

How to motivate your staff during a hyperinflation period: A case of Zimbabwe

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Zimbabwe went through one of the worst economic periods in the history of humanity. The period was characterised by hyperinflation and the worst economic performance in the history of the country. [Hyperinflation](#) was between the period 2007 and 2009. At some stage, during the peak of hyperinflation, the government stopped publishing inflation data. The [highest recorded inflation data](#) showed that Zimbabwe's month on month inflation peaked at 79.9 billion per cent. Annual inflation peaked at 89.7 sextillion percent by the end of 2008. The highest currency denomination during this period was one hundred trillion Zimbabwe dollars. The Reserve Bank of Zimbabwe removed the zero's at one stage, but it did not tam [inflation](#). This period was hell for everyone living in Zimbabwe at that time. I can testify. I lived through this experience myself.



The above situation presented one of the most challenging situations for any business operating in Zimbabwe. There was rampant inflation and an acute shortage of foreign currency. Companies could not import raw materials for the industry to continue producing. There was a severe shortage of goods in the shops. This prompted sporadic food riots. Any shops that had goods were quickly emptied by people wanting to dispose of their useless money. The black market exchange flourished as people rushed to change their money to US dollars to preserve value. The lucky ones could exchange the Zimbabwe dollar for US dollars. The Reserve Bank limited bank cash withdrawals. Some dealers on the black market would take money transferred interbank but at an extremely punishing rate. Those who had access to cash through corrupt means were the lucky ones. Because prices were changing so fast, shops resorted to changing prices every hour.

There was an exodus of talent into the diaspora. It is estimated that over 5 million Zimbabweans are working in the diaspora.

Given the above scenario, employers faced one of the worse experiences in managing staff. It meant an employee who opts to work would miss out on buying goods before prices went up. The critical question was, how do you keep your employees motivated and focused when everything around them was changing for the worse every minute. Employers realised the money they were giving their employees was useless and had minimal options to wiggle out of the situation. Here are some of the strategies employers used to keep their [employees motivated](#).

1. **Employers had to frequently give their employees** time off to buy food, specifically during paydays and whenever supplies were reported available in the shops. This disrupted production in a big way, but there was no way to keep employees focused when they had no food to eat.
2. **Pay employees in [foreign currency](#)** - during that time, foreign currency trading was tightly controlled, and anyone found trading in foreign currency would be arrested. Employers who had access to foreign currency paid their employees in foreign currency without officially declaring it as it was illegal. They would declare that they had paid them in Zimbabwean dollars when employees received cash in US dollars on the ground.
3. **Fuel Coupons** – Employers resorted to paying employees in fuel coupons. Fuel coupons were as good as hard currency at that time. These could be directly exchanged for US dollars. The fuel coupons became a currency.
4. **Groceries** – Employers made arrangements to source food humpers for their staff. There was already a shortage of food on the market, so employers would source the food from South Africa and prepare humpers for each staff member. It was an extraordinary situation. Some employers had to include sanitary ware for female employees as it was hard to get it on the market without foreign currency.
5. **Transport** – Most employers had to purchase buses to pick up employees at designated points in town or some of the townships. Due to transport shortages, employees arrived late as most commuter omnibuses had no fuel to ferry people. We experienced some of the most acute fuel shortages in the history of the country. Providing buses to [transport](#) employees to and from work has continued even though the situation has stabilised.
6. **Canteen facilities** – most employers, resorted to providing canteen facilities offering both breakfast and lunch. It was evident at that time that most employees were going to work on empty stomachs. The practise has continued up to now.
7. **Frequency payments** – Employers had no option except to pay people weekly, and in some instances, they ended up paying people daily. The cost of goods was changing on an hourly basis, and employees were losing out.
8. **Travel allowance** – Some employers resorted to paying people in travellers' cheques for those who could afford it. The concerned employees would then travel mainly to South Africa and convert their travellers' cheques to cash.

The above strategies worked very well and served both employers and employees well.

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