



An Eye on West Africa

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Economic growth is all about creating jobs. The demographic dividend in sub-Saharan Africa, where the population under the age of 25 is 50% of the total, is not a dividend if the African youth is unemployed. Then it becomes a social liability, as learned skills are unused and become forgotten, unsocial behaviour becomes the norm, and unrest ensues. A job is not just about earning income – having a job brings identity, self-confidence, status, social cohesion and networks, and contributes to a peaceful society.

Research recently undertaken by the W Hospitality Group, in association with Hotel Partners Africa, revealed that employment in the hotel sector in Africa is set to grow substantially in the coming years. We estimate that, based on the contracts for new hotels signed by the international and regional brands, 136,000 new hotel jobs will be created in 2014. That will be followed by 87,000 in 2015 and 70,000 in 2016, with 27,000 thereafter. That's a total of 320,000 real, waged jobs.

Whilst the overall headline numbers sound impressive, the growth in demand for hotel workers varies from country to country. We estimate that North Africa will create 115,000 hotel jobs across five countries and sub-Saharan Africa will create 165,000 across 23 countries. Nigeria will lead the way in SSA with the creation of 53,000 hotel jobs. It will be followed by Ghana with 11,000, Angola with 9,000, Ethiopia with 8,800 and Uganda with 8,500.

In sub-Saharan Africa, we see three major trends: an influx of top management from abroad, a battle for talented middle

management, and substantial investment in training programmes.

The first is controversial – all those people in Africa seeking jobs, and the hotel sector brings in expatriate management staff? Well, there is a real need, and the employment of large numbers of local staff relies on it. There are just not enough trained and experienced local hotel managers in countries like Nigeria to fill the positions available. Added to that, the international hotel chains need someone to lead their operations – someone who is steeped in the company's culture, its systems and procedures. Kenya, however, is the exception. There are very few expatriate hotel managers in Kenya, because the level of education in that country tends to be much higher than in other regions.

This situation will change over time, and it is going to be slow, but an indigenisation programme is not just socially responsible – it makes good economic sense. Think of the cost of relocating a hotel manager and his family from another region of the world to Africa, the housing, children's schooling, flights back home twice a year, medical insurance, and so on. That adds up to a large sum, so any international hotel chain wants to keep the number of expatriates to a minimum, and because of the financial model of hotel management agreements, is incentivised to do so.

The war for good middle management is 'normal', but when growth is rapid, as is occurring in countries such as Nigeria and Ghana, there's a problem. Employers (mostly in the non-branded sector) with little or no experience poach a waiter from

their competitor's hotel, and make him a restaurant manager. Another employer poaches the restaurant manager, and makes him the food and beverage manager, who then becomes the general manager of another hotel – all within the space of a very few years. There is no skills training taking place, and virtually no experience being gained, and without both, the employee, the employer and the guest all suffer. You never appreciate the value of experience, until you have it!

Training programmes are therefore essential, both in-house and in the formal education sector. Given the almost total lack of useful government intervention in that sphere, at least in West Africa, the private sector must take the lead. Complaining about the lack of government training schools for the industry will get us nowhere.

"But why should I train my staff, when the competition will just go and poach them?"

That is an actual quote from a Lagos hotel owner. This tortured logic is, of course, a death knell for that person's business, but not the industry as a whole, because others are more enlightened, particularly (but by no means only) the international and regional chains. They have raised the bar in many places here in West Africa, and it looks like, from those figures I quoted before, they will (and must) continue to do so. ■

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