

MAGDAS HOTEL

STAY OPEN-MINDED



? What

Magdas Hotel addresses the problem of labour market integration for refugees by providing them with training and employment in the hospitality sector. Magdas is Austria's first hotel run as a social business. It is operated by 30 staff members out of which 20 have refugee background and it works as a meeting place of 16 nations, 20 spoken languages, and different cultural backgrounds.

Magdas Hotel proactively promotes the idea of staying open-minded within the staff and to guests.

Why

- To prove that lots of refugees are talented people and can contribute to the work experience in Austria.
- To create new job opportunities for people living in poverty who have lower chances of entering the job market.

Where

Vienna, Austria.

When

From 2015 onwards. Still ongoing.

For Whom

Refugees employed as trainees and employees. From a social business' perspective, for guests all over the world.

By Whom

Magdas Social Business



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Methodology

- The hotel, a former retirement home owned by Caritas Vienna was initially rented and then designed through a co-creation process involving several companies, neighbours, refugees, and artists.
- Beneficiaries selected need to have a minimum working knowledge of German, be interested in working in the hospitality sector and be outgoing. Within 3 months of the training, the team decides whether the participants have the profile to fit the job or not.
- It is based on a 3 year long paid apprenticeship program accredited by the Austrian authorities where beneficiaries will attend a special school and receive classes on intercultural training, team building and work-related training.
- From the start, Magdas Hotel is convinced that those people who move to Austria from foreign countries are able to strengthen the hotel business, because they bring with them many skills, talents, languages, and cultural backgrounds and thus allow for a special position in the hotel sector.

What makes it work

- As a social business, Magdas HOTEL strives to solve social and economic problems by entrepreneurial means. The hotel functions like every other company and the quality of services and installations attract clients and make it profitable.
- The hotel has 88 rooms, a restaurant and 4 conference rooms.
- It is perceived by the team as the right project at the right time due to the massive flow of refugees in Vienna. Lots of visibility by the media worldwide supported the hotel to promote their services.
- Once the refugees go through the 3 year long apprenticeship program at Magdas they received their certificate that allows them to look for jobs in other places and even sectors.
- Finding the balance between the social know-how and the financial stability.
- Finding the right profile of participants in the project is key to ensure its success.

Innovative aspects

- Magdas Hotel tries to solve both economic and social problems using entrepreneurial tools. The focus is not the maximisation of profit, but the maximisation of societal benefits, solidarity and openness.
- Focus on the skills, talents and motivation of refugees rather than seeing them as a burden upon.

Sustainability/Replicability

- The project was initially funded by loans from Caritas and Erste Bank. Nevertheless, Magdas was able to demonstrate its expertise as a social business and reached financial sustainability after 3 years of operation. It reached a 75% occupancy rate. The initiative manages to continue a stable activity even in the context of the COVID-19 pandemic.
- It has always been a goal to develop a Magdas Social Franchise to facilitate the creation of other hotels run by refugees throughout the EU but it is a costly and high risk business that depends on a solid investor. Nevertheless, it is known that a restaurant was opened in the same format.
- Magdas Hotel is currently opening a new unit in new premises with the view to continue its operation as long as there is the need of promoting opportunities to include refugees socially and economically in Austria.

Social Impacts

- It has welcomed more than 22,000 guests in the last 6 years and integrated 82 people with refugee background in the labour market.
- Integration into the labour market for refugees with limited job opportunities. Their employment provides further economic stability, for example through contributions to the pension system;
- Refugee staff members develop new skills and maintain existing skills;
- The hotel serves as a model for the tourism industry, for which refugees are an exciting target group as employees;
- The project creates awareness that the skills of refugees enrich society.