commentators espoused the idea that technology would displace lower-end employees, especially those performing repetitive work. Artificial intelligence has moved the machine-replacing-humans process higher up the wage scale, potentially reducing the need for workers in design, copyediting, auditing, acting, data processing, law, architecture, research, medical diagnosis, and so on.

Meanwhile, workers who do physical labor, including minimum wage workers and highly paid laborers, are in demand. In the new focus on minimum wage workers, the value of base-level jobs is being raised.

◆ Forty percent of business leaders – including those at Google, Meta and Dropbox – have said that they are replacing employees with AI. Duolingo cut 10 percent of its staff because their work is now being completed by AI. (*Business Insider*, 1/10/24; *Robinhood*, 1/16/24)

◆ A U.S. study discovered that within a few months of the launch of ChatGPT, the fields of copywriting and graphic design experienced a drop in the number of jobs available and a decline in compensation. (*Financial Times*, 11/10/23)

◆ Last year’s union strikers in the entertainment (e.g., writers and actors) and the automotive (e.g., assembly line workers) industries made a critical point of the need to guard against the use of technology to alter their jobs . . . or to displace them entirely. (*New York Times*, 9/14/23)

◆ A Chinese factory owned by the electric vehicle maker Nio produces 300,000 EV motors each year with just 30 workers. (*New York Times*, 12/8/23)

◆ Brand companies have paid influencer Aitana Lopez roughly \$1,000 per post to tout their products on social media. Lopez is a virtual entity, meaning “she” is software. Burberry, Prada and Givenchy have paid another virtual influencer, Lil Miquela, hundreds of thousands of dollars for “her” services, which meant that the software company that wrote the code for and created the digital image of this influencer made money. (*Ars Technica*, 12/29/23)

◆ Chinese businessman Yakun Zhao created a virtual Martin Seligman (with Seligman’s permission), an American psychologist, by feeding all of the professional’s writings into a computer and creating an “Ask Martin” counseling service to help Zhao’s fellow countrymen get through their epidemic of anxiety and depression. (*Politico*, 12/30/23)

◆ Connecticut, Maine and Massachusetts were among 22 states that increased their minimum

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wages starting January 1 of this year, affecting 9.9 million workers who will receive an aggregate of an extra \$6.95 billion in wages. Thirty-eight cities and counties raised their minimum wages as well. (*Economic Policy Institute*, 12/21/23)

◆ Chicago mandated that all tipped workers must receive the full minimum wage, not counting tips. (*Wall Street Journal*, 12/19/23)

In Short: Jobs that construct (make things) and repair are increasing in

value, while thinking and office work are in the line of fire of AI and LLMs and are, therefore, less secure, especially as virtual personae capture ad revenues. Minimum wage jobs, because they are often below the cost level that would enable AI to displace them, will continue to increase in value. As demand increases along with wages for skilled workers, that kind of work could appeal to the young, as they choose to forego college and focus on a “better life.”



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White-Collar Workers and New Businesses

Perspective: Efficiency is leading to layoffs, which, in turn, are leading to laid-off employees forming new companies, as large corporations deploy technology to eliminate jobs and individuals discover new ways to make money. New tech firms, marketing influencers, online content creators, online counselors and consultants and side hustles in baking, crafts, music, short videos and the trades are spreading across the economy.

◆ Citigroup announced plans to shrink its staff, announcing cuts of 20,000 jobs over the next three years, with the intention of reducing its global workforce from 240,000 in 2023 to 180,000 by 2025 or 2026. (*BBC*, 1/12/24)

◆ Amazon, BlackRock, Nike and Intel have announced plans to make cuts in their workforces in 2024. A survey of business leaders found that 38 percent of companies plan to reduce their employee base in 2024, while roughly half say they have already instituted hiring freezes for the year. (*Business Insider*, 1/10/24)

◆ Google fell 18 places in Glassdoor's annual "best places to work" list for 2024, landing at number 26. Meta and Zoom did not even place on the list, and **ten fewer tech companies made the list than last year**. (*Robinhood*, 1/18/24)

◆ A survey of 200 small, midsize and large businesses found that 34 percent would not be giving bonuses at year's end in 2023, up from 27 percent in 2022. (*Wall Street Journal*, 12/19/23)

◆ In 2023, through November, roughly 1.6 million new businesses were formed, 38 percent more than in 2022 and the most since records started being kept on new business formation, in 2005. (*Wall Street Journal*, 1/3/24)

In Short: As large corporations disgorge their excess white-collar employees, individuals have become creative in finding and developing alternative ways to make money, filling a variety of roles from influencers to gig workers and from entrepreneurs to online content creators, even as some started a "side hustle" for more money and an alternative to their job's frustrations.

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their jobs and what they were doing for a living. They discovered that their living was not leading to a good life. They wanted purpose in what they do, they sought meaning in their work, and they preferred companies whose identity they could adopt or get comfortable with. Employees were reprioritizing their personal lives over their work lives, and that was affecting how they related to their jobs. This reprioritization did not

go well for productivity. For those who could not locate new and more engaging work, jobs became less and less interesting.

◆ In a 2023 study of the least satisfying jobs, including fast food cooks, roofers, bartenders, cashiers and store salespeople, the reasons for workers' dissatisfaction were: they were not able to live comfortably on their wages; their jobs lacked sufficient benefits, such as health insurance; their jobs offered no flexibility; the high turnover of fellow employees made social interaction difficult; and the jobs did not revolve around helping people. (*Apollo Technical*, 12/14/23)

◆ A Gallup poll taken early in 2023 revealed that only 32 percent of full- and part-time employees said they were engaged by their jobs. (*HR Dive*, 2/9/23)

◆ In an Alright Solutions survey of 2,000 U.S. employees, 34 percent said they often dread starting their workday, an **11 percentage point increase since 2020**. (*Wall Street Journal*, 11/27/23)

◆ In 2023, BambooHR analyzed worker data for 57,000 employees and learned that job satisfaction had dropped to its lowest point since 2020, at the start of the pandemic, declining 10 percent last year alone. (*Wall Street Journal*, 11/27/23)

◆ Eighty-one percent of employees in the legal industry find their jobs boring and dissatisfying. (*Apollo Technical*, 12/14/23)

◆ Fifty-five percent of companies surveyed in 2023 by Intelligent, an education consulting firm, removed a bachelor's degree as a job requirement from their recruiting, and 45 percent of surveyed companies said they would remove that requirement in 2024. Four of every five companies said they now value experience over education. (*Intelligent*, 11/29/23)

◆ Walmart announced that for many of its corporate positions, including store managers, a college degree will no longer be necessary, and then the company announced salary increases for store managers and



Discontented Workers and Education

Perspective: Discontent, dissatisfaction, indifference and not being engaged are ways to describe more and more employees in more and more companies. The pandemic gave individuals an opportunity to think about

others. The retailer uses Guild, a company that helps with recruiting tactics, and the consultancy offers short-form certificate training. Walmart hires those certificate holders in cybersecurity analysis and other technology-based jobs. (*Axios*, 11/30/23; *New York Times*, 1/19/24)

◆ The purveyor of luxury goods LVMH, which says it is short of apprentice artisans, has increased enrollment in its skills training programs from 180 in 2018 to 700 last year. (*Bloomberg BusinessWeek*, 12/4/23)

◆ Indicative of society's traditional push toward higher education, 79 percent of Generation Z participants in a survey said their parents wanted them to pursue a college education, while only five percent said they were encouraged to attend a trade or vocational school. (*Forbes*, 10/17/23)

In Short: The pandemic gave individuals the opportunity to reassess how their lives were unfolding, and in that reassessment, many jobs lost appeal. Side hustles offered emotional outlets for the frustration and anxiety that company jobs were creating; individuals turned to hobbies and gig work or to creating new companies. What they learned was rewarding: They were doing their work on their own time, at their own pace and in their own way. That remains an important factor in many employees' preference for working from home. Meanwhile, corporations were looking to lower employees' frustrations by altering their hiring practices, appealing to the aspirations of those without college educations to fill the jobs that the college educated no longer wanted.

These combinations of facts create several unusual insights. For example:

First, society is undergoing a widespread reassessment of how it operates and what it values. Driven by technology, the reassessment will lead to new ways of operating, including new business models, but more critically, new valuations for various kinds of work.

Second, automation has limits, and those limits revolve around the human need for human contact. Dispensing of meals can be made simple by machines, but machines cannot replace human contact provided by those who wait on tables, and the same is true of education – machines can enhance narrow niches of education, but helping individual students to learn about themselves

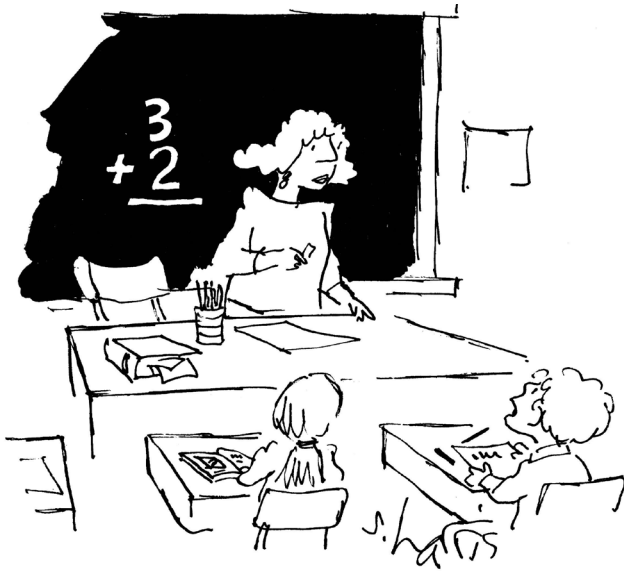
and advance their personal development requires human contact. Nursing is intensely personal, and while AI and other software can assist a nurse, it would (at the least) be strange if they were to replace nurses. The absence of emotions and their weaker intuitional skills make machines less adept at a deeper understanding of contacts with humans, even with deep fakes and even if they can pass the Turing Test, the computer industry's metric to see if a computer can fool a human into thinking it is human. The value of work that depends on personal experience, emotions and intuition will increase.

Third, the kind of education that helps individuals, institutions and society will become a more central issue, as the reassessment of processes and work develops. "Education" at a higher level will become critical to the individual's and society's well-being, while "education" in the form of job training will become more critical to institutional success. Businesses will need to increase their responsibility for employees' training, thereby relieving public institutions of the task of changing curricula and classes to meet the needs of a constantly changing job market, which, it might be said, they are constantly struggling to keep pace with.

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We have a clear work/life policy... If you have a life, you get more work.



"DO WE NEED THIS EVEN IF WE'RE NOT PLANNING TO GO TO COLLEGE?"

How Did We Get Here?

For the past several decades, jobs have provided workers with a personal identity, as employees came to see themselves as programmers, executive directors, event planners, equity investors, lawyers, doctors, teachers, musicians and so on. One of the first questions asked after meeting a person has been: "What do you do?" And from there, the conversation moved ahead.

Work as a source of identity took its first negative hit in the early 1990s, in an era we labeled "A World Out of Control." Globalization was forcing companies to compete with international businesses with lower costs. When corporations adjusted to that reality, employee pension plans vanished; benefits packages weakened and employees' financial share of health insurance increased; and the once-steady career became an insecure job, creating anxiety across the workforce.

The Great Recession led to what we called a Great Restructuring, as companies sought to align themselves with new consumer values and to assimilate digital technology into their operations, letting go even more employees and thereby breaking any remaining bonds of loyalty and trust that had been crucial to the development of corporate culture (see [IF 3324](#)).

Changes in business processes made work less engaging, even if more efficient, and that caused more and

Work became seen as "just a job" that supported an employee's life outside work.

more employees to lose a connection to their jobs. Such a disconnect meant that most jobs could no longer provide a personal identity for many employees. And then, the pandemic hit, and the economic shutdown forced many workers out of a job, sent others home to do their work and still others to communicate and teach wholly online. Individuals' frustrations with work and the personal reassessment of how jobs related to life led to the Great Resignation, a time in which employees quit their jobs in record numbers, often in search of more meaningful work. Others simply "quiet quit," which meant staying on the job but doing the minimum to fulfill its requirements. Additional terms, such as "lazy girl job" and "acting your wage," clarified the loss of personal engagement with one's employer. Work became seen as "just a job" that supported an employee's life outside work (see [IF 4009](#)).

Individuals initially developed a personal identity based on their work; then they sought meaning in work; now they seem to be after just one thing: agency, the ability to control their work and their personal lives.

These realities have upended the labor market, putting more pressure on employers to provide adequate wages and salaries, meaningful and flexible work and security, all while granting employees control over their work life. From an institutional power structure that controlled (and later monitored) employees, even on the weekend and late at night through digital communications, workplace power has been shifting downward, as employees seek agency. Many, if they do not get that control over their work, leave.



Where to, from Here?

In the late nineteenth century, the Arts & Crafts movement spread across the country, gaining appeal because it stood against the increasingly mechanistic practices of society and the workplace. Making something with one's hands served as a counterforce to the increased bureaucratization of society.

Today, a similar phenomenon is emerging. Certainly, arts and crafts have their place on Etsy and elsewhere. But at a wider level, the pandemic gave individuals time to get their hands busy making things, whether baking bread or remodeling their home, and they discovered they kind of liked that. Baking shows and home-remodeling programs, which had launched on television during the prior decade, gained even more popularity during the pandemic.

Why this focus on doing and making things? In *Shop Class as Soulcraft: An Inquiry into the Value of Work*, author Matthew R. Crawford, who has a Ph.D. in philosophy and who at the time of writing owned his own motorcycle repair shop, wrote: "The trades are then a natural home for anyone who would live by his own powers, free not only of deadening abstraction but also of the insidious hopes and rising insecurities that seem to be endemic in our current economic life."

In other words, doing physical things – that is, being a carpenter, a plumber, an emergency medical technician, a welder, or working at other, similar jobs – can provide frustrated employees with an antidote to employment that does not exercise their full potential. The utilitarian, material reality of people doing things that matter, that provide joy, that provide experiential learning and that help society has seen a growing appeal in the era of a digitized life.

As machines replace white-collar workers and as companies turn to machinery to do the range of jobs that include higher-thinking work, the appeal of white-collar jobs – security, better wages, comfortable environment – will lessen to potential employees, as

that kind of work falls from the top of the middle-class jobs pyramid.

Aspirational jobs – entry-level and advanced positions that require college educations – will eventually get partially replaced by machines and software. Such aspirational jobs are numerous. Over a third of all healthcare costs go to administration. Offices across the U.S. have, on average, one manager or executive for every 4.7 employees. The Massachusetts Institute of Technology has eight times more nonfaculty employees

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than faculty. In the not-too-distant future, efficiency and AI will likely eliminate many of these jobs. What jobs will be available for these white-collar, college-educated employees after they are let go? While certain kinds of tech jobs will continue to exist, what kinds of roles will these educated people find or create for themselves? Digital entrepreneurs? Content creators? Teachers? Experience creators? Performers? Artisans? Or perhaps skilled laborers? (*New York Times*, 1/19/24)

◆ Dragon's Breath Forge in Wolcott (CT) offers training classes in blacksmithing. "We can't offer enough intro classes," explains the forge's owner, Matthew Berry. "I'll typically book out two to four months in advance." Students say they especially value making something with their hands that will last. (*New York Times*, 12/26/23)

The young are sensing this shift in demand. Prior to the pandemic, only 37 percent of Gen Xers and 29 percent of Millennials had no regret about having gone to college, and between 2019 and 2022 college enrollment declined eight percent, managing only to inch back up

in the fall of 2023, with the largest increase happening in community colleges. Meanwhile, participation in nondegree programs that provide certificates of special training or that offer the equivalent of general education classes, both in-person and online, once offered in colleges, is increasing. (*CBS News*, 6/25/19; *Fortune*, 3/9/23; *Axios*, 10/26/23)

Work Is Being Upended, and the value shift will affect both companies' bottom lines and individuals' sense of satisfaction.



Some of our previous looks at this topic:

- inF 1820** America's Cultural Identity Challenged: Heritage, Authenticity And Identity Fashion, 11/13/23
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- IF 4009** Work And Happiness: Meaning Gets Drained From Work, And People Seek It Elsewhere, 4/29/19
- IF 3324** The Great Restructuring: Society Moves Ahead In The Process Of Rethinking Everything, 11/21/12