

Africa is championing the flexible workspace revolution

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Franchise opportunities - Africa's economy will grow faster than any other continent's over the next five years and flexible working is a huge part of that future.



The African workforce is mushrooming, and by 2035, its numbers will have increased by more than the rest of the world's regions combined.¹ According to World Bank analysts, this expanded working-age population could lead to a growth in GDP of up to 15 percent – equivalent to doubling the current rate of growth in the region.² The World Economic Forum is bullish on the economic possibilities. "This could dramatically raise labour productivity and per capita incomes, diversify [the] economy, and become an engine for stable economic growth, high-skilled talent and job creation for decades to come," says Richard Samans and Saadia Zahidi, authors of *The Future of Jobs and Skills in Africa*.³

But of course, it's not quite that simple. Only recently the International Labour Organisation warned that both sub-Saharan Africa and northern Africa are facing challenges in terms of job creation, quality and sustainability.

Despite the creation of 37 million new and stable wage-paying jobs over the past decade, only 28 percent of Africa's labour force hold such positions, according to a McKinsey Global Institute report. Instead, some 63 percent engage in some form of self-employment or 'vulnerable employment', such as subsistence farming or urban street hawking.⁴

Add to this the logistical difficulties for the stable wage-paying workers in actually getting to Africa's urban centres. Millions in the continent's congested cities endure long, difficult commutes. Kenya, Algeria and Central African Republic are notorious for their long commute times, while tech start-up WhereIsMytransport estimates that poor transport could cost South Africa's economy a huge \$104bn a year.⁵

The result is stagnation and emigration. Sub-Saharan Africa has the highest emigration rate globally (1.5 percent, against a global average of around 1 percent, according to UN population statistics), due to a lack of decent work opportunities.



On the cusp of change

Yet change is coming. According to the World Economic Forum, Africa stands to benefit in a big way from the Fourth Industrial Revolution. While the First Industrial Revolution used water and steam power to mechanise production, the Second used electric power to create mass production, and the Third used electronics and IT to automate production – the Fourth fuses technologies such as AI, robotics, the Internet of Things, biotechnology and quantum computing.

Africa has already seen significant technological investment in its major cities, including increased access to mobile broadband, fibre-optic cable connections to households, and power-supply expansion. This, combined with the rapid spread of low-cost smartphones and tablets, has enabled millions of Africans to connect for the first time.⁶

And as the Fourth Industrial Revolution unfolds, Africa is poised to develop new patterns of working. In the same way that mobile phones have allowed some regions to bypass landline development and personal computers altogether, Africa may be uniquely positioned to jump straight past the adopted working model in other countries to a more liberated future of remote and flexible working.

The trend towards flexible working is capturing the attention of the global markets. International flexible workspace provider, IWG plc - operating under the Regus brand in Africa - is currently franchising in 21 countries on the African continent and are looking at expanding into the rest of Africa through a unique franchising model. This is the first time that a proven national serviced office proposition has ever entered the African franchise market.

The IWG franchise model offers landlords, private equity firms, multi-brand franchise operators and high-net-worth individuals with the opportunity to buy into the flexible working market at attractive returns. Flexible workspace is also proving to be a solution to filling the many inner-city buildings that remain empty in current markets and prospective investors are afforded the opportunity to build a property portfolio while buying into the flexible working market.

Their reason? “The flexible workspace market is cleaner, simpler and less volatile than other, traditional franchise opportunities. Coupled with the opportunities we see for growth in the African market, we see it as a lucrative opportunity for early adopters,” says Mo Nanabhay, Franchise Director (Africa) for IWG plc.

A new way of working

In many ways, flexible working is the perfect fit for a continent with a geographically diverse, work-ready population and a strong mobile communications network, which lacks the infrastructure to support urban working patterns. Why insist on big hub offices and long commutes when there's a way to harness talent from across the continent? Instead, the solution could be a distributed, virtual workforce, with companies that integrate virtual freelance workers.

A report on trending professions in Africa in the last five years shows that the number of entrepreneurs has grown by 20 percent. And online platform work is on the rise, allowing many of these entrepreneurs to launch innovative start-ups that solve real-world problems and create jobs.

One example is Gawana, a Rwanda-based ride-sharing company co-founded by African entrepreneur Agnes Nyambura. The new company solves a problem – long-distance transport that gets people from A to B affordably – and provides job opportunities for East Africans. Travellers making their usual journeys are able to advertise any spare seats in their car using the Gawana app and earn money for the trip by 'working remotely' from their car – in other words, simply driving to their destination.

Another example is Lynk, a Kenya-based start-up app that connects users to their desired service providers – be it an accountant, a graphic designer or a personal assistant. With one in six people unemployed in Kenya, previously these skilled individuals might have struggled to find formal employment. Now they're able to open the app, accept a job, and often work remotely to complete their assigned tasks. This system is also better for the worker, who's able to track his or her hours and obtain references that help to secure further work.

A growing demand for African coders

Big global businesses are already starting to recognise the untapped potential of Africa for their tech needs, in the same way that companies did with India 25 years ago. In the new world of work, remote employees don't even have to be on the same continent – let alone the same office as their employers.

For example, Moringa, a Nairobi-based coding school that develops African tech talent, trains more than 250 new students a year. Its graduates go on to work remotely for the likes of global bank Barclays, which has offices in countries including Kenya, Ghana, Botswana, South Africa and Zambia, and Safaricom, an East African telecommunications company.

As African cities such as Nairobi, Lagos and Kigali become major tech hubs with a wealth of well-trained tech experts at hand, global job opportunities abound. And, because of technology, individuals can work from their home countries rather than move to the countries where big multinationals reside, thus contributing to local economic growth.

An office away from the office

Flexible workspaces are becoming an essential part of a modern country's business infrastructure. "For us, a high degree of interest has come from local and international businesses willing to establish a footprint in Angola, as well as from companies that need to rationalise and downsize unused resources, namely office space," says Rui Duque, Regus Country Manager for Angola.

Two major brands that have used Regus to grow in Africa are Google and P&G. Google has 50 employees with Regus in Kenya, and P&G has 100 employees in the country. Though they have the finances and resources to build their own offices, start-up costs can be expensive in developing countries, and getting an office up to spec with high-speed broadband, useable meeting rooms and desk space can take up valuable time. Plus, using flexible office space reduces the commitment for these big organisations, many of whom are still testing the water in new African cities.

African businesses are using flexible working as a way to attract talent. In a recent survey by Regus, senior executives and business owners confirmed that flexible working could be used to avoid employee churn (and the consequent expense of recruitment agencies), with 71 per cent of respondents pointing to flexible working as a perk that attracts top talent.

Flexible workspace is also a preferred option for workers. Seventy-seven percent of African workers said they'd choose one job over another similar one if it offered flexible working, while 56 percent would actually turn down a job that ruled out flexible working.

An exciting future

According to the World Economic Forum's Global Competitiveness Report, the most competitive countries in the world are those that nurture innovation and talent in ways that align with the changing nature of work.

If the trends of the past decade continue, Africa will have created 54 million new, stable wage-paying jobs by 2022. It seems clear that remote and flexible working will be a huge part of this growth and the next step for the franchise market.

Join IWG plc at www.iwgplc.com.

For more information or find out more about franchise opportunities in your country, please contact Mo.Nanabhay@iwgplc.com

Sources:

¹<https://blogs.imf.org/2017/08/08/chart-of-the-week-the-potential-for-growth-and-africas-informal-economy/>

²<http://blogs.worldbank.org/africacan/how-significant-could-africas-demographic-dividend-be-for-growth-and-poverty-reduction>

³http://www3.weforum.org/docs/WEF_EGW_FOJ_Africa.pdf

⁴<https://www.mckinsey.com/global-themes/middle-east-and-africa/africa-at-work>

⁵<https://www.itweb.co.za/content/6mQwkoM6Z5XM3r9A>

⁶<https://www.mckinsey.com/industries/high-tech/our-insights/lions-go-digital-the-internets-transformative-potential-in-africa>

About IWG

IWG is the global operator of leading workspace providers. Our companies help more than 2.5 million people and their businesses to work more productively. We do so by providing a choice of professional, inspiring and collaborative workspaces, communities and services.

Digitalisation and new technologies are transforming the world of work. People want the personal productivity benefits of living and working how and where they want. Businesses want the financial and strategic benefits. Our customers are start-ups, small and medium-sized enterprises, and large multinationals. With unique business goals, people and aspirations. They want workspaces and communities to match their needs. They want choice.

Through our companies we provide that choice, and serve the whole world of work: Regus, Spaces, Basepoint, Open Office and Signature. We create personal, financial and strategic value for businesses of every size. From some of the most exciting companies and well-known organisations on the planet, to individuals and the next generation of industry leaders. All of them harness the power of flexible working to increase their productivity, efficiency, agility and market proximity. We're reaching a tipping point. The workspace revolution is coming.

For more information please visit:

<https://franchise.iwgplc.com/>

<https://www.linkedin.com/company/iwg-plc>

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