ZIMBABWE

SALARY TRENDS

AND PRACTICES

2025 in Retrospect

An Executive Briefing for CEOs, Boards, and HR Leadership

Drawn from 13 sector surveys across 90+ organisations

in Zimbabwe's formal economy

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Zimbabwe's compensation market in 2025 was shaped by two forces pulling in opposite directions: a recovering economy that lifted confidence, and a cost of living that continued to outpace most salary adjustments. The result is a market where pay practices vary widely across sectors, and where the gap between those who adapted and those who did not has become difficult to ignore.

This briefing draws on IPC's 2025 salary survey data, covering 13 sectors and more than 90 organisations. It is written for boards, CEOs, and HR leadership who need to make informed compensation and workforce decisions for 2026. What follows are the patterns we believe matter most.

The Economic Backdrop: 2024 to Early 2026

2024: GDP growth dropped to 1.7%, down sharply from 5.3% in 2023. The El Niño drought, which affected over 80% of the country, destroyed 60% of the maize crop and forced the government to declare a national disaster in April 2024. Some 7.6 million people faced food insecurity. Hydropower shortages triggered rolling blackouts across the industry. Platinum and lithium prices fell on global markets, squeezing the mining sector's contribution.

Currency upheaval compounded the damage. The Zimbabwe Gold (ZWG) was launched on 5 April 2024, replacing the Zimbabwean dollar, which had collapsed. It opened at roughly 13.56 ZWG to the US dollar. By September, the Reserve Bank devalued it by 43%, pushing the rate to 26.36. The government extended the multi-currency regime to 2030, and the market responded predictably: 85% of physical transactions continued to be in US dollars.

2025 brought a strong rebound, but not evenly felt**.** GDP recovered to an estimated 6.6%, driven by better rains, a surge in cereal production (3.2 million tonnes, up from 750,000 in 2024), and record gold output and prices. Fidelity Gold Refinery reported 46.7 tonnes, a 17% increase on the prior year. Total mining receipts reached US$6.2 billion. Foreign currency inflows for the first ten months of 2025 topped US$13 billion, more than 21% above the same period in 2024. The Reserve Bank's foreign currency reserves climbed from US$285 million at the ZWG's launch to approximately US$1.2 billion by December 2025.
Inflation, after years of wild swings, came down fast. ZWG-denominated annual inflation fell from 82.7% in September to 19% in November 2025, and then to 4.1% in January 2026*: the first single-digit reading in nearly 30 years.* The RBZ held the bank policy rate at 35% through 2025 and shifted its stance from tight

to prudent monetary policy. As of 12 February 2026, the ZWG trades at approximately 25.56 to the US dollar on the interbank market.

Then, on 6 February 2026, a significant development: the IMF announced a staff-level agreement with Zimbabwe on a new 10-month Staff-Monitored Programme. This is the first such programme in years, and it signals a path toward clearing billions of dollars in debt arrears. The programme requires prudent budget execution, improved cash and expenditure controls, monetary discipline, and governance reforms. Days later, at a mining conference in Cape Town on 10 February, a Finance Ministry official revised the government's 2026 growth forecast upward to 8.5–10%, well above the IMF's own 5% projection.

But the headline numbers do not tell the full story for workers. Unemployment stood at 20.7% in Q2 2025 under the broader ZIMSTAT definition. The cost of living in US dollar terms remained high throughout 2025, so 8% salary increases still left most employees worse off in real terms.

What this means for the boardroom: The macro-outlook is the best it has been in years. The IMF programme, falling inflation, and a strengthening reserve position all point in the right direction. But none of that has yet reached workers' pockets. The cumulative erosion of purchasing power over 2023–2025 has not been recovered. Any compensation framework that was not anchored in USD and adjusted more than once a year fell behind. Organisations that acted early on this kept more of their people. The question for 2026 is whether the improving macro picture gives boards room to invest in retention or whether they wait and pay a higher price later.

Salary Movements: Increases That Did Not Keep Pace

Across all sectors, the weighted average salary increase for 2025 landed around 8%. Most organisations used a tiered approach: smaller percentage increases for senior management, larger ones for lower-paid staff. In banking, executives got 5% while entry-level employees received 9–10%. Insurance, manufacturing, and mining followed the same pattern.

Figure 1: Salary Increases by Sector, 2024–2025

Sector	Senior Mgmt.	Mid-Level	Entry-Level
Banking	5%	8%	9–10%
Insurance	7%	8%	9%
Manufacturing	5–6%	7–9%	8–10%
Agro-Processing	3%	3%	3%
NGO	4.2%	4.2%	4.2%

Workers were asking for 15–30% to maintain their purchasing power. Most organisations could sustain 8% without threatening viability. So real wages fell for the majority of the formal workforce. Agro-processing (3%) and NGOs (4.2%) saw the steepest erosion.

The question for your compensation committee: If your organisation granted increases at or below the sector average, have you modelled what turnover actually costs? When a skilled replacement takes three to six months to find, the cost of losing someone almost always exceeds the savings from a below-market adjustment.

Currency: The Single Biggest Factor in Talent Retention

Nothing more clearly separated employers who kept their people from those who did not than the share of salary paid in US dollars. In banking, 82% of organisations paid 100% in USD. Across sectors, the split was consistent: executives received 90–100% in USD, middle management 70–85%, and entry-level staff 50–70%. Employees with a ZWG component in their pay demanded 30–50% higher nominal amounts to cover depreciation risk. The choice of exchange rate method: bank rate, parallel market rate, or a hybrid moved take-home pay by 5–15%. About 40–50% of organisations used market rates, 30–40% the official rate, and 15–25% a blend.

The board decision: Every percentage point of USD in the pay mix reduces turnover risk. Organisations paying below 70% in USD were losing talent to those at 90–100%. Boards should treat the USD proportion as a retention KPI.

Executive Pay: Where Cross-Sector Competition Matters Most

At the entry level, pay differences between sectors were modest. At the top, they were enormous. Agro-processing CEOs earned 93% above the national median; manufacturing CEOs, 87%; and mining CEOs, 49%. Banking CEOs sat at just 4% above the median. Insurance CEOs fell 8% below it.

Figure 2: C-Suite Pay Relative to National Median

Sector	CEO	CFO	COO
Agro-Processing	+93%	+83%	+73%
Manufacturing	+87%	+81%	+75%
Mining	+49%	+45%	+41%
Banking	+4%	+10%	+15%
Insurance	–8%	–22%	+2%

The manufacturing, Agro-processing, and mining sectors pay the highest executive premiums. They also generate the strongest USD revenue, which directly funds those packages. CEO-to-worker ratios ran from 18:1 to 35:1 across the sectors.

The governance risk: Compensation committees that benchmark only within their own sector are missing an important trend. When a manufacturing or Agro-processing firm can offer nearly double the sector median, cross-sector data is critical for retaining executives.

Total Rewards: Where the Real Competition Happens

When salary growth is capped, the total package becomes the focus area. Pension was offered by all of organisations (the highest adoption of any benefit), medical aid by 73%, housing support by 67%, and school fees by 42%. Mining led on school fees at 75%. At the executive level, benefits accounted for 35–42% of base pay. At the entry level, 10–20%.

Most organisations now layer multiple incentive types on top of each other. Among those surveyed, 92% ran performance-based bonuses, and many of those same organisations also paid a guaranteed 13th cheque (58%), operated profit-sharing schemes (54%), or offered share-based plans with a three-year vesting period (42%). The direction is clear: employers are stacking guaranteed and variable elements, short-term and long-term, cash and equity into a single package rather than relying on any one mechanism.

One of the most important shifts in 2025 was decoupling cost-of-living adjustments from base salary. Forty-five percent of organisations now review COLA quarterly, all in USD. This gives employers room to respond to inflation without permanently pushing up the fixed wage bill. If your organisation still relies mainly on base salary with thin benefits, you are competing with one hand tied. Housing, school fees, vehicle schemes, and quarterly COLA can add 20–40% to the perceived value of a package at a lower long-term cost than matching salary increases.

Talent: The Structural Shortage Behind the Numbers

About three million skilled Zimbabweans have left the country. Diaspora networks now place people internationally quickly. The result is a paradox: 20.7% unemployment alongside acute shortages in IT, engineering, finance, and healthcare skills. Organisations with USD income and strong benefits packages hold their people. Those within NGOs, public entities, or insurers with tight margins face a revolving door. Scarcity will not ease on its own. Succession planning, graduate pipelines, and deliberate diversity targets belong on the board agenda as standing items. The organisations that build capability now will pay far less for it than those forced to recruit from a shrinking external market.

Five Decisions for 2026

The 2025 data points to five compensation and workforce decisions that leadership should settle early.

1. Budget at least 8% for base increases and add quarterly COLA. Annual reviews cannot track Zimbabwe’s inflation. Quarterly COLA in USD is now the floor for credible retention.

2. Where you can afford, set a minimum USD salary proportion and raise it over time. Below 70% USD, you are losing the talent competition. The board should set a floor and a timeline.

3. Benchmark executive pay across sectors, not just within. When Agro-processing pays CEOs 93% above median and banking pays 4%, within-sector comparisons miss the real threat.

4. Redesign total rewards to get more from benefits. Housing, school fees, vehicle schemes, and COLA can add 20–40% to perceived value. In a constrained market, benefits design becomes the main lever.

Zimbabwe's 2025 salary market drew a clear line: organisations that paid in USD, reviewed pay quarterly, and built strong benefits packages kept their people. Those who did not watch them go. The evidence from 13 sector surveys is more precise than anything we have published before. The question for your board heading into 2026 is not whether compensation needs attention, *but what inaction will cost you twelve months from now.*

Source: *IPC Q4 2025 Salary Survey Series — Banking, Insurance, Manufacturing, Mining, Financial Services, Agro-Processing, NGO, Reinsurance, Executive Compensation, Bonus Schemes, NED Fees, and the National Salary Survey. Economic data: IMF, World Bank, RBZ, ZIMSTAT.*