

# Hotel development boosting jobs, but where are the African GMs?

By [Tim Smith](#)

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Tourism is one of the fastest growing sectors in South Africa and Africa. News that there will be a significant number of new hotels developed over the next five years - an estimated 2,600 new rooms in South Africa alone - means a great boost for job creation will soon follow.



Tim Smith

The latest [PwC Hotels Outlook 2016-2020](#) reports that despite challenges such as the drop in oil prices, the drama around South Africa's visa regulations and a global contraction of the economy, tourism still has huge potential to "create jobs, uplift inclusive economic growth across the continent, and reduce poverty".

The outrage that followed the visa debacle was understandable considering the number of unskilled and skilled workers employed in the tourism business. So the impact of the stringent visa restrictions being relaxed towards the end of 2015, combined with President Jacob Zuma's 'flip-flop' over finance ministers and the subsequent crash of the rand had the unintended consequence of boosting tourist numbers in December 2015 and the first quarter of 2016.

"The number of visitors to Robben Island was up 43% in December 2015 and the Aerial Cableway on Table Mountain as well as the V&A Waterfront in Cape Town both had record seasons. Durban also had a record festive season with 1.4 million visitors in December 2015 – January 2016, up 20% from 2014/15," it reported. "For 2016 as a whole, we project a 12.4% increase in foreign visitors."

## Significant employment creation

Statistics South Africa (SSA) tell us that direct employment in the tourism industry rose from around half a million people in 2005 to almost 700,000 people in 2014. It's comparable employment data from 2008 shows tourism added more jobs to the economy than any of the other industries such as trade, agriculture, and manufacturing.

Hotels are great employers, making use of skilled and unskilled labour as well as providing on the job training to upskill employees. From management down, local people are always involved and engaged in hotels and this creates huge local growth for individuals and communities.

The development of a new hotel creates significant employment. You've got everybody from the guys who dig the hole in the ground, to laying the bricks, to the skilled electricians and plumbers, the workers making the bathrooms, kitchen equipment as well as all the hotel staff from the maintenance guys, to the gardeners to the waiting staff, to heads of departments, the chamber maids – it involves a huge number of people. You've also got the professional teams who manage all the services - the accountants, lawyers, marketing teams, recruitment, etc. as well as all the satellite services to the industry.

Then you've got all the people in the neighborhood engaged because a good general manager's best marketing tool is a pair of shoes. He walks around the block and he knows and engages with the local community to both make use of and attract their business. The ripple effect means that you are able to tap into all the people that they recommend to visit the hotel. And every time that they spend money in the hotel, it will extend outwards into the local economy.

## Resource development and partnering with local suppliers

Resource development in hotels means that not only is money being invested in infrastructure that serves guests, for example, Wi-Fi in the rooms, but also the infrastructure that works for the hotel – the IT, the air-conditioning, the security – everything that makes the running of the hotel possible.

Wherever possible the hotels try to partner with local suppliers because of being in the same time zone, as well as the fact that local people are well networked in the region and know how to get things done.

It's important to have good management who understand the local culture e.g. back of house may need to have larger changing rooms for example as some of the staff may need to shower at work, you may need to provide health and education services to your staff as well as safe transport home late at night for example.



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## A lack of African general managers

But there's a weakness in the African hotel market and that is a lack of African general managers. There are staggeringly few African general managers, with South Africa being the only exception.

The brands have historically attracted people from Swiss Hotel Schools with the promise of doing two years in Africa and then being transferred back to a hotel on the Champs Elysees or Park Lane or Manhattan, so many of the managers are in Africa counting down the days of their contract. Whereas if you get a great general manager, and there are some great ones across the continent, even if they were originally from Europe, they get it and they work phenomenally successfully in these hotels.

The challenge is that there aren't enough hotel schools across Africa. It's an enormous continent and the few hotel schools that do exist are geographically spread out and not accessible to everyone.

We need to establish more hotel schools across the continent. Those hotel schools need to push their graduates into management as well as serving careers. Then we'll have graduates who have an understanding of how profits work and where they need to be used, how to manage people, how to do the marketing and all the skills they'll need to become great general managers.

## ABOUT THE AUTHOR

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