

Business Leadership in Volatile Environments: The Case of Zimbabwe since 2000

AFRICA MUNETI¹

Abstract

Zimbabwe, since the year 2000, has experienced prolonged socio-economic and political instability. This has been marked by hyperinflation, currency instability, contested land reforms and frequent policy reversals. The study explores the dynamics of business leadership in such an unsettled environment. It examines how business leaders have adapted their strategies, reconfigured their operations, and demonstrated resilience to sustain operations amid uncertainty. Drawing on secondary data and case analyses of selected enterprises across various sectors in Zimbabwe, the article identifies key leadership personalities such as agility, strategic foresight, stakeholder engagement, and ethical decision-making, as critical to navigating volatility. The study provides insights into how leadership in volatile economies can develop in managing risk, drive transformation and contribute to national economic recovery in the face of persistent instability.

Keywords: leadership, volatile environments, resilience, adaptive leadership, uncertainty, complexity

INTRODUCTION

The 21st century is heavily impacting leaders of organisations. They are faced with dynamic and intense change that is

¹ Kururama Investments, South Africa; Firm Central Property Group, Harare, Zimbabwe; IC University of Technology, Phnom Pehn, Cambodia; <https://orcid.org/0009-0000-2871-3916>

unprecedented, with the acceleration, intensity, and frequency of change rising rapidly to produce volatile, uncertain, complex, and ambiguous operating environments. Since the year 2000, Zimbabwe has undergone a period of sustained socio-economic and political volatility (Madebwe and Madebwe, 2017). This has had a significant impact on the business environment. Zimbabwe's economic chaos is a result of hyperinflation, severe currency instability, contested land reform policies and recurrent policy shifts (Shumba and Zindiye, 2016; Mkandawire, 2020). These economic and political changes have produced an atmosphere of intense uncertainty. This complex and fluid context has presented formidable challenges to business leaders, necessitating them to navigate a range of risks while maintaining operational viability. The volatility in the socio-economic and political environment is an active and transformative force that compels continuous strategic adaptation and demands heightened managerial expertise. (Raftopoulos *et al.*, 2021; Gapa, 2024). Understanding how business leadership adapts in such risky conditions is vital for illuminating the broader mechanisms through which enterprises in emerging economies sustain themselves and contribute to economic stability and development despite adverse systemic shocks.

This study examines the nature of business leadership in Zimbabwe from 2000 onwards, with a focus on the adaptive strategies and leadership personalities that have enabled firms to endure and sometimes thrive in the face of uncertainty. Drawing on secondary data sources across diverse sectors, the research highlights the crucial roles of agility, strategic foresight, and ethical decision-making, as well as proactive stakeholder engagement, in effective crisis navigation. By exploring these dynamics, the study aims to contribute to the expanding academic discourse on leadership in volatile emerging markets and offer practical insights on how leaders can harness

uncertainty as a catalyst for transformation, thereby supporting broader national economic recovery efforts.

CONCEPTUAL FRAMEWORK

The conceptual framework underpinning this study is informed by the recognition that organisational performance is not determined solely by internal capabilities, but is deeply shaped by the external environment within which firms operate. In volatile contexts, characterised by economic instability, political uncertainty, technological disruption, and rapidly changing consumer demands, leadership becomes the pivotal factor mediating between turbulence and organisational outcomes. Drawing on the VUCA (Volatile, Uncertain, Complex, Ambiguous) perspective (Mahel, 2021), the framework conceptualises leadership as both a response mechanism and a strategic driver that enables firms to anticipate shocks, adapt operations, and seize opportunities within turbulent environments. In this way, the framework establishes the foundation for analysing how leadership practices interact with organisational structures to determine resilience, innovation, and sustainability.

External environmental factors constitute the primary independent variables in this study. External environments include severe economic instability, including hyperinflation, currency fluctuations, high unemployment, and recurrent financial crises. Political instability, driven by contested land reform policies, inconsistent regulatory frameworks, and unpredictable taxation, has further exacerbated uncertainty (Chigora and Zvavahera, 2015). Globalisation, technological disruption, and changing consumer demands have also intensified volatility. According to the VUCA theoretical perspective, such environmental turbulence requires leaders to respond with agility, foresight, and adaptability to maintain organisational viability (Shumba and Zindiye, 2016).

Organisational characteristics mediate the relationship between external volatility and leadership effectiveness (Kleynhans *et al.*, 2021). Firms that are highly rigid, with bureaucratic systems and inflexible routines, are more vulnerable to disruption, while those that foster adaptability, innovation, and continuous learning are better positioned to withstand uncertainty. Leadership practices, in this model, are treated as the central dependent variables that respond to volatility. Leaders must interpret signals from the external environment, evaluate risks, and implement adaptive strategies to ensure organisational survival (Taran, 2023). Conventional leadership practices based on routine, stability, and reliance on experience, often prove inadequate in volatile environments (Samuel and Sibindi, 2019). Instead, agility, scenario planning, and dynamic capabilities become essential elements of effective leadership (Pramjeeth and Mutambara, 2022).

Leadership practices form the core intervening variables in this framework, mediating the relationship between environmental volatility and organisational outcomes. Effective leaders adopt adaptive strategies, including scenario planning, rapid decision-making, and strategic innovation, to respond to sudden changes in the external environment. Change management becomes a critical competency, requiring leaders to guide organisational transformation while ensuring employee engagement, readiness and skill development (Mahel, 2021). Additionally, leaders must navigate complex stakeholder relationships, including those with government agencies, investors, and local communities, to secure operational stability in politically sensitive industries. These practices collectively determine the extent to which organisations can convert external threats into opportunities and maintain strategic competitiveness.

The outcomes of leadership practices in volatile environments are reflected in organisational resilience, innovation

performance, sustainability, and leadership effectiveness. Resilient organisations demonstrate the ability to survive prolonged periods of uncertainty, maintain operational continuity, and mitigate crises. Innovation performance reflects the introduction of new products, services, or processes that respond to changing market conditions (Elton and Judith, 2022). Sustainability is reflected in long-term profitability, workforce retention, and the maintenance of a competitive advantage. At the same time, leadership effectiveness is demonstrated by the capacity to maintain stakeholder trust, foster a strong organisational culture, and ensure strategic alignment. The conceptual framework thus positions leadership as the critical mechanism through which firms navigate Zimbabwe's volatile environment.

Within this conceptual framework, external environmental volatility is conceptualised as being driven primarily by globalisation and technological disruption. Globalisation has intensified market interdependence, meaning that local shocks can quickly translate into international disturbances, thereby exposing firms to risks beyond their immediate control (Mufudza *et al.*, 2013). Technological disruption has accelerated the pace of change, altering production systems, communication channels, and consumer interfaces, forcing firms to constantly innovate to stay competitive. These forces collectively create a context where static business models are rendered obsolete, requiring organisations to develop adaptive capabilities such as agility, resilience and continuous learning. Leadership practices, therefore, emerge as the mediating mechanism through which organisations sense environmental disruptions, interpret risks and design adaptive responses (Muparuri *et al.*, 2021). Effective leaders use strategic foresight and digital integration to realign structures, sustain competitiveness ensuring long-term organisational viability in the face of continuous turbulence.

This framework recognises business leadership as the central mechanism through which organisations interpret and respond to volatility. External environmental forces act as independent variables, organisational characteristics mediate resilience and leadership practices serve as the critical intervening variables that shape outcomes such as resilience, innovation, and sustainability (Blai *et al.*, 2023). By emphasising the interdependence between environment, leadership, and organisational outcomes, the framework not only advances theoretical understanding, but also provides a structured analytical lens for examining how leadership strategies can mitigate the risks and harness the opportunities inherent in volatile environments.

LITERATURE REVIEW

The literature review examines the evolving discourse on business leadership within contexts characterised by volatility. It places leadership within a rapidly changing global and national environment where traditional management approaches have proven inadequate in ensuring organisational sustainability. The review begins by exploring theoretical perspectives which define volatility as a condition of instability marked by rapid and unpredictable change (Horney *et al.*, 2010). These works highlight how environmental turbulence disrupts established operational routines and challenges the capacity of leaders to make informed, timely decisions. The review thus establishes volatility not as a temporary disruption, but as a structural and enduring condition of contemporary organisational life.

The concept of volatility is fundamentally associated with instability, uncertainty, and disruption within organisational contexts. Volatility is defined as the absence of stability, where changes occur rapidly without a clear pattern or trend, creating an environment of unpredictability (Katsamba, 2023). Volatility

disturbs organisational routines with speed, magnitude and volume of change, thereby producing disorder and uncertainty. Leaders operating in such contexts may understand the nature of change, yet the unpredictability and rapid pace of events challenge their ability to respond effectively and maintain focus (Ntandoyenkosi, 2023). This makes traditional leadership approaches, such as relying on experience, pattern recognition, and best practices, increasingly obsolete in volatile conditions (Pramjeeth and Mutambara, 2022). Mahel (2021) also observes that volatility heightens risk exposure and complicates decision-making processes, requiring leaders to go beyond established models of management.

Historically, volatility was often triggered by extraordinary events such as wars, natural disasters, epidemics, or economic crises (Taran, 2023). However, in the contemporary organisational environment, volatility has become a persistent feature rather than an episodic disruption. Zamani and Ait Soudane (2022) and Blair *et al.* (2023) emphasise that volatility in the 21st century extends beyond exceptional events, embedding itself into the everyday reality of organisational operations. This permanence demands that leaders not only adapt, but also embed resilience and agility into their leadership practices. Thus, understanding volatility as a structural characteristic of the modern business environment is critical for leaders to re-orient organisational strategies toward flexibility, adaptability, and innovation.

Volatility today is driven largely by globalisation and technological disruption, which creates unprecedented levels of interconnectivity and interdependence (Ntandoyenkosi, 2023). Global supply chains, financial markets, and consumer networks are more closely linked than ever, amplifying the speed and scale of disruption when unexpected events occur (Elton and Judith, 2022). Mahel (2021) and Ntandoyenkosi

(2023) highlight how digital technologies and social media not only destabilise traditional business models, but also continuously reshape consumer expectations, leading to rapidly changing demands. Such dynamics undermine rigid organisational structures that were designed for predictability and stability, leaving firms vulnerable when confronted with sudden shifts in markets or operating conditions. Examples include fluctuations in stock markets, jet fuel price shocks, lifestyle changes, renewable energy transitions, and volatile political landscapes (Rimita *et al.*, 2020).

Despite the challenges, volatility is not solely destructive; it also creates opportunities for organisations that develop agility and resilience. Rimita *et al.* (*ibid.*) and Samuel and Sibindi (2019) stress the need for organisations to adopt agile leadership practices that enable them to sense emerging disruptions and reconfigure resources swiftly. Horney *et al.* (2010) describe this as becoming "Velcro organisations", where capacity and people can be re-arranged creatively without requiring major structural changes. The example of Southwest Airlines hedging 70% of its jet-fuel purchases illustrates how agile practices can transform volatility into opportunity, saving significant operational costs while competitors struggled (Taran, 2023). This aligns with Zamani and Ait Soudane's (2022) assertion that leaders must shift from conventional practices toward flexible, forward-looking strategies. In this sense, volatility compels leaders to move beyond defensive responses to uncertainty and instead develop strategic foresight that identifies both threats and emerging opportunities.

Organisations must continually evolve to stay relevant because in today's modern world, change is no longer a choice. According to Taran (2023), in the age of digital disruption, leaders can choose whether to equip their organisations to fail or to succeed. Leaders play a crucial role in creating a

manageable digital transformation roadmap. In today's rapidly changing world, where organisations must keep pace with consumer and stakeholder demands, evolving public safety policies, increasing competition, technological advancements, and shifting cultural perspectives, change management is a daily aspect of effective organisational management. One of the lessons that the pandemic has taught organisations is that change is unavoidable: organisations either fall backwards or advance; neither remains stagnant.

The extent to which leaders manage organisational change effectively during times of digital disruption can drive adoption rates, determine the success of their strategy, and influence the company's return on investment (ROI). Fortunately, the discipline of change management has evolved to meet the pace and realities of modern business (Mahel, 2021). Leaders need to identify practices that help build a manageable yet impactful roadmap for change as they guide multiple organisational stakeholders on the path to digital transformation.

While organisations require change management, leaders who attempt to implement a traditional change management approach are frequently frustrated. They lack the time for additional training, as people quickly revert to their old habits, and executives, leaders, and employees are often distracted by the urgency (Dike *et al.*, 2015, 2022). In contemporary organisational cultures, meaningful change is uncommon. Just like organisations, leaders also need to change constantly. Using traditional approaches in today's most turbulent environment will not only bring frustration, but also result in wastage of resources and time (Elton and Judith, 2022). For instance, traditional change management prepares leaders for individual change management skills. This typically encompasses emotional intelligence, effective communication, and coaching skills to manage the people aspect of the change.

A component of the training is gaining leadership support for the change (*ibid.*). However, leaders are hesitant to invest in something they are unsure will work, putting the onus back on the people doing the training.

Leaders first assess their organisation's capacity and willingness to change honestly and objectively (Oreg and Berson, 2019). This step is crucial, and failing to pass it will be very risky. Several organisations launch cutting-edge technologies only to seek assistance 6-12 months later with dismal adoption and ROI statistics because their internal structures and teams were not prepared to absorb such dramatic change. This means that a proper pace for change can be identified by conducting upfront change readiness assessments across the organisation. If an organisation is resistant to change, it is a sign that leaders need to take more deliberate steps over a longer period of time. Elton and Judith (2022) claim that this could entail a series of small pilots, more extensive employee up-skilling, or the creation of a programme. Therefore, assessing the organisation's readiness to change first will help leaders to focus their energies where they are needed the most.

This aspect of leadership is important when building the culture of an organisation. Leadership culture refers to the way leaders and workers collaborate, as well as the interactions between leaders and other leaders, and between leaders and workers (Katsamba, 2023). It is how they interconnect, how they function and how they make decisions. It is also about their workplace, the environment, the way they conduct themselves at work, and their ethics (Mahel, 2021). When there is a strong and reinforced leadership culture, it is easy for leaders to reinforce an organisational culture. Leaders need to understand their role in shaping a company's culture, how they foster optimal performance in their teams, and how they develop effective strategies (Mapuranga *et al.*, 2022). Executives also

must make an effort to assist their leaders and groom them. Best leadership development practices do not only stop at training classes or shaping the correct culture that is suitable for employing new leaders, they also ensure that the leadership culture supports the company's overall culture.

Qualities of a good leadership culture include a team of leaders who consistently strive to bring out the best in others. A good leader possesses effective listening skills, as well as the qualities of a mentor and coach, essential for modern leaders. Modern leaders are the best leaders. They not only manage their employees, but also collaborate closely with them. Modern leaders promote their workers to do the work properly rather than doing it on their own (Rimita *et al.*, 2020). They value their employees, appreciate them, and share their achievements with them. They also arrange opportunities and naturally include their workers in their work, making connections for their teams.

Twenty-first-century organisations operate in increasingly complex and volatile environments (Chigova and Zvavahera, 2015), which often pose challenges that can threaten the very survival of business firms. By definition, VUCA implies a change in the operating environment, and this change usually requires and demands shrewd responses (Mapuranga *et al.*, 2022; Zamani and Ait Soudane, 2022). VUCA is also often a paradoxical phenomenon in that while it can trigger or promote innovation, development, and progress, it can also equally hinder or stall the same in its stride. The dynamic and difficult nature of all four aspects of VUCA thus typically presents tough leadership tests for the global business community at large. Samuel and Sibindi (2019) state that, starting from the highest executive level, leaders play a central role in ensuring their firms' responsiveness to the demands of a VUCA business environment.

To effectively address VUCA challenges, Raftopoulos *et al.* (2021) argue that business leaders must create an open environment promoting discovery, diverse views, and experimentation. They further assert that the leaders must capably identify opportunities created by emergent technologies and excel in translating new information into capability differentiation. Leaders must identify their firms' knowledge and skill gaps inherent in their business practices, processes, and systems (Masanga and Zinyuku, 2017). Above all, leaders must promote broad decision-making based on critical thinking by focusing on the thought process rather than the content of thought (Ntandoyenkosi, 2023). Critical thinking demands conscious and skilful conceptualisation, analysis, forming, and/or evaluation of information from communication, observation, experience, reflection, or reasoning to guide decisions and action. It is thus arguably a hallmark of effective change leadership, especially in VUCA times.

RESEARCH METHODOLOGY

This study employs a qualitative research approach, utilising secondary sources to investigate how business leaders navigated volatile socio-economic and political environments between 2000 and 2025. The qualitative design was deemed appropriate as it facilitates an in-depth understanding of leadership practices, strategic decision-making and organisational adaptation within complex and dynamic contexts. Secondary data were obtained from peer-reviewed journals, government and industry reports, corporate publications, policy documents, and other credible academic and professional sources. These sources provided a comprehensive basis for examining patterns of leadership responses and organisational resilience over time. Data analysis was conducted using thematic content analysis, allowing for the identification of emergent patterns and critical themes related to leadership strategies in volatile environments. Ethical

considerations were observed through the careful citation and use of publicly accessible sources, ensuring academic integrity. A key limitation of this study is the exclusive reliance on secondary data, which may restrict the exploration of firsthand experiential insights. Nevertheless, the breadth and reliability of the sources used enabled a robust and academically rigorous examination of the phenomenon under study.

FINDINGS

The results highlight how Zimbabwean business leaders navigated extreme volatility between 2000 and 2025. It demonstrates adaptive strategies, resilience and innovation as critical determinants of organisational survival. The study shows that hyperinflation, policy instability, contested land reforms and systemic economic crises forced both public and private sector organisations to abandon conventional long-term planning and adopt short-term, flexible approaches. Leaders who embraced responsiveness, scenario planning and strategic innovation, exemplified by companies such as Econet Wireless and Delta Corporation, were able to sustain operations, diversify value chains and leverage technological solutions. More rigid firms, including traditional banks and manufacturing entities, either struggled or exited the market. Across sectors from manufacturing and mining to retail and hospitality, successful leadership involved crisis management, resource reallocation, regulatory engagement and market reorientation.

Zimbabwe's business operating environment since 2000 has been characterised by extreme volatility, with frequent policy changes, contested land reform, and an unstable macroeconomic framework (Ephraim, 2019). Scholars have described it as one of the most unstable economies outside a war zone (Gapa, 2024). In Zimbabwe, hyperinflation peaked at

a monthly rate of 79.6 billion percent in mid-November 2008 at which point, people simply refused its use (Moyo and Crafford, (2010, resulting in a near collapse of formal markets. This context forced both public and private sector organisations to adopt crisis-driven leadership approaches. For the public sector, survival meant reconfiguring service delivery models under severe budgetary and social pressures (Gore and Kanyangale, 2022). For the private sector, leaders were compelled to abandon conventional long-term strategies and instead focus on short-term adaptability, opportunistic resilience, and informalisation.

A defining characteristic of business leadership in volatile environments has been the reliance on adaptive strategies that prioritise responsiveness, flexibility, and scenario planning. Leaders who adopted such approaches were able to sustain operations and, in some cases, leverage uncertainty to their advantage. A notable illustration is Econet Wireless, which in 2011 introduced EcoCash at a time when the conventional banking sector was incapacitated by systemic failures. Within a few years, EcoCash accounted for more than 90% of mobile money transactions in the country, underscoring how innovation and technology-driven resilience provided alternative financial solutions in a collapsing system. In sharp contrast, traditional banks such as Standard Chartered Bank and Barclays Bank struggled to adapt, ultimately divesting from the market. Barclays Bank was acquired by FMB Capital Holdings Plc and rebranded as First Capital Bank in 2018, while Standard Chartered Bank sold its operations to FBC Holdings in 2024 (Chokuda and Chokuda-Santu, 2021). These divergent trajectories highlight how leadership choices, whether to innovate, restructure, or withdraw, proved decisive in shaping organisational survival within a highly unstable economic context.

The findings also highlight business model reconfiguration and value chain redesign as critical strategies for enhancing resilience. Delta Corporation, for example, adopted a large-scale contract farming model, engaging smallholder and commercial farmers to secure supplies of barley, sorghum and maize (Zvobgo, 2021). This insulated the company from agricultural instability following land reform, allowing it to maintain beer and soft drink production. Similarly, Tanganda Tea Company diversified into high-value exports, such as macadamia nuts and avocados, thereby hedging against volatility in the tea market and climate risks (Mumaniki *et al.*, 2024). These cases demonstrate that supply chain control and diversification were vital tools for leaders operating under conditions of systemic agricultural and economic disruption.

In the manufacturing sector, leadership outcomes were more uneven. Cairns Foods collapsed and entered judicial management in 2012 but re-emerged under new ownership in 2015 through recapitalisation and restructuring. David Whitehead Textiles, once a major employer in Kadoma and Chegutu, collapsed in the 2000s due to hyperinflation, forex shortages, and mismanagement (Makasi, 2015). It remained dormant for years until it was acquired by Agri Value Chain Zimbabwe in 2019, which invested in reviving its spinning, weaving and knitting operations. These examples underscore the importance of fresh leadership, new capital, and governance reforms in reviving distressed firms. Without them, many companies disappeared entirely from the economic landscape.

The mining sector reflects another dimension of leadership in volatile environments: political negotiation and regulatory engagement. Zimplats (a subsidiary of Implats) navigated Zimbabwe's indigenisation laws. It reached an "in-principle" agreement with the government in 2012, allowing it to continue operations while meeting policy demands (Nkala, 2022). This

illustrates how corporate survival in politically sensitive industries required leaders to align strategically with state expectations. Conversely, RioZim, a local mining group, struggled with capital shortages, power outages, and unstable policy, reflecting the vulnerabilities of domestically owned firms without strong external partnerships (Nkala, 2022).

Volatility also reshaped the retail and hospitality sectors. Meikles Limited struggled with shareholder disputes that undermined competitiveness. International franchises, such as KFC, were forced to temporarily close outlets in 2018 due to foreign currency shortages that made input sourcing impossible. In the hospitality industry, African Sun Limited closed several hotels due to declining international arrivals, while operators in Victoria Falls, such as Ilala Lodge and Wild Horizons, sustained operations by shifting their focus to regional tourists from South Africa, Zambia, and Botswana. These cases illustrate that leaders who re-oriented their markets and managed costs pragmatically were more likely to withstand shocks.

The crisis decade also accelerated informalisation, reshaping both leadership and business practices. Leaders had to accept hybrid formal-informal operations to remain viable. For example, many supermarkets and fuel operators unofficially pegged prices in foreign currency long before dollarisation was legalised in 2009. Informal networks became essential for sourcing raw materials, accessing forex, and retaining staff. The rise of diaspora remittance companies, such as Mukuru and Western Union, further highlights how business leaders have leveraged external capital flows to stabilise household and small business consumption.

From 2000 to 2008, Zimbabwe entered one of the most profound economic crises of its post-independence history, a

period that fundamentally altered the operating environment for business leadership. The fast-track land reform programme, though politically significant, disrupted commercial agriculture, which had long served as the backbone of export earnings and food security. The collapse of agricultural production triggered severe declines in foreign exchange inflows, contributing to widespread shortages of essential goods, raw materials, and fuel. At the same time, industries dependent on agricultural linkages, including agro-processing and manufacturing, suffered massive contractions. By mid-decade, macroeconomic instability had intensified, with the erosion of property rights, recurrent fiscal deficits, and collapsing investor confidence further constraining productive capacity (Hwititi and Dumbu, 2025). These structural shocks placed businesses in uncharted territory, requiring leaders to reconsider not only operational strategies, but also their very models of survival in a hostile economic climate.

Hyperinflation, which peaked in 2008 at a rate estimated to exceed 500 billion per cent, marked the climax of this turbulence and made conventional financial planning, accounting, and pricing systems effectively meaningless. For organisational leaders, this environment demanded extraordinary adaptive capacity and creativity, as decision-making could no longer rely on predictable frameworks (Mushure, 2015). Instead, executives were compelled to improvise daily, navigating volatile exchange rates, policy reversals, erratic taxation regimes, and widespread shortages of both capital and skilled labour. In this climate, strategic leadership was defined less by long-term planning and more by resilience, improvisation, and the ability to exploit fleeting opportunities for continuity (Samuel and Sibindi, 2019; Mapuranga *et al.*, 2022). Firms that survived this period often did so by adopting informal networks, dollarisation strategies, and non-traditional modes of exchange, illustrating how

leadership ingenuity became the decisive factor for organisational survival in the face of systemic collapse.

Between 2009 and 2015, the adoption of a multi-currency system temporarily stabilised the economy, but volatility remained high. Businesses faced constrained liquidity, foreign currency shortages, and inconsistent access to imported inputs, particularly in the manufacturing and construction sectors. Retailers like OK Zimbabwe and TM Supermarkets had to continually adjust their pricing strategies, while banks such as CBZ and Steward Bank, focused on sustaining operational liquidity. During this period, business leadership emphasised financial agility, risk management, and scenario planning (Masanga and Zinyuku, 2017). Leaders who could pivot quickly and implement short-term strategies effectively were better able to survive, highlighting the growing importance of adaptive and resilient leadership models.

From 2016 to 2019, sporadic economic recovery was undermined by renewed policy uncertainty, high utility costs, and a return of inflationary pressures. Public sector inefficiencies, electricity load shedding, and transportation disruptions, affected supply chains, forcing private sector leaders to prioritise operational continuity over expansion. Manufacturing firms, such as David Whitehead Textiles and Cairns Foods, reduced their production lines and workforce numbers, while service firms streamlined their operations to remain financially viable. Leadership in this period was characterised by crisis management, strategic resource allocation, and maintaining stakeholder confidence despite deteriorating macroeconomic conditions.

The period from 2020 to 2022 introduced additional challenges, including the COVID-19 pandemic, which compounded pre-existing economic volatility. Lockdowns, disrupted logistics, and

reduced consumer activity necessitated that business leaders adopt digital strategies and innovative delivery models to maintain operations (Nyamunda, 2021; Raftopoulos *et al.*, 2021). Firms like Econet Wireless leveraged technological innovation to expand mobile money services, while Delta Corporation adjusted production and distribution methods to cope with reduced consumer spending. Leadership during this period demonstrated that in high-volatility contexts, strategic innovation, technological adoption, and flexible organisational structures are critical for sustaining competitiveness.

From 2023 to 2025, Zimbabwe continues to face political uncertainty, high inflation rates, and inconsistent policy implementation, resulting in a persistent and volatile environment. Businesses must contend with fluctuating exchange rates, rising operational costs, and challenges in workforce retention and motivation (Nyamunda, 2021). Leadership has increasingly focused on resilience, scenario planning, and strategic diversification to navigate ongoing instability. Organisations that have survived over this twenty-five-year period demonstrate that effective leadership in volatile environments requires not only technical and managerial skills, but also the ability to anticipate change, respond rapidly, and sustain organisational culture and stakeholder trust under persistent uncertainty.

DISCUSSION

The findings of this study reveal that Zimbabwe's business environment from 2000 to 2025 has been highly volatile, requiring leaders to constantly adapt and innovate in ways that resonate closely with the VUCA theory (Rimita *et al.*, 2020). Multiple factors, including policy unpredictability, contested land reforms, hyperinflation, foreign currency shortages, and political instability, have driven volatility in Zimbabwe. These factors mirror the theoretical understanding of volatility as

rapid, unpredictable, and disorderly change (Pramjeeth and Mutambara, 2022). The practical implications of this are clear: leaders in Zimbabwe could not rely on conventional management practices, hierarchical decision-making, or historical patterns of operations, confirming Pramjeeth and Mutambara's (*ibid.*) argument that traditional leadership tools are inadequate in highly dynamic environments.

A major emergent pattern is the alignment between adaptive leadership theory and observed business practices in Zimbabwe. Firms that embraced innovation, flexibility, and scenario planning, most notably Econet Wireless with EcoCash, illustrate the application of VUCA-informed strategies. These leaders recognised opportunities within crises, leveraging technology and alternative financial platforms to circumvent structural weaknesses in the banking system. In contrast, traditional banks such as Standard Chartered and Barclays, which were slower to adapt to rapidly shifting conditions, exited the market. This pattern reinforces the notion that effective leaders evolve to suit the circumstances and demonstrates that adaptive capacity is a critical determinant of organisational survival in unstable economies.

The study also demonstrates convergence with change management literature, which emphasises readiness assessment, incremental adaptation, and stakeholder engagement (Blair *et al.*, 2023). Zimbabwean firms, such as Delta Corporation and Tanganda Tea, applied these principles by diversifying their supply chains, engaging with smallholder farmers, and expanding into high-value export markets (Mushure, 2015). Such strategies align with the theoretical premise that organisational agility depends on the ability to sense change, mobilise resources, and implement timely interventions. This also highlights a divergence from standard

models. While most change management frameworks assume relatively stable environments, Zimbabwean leaders had to embed change management into survival strategies, integrating crisis response with long-term resilience planning.

Another emergent pattern is the role of informal economic networks in supporting business continuity. Leaders increasingly relied on informal supply chains, diaspora remittances, and parallel currency markets to maintain operations. This finding expands on VUCA and resilience theories, suggesting that in hyper-volatile environments, informal and adaptive mechanisms are as crucial as formal strategies (Chigora and Zvavahera, 2015). Corporate social responsibility (CSR) initiatives in the mining and manufacturing sectors further reflect the interplay between strategic adaptation and stakeholder management. Firms like Zimplats and Delta Corporation utilised community engagement to mitigate political risks, demonstrating that effective leadership in Zimbabwe requires both operational agility and socio-political acumen.

Leadership culture emerged as another critical determinant of success. The study confirms that leaders who foster participatory, mentoring-focused, and inclusive cultures are better positioned to navigate volatility. Modern leadership theories emphasise employee engagement, coaching, and collaborative decision-making as essential under complex conditions (Gore and Kanyangale, 2022; Gapa, 2024). In Zimbabwe, this translated into practices such as retaining key talent through flexible work arrangements, incentivising innovative problem-solving and integrating employees into decision-making processes. Conversely, firms that maintained rigid, hierarchical structures, such as Cairns Foods, before recapitalisation struggled to respond to rapid market and policy changes.

Furthermore, the study highlights the paradoxical nature of vitality, that is, while volatility creates significant threats, it also presents opportunities for strategic innovation. Firms that re-oriented markets, diversified product lines, and leveraged technology, not only survived but sometimes also thrived. Econet Wireless and Delta Corporation exemplify this duality, confirming literature which suggests volatility necessitates leaders who can balance risk management with opportunity exploitation (Ntandoyenkosi, 2023). These findings extend global insights by demonstrating that in prolonged economic and political crises, resilience is not a temporary response, but an enduring organisational capability, rooted in adaptive leadership, continuous innovation, and stakeholder trust.

The study highlights the multifaceted nature of leadership in Zimbabwe. Leaders had to integrate adaptive, transformational, and transactional approaches simultaneously. While vitality and change management literature emphasise flexibility and technological responsiveness, Zimbabwean leaders also needed political negotiation skills, community engagement capabilities, and financial acumen to navigate a high-risk environment. This divergence from classical leadership models suggests that in hyper-volatile contexts, effectiveness cannot be measured solely by operational performance, it must include the capacity to anticipate systemic shocks, respond to emergent crises, and maintain cultural and institutional stability. In essence, Zimbabwean business leadership illustrates that survival and competitiveness in prolonged volatility require a holistic, context-sensitive approach that combines theory-driven agility with pragmatic problem-solving.

CONCLUSION AND RECOMMENDATIONS

This study demonstrates that business leadership in Zimbabwe since 2000 has been profoundly shaped by extreme economic, political, and social volatility. Leaders operating under these

conditions have had to adopt adaptive, resilient, and innovative approaches to sustain their organisations. The analysis of selected companies across telecommunications, manufacturing, banking, and mining sectors illustrates that successful leadership depended on flexibility, rapid decision-making, scenario planning, and the ability to reconfigure business models in response to shifting circumstances. In contrast, firms that relied on conventional strategies or failed to align with changing policy and market dynamics, experienced downsizing, closure, or complete exit from the market.

The findings confirm and extend existing literature on leadership in volatile environments, highlighting that technical competence alone is insufficient. Effective leaders in volatile contexts must integrate strategic foresight, stakeholder engagement, and organisational agility while fostering a strong leadership culture that promotes innovation and resilience. The study also highlights the impact of external factors, including policy instability, hyperinflation, and infrastructure constraints, on shaping leadership challenges and opportunities.

Moreover, the research illustrates that crisis conditions can act as catalysts for innovation and transformation. Firms such as Econet Wireless and Delta Corporation exemplify how adaptive strategies, technology adoption, and value chain diversification can secure competitive advantage even amid severe disruptions. Conversely, the experience of traditional banks and manufacturing firms demonstrates the consequences of failing to innovate or respond proactively to systemic shocks.

The study reinforces the importance of context-sensitive leadership models that combine adaptive, transformational, and strategic approaches to navigate uncertainty. The Zimbabwean case illustrates that resilience, flexibility, and the ability to anticipate change are crucial for sustaining business operations in prolonged, volatile environments. These insights are relevant

not only for Zimbabwe, but also for other emerging economies experiencing similar socio-economic and political instability.

Authentic leaders need to evaluate not just the metrics behind success or failure, but also their leadership traits and behaviour during organisational change, to determine whether adjustments may be warranted. A significant number of leaders struggle to successfully adapt to adversity within today's increasingly volatile, uncertain, complex, and ambiguous business environment. Adversity is one of the most challenging leadership issues to date. However, fragmented research results prevent researchers and practitioners from forming a comprehensive understanding of the factors that influence leaders' adaptation to it.

REFERENCES

- Blair, G., Woodcock, H. and Pagano, R. (2023). Skills Development in a Volatile Environment: A Systems View of the Learning Process. *Apex Journal of Business and Management*, 1(1), 21-32.
- Chigora, F. and Zvavahera, P. (2015). Strategic Management and Branding Panacea for Surviving in Volatile Environments: Case of Zimbabwe Tourism Industry. *Business and Management Horizons*, 3(2), 24.
- Chokuda, B. T. and Chokuda-Santu, T. V. (2021). The External Governance Architecture of Zimbabwe Banking and Financial Sector. *Midlands State University Law Review*, 8, 2-20.
- Dike, V. E. et al. (2015). Leadership and Management in the 21st-Century Organisations: A Practical Approach. *World Journal of Social Science Research*, 2(2).
- Elton, M. and Judith, M. (2022). Criticality of Change Leadership to Business Survival in a VUCA Environment: A Case Study of Zimbabwe Stock Exchange-Listed Companies in the COVID-19-affected Trading Period of March-December 2020. *African Journal of Marketing Management*, 14(1), 21-34.

- Ephraim, M. (2019). Zimbabwe's Macroeconomic Policies, Economic Growth and Development of the Financial Sector: A Post Independence Historical Overview. *Journal of Modern Accounting and Auditing*, 15(11), 523-546.
- Gapa, C.K. (2024). Zimbabwe Today Is Not Zimbabwe Tomorrow: Investigating Economic Prospects, Capacities, and Strategic Priorities for Enhancing Global Competitiveness. Capacities and Strategic Priorities for Enhancing Global Competitiveness. (September 14, 2024). available online: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4956331.
- Gore, S. N. and Kanyangale, M. I. (2022). Strategic Leadership for a Zimbabwean University in Turbulent Times: Literature Analysis. *International Journal of Research in Business & Social Science*, 11(10), 375-385.
- Hwititi, A. and Dumbu, E. (2025). The Role of Entrepreneurial Leadership Capability in the Business Growth of Owner-managed Small and Medium Enterprises in Zimbabwe. *Lighthouse: The Zimbabwe Ezekiel Guti University Journal of Law, Economics and Public Policy*, 4(1&2), 354-375.
- Horney, N., Pasmore, B. and O'Shea, T. (2010). Leadership Agility: A Business Imperative for a VUCA World. *Human Resource Planning*, 33(4), 34-46.
- Katsamba, D. (2023). Leadership as a Key Enabler During Organisational Innovation in a Volatile Environment. *International Journal of Organisational Innovation*, 15(3), 17-27.
- Kleynhans, D. J., Heyns, M. M. and Stander, M. W. (2021). Dynamic Organisational Capabilities: The Role of Authentic Leadership and Trust. *SA Journal of Industrial Psychology*, 47(1), 1-12.
- Madebwe, C. and Madebwe, V. (2017). Contextual Background to the Rapid Increase in Migration From Zimbabwe Since 1990. *Inkanyiso: Journal of Humanities and Social Sciences*, 9(1), 27-36.

- Mahel, T. A. (2021). Leadership Competencies for the Volatile, Uncertain, Complex and Ambiguous (VUCA) Environment: Challenges to Higher Education. *European Journal of Humanities and Educational Advancements*, 2(5), 119-138.
- Makasi, A. (2015). Globalization and Marketing Strategy Implications: A Case Study of Zimbabwe's Clothing and Textile Sector. Doctoral Dissertation, University of Kwazulu-Natal, Durban.
- Mapuranga, R., Chisango, S. and Manhimanzi, G. (2022). Emotional Intelligence as a Conduit for Effective Business Leadership in A Volatile, Uncertain, Complex and Ambiguous (VUCA) Environment. *Futures: the Zimbabwe Ezekiel Guti University Journal of Leadership, Governance and Development*, 40-56.
- Masanga, G. G. and Zinyuku, L. (2017). Strategic Choices in Turbulent Times: A Case of the Bread Manufacturers in Zimbabwe. *Africa Development and Resources Research Institute Journal*, 26 (4), 47-61.
- Mkandawire, T. (2020). Zimbabwe's Transition Overload: An Interpretation. *Journal of Contemporary African Studies*, 38(1), 18-38.
- Moyo, A. and Crafford, G. (2010). The Impact of Hyperinflation on the Zimbabwean Construction Industry. *Acta Structilia: Journal for the Physical and Development Sciences*, 17(2), 53-83.
- Mufudza, T., Jengeta, M. and Hove, P. (2013). The Usefulness of Strategic Planning in a Turbulent Economic Environment: A Case of Zimbabwe During the Period 2007-2009. *Business Strategy Series*, 14(1), 24-29.
- Muparuri, P., Chingara, R. and Muzenda, D. (2021). School Leadership in Volatile Environments: The Zimbabwean Experience. *Scholars Journal of Arts, Humanities and Social Sciences*, 9(9), 442-451.
- Mumaniki, et al. (2024). A Review of the Macadamia Nut Sector in Zimbabwe. *International Journal of Research and Innovation in Social Science*, 8(4), 1975-1996.

- Mushure, G.O.N. (2015). Perception of the External Environment in Zimbabwe 2008-2014: A Case Study of Delta Corporation Limited, Zimbabwe. *International Journal of Sciences: Basic and Applied Research*, 22(2), 329-340.
- Nkala, S. (2022). Predatory Politics and the Indigenisation and Economic Empowerment Policy in Zimbabwe's Mining Sector. *Africa Review*, 14(3), 277-304.
- Ntandoyenkosi, S. (2023). Determinants and Mediators of Organizational Fitness: Evidence from Zimbabwe's Volatile Business Environment. *Change Management: an International Journal*, 23(2), 1.
- Nyamunda, T. (2021). 'Open for Business' but Bankrupt: Currencies, the 'New Dispensation' and the Zimbabwean Economy. *Journal of Asian and African Studies*, 56(2), 204-217.
- Oreg, S. and Berson, Y. (2019). Leaders' Impact on Organizational Change: Bridging Theoretical and Methodological Chasms. *Academy of Management Annals*, 13(1), 272-307.
- Pramjeeth, S. and Mutambara, E. (2022). A Conceptual Leadership Framework and Process for Leading in a Volatile Environment. *Academy of Strategic Management Journal*, 21(S1), 1-15.
- Raftopoulos, B., Kanyenze, G. and Sithole, M.N. (2021). Navigating Turbulence in Zimbabwe. Available online: https://commerce.uct.ac.za/sites/default/files/content_migration/commerce_uct_ac_za/470/files/Navigating%2520Turbulence%2520in%2520Zimbabwe.pdf.
- Rimita, K., Hoon, S. N. and Levasseur, R. (2020). Leader Readiness in a Volatile, Uncertain, Complex, and Ambiguous Business Environment. *Journal of Sustainable Social Change*, 12(1), 10-18.
- Samuel, O. M. and Sibindi, N. (2019). Structure and an Unstable Business Operating Environment: Revisiting Burns and Stalker's Organisation-Environment Theory in Zimbabwe's Manufacturing Sector. *South African Journal of Economic and Management Sciences*, 22(1), 1-12.

- Shumba, K., Zindiye, S. and Donga, G. (2017). Challenges Faced by Franchise Entrepreneurs Operating in a Volatile Business Environment: A Case of the Fast Food Industry in Harare, Zimbabwe. *Problems and Perspectives in Management*, 15(2), 436-444.
- Shumba, K. and Zindiye, S. (2016). Franchising in a Volatile Business Environment: A Case of the Fast Food Industry in Harare, Zimbabwe. in *GAI International Academic Conferences Proceedings*, April, 2016. Available online: https://www.researchgate.net/publication/349325194_GAI_International_Academic_Conferences_Proceedings
- Taran, Y. (2023). The Challenge of Authentic Leadership in a Volatile, Uncertain, Complex and Ambiguous Business Environment. In: Turcan, R. V., Reilly, J. E., Jørgensen, K. M., Taran, Y., & Bujac, A. I. (Eds.). *The Emerald Handbook of Authentic Leadership*, 125-144. Wellington, Leeds: Emerald Publishing Limited.
- Zamani, H. and Ait Soudane, J. (2022). Strategic Leadership and VUCA Environment (Volatile, Uncertain, Complex and Ambiguous). *Revue Internationale Des Sciences De Gestion*, 5(1), 479-505.
- Zvobgo, T. (2021). An Analysis of The Factors Affecting Successful Adoption of Business Intelligence in the Beverage Manufacturing Industry in Zimbabwe: Case of Delta Beverages. Doctoral dissertation. University of Zimbabwe. Available online: https://ir.uz.ac.zw/jspui/bitstream/10646/4623/1/Zvobgo_An_analysis_of_the_factors_affecting_successful_adoption_of_business_intelligence.pdf.