



# Fielding an “A” team in a Recession

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## In this article

- 1 Who makes the biggest difference?
- 2 Retaining the superstars
- 3 The perils of cost-cutting
- 4 Speculate to accumulate
- 5 A word from the Partners

## Attracting and retaining the best players matters even more in a contracting economy

Against the current backdrop of financial turmoil, credit freeze, falling revenues and market uncertainty, companies are quite naturally looking at how they can reduce staff costs. But in their quest to cut costs, are companies forgetting how vital it is to keep top performers?

From what we have seen over the last three months, it is apparent that many companies are not actively seeking to retain their best performers in the current climate. Worse still, they are not considering the consequences of fielding a B team in an environment where cutbacks have been made. Those who are left are likely to be required to work harder, longer and smarter than ever before. In short, those still in jobs will need to raise their game to a new level and fielding a B team in a recession is a recipe for disaster.

### Who makes the biggest difference?

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Effective talent management in a recession is even more vital than effective talent management in a boom market. Managing the performance of those who are core to your business is critical, including keeping close to the high performers, ensuring their continued development and motivation. The last thing employers need at this time is to lose their best people. But all too often companies cut back by requesting volunteers for redundancy and often it is the ones who are confident in their ability to walk into another job fairly easily, even in current markets, who will volunteer first. A risky strategy perhaps, but often it's the entrepreneurial risk taker who is in most demand.

*“The last thing employers need is to lose their best people”*

### Retaining the superstars

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A further issue is that top performers who are left in an under-resourced organisation with a higher proportion of mid- or lower-level performers, are more likely to leave, becoming frustrated with work colleagues who may be less committed or perhaps less intellectually able. In addition, top executives are increasingly looking to leave the UK as the tough economic climate increases the appeal of a move overseas, and with the future in the UK promising yet higher taxation.

### The perils of cost-cutting

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A further aspect of the current tough economic climate is the polarised behaviour being demonstrated by companies and candidates in the market place. Some companies are taking immediate steps to take costs out come what may; this usually involves implementing an immediate recruitment freeze, cutting back on training and development, suspending talent management programmes, asking for voluntary redundancies and thinking short-term. These companies will, in a very short space of time, find themselves fielding 'B' teams.

## Speculate to accumulate

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Conversely, other 'A' team companies will be seeing the current market turbulence as an opportunity to gain competitive edge, to recruit top players who may not be available in normal times, to look at developing skills sets required to meet both current and future market needs.

*“A’ team companies will be seeing the current market turbulence as an opportunity to gain competitive edge”*

Similarly candidates exhibit similar behaviour. There are those who think “sit tight and ride out the storm, too risky to move” and others who are not prepared to put their careers on hold.

The companies who will survive and even thrive in the current recession are those who are now looking to maximise the performance and potential of their leadership team rather than focusing on taking cost out.

## A Word from the Partners

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We hope you've found this piece interesting and useful, and we'd love to hear your thoughts on this subject. If you would like us to explore this subject in more detail, or if you would like to suggest other topics, please don't hesitate to contact us.

We look forward to working with you.

Best wishes

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