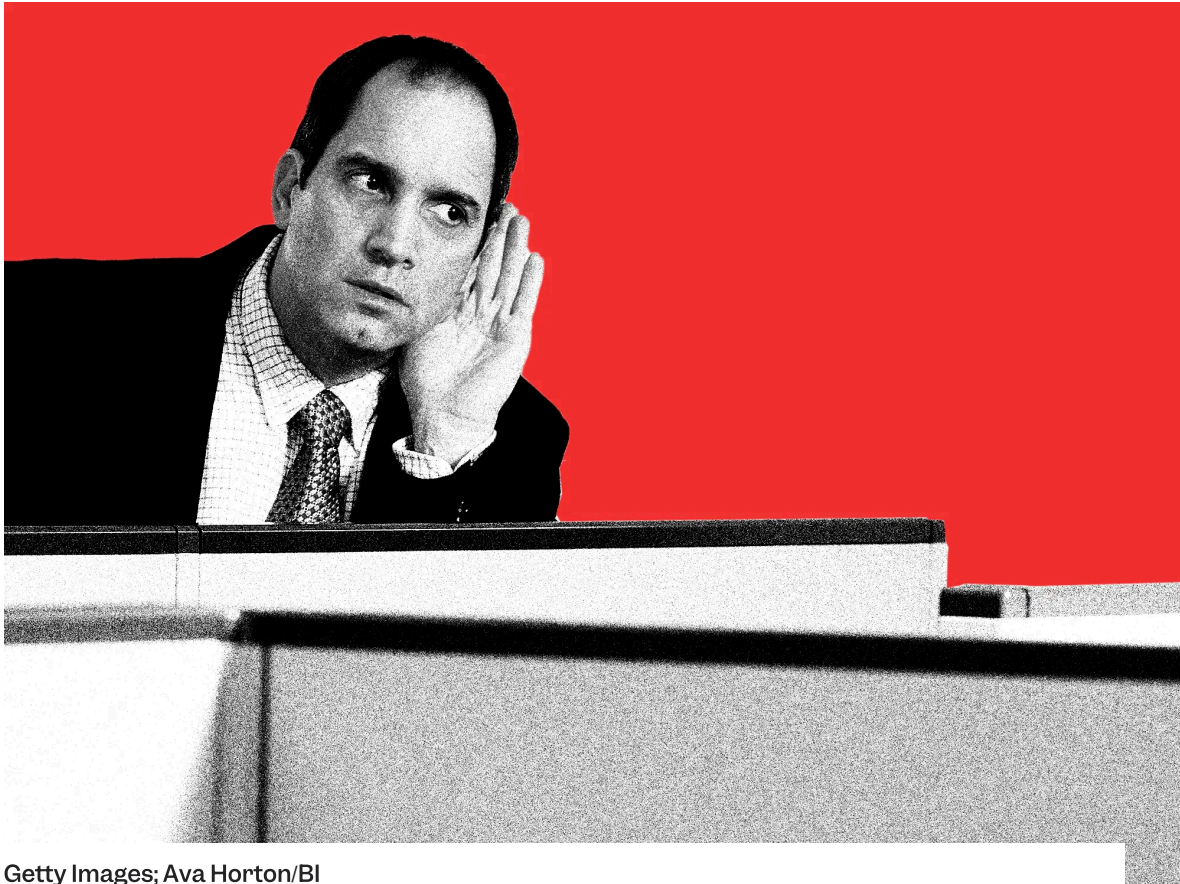


## ECONOMY

# Welcome to the age of office paranoia, when layoffs, AI, and job insecurity are terrorizing workers

By [Juliana Kaplan](#)



Getty Images; Ava Horton/BI

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AI and white-collar layoffs have office workers feeling paranoid about job security.

They're trying to read the signs to determine whether job cuts are coming and if they'll be next.

Workers' paranoia can affect productivity, as some hoard knowledge to stay indispensable.

When Amber Smith, 28, had trouble submitting an IT support ticket, she quickly realized that her second layoff in one year had arrived.

Before that, she was already jumpy. She'd be unnerved by everyday workplace tasks, like when her manager asked to hop on the phone on short notice, or a companywide meeting suddenly appeared on her calendar.

It's a sign of the times as workplace power swings away from workers, and layoffs dominate headlines. While layoffs are still low relative to historic levels, they loom large in workers' minds.



**Amber Smith dealt with two layoffs in two years.** Courtesy of Amber Smith

A miasma of new stresses is also permeating white-collar offices: the threat of AI taking jobs, stricter return-to-office pushes, and a new hardcore culture that's eroding work-life balance. There's also the hollowing out of middle managers, and the Great Flattening, has left some with fear that they'll be next.

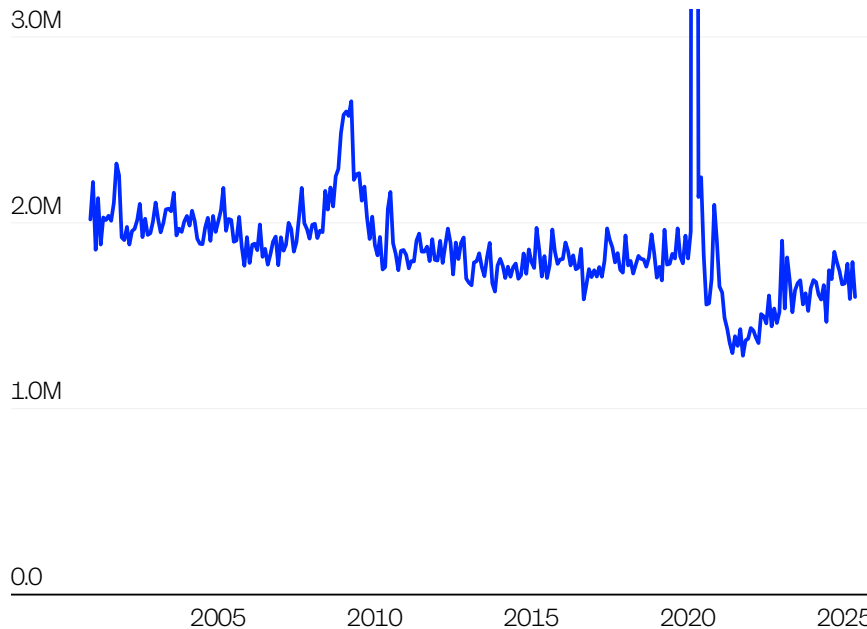
"Workers are feeling disempowered," Michele Williams, a professor of management and entrepreneurship at the University of Iowa, said, adding that this trend reared its head during the 2008 recession and is now back again.

"If the boss walks by and doesn't say 'hi,' are they planning to fire me, as opposed to the boss was just busy that day and just didn't notice you?" Williams said. "They're looking for these social cues and overinterpreting social cues because of that insecurity."

It's what experts call "paranoid attribution," where employees read negative meaning into regular workplace occurrences. Do worse snacks mean the company is struggling financially? Is a warmer office a sign that management is cutting costs on air conditioning? Are more interns a good sign or a bad sign for the hiring budget?

The fear isn't good for anyone — when employees are anxious, they probably also aren't doing their best work. The paranoia may be more psychological than based in reality. Overall, layoffs are still low and concentrated in white-collar sectors, especially at big-name companies that dominate headlines. While hiring has slowed in the last year, the unemployment rate is still relatively low, as well. However, it has gotten much more difficult to get a new white-collar job, and promotions have slowed way down.

### Layoff levels over time



Note: Layoffs hit nearly 13 million in March 2020 and 9.2 million in April 2020. • Source: [US Bureau of Labor Statistics via FRED](#)

Juliana Kaplan/BI

The paranoia over employment uncertainty pushed Smith out of the corporate world completely. These days, she's self-employed as a content creator and reseller. "I feel so much better because being self-employed, obviously, I'm not going to get laid off," Smith said.

Monica Wiant, a 47-year-old copywriter in Minnesota, has completely changed her perspective on work and her career after getting laid off twice in two years. The first time she was laid off was the day that she had arranged a return-to-office party for the workers reporting to her. She was also coming off a glowing performance review in her role as a VP.



**Monica Wiant has been on a career journey.** Courtesy of Monica Wiant

"The day that I got that news, it was like going to the worst surprise party I've ever been to," Wiant said. In retrospect, she said, there were some warning signs. Budgets for her department kept getting reduced, and they were asked to do more with less. Advertising budgets shrank, and some hiring was paused.

"I feel like so many companies have lost sight of how important the human experiences of their employees are. There's no place that's less motivating than a downsizing workplace," Wiant said. "It's really hard to go to work every day and to know that you may not have a future here no matter how hard you work."

## **How paranoia is reshaping workers and the workplace**

Mark Freeman, 65, has some advice after spending the last 25 or so years in supply chain technology and getting laid off twice throughout his career.

"As soon as they say, 'don't worry, no one's going to get laid off,' you should get your résumé out there and start looking, because you can't believe them." He said he's learned it's important to be agile and constantly looking for other job opportunities; waiting until after a layoff will mean you're already behind.





**Mark Freeman recommends being agile.** Courtesy of Mark Freeman

Attention on layoffs, as Business Insider's Tim Paradis writes, might bite into productivity amid worker unease. Williams said that workers become less engaged as their energy shifts from actually getting work done toward worrying and becoming hypervigilant.

On the other hand, employees might also cling harder to old adages about becoming indispensable at work. This is what some Big Tech companies are hoping for when they place more emphasis on performance reviews in a shift toward a more "hardcore" management style.

Williams said working harder is good advice when a promotion or raise seems realistic.

"But if you push it to the extreme, you're going to have workers hoarding information and knowledge because then they become indispensable," she said. "But the sharing of that knowledge is what the organization needs to increase collaboration and innovation."

Benjamin Friedrich, a professor at Northwestern's Kellogg School of Management, said that, in isolation, workers might not be willing to put in extra effort if they feel their trust has been broken by their firms.

Of course, Friedrich said, not all power is lost among workers right now: While the worker power pendulum is still swinging, the "amenities" of the Great Resignation and the pandemic era haven't faded completely.

"If you look at the breadth and the coverage of remote work or what share of workers can work some of the time at home, it's been very stable," Friedrich said.

By the time her second layoff rolled around, Wiant wasn't as surprised and was more attuned to those warning signs. While weathering two layoffs was far from pleasant, it's also made Wiant turn introspective.

"I don't feel as deep of a need to have all of my needs met from work," Wiant said. "I realize that I can cultivate a sense of purpose and creative challenge and intellectual challenge from other things in my life."

*Do you have a story to share about workplace paranoia? Contact this reporter at [jkaplan@businessinsider.com](mailto:jkaplan@businessinsider.com).*





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