Contemporary Business Strategies to survive during Covid-19: A case Study of Zimbabwe

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Abstract - The purpose of this paper is to assess the contemporary practical strategies which are being employed by businesses in the Covid-19 era. The study analyzed certain strategies which organizations are implementing in the Covid-19 era and some of the strategies which business can adopt during and post-pandemic. The study used primary data to get insights. A case study of Zimbabwean business was used to analyze boundary-specific strategies and situations. From the study conducted, effective communication with stakeholders, online business (utilization of social media), collaboration, and local support, back-door services were confirmed to be the major strategies that businesses are using to survive in Zimbabwe during the Covid-19 pandemic. Results were also presented in graphs and tables. Finally, recommendations were given as per identified strategies that can be adopted by banks during the pandemic for their survival.

Keywords: Covid-19 Pandemic, Collaborations, Digitization, Survival strategies, Business implications

INTRODUCTION

Despite the type of business, all businesses in Zimbabwe were adversely affected by the Covid-19 pandemic disease and this also constricts the expected business returns. The whole globe was adversely affected by this pandemic and from each corner, everyone was working to contain the spread of the virus (United Nation Trade Development, 2020). The traditional way of operating businesses and banks was proved and identified not to be the customary way across the globe. Banks and other businesses were to find different ways to balance business growth, performance and to curb the spread of the virus. Despite all these shortcomings caused by the pandemic (Covid-19), the questions will remain on how banks are preparing for the next working norm, what are they putting in place to thrive under the threat of Covid-19. The major challenge was that before the outbreak, no one anticipated this hurdle and its magnitude as well as projecting its consequences. This also pauses another question on how Zimbabwean banks and businesses were reacted to this.

When COVID-19 pandemic impacted, there were fewer and, in most areas, no predictions in less developing countries on how long it will last and at what rate the Covid-19 virus will be transmitted (Agarwal et al, 2020). The inevitability of having such projections and statistics was because there were no data centres in Zimbabwe to give such projections, in Zimbabwe, there were also no active effective testing kits to test for the pandemic and finally and there was a lack of understanding of the nature of the pandemic. All these shortcomings had a significant implication especially in developing countries (UNCTAD, 2020). The only way which seemed to be more effective was for the government to impose restrictions, lockdowns, social distancing, among others. Fong et al. (2020), explained that due to spread of the pandemic, many countries have implemented several health measures which intended to thwart its spread, and these includes social distancing.

The business was no longer business as usual; the normally recorded sales were no more to be recorded, usual returns which the business used to achieve also went down (Brodeur et al, 2020). Many businesses and banks were struggling to meet their day-to-day operational costs, some other business had to close their operations, some had to reduce the number of employees as to cut costs. Nevertheless, a few managed to meet their yearly targets which confirms that it was business as usual to those banks and other business. This confirms a sea saw situation where on one end some managed to meet their targets and on the other end others failed.

The main aim of this study is to assess contemporary strategies which were put in place by Zimbabwean banks to survive in the Covid-19 era. To this effect, the research was guided with some objectives and some questions to answer. The objectives were to ascertain how businesses were affected by Covid-19, to ascertain survival strategies by banks in the Covid-19 era, and to evaluate the strategies implemented by banks in the Covid-19 era. To achieve these objectives, the study was guided by the following questions: (1) How businesses were affected by Covid-19? (2) what are the strategies that can be employed by businesses to survive? (3) how are these strategies helping businesses?

The following segments will present on the literature review, how banks were operating in the Covid-19 era. Also, the methodologies used to gather, analyze, and present data will be presented. The study findings will be discussed as per the above-mentioned objectives. Finally, the conclusion will be given, and scope offered for further research.
LITERATURE REVIEW

Brodeur et al, (2020) explained that there have been several outbreaks and human catastrophes before the outbreak of the Covid-19 pandemic. Bartik et al, (2020) explained that these catastrophes and outbreaks were confirmed to have large effects on human lives and business operating norms. However, a comparison to these outbreaks shows that the Covid-19 pandemic was a serious pandemic since the Influenza pandemic of 1918 in Spanish, (Ferguson et al. 2020). Though Covid-19 was confirmed by many empirics to have serious effects, it is not the first pandemic to affect the business operation. However, the effects of Covid-19 in terms of restrictions, operating hours, and prohibition to public gatherings were more prolonged as compared to that of other outbreaks. Baro (2020) cited in Brodeur et al, (2020) explains that for the 1918 Influenza Pandemic in Spain, the longest duration of the prohibition on public gatherings was only 36 days. This confirms that the prohibition intervention was not sufficiently maintained compared to that of Covid-19 which goes over 2 months of complete lockdown.

<table>
<thead>
<tr>
<th>Pandemic</th>
<th>Period</th>
<th>Estimated death toll</th>
<th>Business effects/economic effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antonine Plague</td>
<td>165 to 180</td>
<td>5 million</td>
<td>Reduced number of workforces</td>
</tr>
<tr>
<td>Plague of Justinian</td>
<td>541 to 542</td>
<td>30-50 million</td>
<td>Reduced number of workforces</td>
</tr>
<tr>
<td>Black death</td>
<td>1347 to 1351</td>
<td>200 million</td>
<td>Reduced number of workforces</td>
</tr>
<tr>
<td>New World smallpox</td>
<td>1520</td>
<td>56 million</td>
<td>Reduced number of workforces</td>
</tr>
<tr>
<td>Spanish Flu</td>
<td>1918 to 1919</td>
<td>40 to 50 million</td>
<td>Restricted working days (36 days), reduced number of workforces</td>
</tr>
<tr>
<td>Covid-19</td>
<td>2019 to present</td>
<td>1.6 million +</td>
<td>Restricted working hours, reduced out-put, low profits, reduced number of workforces</td>
</tr>
</tbody>
</table>

Source: Adapted from Brodeur et al, (2020)

From the above, it is seen that Covid-19 is the recent major outbreak that affected business in different ways. On average of the infected people, 97% are recovering and 3% are dying (COVID-19 Response team statistics, 2020). From the above, it is seen that many pandemics affected business across the globe. However, unlike Covid-19 for all other pandemics, they were not reaching all the corners of the globe. So, their business effects were concentrated on one area. With Covid-19 business working hours were restricted with both intra and inter-business implications and the pandemic caused some serious socio-economic outcry. Alstadsæter et al. (2020) explained that the Covid-19 shock in other countries like Norway is causing a strong socio-economic rise, as it has excessively affected the financially susceptible people in the country as well as parents with younger children.

A. Overview of Covid-19 and Zimbabwean Business

Like all other countries, Zimbabwe was also affected by the pandemic, however, the rate of infection was a bit slow as compared to that of other countries (Ministry of Health Care Zimbabwe, 2020). Infection in Zimbabwe started in March 2020 and that is also when the first death was recorded. However, the response to this was autonomous and was not unilateral as the government of Zimbabwe introduced restrictions for the whole country (USAE Report, 2021). Social distance was mandatory, wearing of a mask, total lockdown (stage 5) for one-month, restricted business hours (business was open for only 6 hours), borders were closed for almost 7 months. These measures had some serious implications to the business performance as all of these were directly affecting business and banks Centre for Diseases Control and Prevention (CDCP, 2020).

The businesses were also to adhere to this at the same time they were striving to survive in this hard time. All businesses were to take a balanced approach, wrestling with the spread of the pandemic as well as having some strategic survival strategies in place (Kasuso and Ngwenya, 2020). The main challenge which affected business in Zimbabwe is that the country's economy was already battling then the pandemic catalyzed the situation, and it became unbearable for businesses to have normal returns which they generally had. Cheryl (2020) elucidated that for the country it was a multi-facet of problems as in 2019 the country was facing economic crises, hit by severe drought, shortages in foreign currency, affected by natural disasters (drought and Cyclone Idai), electricity shortages, and almost 20% of the country's population was plunged into food insecurity.

B. Challenges caused by Covid-19 in Zimbabwe

Covid-19 pandemic posed numerous challenges to the businesses and its environment in the Zimbabwean economy. Generally, though almost 40% of businesses were resilient to the pandemic, government regulations in a way to curb the spread of the pandemic resulted in many businesses closing.
Operations disruptions—operations for many businesses were disrupted by the Pandemic. Resilience is only noticed in well-established businesses through the implementation of digital platforms, platformification of other operations. Also, other manufacturing companies were not able to access raw materials due to restrictions.

Retrenchments—many organizations temporarily shut down and, they laid-off workers during the several weeks of the pandemic and when the country reached level 4 and level 5 of lockdown. According to the World Bank Report of January 2021, 23% of the Zimbabweans lost their jobs on the onset of the pandemic in the country that is by July 2020.

Salary Cuts—due to reduced working hours and reduced sales during this time, there were salary cuts for workers. From the statistics by the Zimbabwe National Statistics (ZIMSTATS, 2020), 90% of businesses dropped their revenues of which 33% were in urban areas. Due to this, 44% of the 60% urban workers' wages were also reported to be reduced by July 2020 (World Bank Report, 2020). These were taken as some of the strategic initiatives which were to reduce expenses to the organization and to keep the organization operating. This had some direct implications as the employee performance was reduced as they were reacting to the salary cut-off which had happened.

Supply Chain Challenges—Covid-19 disrupted the supply chain system of many industries in the country. Most of the businesses were concerned about depleting stocks and inventories and it was also hard for them to get enough of it as there were some restrictions and lockdowns. Transportations of raw materials were also affected as intercity travel was banned. This implies a bearing on the supply chain of many manufacturing companies and businesses.

Education—the education system was affected. Almost all schools in rural and urban areas completely shut down and there were no exams. The major blow was that no one anticipated for how long the situation would continue. Though the ministry of education tried to implement online learning, it seemed to be more effective only in towns but a nightmare in rural areas and other peripherals.

**Methodology**

The purpose of this study is to assess the contemporary strategies which are being employed by businesses in the Covid-19 era. To assess these strategies, primary data was used to gather information about these modern strategies which are being applied by businesses to survive in Zimbabwe during covid-19. For the research objectives to be achieved, the researcher targeted those who are in business (who are in banks, manufacturing, small and medium companies both formal and informal sector). This was done to get a holistic insight into how these businesses are surviving under the pandemic in Zimbabwe. However, the total population for these people who are in these businesses was not known. Since the target population was not known the researchers used Cochran's formula to determine the sample size.

**Cochran Formula**

Hemyari, (2018) explained that the Cochran formula permits the researcher to calculate an idyllic sample size using a provided preferred level of accuracy, preferred confidence level, and an expected proportion of the attribute present in the population. This formula is contemplated appropriate mainly in studies or research with large populations and where the total population is not known. So, this is what was applied in this research as the population was relatively big and the total target population was not known.

The formula is presented as below:

\[ n_0 = \frac{z^2pq}{e^2} \]

Where: \( e \) is the desired level of precision which means the margin of error
\( p \) is the estimated proportion of the population that has the attribute in question,
\( q \) is 1 – \( p \).

From this case study used, to get the estimated sample size for this study, the below parameters were used. The researchers were to estimate the sample after identifying the precision (a sampling error), Glenn (2003) explained this as the rate which the true value of the population can be estimated to be. In addition, confidence level or risk level which is encompassed in the central limit theorem was also to be estimated and a certain proportion (degree of variability in the population) of the population to be used. However, for this to be achieved the below were the estimates which the researchers used:

\( a) \) 5% precision was used, this was the estimated to be the sampling error in the study
\( b) \) 95% confidence level (risk level) was used which gave a value of 1.96 as extracted from the tables and
\( c) \) 50% estimated proportion of the population was used (degree of variability).

This however gave the researcher the below sample size.

\[ \frac{1.96^2(0.5\times0.5)}{0.05^2} = 385 \]
For this research, 385 respondents were targeted to give some insights into what is being done by their business to survive during the Covid-19 pandemic. However, the researchers added 10% of the sample to the sample size (sample size was increased by 10%) to cater for non-response. This was done as to incorporate the considerations by Sudman (1976), Kish (1965) and Glenn (2003) who agreed on that there is need to add a certain small percentage of the sample size to the sample to cater for nonresponsive and other comparative analysis to be done.

A sample of 424 respondents was then selected, these respondents were randomly selected by the researcher, but the randomness was only in those who are in business as highlighted above. Interviews were facilitated to these respondents to give their strategies which are they implementing to survive during the pandemic in Zimbabwe. The interview guide was guided by three main sub-questions (How businesses were affected by Covid-19? what are the strategies that can be employed by a business to survive? and how are these strategies helping businesses?) and other questions to get more insights on the matter under review. All other ethical related issues to the research were also considered by the researcher where the researcher first had to seek the consent of the respondents and avoiding exaggeration of the objectives of the research. The shared strategies were gathered by the researcher and a further explanation of the strategies was also requested by the researcher to gain the deep understanding on how businesses were operating in Zimbabwe.

**Findings**

The findings were presented as per the given research questions highlighted in the introduction of this paper. This research aimed to assess the contemporary strategies which are being applied by the business during the pandemic (Covid-19). Three main questions were to be answered by this research to achieve the main objectives of this paper: (1) How businesses were affected by Covid-19? (2) what are the strategies that can be employed by the business to survive? (3) how are these strategies helping businesses? In this section, the findings are going to be presented per each question which will build up the overall finding of this research.

A. **How businesses were affected by Covid-19**

The research finds out that all the business was not affected in the same way by the pandemic (Covid-19) in the Zimbabwean perspective. Food outlets were affected but not as much as the other businesses during the pandemic. Since the government imposed some statutory instruments (Covid-19) regulations on the expected working hours, this was a major blow to the food industry. Nevertheless, as the lockdown reached level 5 in Zimbabwe (total shutdown), all business was affected in the same way (Kasuso and Ngwenya, 2020).

Businesses were working on a quarter capacity (only 25% of its capacity). This had a bearing on the operations of the business. As the business was not operating in full capacity, this had a bearing on their products, especially in the manufacturing industries. Besides, also employee health was a concern of many businesses, they were required to do some regular checks of the pandemic which also added to the costs.

The study finds out that the main business was affected in the following areas: constrained working/operating hours, reduced sales which negatively impacted their profits, reduced workforce, and restricted trade as borders were closed (this is mainly because of many businesses in Zimbabwe the imports goods from other countries). These findings were the same as that of (Brodeur et al, 2020).

**Table 2: Respondents**

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Response rate</th>
<th>Main comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constrained working hours/operating</td>
<td>305, 79%</td>
<td>79% of the respondents expressed that they only open for few hours as the government introduced new working hours and curfew</td>
</tr>
<tr>
<td>hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce sales</td>
<td>296, 77%</td>
<td>77% of the respondents explained that their sales were reduced significantly due to Covid-19</td>
</tr>
<tr>
<td>Reduced capacity</td>
<td>279, 72%</td>
<td>72%</td>
</tr>
<tr>
<td>Increase in costs</td>
<td>308, 80%</td>
<td>Most of the respondents pointed out that some additional costs were due to the pandemic. Sanitizing the workplace, testing their staff on a regular interval. This added costs to many businesses as highlighted by 80% of the respondents.</td>
</tr>
<tr>
<td>Retrenchment</td>
<td>200, 52%</td>
<td>52% of the respondents expressed that their organizations had to retrench staff which affected their performance</td>
</tr>
</tbody>
</table>

Source: Self Construct from the Interview Questions.
B. What were the strategies employed by the business?

This study finds out that many businesses were applying any workable form of operating under lockdown and restrictive environments. From what was identified by this study, 80% of the respondents (308 respondents) expressed that almost 63% of the informal businesses were completely shut down, 93% of the formal sector businesses were working below capacity, and 9% of the formal sector (both private and public were completely closed). Nevertheless, some find their plans of action which they designed to make their operations undisputable and to offer their business during this restrictive time. Below are the identified strategies which businesses were employing during the (Covid-19).

1. Collaborations and local support

The study finds out that collaboration was the main strategy which was opted by Small and medium businesses. Business instead of offering their products to everyone and rendering their services to all, offered their services to societies and collaborated with other business in the same industry to service other markets. The study finds out that because there were some restrictions in travelling either intercity travel or sometimes traveling to the marketplace was also restricted many small and medium businesses tend to only support their local markets. Respondents pointed out that because of the restrictions to travel, local people had no option but to just buy locally they had less variety. So, this helped many small and medium businesses to survive.

However, other unsaved markets were now being saved by other collaborators. According to the respondents, they formulated collaboration where they would refer other businesses to serve in those areas which they could not access. This strategy helped the small business to survive in this pandemic period and they sometimes performed even better.

2. Dial and delivery strategy

73% of the respondents expressed that this is also another strategy which is being used by business to survive during the covid-19 pandemic. 93% (261 respondents) of the 73% (281) were from the small and medium business which indicated that it was mainly used by the small and medium business. Within the 93% of the SMEs, 86 respondents (33%) indicated that the food outlets mainly used this strategy. They created some specific numbers which customers could dial and order their food. As many people were not allowed to travel around, to go sometimes out for shopping so this reduced the number of those who are coming to buy products. Respondents, however, confirmed that business is now providing their contact numbers even the (essential services) so that whenever a customer wants their product or service, they just dial the contact number, and they will deliver to the customer house.

However, some were indicating that they are pursuing this strategy, but it is a bit costly to them as they are failing to break even in most cases, but they are continuing because they want to retain their customers. In other cases, some business (food outlays) was also charging additional premium to cater to the cost which they are incurring to deliver the products to their customers.

3. Use of Call Centres and call routing.

The research finds out this strategy is more in well-established companies (business), banks, and other large businesses. 22% of the respondents indicated that before the pandemic customers used to step into some branches (bank branches, company branches) to make some inquiries and requests. However, all these customers are now limited, and they have created some call centres and implemented call routing for their customers to keep contacting them whenever they want assistance as the pandemic was now restricting them to move around and physically visits banks. As they want their customers to keep in contact with them and to keep updating them on other issues, they have introduced call centres and implementing a call routing system where customer calls are routed to individuals to attend to their requests. From the study, it was found that this strategy is mainly working for banks than other companies.

4. Backdoor services

This was also another strategy which was implemented by business to survive during the pandemic. The respondents highlighted that they were not allowed to widely open their business as they were not regarded as essential services. This was confirmed to be the same as what was expressed by Brodeur et al, (2020) as that was the situation during the Spanish Flu of 1918-1919. However, they provided access to some of the stocks from the backdoor and sell to their customers or their customers could get inside through the back door and access what they want in their shops. With this strategy, businesses are bypassing the normal and formal entrance. These backdoors are being used by businesses to access a product inside their shops to sell it to the customer. This study finds out that this strategy is helping many businesses in the country as they can do on a regular interval and often businesses were making reasonable profits during the pandemic.

5. Work from home

95% of the responses showed that this seemed to be the main strategy that was being used by many businesses. Many workers converted their rooms into a working office as they were not allowed either to travel to their workplaces or their offices were
limiting numbers to be in the office per day. This was mainly done by well-established businesses and banks. They were to give their workers access to banking and business systems for them to work from the comfort of their houses. Especially those in the managerial positions were completely working from their homes. This helped many banks and businesses to continue operations during the pandemic.

6. **Online business**

This was also confirmed to be another strategy that was implemented by many businesses in Zimbabwe during the covid-19 pandemic. Many businesses used e-commerce platforms, often creating websites, links to do their business. The study finds out that 90% of all businesses were either doing WhatsApp business, Facebook business, Teams business, or Skype Business. Respondents confirmed that these were most often used platforms during the pandemic. Also, training meetings were completely being done online without any problem. Overall, the strategies were helping businesses to keep operating under the restrictive time in Zimbabwe. One way or the other business were to apply either one or all the above-mentioned strategies. The study also confirmed other strategies which were being used by businesses like the nocturnal business strategy or night-time businesses where some of the transactions were being done at night when there are no riots to restrict them. However, the efficacy of this strategy was then abased by that there were curfews which were also restricting the dealers to deliver their business during that time.

From the findings, there are other facts which worth not to be ignored like the extent and the scale at which the pandemic dislocated jobs in the country. Of course, all those who lost their jobs may or may not get employed, but arguably it will not be the same and it will take time to do so. From the business perspective, some of these strategies proved to be effective like working from home, online business, and establishment of call centers and call routing. This will also reshape the future of contracting business in the country and business norms. These are the trajectories (strategies) that were seen to be more effective hence many businesses are to implement them in the future.

**CONCLUSION**

This study in general contributed to a deep understanding of how the Covid-19 pandemic impacted business performance in Zimbabwe and how these businesses responded to the pandemic. This study was carried out whilst the pandemic is still rampant, and there are still some noticeable existing constraints. Nevertheless, the profiled contemporary practical strategies are helping many businesses small and large as well as formal and informal, to continue with their operations. The profiled discussion also highlights the extent to which the pandemic impacted Zimbabwean business and the business strategic response plan to the pandemic. There is further scope as this research can be replicated in other developing countries. A pre- and post-study can be carried out to understand the successful implications of the strategies undertaken by businesses, and the gaps identified can be rectified.

**REFERENCES**


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