

## **Resilience- Acceptance, meaning and improvisation.**

My story is that of individuals and organisations in a small but beautiful country in Africa, who live in one of the most volatile, uncertain, complex and ambiguous (VUCA as they call it) economies. I decided to narrate this story in an uncanny way by including my lived realities as a young learner in high school and as a young professional for one of the biggest fintech companies in my country. I have also included shared realities of friends and realities of leaders close to me. At some point in this essay, you may be tempted to think that this is some fiction from a James Bond movie scripted from Africa. Far from it. Resist the temptation and know this is as non-fiction as it comes. To some of us who live part of these realities, to some who have lived them in totality, even those who came out of it better, this is an emotive story.

Let me paint a picture of VUCA from my side of the world so that we get to see it from the same lense. In 2008, we had hyperinflation of circa 16 sextillion percent. Unbelievable right? prices of commodities would change more than five times whilst you were in a que. A certain day is etched in my mind, where my mother sent me to buy bread at a local retailer. I had billions in my pocket, if not trillions and by the time I got to the till, the money could only buy lollipops. I bought two lollipops, one for myself and the other for my mother. Maybe it may sound more believable when it comes from Hansalam & Lamberti (2016) who wrote about these times in their book 'When money destroys nations'. It was so crazy that at one point the government tried banning hyperinflation. Anyone who increased their prices would get arrested. Food disappeared from the shops, fuel was now unavailable, it was an apocalyptic mess. Organisations closed down, people lost their pensions, people committed suicide, marriages were broken, careers ended, and foreign currency disappeared. Currently we are in toned down version of hyperinflation which started in 2019.

Government policy and the laws have been chopped and changed countless times since 2019. Its nearly impossible to plan or predict. At one point the transacting currency was changed overnight, foreign currency transacting banned at one point and the stock market closed for over a month without notice or explanation. At one point lending was stopped and when it was resumed interest rates were up over 200% on individual and corporates (This included in force loans). I could go on, but I'm sure you now understand what I mean when I say VUCA.

What's fascinating is within all this chaos, it's not all organisations that failed. Within all of this chaos, not all individuals failed or committed suicide. The nation never collapsed. On the contrary, there were individuals and organisations who endured in an environment hostile to innovation, growth, wealth creation and talent. These individuals and organisations didn't cry about the VUCA environment, they accepted the reality, improvised, and started to thrive. I get to pontificate about how resilient they were in my own cases, what influenced their resilience and how we too can become resilient.

### **The high school- Cultural resilience**

The 2008 financial crisis happened whilst I was a form three learner at Mazowe High, a Salvation Army operated mission school. The effects of the crises were felt in our country as we entered into a period of hyperinflation, recession, and food shortages. During the genesis of hyper inflation our headmaster used to tell us at the assembly hall, that if we wanted to

see the crisis through, we had to “soldier on”. It started off with our breakfast bread being replaced with buns. We were okay with that, since it was a subtle change. Then when buns were no longer available, we started getting samp with tea for breakfast. As students we started to worry. When that ran out, we started having plain tea at breakfast. When the tea leaves ran out, the chefs improvised and started burning sugar in the pot and when it was burnt enough, they would pour water into the pot. It worked! it was black enough to be tea and it tasted like tea. At this stage most boarding schools had closed, and our headmaster would preach this and motivate us to keep soldiering on. We definitely had trust in the man.

The sugar then ran out, and we no longer had tea breaks. We now started to have ‘early lunch’ as we used to call it. Brunch is the more appropriate word I suppose. It then came a point when we only had supper, no breakfast or lunch. It got to a point when the supper was now served midnight. If you had cruel or hungry friends, they wouldn’t wake you up when the supper bell rang at midnight. No one complained, no one rioted, no one ran away from school. We all kept going, and the school did not close, we actually finished our school term. During the school term, the headmaster had all of us in rotation planting maize and beans in the fields. When the following school term began, other schools considered not opening. Our school opened on time, but we were required to bring basic food items (Rice, maize meal, beans, sugar etc) as these were great stores of value and weren’t affected by inflation. In retrospect, I think cultural resilience, informed by our religious background played an amazing role in helping us the students and the school overcome adversity. The ability of our headmaster to accept the reality that was there, improvise and lead the whole school engendered resilience. I do believe that sociocultural factors played a greater part in ensuring resilience in students, the headmaster and the school. Without the common faith in God the creator, we would have been a statistic of the schools that closed. It seems to be true that resilience is something you realise you have after the fact. Organisational resiliency is expressed both through the attributes of its employees and through the systems, processes and values that will support resilience.

### **At the fintech group company- strategic resilience**

The environment that we live in is beyond VUCA- Fintech Group Chief Executive Officer. The environment that we live in requires us to be unconventional in our approach- Subsidiary Chief Insurance Officer. These were the words of some of our executives at our staff address, where they were reporting on the loss performance of the group. Our fintech company operates mobile money (send, receive, cash-in and cash-out money using your mobile phone USSD technology) insurance and assurance products distributed via mobile phone and a ride hailing app, more like Uber. We were operating in a turbulent environment, which was also hyperinflationary. Peter Drucker posits that in turbulent times, the first task of management is to make sure of the institution's capacity for survival, to make sure of its structural strength and soundness, of its capacity to survive a blow, to adapt to sudden change, and to avail itself of new opportunities. Peter Drucker seemed to be talking about how an organisation can be resilient in turbulent times.

As an accountant by profession, during this hyperinflationary period, I prepared inflation adjusted financial statements and reports for management. Inflation adjusted numbers

enabled management to make sense of financial reports. It enabled management to make informed decisions in turbulent times. Peter Drucker states that in turbulent times, an enterprise has to manage the fundamentals to withstand sudden blows and take advantage of unexpected opportunities. He elaborates that managing in turbulent times must begin with the adjustment of the enterprise's figures to inflation. These figures include the organisations assets, liabilities and earnings.

With the continued depreciation of the local currency, and the increased exchange rate, foreign currency began to become scarce in the formal financial markets. Foreign currency was needed by the business to continue as a going concern as most obligations were foreign currency denominated. Foreign currency was only available in the informal markets . As you may already now know, the fintech business model was digital, which meant that the business had to find a way to get the foreign currency onto its digital platforms, otherwise the business would close. The change in circumstance required a change in strategy. The executive management immediately re-strategized and included foreign currency generation initiatives as a strategic pillar. Management also identified a remittance opportunity within the informal markets. People were having difficulty sending money across towns and cities. They did not trust the banks, as it was impossible to withdraw money once banked. The mobile money platform was customised, and business model tweaked a bit to include foreign currency wallets and the ability to remit funds locally across cities. That agility and innovation enabled the business to start recovering. The company's continued success no longer hinges on momentum, rather, they ride on resilience— on the ability to dynamically reinvent business models and strategies as circumstances change.(Hamel & Välikangas, 2003).

One thing I also noticed taking place was that management started focusing on cashflows during the VUCA period. Again, as a professional accountant I was tasked with preparing weekly cashflow reports which included quarterly forecasts. Cash was king. As I read Peter Drucker's book, it seems as if he knew everything, he elucidates that in turbulent times, liquidity was more important than earnings (Drucker, 1993). I guess it explains why management pressed the pedal on me to produce those reports.

During this VUCA environment, management included scenario planning in its budgets and forecasts. We were made to create best-case, base-case and worst-case scenarios on the exchange rate, inflation, interest rates etc. Come to think of it, despite the environment being volatile, nothing that occurred was not anticipated by management. Scenario planning gave management strategic foresight. It helped management navigate uncertainty as they anticipated the occurrence of possible futures.

### **The rabbit hole- The actual main case**

I for one definitely share the same thoughts with Coutu (2002), on how resilience works. She simplified it to three defining characteristics: - **1. An acceptance of the harsh realities.** This synthesises with my high school and fintech company case. My headmaster and the CEO had both accepted that the economy had tanked, and we were in a completely VUCA environment. That acceptance had also tricked down to the students and the employees. As a good friend of mine who usually forgets his manners at home says, "we accepted that we

were in deep shit". **2. An ability to find meaning in terrible times.** What I forgot to mention yet highly important was the founder of our fintech company is a devote God fearing Christian. Automatically that then informed the greater part of the culture of the organisation. Christianity teaches Christians to be resilient. It's based on faith and engraves perseverance in the hearts of believers. My high school headmaster was also a devote Christian, and Christian principles were also impressed on us since it was a Christian mission school. 2<sup>nd</sup> Corinthians 4 vs 8-9 'We are hard pressed on every side, but not crushed; perplexed, but not in despair; persecuted, but not abandoned; struck down, but not destroyed'. Tell me if that bible verse doesn't sound like resilience. Christian principles made it easy to find meaning in terrible times as we believed that God would see us through. I could take it a notch higher and say religion world over seems to build resilience in those that practice it. Cultural resilience may best explain this. **3. An ability to improvise.** This certainly sounded hilarious when I first heard it, in 2008 when the economy had become comatose, and the inflation rate was running amok. Executives of a local bank started pouring money buying building bricks to preserve the value of a deteriorating currency. I look at it now, and that is one unconventional, yet great way of improvisation. Whether the story is true or false isn't the matter of discussion here, the ability of the local bank to improvise is what matters. Improvisation is seen in my high school case when bread for breakfast was replaced with samp, when tea leaves were replaced with burnt sugar, and when school fees was replaced with food items (barter trading). At the fintech company where I work, I got to notice improvisation through the customisation of the mobile money system to include foreign currency wallets which were also used for local remittances.

The three defining characteristics on resilience from Coutu (2002) can clearly be linked to Drucker (1993) when he stated that a time of turbulence is also one of great opportunity for those who can **understand, accept, and exploit the new realities**. Drucker is truly the father of modern management.

### **The conclusion**

I will be honest, amazingly Peter Drucker could easily fit it as my high school headmaster or group CEO for the fintech company I work for. He could easily fit it my own role as a financial reporting accountant, because he already knew inflation adjusted accounting, which is most of the work in volatile environments for accountants. Drucker already knew that resilience would be pivotal in the coming years. In my culture, they would call him a prophet.

Upon deep reflection, without resilience my high school would likely have closed down, and my education would have been disrupted. Without resilience millions of citizens would not be included financially through the fintech company I work for. I wouldn't even have a job by now. Is resilience important? Hell yes, it is! Every leader ought to read 'Managing in turbulent times' by Peter Drucker first. They must learn how to sail in turbulent times. I believe that resilience is a skill that leaders and employees ought to have, especially in this VUCA environment. As we forge ahead, one constancy is volatility, and one skill to have is resilience.

## Reference

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