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Recession worries and management in America: Do's and don'ts for workers, jobs, leaders, and organizations to go into economic downturns with open eyes

Bahaudin G. Mujtaba[1] ✉
Rochelle Parrino[2]


(✉ Corresponding Author)

[1,2]*Nova Southeastern University, Huizenga College of Business and Entrepreneurship, 3301 College Avenue, Fort Lauderdale, FL, 33314-7796, USA.*
Email: mujtaba@nova.edu
Email: rparrino@nova.edu

Abstract

Recessionary periods are recurring challenges in any economy, particularly during times marked by high inflation, political instability, trade conflicts, global pandemics, rising consumer costs, and stagnating wages. This study aims to explore how organizations, managers, and workers can navigate and adapt to the complex realities of economic downturns. Using a qualitative methodology, data were collected through in-depth interviews with eight senior executives and business experts who collectively possess nearly 300 years of professional experience in the United States. Their insights offer a nuanced understanding of how recessions affect employment, organizational strategy, and workforce resilience. The findings reveal that, while recessions present significant threats, they also offer strategic opportunities for reinvention and growth. Workers and organizations that approach these periods with preparation, adaptability, and empathy are better positioned to endure economic hardship and even emerge stronger. Practical recommendations include preparing for economic disruptions with strategic foresight, maintaining transparent communication, supporting employee well-being, and identifying new market opportunities. These insights equip working professionals and organizational leaders to face recessions with clarity and resilience, enabling them to remain agile and thrive amid uncertainty. Today's working adults, managers, and organizations should be prepared to enter a recession with "open eyes" while having contingent plans for the worst, empathizing with employees' concerns, and taking advantage of upcoming opportunities to keep the organization afloat.

Keywords: Economic downturns, HR management, Layoffs, Recession, Strategic opportunities, Terminations, Transitioning through a bad.economy.

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Contents

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Contribution of this paper to the literature
This study uniquely combines the experiences of 8 industry leaders, executives, and entrepreneurs regarding recession worries and workforce management. No other study has been done with such experienced senior officials on how to best transition through this year's recession worries. Unlike most previous academic studies, it offers practical recommendations for managers, human resource professionals, and entrepreneurs to effectively transition through the existing economic worries of 2025.

1. Introduction

A recession typically implies a significant slowdown in the job market, which means increased unemployment, reduced hiring, freezes on salary increases, and possible layoffs (LaPonsie, 2025). Data shows that "during the Great Recession, 2.1 million Americans were laid off in 2009 alone" (Frick, 2019). During a recession, businesses often respond to decreased demand and revenue by implementing cost-cutting measures, such as layoffs, hiring freezes, and reduced working hours (Mujtaba & Senathip, 2020). This can lead to a surge in unemployment rates, making it more challenging for individuals to find new job opportunities (Mujtaba, 2022). Yet, layoffs are not always the solution to survival during a downward trending economy since many companies that emerged successfully from such crisis "relied less on layoffs to cut costs and leaned more on operational improvements" (Frick, 2019). Additionally, recessions often result in a shift towards more cautious hiring practices, with employers becoming more selective and prioritizing candidates with specialized skills and experience (Agarwal, 2022; Career, 2025). During a downward and an unpredictable economy, organizations may also suffer from decreased production, interrupted supply chains, and a drop in employee morale.

Recessions are regularly depicted by slow economic activity in a city, state, nation, and even region. When recessions are expected by a majority and looming, many individuals and businesses take precautions regarding expenditures, which can have a significant impact on jobs, workers, and most types of organizations. During the forthcoming recession, most managers, entrepreneurs, and administrations plan to cut back on spending and new hire activity to save on costs and prepare for a rainy day (Barbarino & Scotti, 2020). As a recession looms, workers typically find it more challenging to secure new work. Some workers face salary reductions, reduced working hours, and increased job uncertainty. Workers can and often do pursue skill acquisition in growing fields or even venture into entrepreneurship to have some access to additional compensation. During periods of recession or economic uncertainty, some companies freeze salary increases as they seek to cut costs. Workers also experience increased workload as firms reduce their staff. This can have an immense traumatic impact on employees' physical and mental health. A looming recession influences how organizations approach their short-term and long-term planning strategies (Leachman & Sullivan, 2020) as some focus on cost-cutting, which often leads to increased automation and mechanization. Additionally, some firms relocate manufacturing to regions with lower costs or reduced overhead to stay afloat (KN & Thomas, 2024).

President Donald Trump's stern and amorphous approach to tariffs, on friends and foe alike, have upended a booming U.S. economy in the first quarter of 2025 (Wiles, 2025; Zakaria, 2025). Research has shown that "several economic indicators suggest a potential recession, including declining stock prices and weakening consumer sentiment…while real estate and unemployment figures remain relatively stable, concerns exist about rising foreclosures and potential job losses," since "leading economic indicators has declined for three consecutive months, signaling further economic deterioration" (Wiles, 2025). Additionally, it is a concern for all stakeholders that the U.S. Gross Domestic Product (GDP) for the first quarter of 2025 showed a 0.3% decline at an annual rate and another poor quarter could indicate a recession. Consequently, the greater likelihood of a recession has caused more fear and anxiety among all working professionals in both public and private organizations (Harring, 2025). This uncertainty coupled with the fears of some foreign workers being detained by the U.S. Immigration and Customs Enforcement (ICE) officers are causing havoc for employers and workers alike, especially those individuals without a college education who are not working in high-demand professions such as healthcare, utility or technology industries. As of the latest available data, about 21% of American adults are considered illiterate, which translates to around 43 million people (National Literacy Institute, 2025; Zauderer, 2025). This percentage is based on the definition of functional literacy as understanding, evaluating, using, and engaging with written text to participate in society, achieve one's goals, and develop one's knowledge and potential. Additionally, 54% of adults in the U.S. have a literacy level below the fifth-grade level, and 1 in 5 American adults possess low literacy skills. Low literacy rates also equate with these individuals not being able to secure specialized or high-tech jobs. As such, it is natural that millions are anxious and worried about the impact of all these societal changes during the second Trump Administration.

President Trump successfully secured a slight majority of the American votes due to many factors, especially because he is friendly and good in being on media outlets regularly, but on top of the list might be things like populism, political ideologies, partly due to alignment of religious views, and for some because of vengeful rhetoric. When citizens of a nation vote due to popularity, political affiliation, and/or religious alignment rather than policy, these motivators may not result in the best strategies to deal with high inflation rates, funding for critical research, and trade which thus far has made America one of the most innovative nations in the world. Other concerns for some Americans are the restriction of visas for bright international students who are exercising their views, removal of industrious inclusionary programs intended to level the playing field for women and minorities in promotional opportunities into higher management ranks, and animosity towards higher education institutions. Academic researchers surveyed in April 2025 in the U.S. regarding funding cutbacks by various agencies such as the National Institutes of Health (NIH) or the National Endowment for Humanities (NEH), around 70% said they are willing to move to other countries to continue their research (Velie, 2025). Such disruptive change is unfortunate for the U.S. since some highly educated and specialized scientists cannot secure jobs and opportunities in science and medical research in this highly developed country. So, NIH, which has been an astounding organization for many breakthrough innovations in America, will likely be severely damaged due to political ideologies, public sector mismanagement, and incompetence all in the name of, arguably poorly executed, government efficiency efforts. There is concern that America and the world will irreparably suffer from the

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disruptive, irresponsible and indiscriminate funding cuts for critical research. Yet, the uncertainty and anxiety among researchers, workers, businesspeople, and organizational leaders are some of the immediate consequences, and the long-term effects are likely to last for decades (Mujtaba, 2025).

During the first weekend of May 2025, the annual Berkshire Shareholder meeting shed light on the statements made by the legendary Warren Buffett, as he announced that he will slowly transition into retirement. According to Buffett, "We should be looking to trade with the rest of the world; as Americans, we should do what we do best, and they should do what they do best". Buffett emphasized that Trump's trade policies have raised the risk of global instability by angering the rest of the world. "It's a big mistake in my view when you have 7.5 billion people who don't like you very well, and you have 300 million who are crowing about how they have done" (Buffett, 2025). "Trade should not be a weapon," Buffett said. He also said that "trade could be an act of war." All such fears have produced economic uncertainty and fears among the local, national, and international workers and leaders alike. Luckily, the Trump Administration has been flexible in not always following through with maximum tariffs initially announced as they attempt to negotiate the best deals for America.

This year, about 80% of chief executives project costs spiking in 2025 and beyond, "which is no surprise given the ongoing negotiations over import taxes" with foreign countries, since around 50% "forecast their percentage increases in expenses to be in the double digits" (Harring, 2025). To be financially stable, managers often suspend recruitment, cut departments, or restructure operations during a looming recession. Consequently, employee engagement and retention rates often fall during recessions (Tang & Smith, 2022). Studies have confirmed that during the recessions of 1980, 1990, and 2000, about 17% of the 4,700 public companies examined performed very badly, as they either went bankrupt, went private, or were acquired by other entities (Frick, 2019). Yet, about 9% of the companies studied seem to have flourished during the recession period. Many of the firms that stagnated in the previous recessions did not proactively make contingency plans for a bad economy. Consequently, they had to switch to survival mode by making hurtful cuts and reacting defensively (Frick, 2019). Overall, a recession can have a profound impact on the job market, requiring individuals to be adaptable, resilient, and proactive in navigating the changing employment landscape.

When an economic depression is on the way, it is often followed by "Inverted yield curves, rising interest rates, and a rash of layoff announcements," convincing economists that the global economy is headed for a recession, which is bad for business, but such downturns are not a destiny (Subramaniam, Salamzadeh, & Mujtaba, 2023). "The worst of times for the economy as a whole can be the best of times for individual companies to improve their fortunes", since "lagging companies are twice as likely to overtake industry leaders during a recession, relative to non-recessionary periods" (Subramaniam et al., 2023). Therefore, preparation for a downward tending economy must be a moral imperative to consider and maintain all stakeholders' interests in a balanced manner.

It is clear that "A growing majority of America's top executives now expects the U.S. economy to enter a recession in the near future" since "Of the more than 300 CEOs polled in April, 62% said they forecasted a recession or other economic downturn in the next six months" (Harring, 2025). The increase is probably due to the growing fears about a forthcoming recession because of the current administration's "changing and the all-aboard tariff" policy in a volatile financial market. About 75% of the senior executives surveyed said tariffs would hurt their businesses in 2025, and about 66% said they did not support the administration's proposed "consumer tax" policy (Harring, 2025). While tariffs alone may not always be too influential on the economy, there are several other areas to monitor for signs of an incoming recession in the country, which can include the following (Wiles, 2025):

1. Shifting stock prices.
2. Trends in real estate.
3. Uncertain unemployment.
4. Credit and interest-rate movements.
5. Consumer sentiment and expectations.
6. Hours worked in manufacturing.
7. New business orders.

Figure 1 shows the percentage of the executives answering the question of "What is your best forecast for the U.S. economy over the coming six months?" While 48% see a mild slowdown in the American economy, about 14% of them believe we will experience a severe recession (Harring, 2025).

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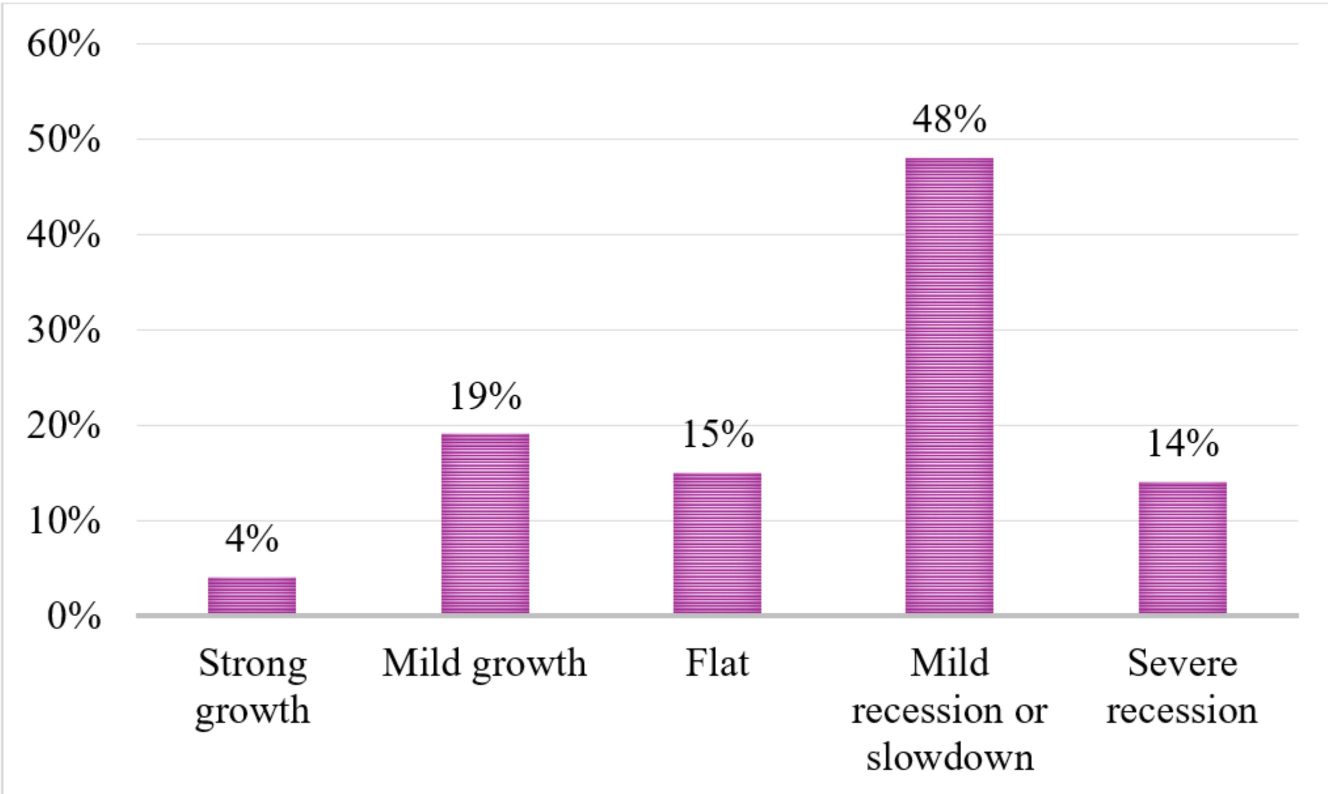

Figure 1. Executives' forecast of U.S. economy as of April 2025.
Source: Designed by the authors, based on chief executive data listed by Harring (2025).

To help protect jobs in the event of a recession, individuals should focus on honing or developing skills that are in high demand and less likely to be automated by artificial intelligence or outsourced (LaPonsie, 2025). This can include acquiring skills in areas such as data analysis, digital marketing, cloud computing, or cybersecurity. Additionally, employees should prioritize building strong relationships with their colleagues, supervisors, and industry leaders, as these connections can provide valuable support and networking opportunities during times of uncertainty. By staying adaptable, continuously learning, and nurturing professional relationships, individuals can increase their visibility, versatility, and value to their organization. Furthermore, employees should also take proactive steps to manage their workload, prioritize tasks, and demonstrate their contributions to the organization. This can involve taking on additional responsibilities, volunteering for high-visibility projects, and communicating effectively with stakeholders. By showcasing their skills, work ethic, and commitment to the organization, individuals can position themselves as essential employees and reduce their risk of being terminated during a recession.

It is also essential to stay informed about industry trends, economic forecasts, and company performance to anticipate potential changes and make informed decisions about their career. By being proactive, adaptable, and strategic, individuals can better protect their job and navigate the challenges of a recession.

As the philosophy goes, amid chaos, there could be opportunities to be capitalized on. While it may seem counterintuitive, a recession can be a good time to search for a new job or change careers. During economic downturns, companies often undergo restructuring, that can lead to new opportunities emerging in industries that are more resilient or even thrive during recessions, such as grocery, healthcare, technology, or finance. Additionally, talented individuals may be more readily available, allowing for a stronger candidate pool. Furthermore, companies may be more open to internal promotions or transfers, and some may even use the recession as an opportunity to rebrand or pivot, which can create new roles and opportunities. By being proactive and strategic, job seekers can capitalize on these shifts and position themselves for success, even in a recessionary environment.

To glean insights and recommendations, the research question is: *What does an economic downturn or recession mean for workers, jobs, managers and organizations?*

2. Literature Review

Any recession is most likely to impact all industries to some extent. Consequently, "During economic downturns, companies typically tighten their belts, and that often means reducing the size of their workforce…non-revenue-generating roles are often the first to go" (LaPonsie, 2025). However, there are individuals, industries and businesses that can thrive despite economic conditions (Agarwal, 2022; Career, 2025). A recession often means fewer jobs available and more qualified candidates applying for them. Knowing about recession-proof industries can provide professionals and job seekers with some sense of security when it comes to choosing a career path. According to LaPonsie (2025) while there are no guarantees, there are certain actions people can take to recession-proof their careers, such as the following:

- Focus on what you can control.
- Increase your visibility.
- Make yourself indispensable.
- Learn new skills.
- Be a team player.
- Network and make professional connections.
- Update your online presence.

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- Job search but don't look like a flight risk.

2.1. Recession-Impact on Various Industries

"Recession-proof jobs are often in demand as they are the most likely to provide long-term security during economic uncertainty" (Career, 2025). According to experts Career (2025) recession-proof careers usually meet one or more of the following criteria:

1. They provide essential services and products (Such as healthcare professionals like doctors, nurses, emergency medical personnel, pharmacists, et.). These services are skill-driven, such as oncologists, entomologists, dentists, cybersecurity experts, utility workers, etc.
2. They are in adaptable industries which can more easily adjust.
3. They serve a diverse customer base.

The Fast-Moving Consumer Goods (FMCG), also known as consumer-packaged goods (CPG), tend to do well in recessionary times. FMCG are non-durable products that usually sell at a fast pace, with low cost that are in demand and consumed quickly. FMCG can include packaged foods, beverages, toiletries, cosmetics, cleaning supplies, and most low-cost household items such as milk, gum, fruit and vegetables, soda, etc.

There are some industries that are least impacted by a looming recession, such as the following:

1. *Healthcare*: Providing essential services, healthcare professionals are always in demand, regardless of the economy. This industry includes hospitals, pharmaceutical companies, and medical device manufacturers.
2. *Utilities*: People still need electricity, water, and gas during a recession, making utility companies stable investments.
3. *Grocery Stores*: As people continue to buy food and essentials, grocery stores remain a vital part of the economy.
4. *Discount Retailers*: Stores offering affordable products, like discount chains which often thrive during recessions.
5. *Education*: Education is often a priority which can equip candidates with a differentiating set of in-demand skills; as such, most schools, universities, and online educational platforms continue to operate even during recessionary times.
6. *Food and Beverage*: Companies producing essential food items, like dairy products, bread, and canned goods, tend to do well.
7. *Freight and Logistics*: Goods still need to be transported, making logistics and transportation companies essential.
8. *Financial Services*: Financial advisors, accountants, and banks provide critical services, even during economic downturns.
9. *Cleaning Products and Sanitation Services*: Companies providing cleaning products and sanitation services for businesses and homes remain in demand.
10. *DIY – do it yourself and Repairs*: Hardware stores, home repair services, and DIY companies tend to do well as people focus on fixing and maintaining their homes and belongings.

While a variety of factors influence the impact of bad economies on organizations, there are many industries that are more likely to be negatively impacted by a looming recession, such as those shown in Figure 2.

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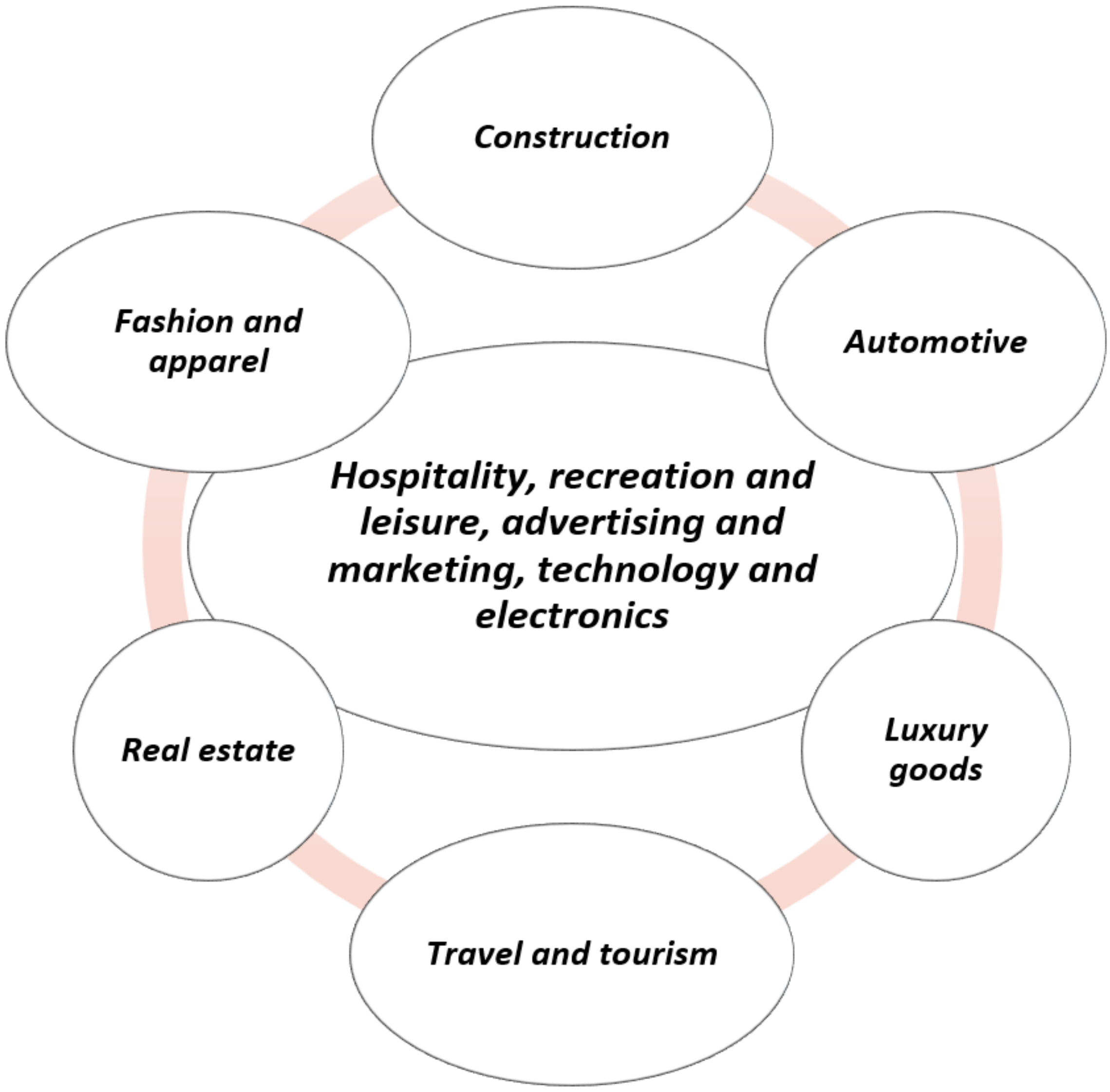

Figure 2. Recession vulnerable industries.

1. *Construction*: New construction projects are often delayed or canceled during economic downturns, affecting construction companies, contractors, and suppliers.
2. *Automotive*: Car sales tend to decline during recessions, impacting automakers, dealerships, and related industries like auto parts and repair services.
3. *Luxury Goods*: Discretionary spending on luxury items like jewelry, high-end clothing, and fine dining tends to decrease during recessions.
4. *Travel and Tourism*: People often reduce travel plans and vacations during economic downturns, affecting airlines, hotels, and tourist attractions.
5. *Real Estate*: Housing markets can be impacted by recessions, affecting real estate agents, developers, and related industries like home furnishings and appliances.
6. *Technology and Electronics*: While technology is always evolving, recessions can impact demand for non-essential electronics and gadgets.
7. *Advertising and Marketing*: Companies often reduce advertising budgets during recessions, affecting advertising agencies and marketing firms.
8. *Hospitality*: Restaurants, bars, and entertainment venues may see a decline in business during recessions.
9. *Fashion and Apparel*: Non-essential clothing and fashion items tend to be less in demand during economic downturns.
10. *Recreation and Leisure*: Industries like movie theaters, amusement parks, and recreational activities may see a decline in business during recessions.

Of course, every recession is unique, and the impact on industries can vary. Some companies may adapt and thrive during recessions, while others may struggle, with few going into bankruptcy.

2.2. Recession Period Bankruptcies

Forecasts, patterns, trends, and realistic signs of any incoming recession possibility usually force organizational leaders, managers and entrepreneurs to begin preparing for the unexpected. When the transition into, during, and out of a recession is managed well, an organization can adjust and survive. But when this transition into, during, and out of a recession is not strategically planned and managed, it can mean loss of jobs, layoffs, and a reduction in stock value for shareholders. In some instances of bad management and no planning, organizations can declare bankruptcy.

The following are a list of a few large organizations that went bankrupt during recession periods in the United States, along with the main reasons behind their failures:

1. Leachman and Sullivan (2020). The Great Recession of 2007–2009. One main reason was excessive exposure to subprime mortgages and risky financial derivatives. When the housing bubble burst, it triggered massive losses and a liquidity crisis. Its impact was felt nationally and internationally since it was the largest bankruptcy in U.S. history, with over $600 billion in assets.

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2. Whitfield (2023). The Great Recession of 2007–2009, due to heavy investment in subprime mortgages. A bank run and subsequent federal seizure led to its collapse. Its banking operations were sold to JPMorgan Chase.
3. Career (2025). The Great Recession of 2007–2009. Poor management decisions, inability to compete with Best Buy and online retailers, and declining consumer spending. Liquidated its assets and closed all stores.
4. Dominick, Iordanoglou, Prastacos, and Reilly (2021). The Great Recession of 2007–2009. Declining sales, rising pension and healthcare costs, and failure to adapt to changing car market preferences (e.g., fuel efficiency). The company filed for Chapter 11; it emerged after government bailout and restructuring.
5. Career (2025). The Great Recession of 2007–2009, due to falling sales, lack of innovation, and high labor costs. Heavily impacted by the collapse in auto demand. Filed for bankruptcy and partnered with Fiat to restructure.
6. Buffett (2025). Post-Great Recession decline. They failed to adapt to digital streaming, while facing competition from Netflix and Redbox amid mounting debt. So, they filed for bankruptcy; most stores closed or rebranded.
7. Bishop (2012). Post-Great Recession recovery (effects lingered). Slow transition to e-books and online sales, increased competition from Amazon, and poor real estate strategy. Filed for bankruptcy and eventually liquidated.
8. Dominick et al. (2021). Early 2000s Recession (Dotcom bust + 9/11). Massive accounting fraud, hiding debt through off-balance-sheet entities, and inflated earnings. One of the largest corporate fraud scandals, which triggered reforms like Sarbanes-Oxley (SOX).
9. Weiss (2024). Early 2000s Recession, due to accounting scandal involving $11 billion in fraudulent entries to inflate assets. So, the company filed for bankruptcy and emerged later as part of Verizon.
10. Adam (2025). Early 1990s Recession (1990–1991), due to rising fuel prices, poor management, terrorism concerns (Lockerbie), and inability to compete with newer airlines. The company ceased operations and sold assets.

2.3. Best Jobs in a Recession

During a looping recession, despite widespread federal layoffs, some industries are primed for opportunities to grow and thrive (Adam, 2025). As a matter of fact, the prospect does appear promising for skilled-based jobs in healthcare, energy, retail, and cybersecurity. Additionally, most professionals in the legal and artificial intelligence fields are likely to remain in demand even during recessions. As the proverb goes, "in any period of chaos, there is also opportunity." Amid life's turmoil at any given time, Sun Tzu reminded us that hidden deep under the surface of any disorder lies potential for opportunities. As emphasized by Carolyn Hanley Hax, writer and columnist for the Washington Post and author of the daily syndicated advice column, "Some people can work amid chaos or conversations, and some can't – and while there's no doubt an element of brain wiring to it, there's also the possibility of acquiring skills that improve your focus." As such, we should see challenges not as barriers but as avenues, routes, and gateways to improvement, innovation, and growth by adapting, adjusting, and moving along.

People who are skilled in various artificial intelligence applications to generate content are likely to thrive during downward economic times as companies become forced to do more with less resources (Nafei, Ghoneim, Mujtaba, & Khanfar, 2025). This year, many American workers are feeling uncertain about their jobs and careers (Adam, 2025). Despite the chaos and changing political policies, not all jobs are at risk. According to the Bureau of Labor Statistics, "certain roles in health care, clean energy and cybersecurity are expected to see double-digit growth over the next decade" (Adam, 2025). Research clearly identifies the following professions as examples of recession-proof jobs that are likely to remain stable during economic downturns:

1. Healthcare tasks that require certification.
2. Pharmacists.
3. Mental health counselors.
4. Technology specialists.
5. Energy sector (Utility).
6. Police officers.
7. Accountants.
8. Public sector / federal employees.
9. Firefighters.
10. Emergency workers, soldiers, etc.

As demonstrated by the Covid-19 pandemic and recession period, essential medical services are always in demand, regardless of economic conditions. People will always need medications, making pharmacists and pharmacy technicians essential workers. Consequently, healthcare professionals are less likely to be affected by recessions, thereby making such jobs a stable career choice.

While the Trump Administration is focused on reducing the size of the federal workforce using the Department of Government Efficiency (DOGE) initiatives, and despite the fact that some high level military jobs were recently cut, public sector jobs are generally more secure during economic downturns. Federal employees, including those in law enforcement and the military, can expect stable employment. Crime rates may increase during recessions, but law enforcement jobs remain secure due to government funding. Additionally, fire departments receive funding from taxes and municipal funds, which makes these jobs less susceptible to economic fluctuations.

With the increasing reliance on technology, skilled and certified experts are in high demand, even during recessions. Similarly, skilled workers in electrical, sewage, and natural gas distribution are crucial to maintaining daily services. Finally, since tax laws and financial regulations don't change during recessions, it ensures a steady demand for accountants and auditors. Of course, a recession impacts all working adult men and women, but female). professionals are likely to be impacted more severely due to existing inequities and biases (Ürü, Vardarlıer, Mujtaba, & Yozgat, 2024; Weiss, 2024; Whitfield, 2023). Nonetheless, recessions might also provide, males and

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females of any background, opportunities for new startup businesses. For example, Jackson Bros Ice cream was started by Jackson (2025) with a single ice cream truck and now has expanded into a variety of "soul food" options (such as hand churned banana pudding ice cream, red velvet cheesecake ice cream, strawberry corn bread ice cream, etc.) made with quality products free of additives and harmful ingredients (Personal Communication with Jackson (2025) Nova Southeastern University Library

This year, due to changing policies on tariffs and high costs associated with rising inflation rates, many people are naturally worried about a possible recession. Would a recession impact business entrepreneurs? Of course, a recession impacts entrepreneurs. During these uncertain times when a recession might be coming, experts do provide practical advice for those that have been thinking about starting their own business, and whether they should wait for more certainty in the economy. According to one successful business owner, Jackson (2025) "Never wait to start a business. Always start and make it work. My business was opened during the recession of 2007 and 2008 and I did well…. today, I can give back and help the community." When managers and entrepreneurs do not plan properly, a recession can cause them to lose their business. So, you have got to believe in yourself and your product, according to Jackson. If you provide quality products and work hard, your business will survive. Do not allow a recession from stopping you to start a business, or even to buy a house, Jackson said. Try to find different ways of accessing capital to make your business work.

Managers and entrepreneurs are often at the forefront of any recession as they must reflect on future revenues, jobs, hiring, layoffs, and surviving a bad economy through their social network (Seyoum, Chinta, & Mujtaba, 2021). As such, using a structured interview process, this study gleans insights and views from experienced managers and entrepreneurs regarding the realities of a looming recession and jobs.

3. Methodology

To conduct a thorough literature review, a systematic methodology was employed in this study. First, a clear research question or objective was defined to guide the search for relevant literature. Next, a comprehensive search of academic databases, journals, and books was conducted using relevant keywords and search terms. The search results were filtered based on inclusion and exclusion criteria, such as publication date, practicality, and relevance to the focus of this study. The selected studies were reviewed to glean practical insights for the research question. The results of the literature review were synthesized and summarized to identify patterns, themes, and gaps in the existing literature.

To draw relevant conclusions from expert interviews, a semi-structured interview protocol can be used. First, a list of open-ended questions should be developed to guide the conversation and encourage in-depth responses from the experts. The experts should be selected based on their relevance to the research question and their expertise in the field. The interviews should be conducted in a way that allows for free-flowing conversation and probing for more information. The interviews should be recorded, transcribed, and analyzed using thematic analysis or content analysis to identify patterns, themes, and insights. The findings from the expert interviews should be triangulated with the results of the literature review to draw relevant conclusions and identify areas for further research. By combining the results of the literature review and expert interviews, a comprehensive understanding of the research topic can be developed, and meaningful conclusions can be drawn.

To get insights from entrepreneurs and organizational executives on "*What does an economic downturn or recession mean for workers, jobs, managers, and organizations*?", we asked the following questions (see survey in the Appendix 1):

1. *What have the recession talks and downward economic trends of 1990, 2000, 2008, or 2020 during the Covid-19 pandemic meant for you personally, your organization, and your industry regarding jobs?*
2. *How do managers and organizations prepare for a recession regarding jobs?*
3. *During the oncoming of a possible recession, what should employees do to help protect their job in the event of a recession?*
4. *Do managers and organizations hire new employees during recessionary times? Why or why not?*
5. *What mistakes do employees make when they see a recession looming?*
6. *What else should managers and employees know to better prepare for a recession?*

4. Findings

Recession experience can shape people's attitudes towards wealth redistribution. A Columbia Business School study found that experiencing a recession in young adulthood leads to lasting support for wealth redistribution, but primarily for one's own group (Meier, Cotofan, & Dur, 2022). This suggests that personal experiences during economic downturn can shape individual attitudes towards economic policies and social welfare.

It is always important to analyze each recession and decision with longer terms or periods. Research suggests that studying the impact of recessions would benefit from analyzing longer timeframes (Benach et al., 2022). This implies that organizations and employees should take a long-term view when preparing for recessions, rather than focusing solely on short-term solutions. Multilevel modeling can be an effective methodology for this type of analysis. In this study, we interviewed executives with 20-40 years of experience that have witnessed, observed and dealt with three or more recessions.

Table 1 shows some of the general demographic variables of the entrepreneurs, managers, executives, and/or employees that took part in this study regarding the impact of a looming recession on workers, jobs, management, and organizational decisions.

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Table 1. Interviewee demographics.

Interviewees	Gender	Industry	Position	Years of experience
Respondent A (R-A)	Male	Retail	Retail manager & HR executive	30
R-B	Female	Healthcare, retail	Assistant vice president, director, consultant	47
R-C	Female	TV production	Executive producer/President	37
R-D	Male	Social services and education	President / CEO	40
R-E	Male	Medical / Waste	President	30+
R-F	Male	CPA/Accounting	Partner	25
R-G	Male	Technology, non-profit & real estate	Vice president, finance & operations	28
R-H	Male	Real estate	Entrepreneur / Owner	60
*Recessions observed: 1990, 2000, 2008, and/or 2020				

4.1. Impact of Recession

The following are actual statements from respondents regarding the impact of various periods of American economy's recession on their workers, jobs, organization, and industry:

- In the retail environment, managers might put a hold on hiring non-essential staff during a downturn in the economy. During the recessions of the past three decades, we did not resort to any structured layoffs since consumers need food, drinks, medications, etc. (R-A).
- The impact is highly dependent upon the industry. As an example, healthcare and the ancillary businesses related to this industry are generally resilient to economic downturn except for elective procedures i.e. cosmetic, bariatric, knee replacements and certain eye surgeries which are sensitive to the patient's pocketbook because these procedures are likely not covered by insurance. However, during recessions, the financial impact can still be felt in unpaid patient co-payments or self-pay balances that increase bad debt and/or charity care write-offs. Healthcare systems located in well insured communities face less volatility than those based in areas with higher rates of uninsurance. Generally, jobs were not significantly affected as under-utilized patient care workers could be shifted to meet staffing needs in other clinical areas. To reduce costs, administrative positions may be left open and unfilled until a more advantageous time allows for full staffing. It should be noted that healthcare has undergone a transition over the years to more efficient operations and smaller hospitals have been acquired and merged into larger healthcare systems. As a personal example - when the hospital system merger between Mount Sinai Medical Center and Miami Heart Institute in Miami Beach took place in 2000, a significant number of administrative positions/personnel were eliminated through a layoff. In one day, I reduced two thirds of my staff. Primarily, it was the combined operations that accelerated the need to eliminate redundancy rather than the fears generated by the economic downturn. However, the timing presented an opportunity to immediately reduce overhead administrative costs, thus very quickly offering some protective relief from this expense. Healthcare systems are highly dependent upon the insurers for payments and those that rely on government payers such as Medicare generally have less financial risk. However, close monitoring of changes in payment methodologies and negotiations with managed care payers is critical to minimizing the impact of any economic weakening. The "soft goods" clothing industry experiences a different set of challenges with reductions in orders placed, retail outlets filing bankruptcy and a higher percentage of merchandise returns and "chargebacks". Typically, during difficult economic conditions, it was important to minimize risk and negotiate accounts receivable for insurance coverage or factoring, as determined by a careful review of the risk associated with the individual retail customers. Again – generally administrative and/or non-critical positions were held open longer to reduce overhead costs (R-B).
- During Covid, I put almost everything on hold. Since most of my projects don't involve hard deadlines, I don't have employees on payroll. I had the luxury of putting safety first. In earlier recessions, at least some of what I was doing was providing content to public television, producing pledge shows, so I was able to work steadily through those times. Since many people in my industry depend on free-lance work, the recessions have been harder for them. They depend not only on the companies that hire them, but they're also affected by state funding (or lack of it) that incentivizes productions to come to Florida (R-C).
- The recession of 2008 was perhaps the most difficult on a personal level. The price of real estate decreased significantly, while costs remain unchanged. Tenants had trouble meeting their rent obligation so difficult decisions had to be made to remain financially solvent while being sensitive to the needs of families/renters. In my early care and education industry, the Covid-19 pandemic resulted in significant learning loss for children while they attended school virtually. Virtual school was a necessary measure, but it became exponentially difficult for children in preschool settings. Although childcare was exempt from closure and most programs were only closed for a short time, many parents were uncertain about the safety of early learning settings. They had choices to make. Stay home with the child/ren and not earn a living or go to work and take health risks with their child. Funding for my industry and organization was plentiful. The federal government allocated billions in emergency funding to ensure early learning programs remained open so parents could go to work. First responders and health care workers received free early learning/childcare for their children so they could go to work to support community needs. Early education business owners received bonuses to maintain a level of revenue. Teachers also received retention bonuses to ensure they remained in what is recognized as a low wage, low growth early care and education industry where high-quality teachers make all the difference. This was all an effort to retain some level of normalcy for communities across the nation, recognizing the adverse impact of children not attending school, job loss,

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financial challenges for families, challenges faced by employers due to employee absenteeism, and recruitment and retention of staff (R-D).

- I have always been in "recission proof" business such as medical and waste. Hat said, it brings out the "greediness" in people and business (R-E).
- Recessions for the CPA industry tend to be a mix of opportunities and challenges. There generally is an increase in pressure and workload due to increased client demand for financial/tax planning and business continuity advice. Firms shift their focus from expansion to risk management and client retention. While some layoffs occur, especially in advisory and consulting services, core services like audit, tax and compliance tend to remain essential and, in some instances, grow due to increased scrutiny and demand for transparency (R-F).
- From the real estate industry's perspective, each recession has brought its own set of challenges and learning curves. The 2008 financial crisis had a particularly devastating impact on real estate. It was not just a downturn. It was a full-scale collapse of the housing market that led to widespread job losses, firm closures, and a long and slow path to recovery. It reshaped how we view risk, leverage, and long-term planning in the industry. In contrast, the 2020 recession brought on by the Covid-19 pandemic was far more sudden but also more short-lived. It followed a V-shaped trajectory, rebounding quickly in many sectors, including ours. At the time, our company made the decision to reduce salaries across the board by 20 percent instead of laying off team members. This helped preserve jobs, maintain morale, and ensure we could bounce back quickly when the market recovered, which it ultimately did. Looking ahead, if another recession emerges, we may take a different approach. Rather than simply absorbing the shock, we might view the moment as an opportunity to realign expectations and thoughtfully drive productivity. Any measures we take would be aimed at preserving long-term value and ensuring the firm emerges stronger and more efficient (R-G).
- Those periods were undoubtedly challenging. Each recession brought its own difficulties, but they also shared common patterns. I've learned to assess the situation quickly, draw on lessons from previous downturns, and adapt accordingly. While it's never easy, resilience and flexibility have been critical—for me personally, for my organization, and for navigating the broader industry impacts on jobs (R-H).

4.2. Preparing for a Recession

The following are actual statements regarding how managers and organizations prepare for a recession regarding jobs:

- The recessions of 1990 and 2000 caused some retail executives to put a freeze on pay-increases, and employee promotions for six months. Of course, breaking a promise of pay increase can be hurtful to deserving employees, but most understand that a bad economy takes away such privileges from managers (R-A).
- Regardless of the industry, my experience has been that the preparation generally involves posting an open position but not actively recruiting and filling it. Or not posting the open position until the economic conditions improve. Generally, it is preferred not to set yourself up for a layoff if a staffing reduction can be managed through natural attrition (R-B).
- I always hire independent contractors. I'm a writer/producer/researcher, so until I have a concept ready to shoot, I don't have a staff, but if I see a slowdown, I'll take on smaller outside projects so I can keep myself and my core free-lance team working (R-C).
- Regardless of the industry, it is important to pay attention and understand market and economic trends and use forecasting tools to ensure the organization can survive through difficult times. This often involves considerable cost cutting measures, including hiring freezes, identifying and prioritizing mission critical positions, as well as limiting expenditures to only the most critical. Fully understanding, predicting and planning for the inevitable fluctuations in revenue and revenue sources is also critically important to retain jobs (R-D).
- I think you prepare not for work but the reality. There are plenty of businesses and individuals that grow during a recession (R-E).
- Firm leaders tend to re-evaluate hiring needs, delay raises/bonuses and shift their attention to high demand areas such as tax advisory and restructuring advisory. Attention is also heightened as it relates to client groups, cash flow risks and timely billing (R-F).
- Preparing for a recession from a management standpoint is a lot like what a family might do when they find out one of the primary earners has been laid off. The first step is to take a clear and honest snapshot of your financial health. You need to understand what resources you have on hand, what your ongoing commitments are, and where you are most vulnerable. From there, it is about identifying what is essential and what you can live without, at least temporarily. For companies, that means scrutinizing every department, every line item, and every role to determine where efficiencies can be found. You look for ways to trim excess, delay noncritical investments, and potentially restructuring workflows. It is also critical to have a plan in place before the downturn deepens so you are not making reactive decisions in a moment of panic. Instead, you are executing a well-thought-out strategy to weather the storm. In some cases, this preparation allows a company to preserve jobs altogether. In our case, a recession could provide the perfect window to make difficult but long overdue cuts—decisions that may have been postponed in better times but ultimately position the firm for greater long-term stability and performance (R-G).
- Managers and organizations typically prepare for a recession by carefully evaluating staffing needs and reducing workforce size if necessary. They also look to cut non-essential expenses and streamline operations to maintain financial stability. The goal is to preserve core functions while weathering the economic downturn as efficiently as possible (R-H).

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4.3. Protecting one's Job

During an oncoming recession, the following are respondents' comments on what can or should employees do to help protect their jobs:

- Employees must be able to do more with less. Workers must come on time, stay longer when needed, do their jobs with high motivation and productivity, and avoid being absent. Many managers in retail stores ask employees to take on new responsibilities and get cross-trained in different departments to fill-in vacancies during hiring freezes (R-A).
- Employees should remain flexible, highly productive and willing to take on new challenges in case a reassignment or change in job duties becomes necessary. The ability to cross over into other departmental responsibilities, offer superior technical skills, and generally make oneself "indispensable" is the best way to preserve your job during difficult economic times. Leadership will sometimes use the excuse of weak business conditions to provide cover for the elimination of poor performers through a "layoff" or staffing reduction to strengthen their operations. You don't want to be one of them (R-A).
- Since I don't have employees, I've never had to deal with that (R-C).
- Become that mission critical employee. Do more than is expected. Volunteer to assist others (R-D).
- If you are just starting to be concerned about your job, it's too late. If you are a team player, keep helping the team (R-E).
- Employees should always focus on delivering consistent value, being reliable and expanding their skills. A good example of this was during the pandemic and the need to learn the rules around the Payroll Protection Program (PPP). There were great opportunities for employees and firms during the Pandemic to assist clients with PPP (R-F).
- This is simple. Make yourself indispensable. A recession is not the time to put on a show or make sudden herculean efforts that come off as performative. What matters is consistent, visible contribution. Keep your head down, focus on the work, and prove that you are productive, reliable, and capable of taking on more if needed. Managers will notice the people who quietly deliver results and help move the business forward. Those are the ones who tend to stay when difficult decisions are made (R-G).
- It's a difficult situation, especially when downsizing becomes necessary for a business to survive. However, employees can take proactive steps to protect their roles by staying flexible, demonstrating value, expanding their skill sets, and taking initiative. Those who adapt quickly, contribute consistently, and show a willingness to support broader organizational needs are more likely to be retained during tough times (R-H).

4.4. Hiring Status

During an oncoming recession, the following are respondents' comments on whether managers and organizations hire new employees:

- During the recession of 1990, we hired some essential employees for service departments like bakery, deli, produce, grocery, etc. since taking care of customers was a priority. However, hiring was limited to essential employees (R-A).
- Hiring during recessionary times does occur. It is dependent upon the industry, the needs of the organization and the skill set of the potential employees. Top level employees are always in demand and will be recruited during difficult economic conditions to assist in "turnaround" strategies, provide new or better ideas and offer higher productivity standards that set the bar for others in the organization to follow. Some candidates specialize in "change management" and build careers on assuming positions that were not originally posted but require a unique set of highly desirable skills. And as mentioned above, it may be prudent to hold off refilling vacant positions until more guidance and clarity in direction is available (R-B).
- Personally, if I see a slowdown in demand, I cut back on my schedule. But since many of the people I use are also experiencing slowdowns, I take advantage of their availability to get whatever project I'm working on ready to go when things pick up. So, it's a little bit of both for me. (R-C).
- Yes, but in most cases only mission critical employees. For example, in early care and education settings child/teacher ratios are closely monitored by the state licensing agency. If programs are found in violation they are fined, and their record is permanently blemished. This also poses an imminent danger to children's health and safety. The same applies to nursing and other professions, thereby creating a critical need to maintain certain positions filled (R-D).
- Yes. "Recession" is a word to describe a particular timeline; so is a "boom". In any of these times, there are successes and failures (R-E).
- Yes, but selectively. Areas in core services or specialized financial services may see recruiting efforts to help meet the needs of clients during these times (R-F).
- I personally do not hire during recessions. The priority during those periods is to streamline operations and protect the strongest contributors on the team. What usually ends up hitting the job market are the subpar performers. These are the individuals whose value was not clear enough to justify keeping them when hard choices had to be made. Unless there is a truly critical need or a rare opportunity to bring in exceptional talent, I see recessions as a time to stabilize and focus inward (R-G).
- While hiring tends to slow down during recessions, it doesn't stop entirely. Every manager approaches it differently. Personally, I do my utmost to retain as many employees as possible. I believe in preserving talent and loyalty, even during lean times, because rebuilding a strong team after a recession can be more costly and time-consuming than weathering the storm together (R-H).

4.5. Mistakes to Avoid in a Recession

During an oncoming recession, the following are respondents' comments on mistakes employees make when they see a recession looming:

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- Do not quit your job during a recession, to search for another position. Also, avoid taking on new loans. People need to avoid the purchase of any major property like a house or car based on loans with high interests. Workers without a huge saving should economize by monitoring their spending habits and cutting back on unnecessary vacations, outings, etc. Additionally, young people should make use of their existing vehicles, rather than purchasing a new car on load from the bank (R-A).
- Employees begin to spend too much time gossiping and rely too much on the rumors circulating on the grapevine. Rather, they should focus their energies on building their "personal brand" that places them as a "critical" component to the organization. Managers need to openly communicate through "town halls" and regular meetings to reduce the grapevine activity and eliminate any fears through explaining the steps being undertaken by the organization to protect employees from adverse consequences. Good employees may choose to leave an organization prematurely if they think their job is at risk (R-B).
- My general opinion from my observations is that employees tend to take their guidance from their leadership. If their boss is nervous about a recession, the employee tends to become nervous. If the boss is confident about their business during potential downturns, then that may resonate with the employee. But the mistake is relying too much on those indicators (R-C).
- Not accepting and planning for the inevitable. Not exploring their potential employment options and not preparing to make a change in their employment. Not determining whether relocation to a different county or state where opportunities for their industry are more plentiful is feasible. Not studying and understanding trends in their industry to be better prepared. For instance, a car salesperson should plan to sell fewer vehicles and earn less during a recession (R-D).
- Most employees get concerned about things beyond what they can control. Do your best (R-E).
- A common mistake is going into "survival mode" by disengaging or reducing performance, thinking layoffs are inevitable. Others resist change, avoid upskilling, or fail to communicate with managers about how they can support the firm. It is crucial under any circumstances for employees in the CPA profession to stay current with evolving regulations and tax law changes (R-F).
- The biggest mistake I see is when employees suddenly try to overperform once they sense their job might be at risk. It often comes off as disingenuous and reactive, rather than the result of genuine commitment or consistency. Even worse is when someone tries to make themselves look better by putting others down. That kind of behavior is toxic and transparent, and it tells me more about their character than their capabilities. In fact, those are usually the first people I look at when it comes time to make difficult decisions. Recessions do not create that kind of behavior. They reveal it (R-G).
- Many employees panic when they sense a recession coming, which can lead to fear-driven decisions or a drop in performance. Unfortunately, not every job can be saved, but we do our best to retain top performers who remain focused, adaptable, and committed. It's often not about who deserves to stay, but about tough business realities (R-H).

4.6. Suggestions

During an oncoming recession, the following are respondents' comments and suggestions about what managers and employees should know to better prepare:

- Retail employees should know that a downward trend in the economy might be a good time to speak with their manager and volunteer for additional responsibility in the department and organization. Workers should let their bosses know that they are willing to help in whatever way possible to assist. If their hours are reduced, employees should use this time to learn more about their profession, take a course or two in local colleges, become certified in skills that are needed within the organization or industry, etc. (R-A).
- Senior level and mid-level managers must keep good communication regularly flowing between all levels of the organization to help build employee support and organizational resiliency. The employees should take the time to reassess themselves within the context of their performance and define the specific knowledge that would differentiate them from the other employees. Becoming an avid learner, listener, a positive force and an indispensable key player will go a long way in protecting their job and reduce personal risk during periods of economic uncertainty (R-B).
- Although my business does not have employees, I would recommend staying informed using credible sources. Don't use social media to obtain factual data. Know what your competition is doing and remain proactive. Keep employees in the loop and stay positive. Talk to them about looking for ways to turn "lemons into lemonade" (R-C).
- In fairness to employees and their families, managers need to be fully transparent with their employees about the organization's finances and how changing conditions could affect employees. Employees should not fully rely on their employers. They should put themselves and their families first, explore all their options and be ready to make difficult, but necessary decisions (R-D).
- Act as Warren Buffet said, "Be fearful when people are greedy, and be greedy when people are fearful" (R-E).
- Managers should always keep an eye on cash flow risks by managing unbilled time, staying on top of accounts receivable and maintaining constant communication with their clients. Managers & employees should have a deep understanding of what their firm can offer clients and look for cross-selling opportunities within the firm that can benefit clients (R-F).
- Uncertainty naturally creates anxiety. The last recession was perhaps the best example of that. People did not know if their jobs were safe, if their income would be stable, or what the future of the company might look like. In those moments, communication and clarity are everything. Managers need to be transparent about what they know, what they are watching, and how decisions will be made. Employees, in turn, should focus on what they can control. That means showing up, doing the work, and being consistent. Everyone should resist the urge to feed rumors or panic. That only adds noise to an already difficult environment. The

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best way to prepare for a recession is to run a disciplined business all the time. If you are waiting for a downturn to start tightening up or paying attention to performance, you are already behind (R-G).

- To better prepare for a recession, managers and employees should focus on both operational efficiency and strategic flexibility. For managers, that might mean adjusting pricing, promoting value-driven offers, and finding creative ways to retain customers. Employees should focus on being adaptable, proactive, and ready to take on new responsibilities. Clear communication, collaboration, and a shared commitment to weathering the downturn can make a significant difference (R-H).

Figure 3 shows Buffet's popular statement, echoed by one of the executives interviewed in this study. It means one should act cautiously when others are overly confident or risk-taking, and take bold opportunities when others are fearful or retreating, especially in investing or decision-making.

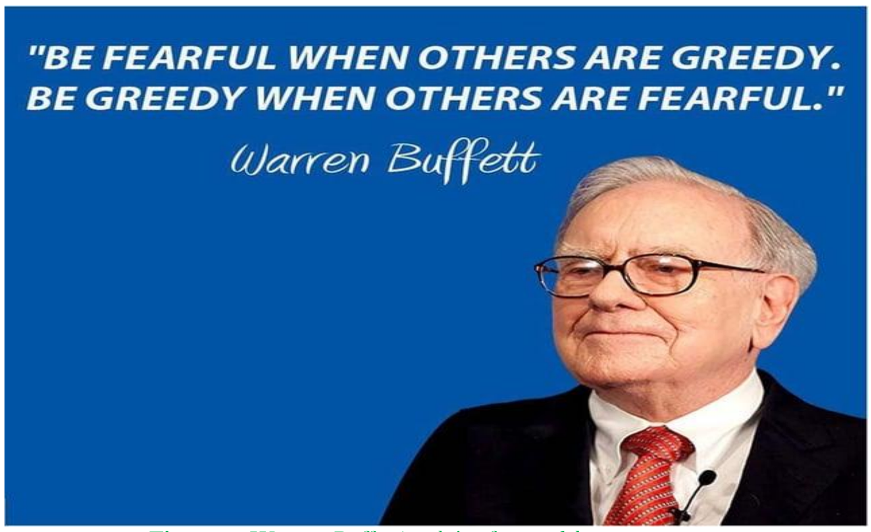

Figure 3. Warren Buffett's advice for wealth management.

5. Discussion

As shown by the expert commentary in this qualitative study, the impact of an economic recession on jobs, organizations, and industries varies significantly depending on the sector. In retail, managers may put a hold on hiring non-essential staff during a downturn, but essential services like food and healthcare tend to remain relatively stable. In the healthcare industry, in the past, jobs were not significantly affected, as underutilized patient care workers could be shifted to meet staffing needs in other clinical areas. However, administrative positions may be left open and unfilled to reduce costs. Different industries face unique challenges during recessions. For example, the clothing industry experiences reductions in orders, retail bankruptcies, and higher merchandise returns. In contrast, industries like medical and waste management are often considered "recession-proof." The accounting industry tends to see an increase in pressure and workload due to client demand for financial planning and business continuity advice, while real estate is particularly vulnerable to economic downturns. The Covid-19 pandemic brought distinct challenges, including significant learning loss for children in early education settings and uncertainty among parents about safety. However, government funding helped support the industry, and some companies, like the real estate firm mentioned, took measures to preserve jobs and maintain morale, such as reducing salaries instead of laying off team members. Each recession presents opportunities for growth and learning, and companies can emerge stronger and more resilient by adapting to changing circumstances.

Managers and organizations must prepare for a recession by taking proactive measures to ensure financial stability and minimize potential losses. This can involve implementing cost-cutting measures such as imposing a hiring freeze, limiting expenditure to only critical areas, and identifying mission-critical positions. Some organizations may also delay pay increases and promotions or re-evaluate hiring needs to manage staffing levels through natural attrition. To prepare for a recession, firms often conduct a thorough review of their financial health, identifying areas where efficiencies can be found and trimming excess costs. This may involve scrutinizing every department, line item, and the role to determine what is essential and what can be temporarily eliminated. By having a well-thought-out plan in place, companies can make informed decisions and potentially preserve jobs or even position themselves for long-term stability and performance. Some firms may also shift their attention to high-demand areas, such as tax advisory and restructuring advisory, to capitalize on opportunities during a recession.

To protect jobs during an oncoming recession, employees should focus on being flexible, highly productive, and willing to take on new challenges before, during, and after work hours, including offsite and virtually. This can involve cross-training in different departments, offering superior technical skills, and making oneself "indispensable" to the organization. Employees should also prioritize delivering consistent value, being reliable, and expanding their skills to meet the changing needs of their employer. By being proactive and adaptable, employees can increase their job security and demonstrate their value to their organization. This can involve volunteering to assist others, taking on additional responsibilities, and consistently delivering high-quality work. Managers tend to notice and appreciate employees who quietly deliver results and help move the business forward, which can influence leaders to retain these hardworking employees during difficult economic times. Ultimately, making oneself indispensable and focusing on consistent, visible contribution can help employees protect their jobs and thrive during a recession.

During an oncoming recession, hiring practices vary among organizations and industries. Some companies, like those in essential services, may continue to hire critical employees to maintain customer care and meet regulatory requirements. Top-level employees with unique skills, such as change management or turnaround strategies, may

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also be in demand during economic downturns. However, many organizations may limit hiring to only mission-critical positions or delay refilling vacant positions until more clarity is available. The decision to hire during a recession depends on the organization's needs, industry, and the skill set of potential employees. Some managers may take advantage of the economic situation to get projects ready for when demand picks up, while others may prioritize streamlining operations and protecting their strongest contributors. Ultimately, hiring during a recession is often selective, with a focus on areas that are critical to the organization's success or require specialized skills to meet client needs.

During an impending recession, employees often make critical mistakes that can impact their job security and career prospects. Some common mistakes can include quitting their job to search for another position, taking on new loans, or making large purchases on high-interest loans. Employees also tend to get caught up in gossip and rumors, rather than focusing on building their personal brand and value to the organization. Additionally, some employees may become overly nervous or disengaged, reducing their performance or trying to overperform in a way that comes across as insincere. To avoid these mistakes, employees should prioritize building their skills, staying adaptable, and communicating effectively with their managers. They should also be proactive in planning for potential changes, exploring new opportunities, and understanding industry trends. By focusing on what they can control, staying current with industry developments, and maintaining a positive and professional attitude, employees can increase their resilience and job security during economic uncertainty. It's also essential for managers to communicate openly and transparently with their teams, thereby reducing uncertainty and anxiety, and helping employees feel more secure and supported.

To navigate economic uncertainty, employees and managers should prioritize proactive strategies. As suggested by the experts interviewed, during a looming recession, employees can volunteer for additional responsibilities, learn new skills, and take courses to enhance their value. Senior and mid-level managers should maintain open communication, foster a positive work environment, and encourage employees to develop unique skills. Transparency of the organization's finances and potential changes is crucial, and employees should prioritize their own preparedness. Managers should focus on cash flow management, cross-selling opportunities, and clear communication. By being adaptable, disciplined, and proactive, businesses can build resilience and navigate economic challenges effectively.

6. Recommendations

From the experiences of experts interviewed and literature, mistakes employees should avoid during a recession include not preparing for a possible “rainy day” scenario, complacency, lack of adaptability, and poor financial planning. Failing to adapt to changing circumstances, such as reduced budgets or new priorities, can make an employee more vulnerable to layoffs or negative performance reviews. Employees should be proactive in seeking new challenges, developing new skills, and demonstrating their value to the team, department, profession, and organization. Poor financial planning and lack of emergency funds can cause unnecessary stress and even bankruptcy. During a recession, job security is often uncertain, and employees may face unexpected layoffs, furloughs, or reductions in hours. Failing to have a financial safety net or emergency fund can lead to financial stress and difficulty managing expenses. Employees should prioritize saving, budgeting, and building an emergency fund to mitigate the impact of potential job loss or reduced income.

Retail managers and organizations must avoid the trap of failing to adapt to changing consumer behavior. During a recession, consumers often become more price-sensitive and alter their shopping habits. Retail employees and managers should be aware of these changes and adapt their strategies to meet the new demands. This might include offering discounts, promotions, or loyalty programs, as well as improving customer service and building strong relationships with customers. Additionally, retail employees and managers must avoid the trap of overstocking or understocking inventory. Retailers who overstock inventory may be left with excess products that are difficult to sell, leading to financial losses. On the other hand, understocking can result in missed sales opportunities and disappointed customers. Retail employees and managers should carefully manage inventory levels, monitor sales trends, and adjust stock levels accordingly based on evidence and data to minimize waste and maximize sales potential.

In all cases, it must be noted that preparation is key to surviving economic downturns. Organizations and employees can benefit from having a recession preparation checklist in place, such as the following (Financial Samurai, 2025):

1) Have 6-12 months of living expenses in cash.
2) Match your asset allocation with your risk tolerance.
3) Write out your investment objectives.
4) Build strong work relationships.
5) Diversify your income streams.
6) Collect as much outstanding debt as possible.
7) Touch base with your tenants to see how they're doing.
8) Adjust your safe withdrawal rate down.
9) Consider retiring during a recession.
10) Find a new job before your company sinks or lays you off.

Of course, all recessions are temporary; so, the key is to transition through it gracefully without any major personal or organizational challenges. Things can be so good one year, and then so bad the next year, all outside of a person’s control and sphere of influence. Constant change is why we should never try to get too high or low on ourselves. Change is an inevitability, so it is best to take calculated chances while helping teams, managers, and employers to effectively transition through a recession.

When people see a recession looming, common career mistakes can include panicking and making impulsive decisions, such as suddenly switching careers or industries without a clear plan. Some might abandon long-term goals for short-term gains, which can be a mistake. Others may become overly cautious, freezing in place and failing to take necessary steps to upskill or reskill, making them less competitive in a changing job market.

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Additionally, some individuals may underestimate the impact of a recession on their industry or profession, failing to prepare for potential changes or disruptions, while others may overestimate their job security, neglecting to take proactive steps to protect their position or build a safety net. These mistakes can ultimately hinder career progress and limit opportunities for growth and advancement. As such, managers and organizational leaders must enact relevant policies and procedures such as being transparent in all communications with employees and shareholders to avoid destructive mistakes during a recession economy (Senathip, Mujtaba, & Cavico, 2017).

6.1. Communication and Transparency

Managers and employees should be aware of the importance of communication and transparency during a recession. Open and honest communication can help alleviate anxiety and uncertainty, and managers should prioritize keeping employees informed about the company's financial situation, plans for navigating the recession, and expectations for the future. This can include regular updates from leadership, town hall meetings, or departmental briefings. Employees should also be encouraged to ask questions and provide feedback, creating a sense of shared understanding and collaboration. By fostering a culture of transparency, organizations can build trust and resilience, helping to mitigate the negative impacts of a recession.

In addition to more transparency and effective communication, managers and employees should also focus on building a culture of agility and adaptability. This can involve cross-functional training employees to develop new skills, encouraging innovation and experimentation, and exploring new business opportunities or revenue streams.

By embracing a growth mindset and staying attuned to changing market conditions, organizations can identify new opportunities and stay ahead of the competition. Employees should be empowered to take calculated risks, experiment with new ideas, and learn from failures, creating a culture of continuous learning and improvement. By prioritizing agility and adaptability, organizations can better navigate the challenges of a recession and emerge stronger and more resilient on the other side.

6.2. Take Action to Prepare

Since technology plays a critical role, all working adults should know that "professionals who understand how to evaluate, implement or manage automation tools will remain in high demand" (Adam, 2025). As such, it is important that workers, managers, and organizational leaders proactively integrate technology into their workplaces to help everyone become more efficient, innovative, and productive (Subramaniam et al., 2023; Zaidi, Khan, Khan, & Mujtaba, 2023; Zareen, Razzaq, & Mujtaba, 2015). During a looming recession, as shown in Figure 4, working adults can take personal, professional, and organizational steps to effectively deal with any challenges.

Figure 4. Action categories for recession preparation.

Besides individuals and organizations, policy makers must also collaborate with relevant stakeholders to enhance the economic wellbeing of each community by encouraging and supporting innovative and ethical work cultures while adjusting to alternative work arrangements in a responsible manner (Bishop, 2012; Dominick et al., 2021; Mas & Pallais, 2017; Wang, Liu, Qian, & Parker, 2021). In a study of tourism, according to Wen (2025)

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strengthening infrastructure, enhancing investment channels, and supporting supply-side reforms are fundamental for improvements and growth of the local economy. Accordingly, "Regional collaboration and innovation should be prioritized to drive long-term industry development", and policymakers should focus on expanding consumption capacity, improving connectivity, and fostering an innovation-driven economy to enhance regional and national economic benefits (Wen, 2025). Moreover, while enhancing each local economy, policymakers must provide educational workshops and townhall events to get input from all stakeholders on how to prepare for and mitigate the negative impact of a looming recession (Senathip et al., 2017). Figure 5 provides suggestions that policymakers, workers, and managers can consider in the personal, professional, and organizational categories when preparing for an upcoming recession period:

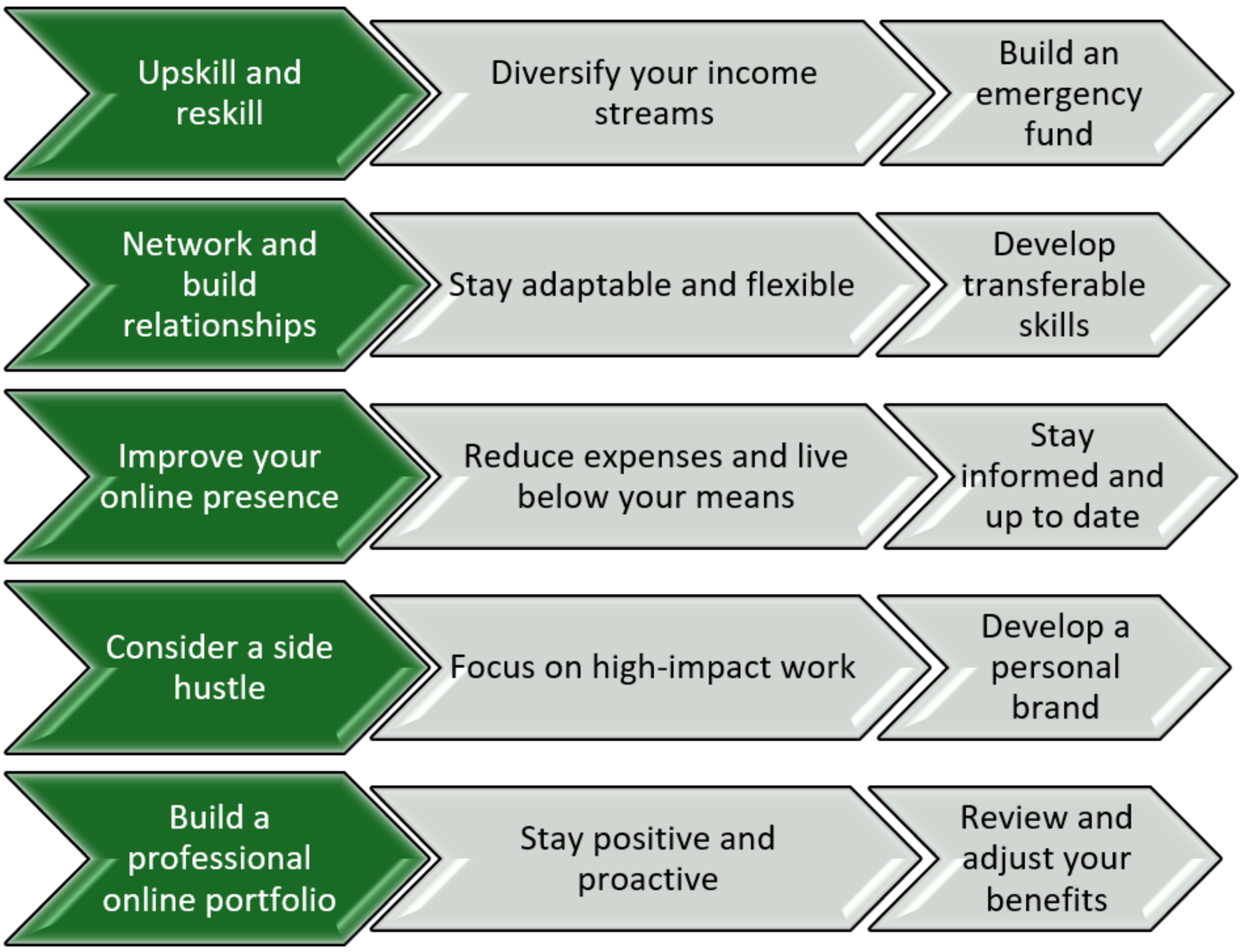

Figure 5. Actions to take for a looming recession.

1. *Upskill and reskill*: Invest in courses or training programs that enhance your skills and make you more valuable to your employer.
2. *Diversify your income streams*: Explore alternative sources of income, such as freelancing or part-time work, to reduce your reliance on a single job.
3. *Build an emergency fund*: Save 6-12 months' worth of living expenses in a readily accessible savings account to cushion against potential job loss.
4. *Network and build relationships*: Nurture professional relationships and expand your network to increase opportunities for future collaborations or job opportunities.
5. *Stay adaptable and flexible*: Be open to changes in your role, department, or industry, and be willing to pivot when necessary.
6. *Develop transferable skills*: Focus on acquiring skills that are transferable across industries, such as project management, data analysis, or digital marketing.
7. *Improve online presence*: Ensure your LinkedIn profile and other online presence are up-to-date and showcase your skills and experience.
8. *Reduce expenses and live below your means*: Cut back on unnecessary expenses and adopt a more frugal lifestyle to reduce financial stress.
9. *Stay informed and up to date*: Continuously educate yourself on industry trends, market developments, and economic forecasts to stay ahead of the curve.
10. *Consider a side hustle*: Start a part-time business or freelance in a field you're passionate about to supplement your income and build a safety net.
11. *Focus on high-impact work*: Prioritize tasks and projects that have the greatest impact on your organization and demonstrate your value to your employer.
12. *Develop a personal brand*: Establish yourself as a thought leader in your industry by creating content, speaking at events, or participating in podcasts.
13. *Build a professional online portfolio*: Create a portfolio that showcases your work, skills, and achievements to attract potential employers or clients.

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14. *Stay positive and proactive*: Maintain a positive attitude and focus on finding solutions rather than getting bogged down by challenges.
15. *Review and adjust benefits*: Review your employee benefits, such as health insurance, retirement plans, and other perks, and adjust them as needed to ensure you're maximizing your compensation package.

By taking proactive steps for any looming recession, one can better prepare personally, professionally, and organizationally for the challenges and opportunities that may come to be in a better position for long-term success. Of course, being proactively prepared with "an umbrella in hand" for a cloudy or "rainy day" can reduce unnecessary anxiety, worries, and mental health challenges at the personal, professional, and organizational categories.

7. Summary

Proactively preparing for an upcoming recession is crucial for individuals, managers, and organizations to mitigate potential risks and ensure long-term success. By taking proactive steps, individuals can protect their careers, build a financial safety net, and stay competitive in a changing job market. This can involve upskilling, networking, and diversifying income streams to reduce reliance on a single source of income.

Managers can empathize with the anxiety and uncertainty of employees, while also preparing by prioritizing communication, transparency, and agility within their teams, as well as focusing on high-impact work and building a culture of continuous learning and improvement. Of course, managers and organizations that prioritize preparation and adaptability can build trust and resilience within their teams, thereby reducing the negative impacts of a recession and emerging stronger on the other side.

Organizations that prepare for a recession can reduce the risk of financial instability, maintain a strong workforce, and stay ahead of the competition. This can involve diversifying revenue streams, building cash reserves, and investing in innovation and development to drive growth. By being proactive, organizations can also identify new opportunities and pivot to emerging markets, positioning themselves for success in a changing economic landscape.

Ultimately, preparing for a recession is not just about weathering the storm, but also about positioning oneself for long-term success. By taking proactive steps, individuals, managers, and organizations can build a strong foundation for growth, innovation, and resilience. This can involve embracing a growth mindset, staying attuned to changing market conditions, and prioritizing continuous learning and improvement. By being proactive and adaptable, individuals and organizations cannot only survive a recession but also thrive in the new economic landscape that emerges.

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Appendix

Appendix 1. Recession and jobs survey of managers and entrepreneurs.

Direction:

This survey is confidential, and participant names will not be recorded or published. Based on your role as a manager, leader, or entrepreneur in the industry, please answer each question to the best of your knowledge. We look forward to receiving your answers, reflections, views, and recommendations.

Table 1A. Interviewee introductory questions.

Demographics variables	Participant answers
Which recessions have you observed as a working adult: 1990, 2000, 2008, 2020?	Summarized in Table 1.
Your organization / Industry during past recession(s)?	
Your position in the organization / Industry?	
How many years of total work experience thus far?	
Gender?	

1. What have the recession talks and downward economic trends of 1990, 2000, 2008, or 2020 during the Covid-19 pandemic meant for you personally, your organization, and your industry regarding jobs?
2. How do managers and organizations prepare for a recession regarding jobs?
3. During the oncoming of a possible recession, what should employees do to help protect their job in the event of a recession?
4. Do managers and organizations hire new employees during recessionary times? Why or why not?
5. What mistakes do employees make when they see a recession looming?
6. What else should managers and employees know to better prepare for a recession?

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