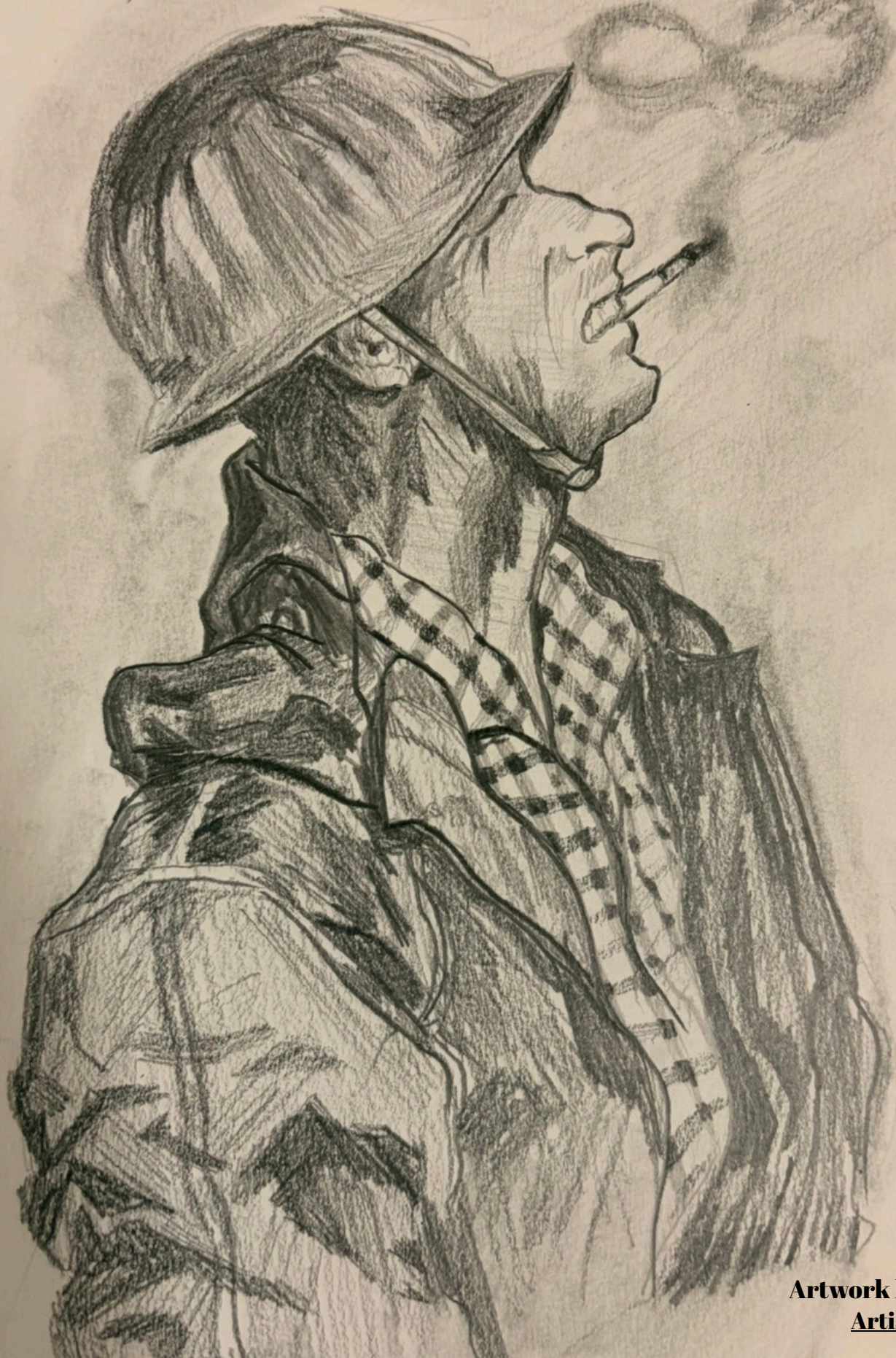


Stability Through Instability

Issue II

BNS



Artwork by Chelsea Toni
Artist Portfolio

Abstract

This essay is based on direct observation inside a warehouse. During this period, workers were abruptly dismissed and replaced. Distinctions between temporary and permanent staff were enforced through required attire. Workplace dynamics reinforced a visible hierarchy. Each instance appeared ordinary. Taken together, they reveal how risk is distributed across work environments.

Fieldwork was completed alongside collaborator Justis Simmonds. Identifying details have been withheld. AI tools were used for final editing and refinement. All observations and analysis are original.

Stability Through Instability

Warehouse Observations and the Structure of Risk Transfer - Branson Bailey

Has uncertainty become a profit model?

Stability at the firm level increasingly depends on instability at the level of the worker. Employees can be dismissed, replaced, and repositioned with little notice. As firms separate labor from core operations, they become less dependent on any single worker and better able to absorb risk, shifting burden downward onto the workforce (Weil, 2014).

The Warehouse

Orientation introduced the workplace as a space of opportunity. Large posters of global celebrities plastered company walls, projecting brand, success, and aspiration. The display felt detached from the warehouse conditions, simultaneously reinforcing a clear sense of company pride.

A senior advisor described her progression from a temporary worker through the staffing agency into a permanent role with the larger corporation. She described the work as resume building, with emphasis on discipline and upward mobility. The message was direct: advancement was possible, and the path had already been demonstrated.

At the same time, distinctions between workers were formally enforced. Temporary employees were required to wear bright colored shirts, visibly separating them from permanent staff. The difference was built into the workplace, shaping interaction.

Over time, workers were dismissed and replaced with little notice. Their absence was immediate, and new workers appeared just as quickly, maintaining the pace of operations. Morning meetings reinforced expectations. When quotas were not met, supervisors addressed workers, often in a confrontational and degrading manner. These interactions blended into the normal rhythm of the workday.

The Pattern

The senior advisor's story presented upward mobility, demonstrating advancement (professionally and personally). The framing raises a question: how many workers remain in the same position, distant from the prosperous outcome?

Within the warehouse, hierarchy was not inferred, it was featured. Temporary workers, many seeking permanent positions, were marked by impermanence and flexibility. The distinction signaled more than experience; it defined position within the system.

Control followed the workplace hierarchy. In the 2015 American Working Conditions Survey, 36.3% of workers reported that their schedules were set by the company with no possibility for changes (Maestas et al., 2017). The work itself reinforced this structure. Tasks were repetitive by design, with limited room for deviation. Mandatory overtime fluctuated with little notice, and attendance points were closely monitored, reinforcing constant availability.

Taken together, these elements reveal a consistent pattern. Upward mobility is presented as an attainable outcome, while hierarchy and limited autonomy define the experience of most workers.

If mobility is real, but rare, what function does its visibility serve?

The Mechanism - How the System Works

The conditions observed are not isolated. They reflect a broader shift in how firms manage labor and risk. As David Weil argues, fissuring is a business strategy in which firms retain control while separating labor from core operations, insulating decision-makers from risks (Weil, 2014). The modern workplace does not remove labor from the business, it removes responsibility for the labor.

For firms, this creates flexibility. Headcount can be adjusted quickly, allowing labor costs to rise and fall with demand while operations continue. For workers, the effect is different. Employment becomes conditional, schedules change with little notice, and financial stability is uncertain. Risk is not removed, it is reassigned.

The warehouse made this dynamic visible. Workers were dismissed and replaced with limited disruption because turnover had already been anticipated. The system remained stable through swift terminations.

Why It Works

The system holds because it thrives on necessity. Work is framed as “resume building,” with the promise of upward movement and long-term stability. Can this promise be trusted?

Survey data shows that perceived prospects for career advancement decline with age (Maestas et al., 2017). 50.1% of workers under 35 said their job offered good prospects for career advancement, compared with 27.2% of workers age 50 and older (Maestas et al., 2017).

At the same time, many workers still reported meaningful experiences on the job: 64.6% reported satisfaction from work well done, 63.1% reported feeling they were doing useful work, and 61.1% reported a sense of personal accomplishment (Maestas et al., 2017). Across age groups, the majority of workers report usefulness and accomplishment. Even as expectations decline, the experience of work remains meaningful.

Beyond the Warehouse

The warehouse reflects a broader pattern in how firms organize work. As David Weil shows, companies move functions like cleaning, logistics, and customer service outside the firm through franchising and subcontracting. Lead firms retain control over production and output, while contractors manage hiring, scheduling, and wages. When conditions change, adjustments occur at the level of the worker.

The same logic appears at scale, though in a different form. Corporate layoffs are not the same as subcontracted work, but they reflect a similar principle. In 2026, hundreds of thousands of American workers are set to lose their jobs, including more than 16,000 layoffs announced by Amazon, alongside cuts at Meta Platforms, Pinterest, and others, as firms continue efficiency-driven reductions (Reuters, 2026; USA Today, 2026). Rather than shifting labor outside the organization, companies reduce labor directly, allowing costs to adjust while operations continue.

Conclusion

The warehouse is a model as much as it is a workplace. Rapid turnover, and constant worker evaluation drove employee productivity under hard constraints. As the business model of temporary work shifts labor instability downwards; companies may be simultaneously cutting thin losses.

If labor instability implicitly increases workplace efficiency, is it still a problem, or a strategy?

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MARKET INDICATORS

Uncertainty as a Profit Model: How Firms Shift Instability onto Labor

Supporting Data for:
Stability Through Instability

Justis Simmonds

Introduction

This market analysis provides empirical support for the central argument of the accompanying paper: that firms have institutionalized uncertainty as an operational strategy, systematically shifting instability from the firm to the worker. The data is organized along three analytical lines — (1) stock and earnings performance following layoffs, (2) corporate language and margin outcomes in "efficiency" restructurings, and (3) the scalable, flexible labor architecture that makes this cycle repeatable.

Together, these three angles demonstrate a consistent pattern: firms can cut labor costs quickly, narrate those cuts as strategic improvement, and rebuild the workforce on demand — all without disruption to operations or shareholder returns. The warehouse described in the paper is not an anomaly; it is a microcosm of a macro-level labor strategy.

KEY MARKET INDICATORS AT A GLANCE

+194%

Meta Stock Return, 2023

Following the elimination of ~21,000 positions in its 'Year of Efficiency,' Meta recorded its strongest annual stock performance on record — proving layoffs can be market-positive events.

25% →

42%

Meta Operating Margin

Meta's operating margin rose from 24.8% in 2022 to a peak of 42.2% in 2024, directly tracking the workforce reductions. Worker displacement drove margin expansion.

+23–25%

On the same day Shopify announced a 20% workforce reduction (May 2023), its shares surged roughly 23–25% on Toronto and U.S. exchanges — markets rewarding job cuts in real time.

\$267B
(2024)

Global Temp Staffing
Segment

The temporary staffing segment was valued at \$267.4 billion in 2024. The industry exists specifically to supply firms with workers who can be scaled up or down as needed — instability is the business model.

~\$24–26B

Adecco Group, one of the world's largest staffing firms, generated roughly \$24–26 billion in annual revenue across 2023–2024. Over 80% of revenue derives from temporary staffing — the firm's profitability is premised on worker impermanence.

ANGLE 1: LAYOFFS VS. PERFORMANCE

Firms Can Cut Workers and Stay Strong

One of the paper's central claims is that worker dismissal does not destabilize the firm — in fact, the data suggests markets often reward it. The cases of Meta, Amazon, and Shopify provide a clear, empirically grounded illustration.

Meta Platforms — The 'Year of Efficiency'

Meta conducted multiple rounds of layoffs between late 2022 and early 2023, eliminating approximately 21,000 positions — roughly a quarter of its workforce at the time. The company branded this effort the "Year of Efficiency."

Metric	2022 (Pre-Efficiency)	2023 (Post-Efficiency)	2024 (Peak)
Operating Margin	24.8%	34.7%	42.2%
Net Income (Annual)	~\$23.2B	~\$39.1B	Higher
Stock Return (Annual)	Negative	+194%	Continued gains
Headcount	~87,000	~66,000–70,000	Stable/lower

The data is unambiguous: as the headcount fell, the margins rose. The firm did not merely survive the layoffs — it thrived. Retail investors and analysts began treating future layoff announcements as buy signals, anticipating the same pattern. This is the market articulating something clearly: worker reduction is value creation, from the firm's perspective.

Shopify — Layoffs and a 25% Stock Surge in a Single Day

In May 2023, Shopify announced it would cut 20% of its workforce — roughly 2,300 employees — the second major round of cuts in under a year. The announcement was made simultaneously with quarterly earnings that beat analyst expectations: \$1.5 billion in revenue (up 25% year-over-year) and a swing from a \$1.47 billion net loss to \$68 million in net income.

Event	Date	Market Response
10% workforce reduction (1st round)	July 2022	Initial negative reaction; stock fell ~14%
20% workforce reduction (2nd round)	May 4, 2023	Stock surged ~23–25% in a single session
Analyst repositioning	May 2023	Described as shift to 'balanced-growth and profitable company'
Full-year 2023 revenue	FY2023	\$7.1B, up 26% YoY; free cash flow +\$446M

The 25% one-day stock surge on the same day workers were dismissed is among the starkest demonstrations available of how markets decode layoffs: not as an organizational crisis, but as strategic optimization. One analyst stated the company had "completely shifted its investor positioning" in the span of a single earnings release. The workers were the variable that was adjusted; the firm's trajectory improved.

Amazon — Layoffs at Scale with Continued Dominance

Amazon has used a layoff-and-rebuild model across its corporate and fulfillment operations. In 2023, the company announced 16,000+ layoffs across AWS, Alexa, and consolidated departments, framed explicitly as an AI efficiency strategy. Amazon remains the second-largest employer in the United States and hires 250,000+ seasonal workers annually, demonstrating that the firm's workforce is designed to contract and expand on demand.

The pattern across all three firms confirms the paper's core argument: workforce reduction is not a symptom of corporate distress. It is a repeatable, market-legible strategy that reliably improves firm metrics — while transferring the instability of that adjustment entirely to the workers who lose their positions.

ANGLE 2: EFFICIENCY NARRATIVES AND MARGIN OUTCOMES

Layoffs Are Framed as Strategy, Not Failure

The paper notes that workplace conditions are not presented as disruptions — they are framed as part of how the system functions. This logic extends directly to how corporations narrate layoffs in public-facing communications. The language deployed in earnings calls and CEO memos is not incidental; it performs a function: it converts human cost into strategic signal.

Meta — 'Efficiency' as Corporate Identity

Meta's 2023 restructuring is the clearest example of efficiency-as-branding in recent corporate history. CEO Mark Zuckerberg formally named the initiative the "Year of Efficiency" — a label that appeared repeatedly in earnings calls, investor communications, and media coverage. The language transformed what might have been characterized as reactive cuts into a proactive, values-driven strategic program.

Earnings Call Language	What It Signals to Investors
"Year of Efficiency"	Cutting labor is deliberate strategy, not distress
"Cost discipline"	Management is in control; margins are being actively managed
"Realigning business and strategic priorities"	Layoffs are directional, not defensive
"Pursue greater efficiency"	Headcount reduction = operational improvement

The financial outcome validated the framing. Meta's operating margin climbed from approximately 24.8% in 2022 to 34.7% in 2023, then to a peak of 42.2% in 2024. The operating profit margin decline that precipitated the restructuring (from ~39.7% in 2021 to ~24.8% in 2022) was fully reversed and exceeded — not through revenue expansion alone, but through the deliberate compression of labor costs. The restructuring charges themselves (\$4.2B+ in 2022–2023) were presented as one-time costs that would yield sustained margin improvement. They did.

Google (Alphabet) — Restructuring as Routine

Google laid off approximately 12,000 workers in January 2023 — about 6% of its global workforce — and subsequently announced additional cuts in 2024 targeting specific divisions. Alphabet's operating margin for FY2023 reached 26–31%, compared to 26% in FY2022, as cost-reduction efforts took hold. Like Meta, Google framed its reductions in terms of focus, investment discipline, and long-term positioning — not organizational weakness.

FedEx — Multi-Year Cost Reduction Program

FedEx launched a multi-year cost reduction program targeting more than \$4 billion in annual savings, which included workforce reductions and network restructuring. The company described these actions in terms of "cost transformation" and "efficiency initiatives" — language that normalizes the human impact of large-scale labor adjustment as a necessary financial discipline.

This framing matters because it shapes how workers, investors, and policymakers understand what is happening. When layoffs are described as "efficiency," the vocabulary itself shifts moral weight away from the disruption caused to workers and toward the legitimate optimization of the firm. As the paper argues, what appears as instability at the level of the worker appears as strategic precision at the level of the firm.

ANGLE 3: FLEXIBLE LABOR AND THE SCALABLE WORKFORCE

Instability Is Built Into How Labor Is Structured

The paper's firsthand observation of a staffing intermediary reveals something the aggregate data confirms: the temporary workforce is not a supplementary feature of the modern economy. It is a core architectural element. Firms do not merely use flexible labor when necessary — they build their operations around the assumption of labor replaceability.

Amazon — 250,000 Seasonal Workers and a Deliberate Impermanence Model

Amazon's seasonal hiring model is the most visible illustration of how workforce scalability operates at scale. For the 2024 holiday season, Amazon announced plans to hire approximately 250,000 seasonal workers across the United States — primarily warehouse associates and delivery drivers, predominantly in temporary roles.

Amazon Seasonal Workforce Indicator	Data Point
2024 seasonal hiring target (U.S.)	~250,000 workers
Average hourly pay (seasonal)	~\$19/hour
Injury rate vs. industry average	2x the industry average (documented)
Share of U.S. warehouse sector workforce (2023)	~35%
Share of U.S. warehouse sector injuries (2023)	~53%
Workers reporting injury or pain to recover from (2023 study)	~70%

The injury data is particularly significant in the context of the paper's argument. Amazon's warehouse workforce bears an injury burden disproportionate to its size, yet operations continue without disruption. This is only possible if the workforce itself is understood as interchangeable — workers who are injured are replaced, because the system has been designed for replacement. The seasonal model makes this logic legible: workers arrive, perform at quota under digital surveillance, and are released. The firm remains stable. The instability belongs to the worker.

A November 2024 survey found that roughly 60% of seasonal workers reported needing seasonal work specifically to cover basic necessities through the holiday period — a figure that captures the coercive dimension of "flexible" labor. The flexibility is asymmetric: it belongs to the firm.

Adecco Group — The Infrastructure of Impermanence

The Adecco Group is among the world's largest staffing firms, connecting workers and employers across more than 60 countries. Its business model is the institutional embodiment of the fissured workplace described in the paper: Adecco profits by maintaining a permanent infrastructure for temporary employment. The firm does not merely facilitate staffing — it provides firms with a mechanism to externalize labor risk entirely.

Adecco Group Indicator	Data Point
Annual revenue (FY2023)	~€24 billion (~\$26B USD)
Revenue from temporary staffing	80%+ of total revenue
Countries of operation	60+
Core brand revenue (Adecco segment)	~€18.4B of group total in 2023
Q4 2025 revenue growth (organic)	+4.9% — gaining market share
Temp staffing global segment value (2024)	\$267.4 billion

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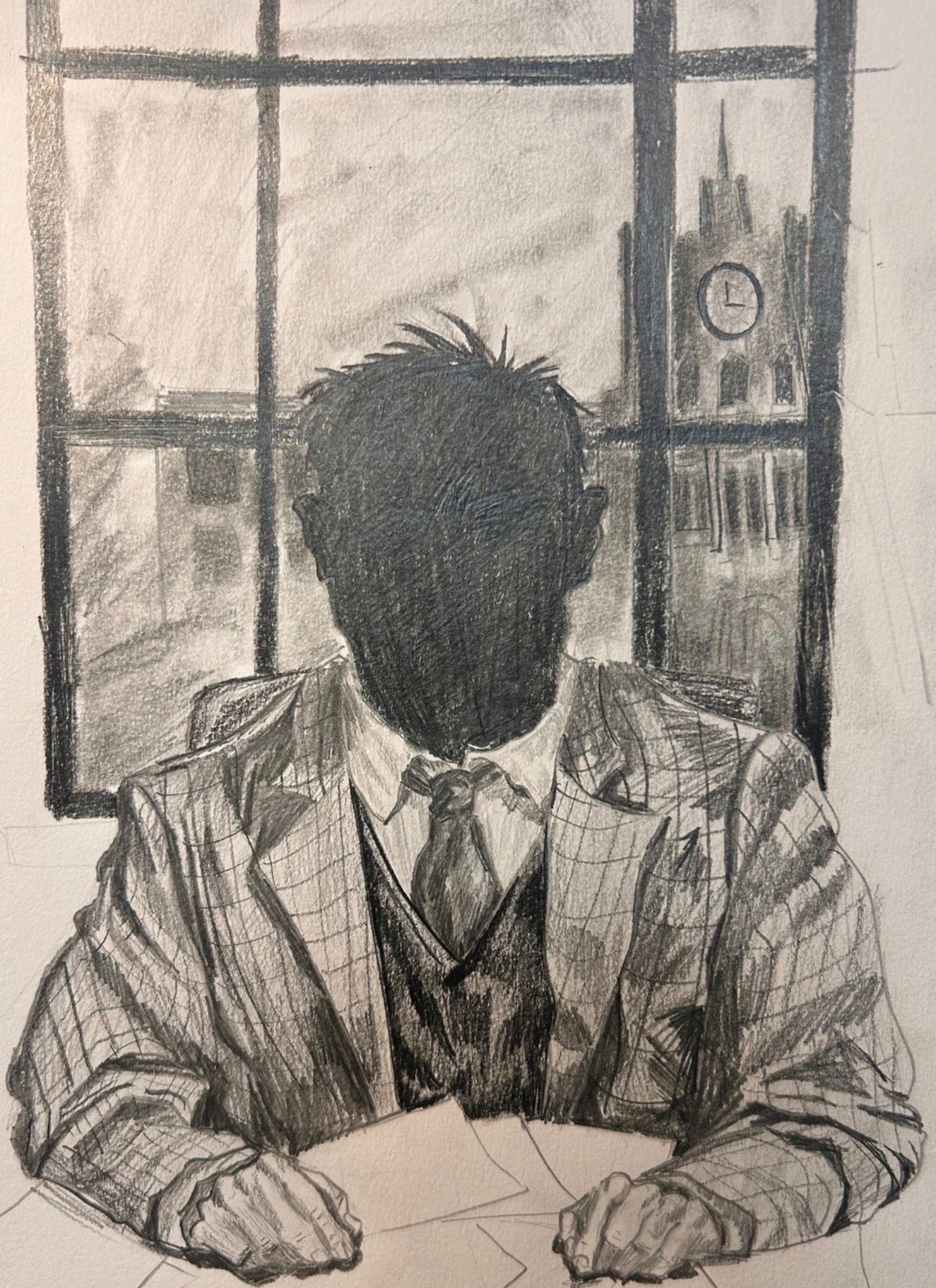
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The data does not merely support the paper's thesis — it quantifies it. The warehouse observation is reproduced, at scale and in the aggregate, across the earnings reports, hiring announcements, and structural financials of the firms analyzed here. The system described in one warehouse is the same system generating hundreds of billions of dollars in revenue globally. It holds not because of any single firm's decision, but because it has been institutionalized — because uncertainty, for workers, has become someone else's profit model.

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Hands Off St. John's Faculty Petition

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Issue II was reviewed independently prior to publication. The editors thank the following reviewers for their contributions.

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