

# Routinized Jobs

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Is anybody excited about a post entitled “Routinized Jobs”? But boring employment is a key part of modern macroeconomic landscapes that is almost uniquely modeled in the GEM Project. I just finished reading *Seasonal Associate* by Heike Geissler, an “autobiographical fiction” translated from German about a woman working in a Leipzig warehouse of Amazon. The story features routinized days of numbing boredom. Chief among her duties was endless counting of some of the endless products that Amazon offers for sale. Anyone who has experienced routinized, uninteresting employment knows that the inevitable result is exhaustion.

The GEM Project, seeking to model rational on-the-job behavior (OJB) in the aftermath of the Second Industrial Revolution, cannot ignore routinized jobs. Generalized-exchange macroeconomics posits a basic heterogeneity of paid employment. (Find another macro labor theory that does that.) The two-venue analysis takes seriously that supervisory complications rooted in employee consciousness become more significant as work tasks become increasingly specialized and routinized. Work is divorced from end products, limiting the range of tasks performed and requiring accommodation with a detailed hierarchy of authority.

The Project recognizes that routinized jobs play a central role in the derivation of meaningful wage rigidity and the profit-seeking suppression of wage recontracting, which are necessary conditions for stabilization-relevant macro theory. In the Project, routinized employment is denoted *Class-I*. Using last week’s rigorous analytic framework, such jobs impose two significant restrictions on rational workplace exchange:

- Nonpecuniary outcomes are an inherently minor component of total employee outcomes; in Class-I exchange, the ratio of nonpecuniary to total outcomes ( $\hat{O}^N/\hat{O}$ ) is relatively small.
- Firm personnel decisionmaking, whenever confronting substantial workplace information costs and asymmetries, is more informed by worker fixed inputs, particularly seniority, than by inherently imperfect measurements of on-the-job behavior. In Class-I workplace exchange, the ratio of fixed to total job inputs ( $\hat{I}^f/\hat{I}$ ) is relatively large.

The formal definition of Class-I jobs is:

$$\hat{O}^N/\hat{O} \leq \hat{I}^f/\hat{I}.$$

The remainder of the employed workforce holds *Class-II* jobs, defined as:

$$\hat{O}^N/\hat{O} \geq \hat{I}^f/\hat{I}.$$

This second job class significantly, but not exclusively, includes employment that yields substantial personal satisfaction from the performance of the work tasks themselves.

The bimodal employment separation is easily recognizable in modern specialized economies. Class-I jobs are shaped by the specialization imposed by large-scale, high-volume (goods and services) production technologies, occurring in workplaces characterized by costly, asymmetric information. Such routinized employment is “unpleasant mainly because it fails to stimulate the worker yet prevents him from seeking stimulation elsewhere.” (Scitovsky (1977, p.92)) Adam Smith drew early attention to the progressive simplification of work tasks, concluding that a significantly restricted range of on-the-job activity is a source of substantial boredom.

Philosophers describe Class-I jobs as “instrumental”, i.e. its value is not intrinsic but results from what it can be used to achieve. The employment class is vividly illustrated in Michael Brawoy’s study (1979) of life on a factory floor in Chicago, where he documented the various ways devised by workers to make the time pass and help them put up with the monotony of the work. Also noteworthy here, in a survey conducted in the mid-1990’s, Freeman and Rogers (1999) asked a large sample of employees: “On an average day, what best describes your feeling about going to work? Would you say you usually look forward to it, wish you didn’t have to go, don’t care one way or the other.” (p.44) They found that “about one-third of the workforce are not eager to do their job.” (p.43)

The particular rationale for this post is as a response to economists who argue that the Second Industrial Revolution occurred a long-time ago and that extraordinary technological change since has made the generalized-exchange model, in important respects, outdated. I always am surprised by that argument. It seems to once again illustrate the reluctance of mainstream macro theorists to take a hard, careful look at modern economies as they actually exist. A great many jobs in high-tech industries are Class-I, having much more in common with routinized factory jobs than with the original code-writing of popular histories. The technological circumstances that rationally support meaningful wage rigidity are unsurprisingly as robust today as they were in the heyday of smokestack industries. Skeptics would benefit from reading Heike Geissler's *Seasonal Associate*.

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