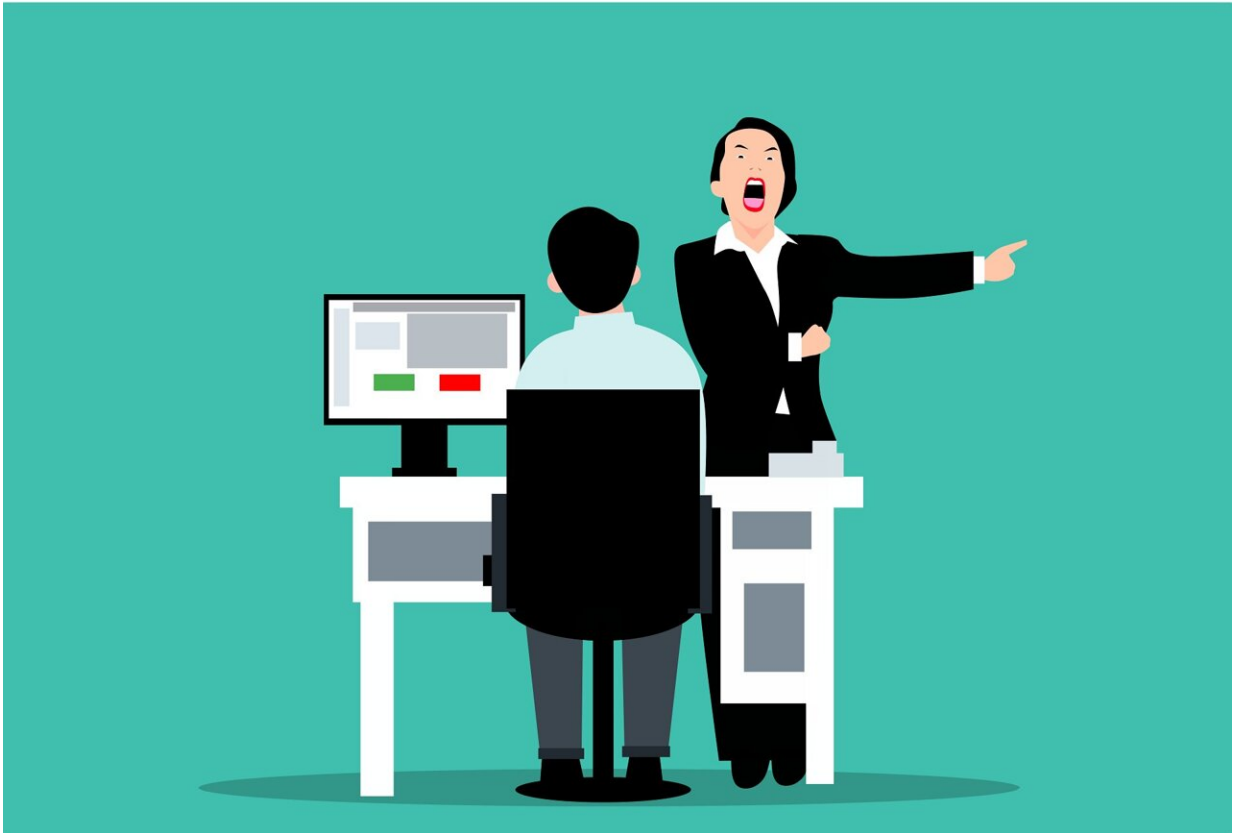


Tech layoffs signal 'feeling economy' shift

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Tech company layoffs exceeded 260,000 in 2023, and [continue in 2024](#). This, despite a [robust job market](#) in non-tech industries.

Much of the major media coverage tends to overlook a certain context

of analysis, says Smith's Roland Rust. "The ongoing job cuts by [tech firms](#) foreshadows a broader decline of 'thinking' jobs across the broader [labor market](#) that will increasingly force people to look for more 'feeling' jobs."

"We (referring to co-author Ming-Hui Huang) predicted this exact phenomenon in a 2018 published [study](#)," says Rust, Distinguished University Professor and David Bruce Smith Chair in Marketing for the University of Maryland's Robert H. Smith School of Business.

"We subsequently supplied [empirical evidence](#) in a [2019 article](#) (with Huang and Smith colleague Vojislav Maksimovic), and then put it all in the big picture in our 2021 book [The Feeling Economy: How Artificial Intelligence is Creating the Era of Empathy](#)."

Rust, also executive director of Smith's Center for Excellence in Service, says, "As AI evolves to handle much of the thinking required in fields across the labor market, humans need to recalibrate and capitalize on strengths beyond pure intelligence—like intuition, empathy, creativity, emotion, and people skills."

He further points to a recent [essay](#) he produced for examples of the broader 'thinking'-to-'feeling' shift: "The nature of jobs will change in the feeling economy. A seemingly thinking-intensive job such as financial analyst will, in fact, become more feeling-oriented.

"One [financial analyst](#) told us he leaves the technical stuff to AI now and focuses instead on client relationships, hand-holding, and reassurance.

"This shift is happening across the economy. A [customer service representative](#) used to answer the telephone, but today routine questions are handled by an AI chatbot. Though customer service reps handle non-routine matters, fewer are needed, and those remaining focus on tasks

that involve judgment, creativity, intuition, emotion, empathy, and people skills—the things AI has trouble doing."

Interestingly, Rust says, "The Washington Post recently highlighted a person who gave up on tech and went back to school to study psychology. This is exactly what we predicted in the book. We also suggested that universities cut back on pushing STEM, which has already peaked, in favor of training people to have better 'people skills.' Google, for example, did a big study of what factors led to [career success](#) there, and STEM skills came in last, while people skills came out on top."

He concludes, "The accelerating improvement of AI is increasingly causing the loss of thinking jobs, such as tech jobs, and is quickly ushering in the 'Feeling Economy'."

Provided by University of Maryland

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