SUCCESSFUL INDIGENOUS AUSTRALIAN ENTREPRENEURS:

A Case Study Analysis
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Abbreviations

ATSIC  Aboriginal & Torres Strait Islander Commission
BDF    Business Development Fund
BFS    Business Funding Scheme
BPS    Business Preparation Scheme
CAEPR  Centre for Aboriginal Economic Policy Research
CDC    Commercial Development Corporation
CDEP   Commonwealth Development Employment Program
DEETYA Department of Employment, Education, Training & Youth Affairs
IBIP   Indigenous Business Incentive Program
MBA    Master of Business Administration
NIBEC  National Indigenous Business & Economic Corporation
QA&TSIEDS Queensland Aboriginal & Torres Strait Islander Economic Development Strategy
QCCI   Queensland Chamber of Commerce & Industry
UQ     University of Queensland
Acknowledgements

This work was originally submitted as a Master of Business Administration research thesis. The writer wishes to acknowledge the assistance given by Griffith University’s Recruitment and Career Development Strategy for Indigenous Australians, 1995-1999. Without this employment and career development strategy, without its DEETYA funding, and without the support of the Indigenous staff of Griffith University within the Office of Human Resource Management, I would not have been in a position to complete this research. The continued support of the staff and management of the Aboriginal and Torres Strait Islander Studies Unit at the University of Queensland is also gratefully acknowledged.

Mention should be made of one outstanding individual who initially was the only Indigenous person interested in my research: my sincere thanks to Ms Lynette Vickerman, Indigenous Australian Industry Adviser with the Queensland Confederation of Industry and the Australian Chamber of Commerce and Industry. In addition, Mr Lyndon Murphy, an Indigenous postgraduate student at the University of Queensland, provided invaluable assistance in a cultural context by enabling me to focus on the objectives of this work. His assisted me to an understanding that poverty is not the underlying cause of twentieth century socio-economic problems, rather it is the act of colonisation and continual societal subjugation that results in poverty. The loss of land and its complex social interactions following the military act of colonisation by the British is the initiating cause of the resultant twentieth century socio-economic problems. Poverty is a symptom! Further, our discussions on Aboriginal deaths in custody and how they are also symptoms of colonisation, and how they interrelate with economic policy, were unforgettable.

Special recognition is given to my supervisor, Dr Laurence Chalip, who has coaxed me through levels of academia that I had never contemplated that I would visit. His skills in manipulating my aspirations to higher levels combined with his unfailing empathy for my work and our people’s plight is inspirational. To Dr Chalip, di-goory goor, nygallia.

About the Author

Dennis Foley is a descendant of the Gai-mariagal people of the Eora language group and the Wiradjuri nation. Following a career in the banking and finance industry, which was preceded by several years in private industry in management accounting roles and previously the public service, he has recently embarked on an academic career. His main research interests involve the study of Indigenous entrepreneurship. He is currently engaged in a PhD study at the University of Queensland looking at the intrinsic motivators of Indigenous entrepreneurs and the possible alteration of cultural value systems on their entry into business. This manuscript was prepared for publication while Dennis was a staff member of the Aboriginal and Torres Strait Islander Studies Unit at the University of Queensland.
1.0 THE PROBLEM

1.1 Contemporary Aboriginal Society

The 1991 Royal Commission into Aboriginal Deaths in Custody concluded that Aboriginal and Torres Strait Islander people are the most socially, economically and culturally disadvantaged group in Australian society (Commonwealth of Australia 1992:1). From this it would appear that Indigenous Australia is on the bottom rung of the social ladder. Ten years ago David Pollard (1988) wrote that Australian Aborigines were the poorest group in this country. They are often unemployed, they are generally under-educated and tend to inhabit the margins of Australian society. The poverty associated with two hundred years of Western dominance, and the destruction of traditional economic frameworks and cultural structures, have created a sense of Indigenous Australia not belonging within the wider Australian culture of today. The resultant lack of self-esteem in not belonging to or being accepted into Western society has ensured that Indigenous Australians are kept on the fringe, and in poverty (Pollard 1988:13-15). The high number of unemployed Indigenous Australians (38% or 54% if you include participation in the ATSIC-funded Community Development Employment Program or CDEP [Spicer 1997:5]) reinforces the social poverty phenomenon in Indigenous Australia.

The 1991 Royal Commission report states that one of the most important single steps in the achievement of self-determination is to redress the negative effects of poverty (Nagle and Summerrell 1998). The Royal Commission into Aboriginal Deaths in Custody concluded that there is a correlation between high levels of incarceration (and resultant deaths in custody) and economic poverty within Australia’s Indigenous community. That poverty is the result of the combined effects of past government policies, high unemployment, low levels of education, poor health, and low levels of home ownership. The Royal Commission paints a depressing picture of the holocaust of Aboriginal Australia. Such noted writers as David Pollard (1988) and Henry Reynolds (1987a, 1987b) share these views.

In 1998 the Minister for Aboriginal and Torres Strait Islander Affairs, John Herron, in his discussion paper, Removing the Welfare Shackles, acknowledges that economic development and self-reliance provide a means of assisting Indigenous Australians to break away from welfare dependency which in turn will improve their social circumstances (Herron 1998:4). ATSIC’s reply to Minister Herron also acknowledged the “vicious cycle of Indigenous poverty” (ATSIC 1998a:3). From 1991, in the findings of the Royal Commission into Aboriginal Deaths in Custody, to 1998 we have an acceptance from a conservative government that poverty is linked to the ‘shackles of welfare’.

Poverty is the underlying issue that prevents Indigenous Australians from actively participating in Australian society above the level of the welfare dependent. Self-determination, as stated by the Royal Commission, involves economic development. Far too often we associate self-determination with land rights. They are intertwined; however we must not limit the concept of self-determination by this definitional parameter. It is the social parameter of economic development that I concentrate on in this work. In this context, ‘self-determination’ as stated by the Royal Commission is identical to ‘self-reliance’ as referred to by Minister Herron, which is ‘economic development’ as identified by ATSIC (ATSIC 1998a).
Poverty in Indigenous Australian society is a direct result of the lack of a structured, formal path to self-determination, involving in turn a lack of self-reliance and economic development. Now, after 210 years since invasion, it would appear that we finally have the government of the day and Indigenous representatives (ATSIC) agreeing on the problem: the economic poverty of Indigenous Australia. The poverty of Indigenous Australia can be likened to a cancer on contemporary Australian society. If it continues, the outcome will be the extirpation of the traditional owners of this land, a result that non-Indigenous Australia can ill afford in the eyes of its trading partners and its own social conscience.

At this point it is important that we expand on the issue of unemployment to highlight one of the carcinogens of Indigenous poverty. A 1998 ATSIC-commissioned report on Abstudy states that “the employment status of Indigenous people is much worse than that of the non-Indigenous population and it appears to be getting worse” (Stanley and Hansen 1998:2). Ian Spicer in his report of December 1997 stated that the effective rate of Indigenous unemployment is in fact 54%. In 1977 the then Minister for Aboriginal Affairs, Ian Viner, was quoted in Hansard as estimating the true Aboriginal unemployment rate as closer to 50% rather than the then popularly accepted figure of 33% (cited in Spicer 1997:23). In 22 years, after several federal governments, both conservative and socialist, we have an increase in the unemployment rate of Indigenous Australia. What is this costing society?

The Royal Commission into Aboriginal Deaths in Custody as previously mentioned has cost the taxpayer alone approximately $34 million, with $400 million pledged for the implementation of its recommendations (Mick Dodson, University of New South Wales, pers. comm., 1998). In addition, millions of dollars have been spent in legal fees in the Crown’s defence and challenge of the Mabo and the Wik Native Title decisions. The political debacle produced by the former Queensland Borbidge Government in the debate over the Century Zinc Mine in 1997 is a classic example of political grandstanding at taxpayer’s expense. In this case, during the process of negotiation between the traditional landowners and the mining company, the Queensland Government intervened. Some three months and many millions of dollars later, the mining company and the traditional owners settled on an agreement that was almost an exact copy of the original document agreed to prior to the intervention of the Queensland Government and the former Governor-General (Sproull 1998; Woodford 1997:1).

The financial burden on the Australian public and private sectors in the maintenance of an Indigenous Australian ‘welfare system’ based on high levels of Indigenous unemployment, aggravated by an almost non-existent Indigenous economic base, is very expensive. When we include the financial burden of funding an almost never-ending politically motivated debate and arguments about Indigenous matters such as land rights, mining, the stolen generation, reconciliation and so forth, the resultant cost to the Australian taxpayer is massive. Indigenous activists such as ‘Chicka’ Dixon and Charles Perkins have repeatedly stated over the last 10 to 15 years that “if every black-fella in Australia died tomorrow, half of the white economy would be unemployed” (Dixon and Perkins 1995). Indigenous issues in Australia are ‘big business’, funded at taxpayer expense. These costs, plus the potential loss to the Australian economy in the lack of productivity of Indigenous Australians in mainstream society, add up to a considerable dollar amount. In view of this, imagine the positive effect on the Australian gross domestic product if reconciliation did exist!
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The Abstudy report previously quoted goes on to state:

Improving the economic and social status of Indigenous people creates benefits for all Australians … lessening these disadvantages will create benefit … reducing cost to government (and implied taxes) (Stanley and Hansen 1998:8).

The cost factor is in fact the cost of maintaining Indigenous groups on a welfare system. It is cost effective for the government to assist Indigenous Australia to “break the welfare shackles” (Herron 1998:4) and to promote economic development within Indigenous Australia. The creation of the Indigenous Australian businessperson, or the *Indigenous Australian Entrepreneur*, is cost effective in that if Indigenous Australians are given suitable incentives and assistance which give them access to a minimal economic base (or access to resources that are available to mainstream, non-Indigenous entrepreneurs), then they, our aspiring Indigenous entrepreneurs, can break free of the welfare shackles that have dominated our society since the brutal invasion of our country by the British in 1788.

The recent recognition of this by the federal government is also shared by various other government agencies, which has resulted in several federal and state initiatives including the Queensland Aboriginal and Torres Strait Islander Economic Development Strategy (QA&TSIEDS), launched in February 1998. Interestingly this Queensland initiative confirms the previous comments on under-representation of Indigenous business people in economic pursuits. It states:

Indigenous Queenslanders are clearly under-represented in business and yet there are many advantages for Indigenous entrepreneurs and communities from business development. These include the achievement of community aspirations, increased economic empowerment and independence, improved scope for asset accumulation … individual employment and increased employment flexibility (Queensland Government 1998:39).

The same report highlights that:

An examination of employment on a basis of occupation confirms that Indigenous people are under-represented in managerial and professional occupations and over represented in unskilled labouring work (Queensland Government 1998:14).

This provides further confirmation of the imbalance in poverty. When we combine the effects of unemployment rates exceeding 50% with low levels of education and skill accumulation, when Indigenous Australians are employed, it is predominantly in unskilled manual work. Once again they are situated on the bottom rung of the social ladder, susceptible to short-term employment contracts and easily laid off in times of economic fluctuation, as manual, ‘labouring’ type positions are seen in the workplace as expendable.

The expendability of Indigenous Australia is summarised by Butlin (1993:227) in his last publication before his recent death:
Foley

There was little place in British value systems, technical approaches or preference systems for Aborigines, at any rate when it came to a face-to-face choice of which group was to have access to Australian resources. In terms of exploitative technology, the British have left the Aborigines far behind ... literally for dead.

Butlin paints a picture of an economic rationalism that is not confined to the colonial period of British power. Rather it is evident in numerous communities around Australia today which continue to experience a lack of reticulated water supplies, lack of sanitation, lack of minimal education facilities and other resources, and sadly demonstrate health statistics that are ‘third world’ standard.

The negative picture of Indigenous Australia is not limited to the outstations, the remote camps in the deserts or along the creeks of the Australian frontier. The problems of inadequate health, housing, education and legal services occur in places like Redfern, Glebe, Blacktown, Mt Druitt (Sydney), Inala (Brisbane) and Sunshine (Melbourne). These are only examples. There are many more cases that highlight the economic plight of Indigenous Australia, a plight that is not limited to the ‘outback’. It is a plight that is evident on the very doorstep of non-Indigenous Australia, within the suburbs of our major capital cities.

1.2 Recent Governmental Developments in Business Enterprise Schemes

As one possible solution to high unemployment within the Australian Indigenous community, the Community Development Employment Program (CDEP) was introduced in 1977. Commonly referred to as the ‘work for the dole’ scheme, it is in effect much more. The level of CDEP effectiveness within Indigenous communities, however, is subject to the level of managerial expertise available within those communities, as the program is community and participant driven. When we consider the relatively low levels of formal education and managerial skills generally present within Indigenous communities in Australia (as highlighted in the previous section), the degree of economic benefit to the Indigenous community is subject to the ‘fast-tracking’ of management training programs and ATSIC support to CDEP coordinators.

As the CDEP is funded two-thirds by the participants themselves (by the pooling of their social security payments), the monetary investment by the government in the remaining cost of the scheme is well spent. This is highlighted by the 1997 Independent Review of the CDEP Scheme, known as the “Spicer Report” (after Ian Spicer, the principal consultant). The Spicer report highlights:

Across Australia CDEP has been critical to developing an improved sense of pride in community and culture and has provided the basis for acquiring greater skills, employment and enterprise development resulting in ongoing social and economic growth ... in recent years, [it has] been responsible for two-thirds of the jobs created for Indigenous Australians ... However, it is important that CDEP is not seen as the only solution (Spicer 1997:2).
The CDEP is not the only solution:

yet in recent years it has become increasingly involved in the development of business enterprises to facilitate employment outcomes and income generation. Many see this avenue as the most effective means of lessening dependence on government assistance and providing the key to economic self-sufficiency ... the Review illustrates examples where CDEPs have made significant progress in establishing businesses, which have the potential to become self-sufficient. The Review recommends the creation of a specific Business Development Fund with two important components ... first to identify business opportunities, conduct feasibility opportunities, conduct feasibility studies, develop business plans and secure the assistance of business expertise ... second to establish and/or purchase businesses (Spicer 1997:6-7).

Without appearing as the devil’s advocate, it is commendable that the government has in fact created the Business Preparation Scheme (BPS) in lieu of the Business Development Fund (BDF); yet ATSIC at the time of writing has only allocated two business consultants and minor clerical support to implement this scheme. The scheme is similar in theory to ATSIC’s ‘other’ business development funded schemes which include:

- Commercial Development Corporation (CDC);
- Business Funding Scheme (BFS); and,
- Indigenous Business Incentive Program (IBIP).

This new scheme, the BPS, appears to be an ‘armchair’ approach to managing business enterprise development. It is ‘Eurocentrically’ managed and controlled from Canberra (it has no Indigenous Australian staff). It fails to address the individual personality and intrinsic characteristics of Indigenous businesspersons (whether their existing, desired or essential attributes). Further, recent cutbacks in CDEP funding have resulted in insufficient funds being made available for training.

As an example, the Quandamooka Land Council CDEP on North Stradbroke Island has a budget provision from ATSIC of $3,700 as their training and development appropriation to train 50 participants in the financial year 1998/99 (Denise Coghill, Quandamooka Land Council, pers. comm, 1998). Without an adequate training budget, it is unlikely that CDEP participants can gain managerial techniques and entrepreneurial knowledge. The ATSIC budget in the Quandamooka example is totally inadequate and can only be described as a ‘band-aid’ approach in the fight to cure the cancer of poverty.

The current staffing levels of the Business Preparation Scheme’s office also indicate what appears to be a limited commitment by the government to the implementation of the scheme. On paper however, the scheme has great merits. It can be viewed as a potential ‘entrepreneurial nursery’, a nursery in which Indigenous entrepreneurs can be nurtured and trained in necessary business skills. In this context it has potential; however, with a skeleton staff (combined with an unknown financial base), the general Indigenous community sees its potential for success as potentially farical.
1.3 The Effects of Government Funding in Australia on the Environment of the Indigenous Entrepreneur

For a period of approximately 10 years the writer worked in various middle and senior management roles in commercial lending, including factoring, confirming, international trade finance and construction finance. These included joint venture projects in institutions that include Westpac, Challenge Bank, Advance Bank, Midland Bank, Bank of Scotland and Scholefield Goodman (Merchant Bankers of Birmingham). In the commercial banking sector the credibility of the individual is the dominant, determining factor in any transaction. Without credibility of the individual, the capacity to repay, the financial standing of the applicant, their creditworthiness, their previous credit history and their capital accumulation have little bearing on the decision unless they can display expertise and a sound, stable reputation. Judged from the standpoint of the writer’s commercial experience, the Business Preparation Scheme devised by ATSIC in its current structure is doomed to failure. At best, it will have minimal impact on the economic circumstances of its target group. Without development programs aimed at the individual, qualified staff to support project aims and funding to deliver the program, the outcomes will not improve the economic plight of potential Indigenous entrepreneurs.

Available government literature promotes the concepts of ‘initiatives’, ‘the business venture’, and ‘the community’ (Herron 1998; see also various ATSIC pre-1998 publications). In perusing this literature and in discussions with ATSIC, nothing is written or appears to acknowledge the development of the individual. This was highlighted in the previous section that referred to the lack of funding available for training and development of the individual in the Quandamoooka CDEP. It is important that ATSIC (and this study) address the individual, the complexity of the Indigenous entrepreneur. In the commercial funding situation this is an accepted, mandatory requirement. For the purpose of this study (and perhaps ATSIC should also review their methodology), we need to address the individual: the individuality of Indigenous Australian entrepreneurs; what makes them react, and how do they cope? There are myriad questions that need to be addressed for us to begin to understand the environment of the Indigenous entrepreneur.

Entrepreneurs are exposed to conditions (... physical fatigue ... and ... stress) ... more frequently, and perhaps more intensely, than other people ... by the very nature of their activities, entrepreneurs often find themselves in situations that are new, unpredictable, complex, and are likely to produce information overload ... their work load is legendary, so they often meet these demands when fatigued or while experiencing high levels of stress ... entrepreneur’s commitment to their ideas and businesses is often intense (Baron 1998:279).

Robert Baron in his recent paper on the ‘Cognitive mechanisms in entrepreneurship: Why and when entrepreneurs think differently than other people’, enables the novice to understand some of the enormous physical and psychological pressures placed on the entrepreneur. These are in addition to the mandatory ‘business skills’ that they need to possess or have mastered prior to venturing into a business. Combine all of this with the complex socio-economic disadvantages experienced by Indigenous Australians and you begin to understand the enormous stress and knowledge requirements that are prerequisite of the Indigenous entrepreneur. The researcher is
yet to find where ATSIC or any other business-funded enterprise scheme adequately addresses the provision in training of entrepreneurial skills for a potential business entrant and the ‘culling’ of those applicants who do not possess them.

It would appear that ATSIC and other government-funded business enterprise schemes do not address the development of the individual. They take a conservative attitude, concentrating on the existing political climate rather than looking at long-term solutions.

When we look at some comparative statistics, the social imbalance from consecutive governments in dealing with Indigenous Australian poverty appears somewhat sinister. The ATSIC expenditure for the financial year ended 30 June 1997 was approximately $950 million (ATSIC 1997:232), yet the Australian budget spent on overseas aid was $1.446 billion (AusAID 1998:1). Australia spent $496 million more on overseas aid than it did on its own ‘third world’ rated problems in Aboriginal health, housing and education.

Analysis suggests that 0.18% of Australia’s gross domestic product was spent on the provision of services to Indigenous Australia through the bureaucracy of ATSIC, yet we spent as a nation 0.27% of our GDP on international aid (AusAID 1998:1). When we view these facts in the context of the worsening poverty within Indigenous Australian society it makes us wonder and question the sincerity of the government. Kathy Sullivan MP, in a speech and press release in March 1998 concerning Australia’s commitment to overseas aid, stated:

> We must never lose sight of the fundamental objective of our overseas development activities; poverty reduction through sustainable development. I believe that all Australian aid programs, whether long term or crisis-response, are achieving that objective … I want to make clear, however, that the sort of help we are providing is not just short term relief, not “band-aid” solutions. It is about building partnerships and transferring skills (Sullivan 1998:6).

Sullivan stipulates that the overseas aid is not a ‘band-aid’ application; it is sustainable development. Yet her political party appears to be doing just that – applying band aids – to the domestic circumstances of Indigenous Australia. As previously mentioned, the current skeleton staffing levels of the ATSIC Business Preparation Scheme’s office, combined with inadequate budgets for training and development support, demonstrate a limited commitment by the government to the implementation of the BPS scheme. There appears to be a contradiction between the government’s objective of poverty reduction through sustainable development for Indigenous Australia compared with the objectives of international aid programs. It would appear that one is productive and positive in the international application, the other subject to political manipulation and ‘band-aid’ treatment on domestic issues. The current government’s commitment to the reduction of poverty in Indigenous Australia thus appears questionable from an Indigenous perspective.

This leads us to the development of the theoretical study of current research pertaining to the Indigenous Australian entrepreneur, their definitions of success, their qualities, and the intrinsic forces that make them what they are.
1.4 Objectives of the Study

The objectives of this study evolved as the study progressed. Initially the research was to look at what made Indigenous Australian entrepreneurs different from non-Indigenous entrepreneurs. To adequately address this objective, the research would have entailed comparative studies of non-Indigenous entrepreneurs. To do this would have been a costly, time consuming and ineffective exercise, especially as there is a plethora of research in existence that more than adequately provides an insight into the make-up of the non-Indigenous entrepreneur. A wealth of information on non-Indigenous entrepreneurs exists in the writings of Baron (1998), Baum (1995), Falbe and Larwood (1995), Hart et al. (1995), Hills (1995) and Smilor (1997), to name a few who have been referred to in this study.

It was important that a definition of what constitutes an Indigenous Australian entrepreneur be established, and this became the study’s first objective. Owing to the apparently limited number of Indigenous Australian entrepreneurs in existence, quantitative analysis was discarded in favour of qualitative measures. The study framework resulted in the following objectives crystallising:

- to define the phenomenon of what is an Indigenous Australian entrepreneur;
- to define the Indigenous cultural paradigm of success as pertaining to the case study participants; and
- to discuss (through the case study analysis) the educational and industry training expertise of the participants, their sacrifices and survival techniques, and to explore their process of capital accumulation and if applicable, expansionary funding.

A further objective of this study is that the findings will be considered by government departments and financial institutions and that alterations will be made to existing policy and procedures to ensure that funding and incentive venture capital are allocated to those entrepreneurs who have potential for success. The funding policies of previous governments and of the existing federal coalition government are patronising. If Indigenous Australia is to break away from the welfare shackles then processes need to exist to allow this transition to materialise. This study provides the reader with an insight into how several individuals have achieved this. Collectively we can learn from their achievements.

1.5 Cultural Considerations

In the understanding of this study the reader should be aware that in the context of the writer’s spiritual and cultural respect for the Indigenous people of Australia, the word Indigenous when it appears in the text contains a capital “I” which is contrary to normal academic writing. However it is the correct cultural practice for Aboriginal and Torres Strait Islander people to use the capital when we refer to each other as it takes on the context of a proper noun designating our respect, or in this case the writer’s respect.
1.6 Limitations

The limitations of the study are twofold. Firstly, the study commenced with a sample of only 18 Indigenous Australian business enterprises. The number of enterprises studied could be seen as a limiting factor. However, owing to the nominal existence of Indigenous Australian enterprises, qualitative methods were used to maximise the usefulness of the data on this minority group within the business sector. This is not seen by the writer as a limitation; rather it highlights the need for further study in the hope that the business environment of Indigenous Australian enterprises may be stimulated to increase the number of practitioners.

Secondly, this study was initially undertaken as a Master of Business Administration (MBA) research project at Griffith University with limiting parameters of time and resources. Whilst every effort has been made to ensure that this study is comprehensive, it is seen by the writer as only an introduction to the topic. The study of Indigenous Australian entrepreneurship is potentially a large topic and area of academic pursuit, which this study only touches upon. Further work by the writer will expand on this area.

2.0 LITERATURE REVIEW

2.1 Introduction

The keywords in the topic of this study are entrepreneur and success. To adequately cover this subject we must establish what and who constitutes an ‘entrepreneur’, responsibly look at what is ‘success’, and measure entrepreneurial performance (or entrepreneurship). In addition, we must review and discuss the cross-cultural environment of the Indigenous entrepreneur.

These are the basic questions that must be clarified from the available literature, supporting the validity of the foundations of this paper. To do this we need to purge ourselves of the industry stereotype of what constitutes an ‘entrepreneur’ and disregard the recent bickering in the field of entrepreneurial research as to a specific definition of an ‘entrepreneur’. Recent statements by David Holt of Lingan College in Hong Kong do not help the situation. He concludes, after decades of study of entrepreneurial characteristics, that there is no clear model to describe entrepreneurs, partly owing to the ambiguity to uniquely describe entrepreneurs (Holt 1997:489-490). This work tends to disagree with Holt’s statements. I argue that there are adequate definitions of what constitutes an entrepreneur and entrepreneurship.

James Tiessen recently wrote that there is indeed a consensus of opinion in the definition of entrepreneurship, that entrepreneurship is associated with three desirable economic outcomes: growth, innovation and flexibility (Tiessen 1997:368). The Indigenous Australian businessperson experiences growth, both in their personal knowledge, their business skills and their expertise in a range of attributes. Growth is normally associated in Western terminology as ‘economic’ growth, which is also applicable in the Australian Indigenous context. However, in view of the initial low socio-economic position of the Indigenous Australian entrepreneur following the combined effects of poverty and low education levels, growth is in their case often associated with business and entrepreneurial skill accumulation rather than personal asset accumulation.
Economic growth is essential, it would appear, for the sustainability of the business rather than the wealth accumulation of the individual.

The world of small business is an area where there are few and possibly no role models for Indigenous Australians. They experience innovation in their establishment in small business. They become an innovative element in the market by their very existence. They innovate to survive by maximising their scant resources. They innovate by manipulating their cultural norms to enable them to survive in the Western world of business.

To enter into the business environment tests the Indigenous Australian’s flexibility culturally, socially and economically. Depending on their family network and structure this can mean a transformation from a collectivist environment to that of an individualist, invariably utilising the economic resources of the first to fund the latter. This may place pressure on ethical standards, or cultural standards, which will be discussed in more detail in Section 2.6.

The transition of Indigenous Australians from their previous environment to an entrepreneurial situation is an ideological contradiction. Their growth, innovation and flexibility (Tiessen 1997:368-369) disrupt the economic status quo (Smilor 1997:341). The entry into small business, self-employment, and the environment of entrepreneurship is synonymous with private enterprise development and is the fundamental force behind social change (Holt 1997:484). The social change that is evident consequent to entrepreneurial activity may possibly be the solution required in casting off the political rhetoric of ‘the shackles of welfare’ subjugating Indigenous Australia.

2.2 Entrepreneurship

An entrepreneur is described by Zimmerer and Scarborough (1998:3) as:

one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying opportunities and assembling the necessary resources to capitalise on them.

The Harvard Business School defines entrepreneurship as “the pursuit of opportunity beyond the resources one currently controls” (Smilor 1997:343). This definition is simplistic, and lacks applicability to the Indigenous Australian scenario, whereas Zimmerer and Scarborough have not allowed for the social positioning of the Indigenous entrepreneur. A more detailed explanation and definition of entrepreneurship is:

Entrepreneurship is a subversive activity. It upsets the status quo, disrupts accepted ways of doing things, and alters traditional patterns of behaviour. It is at heart, a change process that undermines current market conditions by introducing something new or different in response to perceived needs. It is sometimes chaotic, often unpredictable. Because of the dynamic nature of entrepreneurship and because of the entrepreneur’s ability to initiate change and create value ... the concept of ‘creative destruction’ is an apt description of the process ... the entrepreneur thus disrupts the economic status quo, and as a result creates new market opportunities (Smilor 1997:341).
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Smilor's definition and explanation allows us to understand the dynamics of the entrepreneurial environment. The dynamics of change, of turbulence, are experienced in the entrepreneurs' daily habitat: perhaps it is chaotic; sometimes it may be predictable, but often the change process is not. It is the entrepreneurs' ability to harness this change to advantage, or perhaps even to initiate the change in the first place that is their distinguishing ability, or the characteristic that makes them different. We can apply this to the Indigenous Australian and modify it slightly to produce a definition of the Indigenous Australian entrepreneur. From these readings and personal observations, the following definition has been developed to encapsulate the phenomenon of the Australian Indigenous entrepreneur:

The Indigenous Australian entrepreneur alters traditional patterns of behaviour, by utilising their resources in the pursuit of self-determination and economic sustainability via their entry into self-employment, forcing social change in the pursuit of opportunity beyond the cultural norms of their initial economic resources.

In this definition we go beyond the generalist Harvard Business School definition, and are more definitive than Smilor's (1997) application and correspondingly more accurate than Zimmerer and Scarborough (1998). This definition is flexible in its application, allowing for the historical and socially moulding forces that are evident in the Indigenous Australian entrepreneur's environment.

The economic status quo that has been imposed on Indigenous Australia has aptly been defined by the current Minister for Aboriginal and Torres Strait Affairs, John Herron, as the "welfare shackles" (1998). The Indigenous Australian economic status quo is an oppressive one, almost a yoke of restraint. The foregoing definition highlights the disruption of the economic status quo, which occurs when Indigenous people engage in a metamorphosis from the entrapment of the welfare system (and its negative stereotypes), to a condition of self-determination, and control of their economic future. The extent of this control is determined by the skills, training and resourcefulness of the individual.

Indigenous Australians experience a dramatic change in their lives on entering business, notably the change in their values resulting from considerable personal sacrifice. This change process is continual. It is a transformational process not only within their own personal lives, it is also evident within their business pursuits. A recent publication by Gary Knight (1997:213) of Michigan State University stated:

Entrepreneurship refers to the pursuit of creative or novel solutions to challenges ... including the development or enhancement of products and services, as well as new administrative techniques and technologies for performing organisational functions ... Entrepreneurship is a fundamental posture, instrumentally important to strategic innovation, particularly under shifting conditions in the external environment, and is applicable to any firm, regardless of its size or type ... entrepreneurial activity is critical because it stimulates superior performance and may well be the key fundamental element in the procurement of advantages relative to competitors.
From Knight’s conclusions, entrepreneurial activity is critical in managing change as it stimulates superior performance and may result in an advantage over the competitor. To succeed and maximise this advantage over a competitor or to achieve a market niche, the entrepreneur has three desirable economic outcomes to aspire to: growth, innovation and flexibility. These are consistent with the two critical ingredients of entrepreneurship: economic opportunity and resources (Tiessen 1997:369).

The entrepreneur must have a business opportunity and they must have access to resources, resources that in the Indigenous Australian example are minimal in view of the general poverty of the community. The attribute that the Indigenous Australian entrepreneur must display therefore is the innovation and maximisation of their opportunities, perhaps with personal sacrifice to ensure the success of their venture.

2.3 What Makes an Effective Entrepreneur?

An effective entrepreneur requires more than an opportunity and existing economic resources. Effectiveness is more than economic growth, innovation and flexibility. The entrepreneur is the person; it is the personal attributes of that person that create the individual who succeeds in business. Raymond Smilor of the Kauffman Foundation believes that the existence of elements of talent, opportunity, capital and know-how determine whether an aspiring entrepreneur succeeds or flounders. The diversity of talent, the passion to commit themselves to what they believe in, the determination, optimism and persistence, as Smilor puts it, “it is the fire in the belly that makes the improbable possible” (1997:342). The ‘fire in the belly’ is passion, the passion to succeed. Passion is an intrinsic motivator, a driving force that is difficult to measure or to control, an unknown quantity whose origins are not quantified. In the entrepreneur, passion is complemented and guided by the dispositions of:

- a proclivity for action;
- a tolerance for ambiguity; and
- a desire for control (Smilor 1997:342).

‘Proclivity for action’ refers to the fact that entrepreneurs’ behaviour is a function of their decisions. That is, situations do not determine their behaviour; rather they take the initiative to change their situations. The ‘tolerance for ambiguity’ exemplifies the fact that entrepreneurship is not for the person who needs routine and has everything planned. Entrepreneurship involves unknowns, the ability to handle setbacks or unseen ups and downs in the business environment, ambiguity in that the future is not clear cut. The ‘desire for control’ stems from the entrepreneurs’ need to be in charge of their own destiny. Effective entrepreneurs do not take blind risks or gamble; rather they recognise and pursue opportunities based on quantitative information and qualitative insights (Smilor 1997:342-343).

A popular image of entrepreneurs in Australia in recent times is that they are risk takers, an image reinforced to some extent by the financial brinkmanship of the 1980s by the likes of Abe Goldberg, Christopher-Skase and Alan Bond. Neil Churchill (cited in James 1998), Emeritus Professor at the INSEAD management school in France, states that in fact entrepreneurs are “risk averse”. Rather than taking risks, they in fact look at ways of minimising risk (James 1998:69).
Churchill believes that the key to being an effective entrepreneur is the ability to find a major point of difference, the period of opportunity. When we consider that business enterprises usually go through four phases: slow start up, rapid growth, plateauing and decline, then the greatest entrepreneurial opportunities occur in the rapid growth and decline periods. Churchill believes that the ability to manage entrepreneurship can be taught, but not in teaching managers how to work an 80 hour week and take risks, or to sensitise them to that; what you can teach them is how to manage growth. It is the ability to identify points of opportunity and to convert insights into repeated transactions (James 1998:69-70). David James believes that “defining a recipe for entrepreneurship is almost as pointless as writing a formulae for painting like Pablo Picasso” (James 1998:69). James concludes that this type of exercise is irrelevant: however, it is possible to pinpoint recurring problems experienced by entrepreneurs. Conversely both James and Churchill emphasise the positive benefit that entrepreneurs receive from having mentors and the social networks that stem from the existence of a mentor situation.

Recent sociological research has demonstrated that entrepreneurs’ recognition of opportunities and utilisation of resources are embedded in social networks. The more extensive and complex the network, the greater is the chance of success for the enterprise (Smilor 1997:343). The Indigenous Australian entrepreneur does not have established business or social networks of the kind available to, say, the Harvard Business School graduate or the French INSEAD management graduate. Indigenous Australian entrepreneurs must rely on other frameworks and associations to recognise their opportunities. This difference in networks can also involve differences in values, including different interpretations of what constitute resources.

The Harvard Business School defined entrepreneurship as “the pursuit of opportunity beyond the resources one currently controls” (Smilor 1997:343). As mentioned previously, the resources of the Indigenous Australian community are perceived to be at a different level from those of the non-Indigenous community. Not only is there a variation in resources, there is also a difference in the determination of what constitutes ‘success’, which is discussed in SECTION 2.5. To follow the Harvard definition, the pursuit of opportunity is governed by the competencies of the entrepreneur, their skills and intrinsic ‘modellers’, or as Churchill believes, the identification of opportunity by the ability to substantiate differences that will lead to repeat transactions (James 1998:69). The identification of opportunity and differences relates to Michael Porter’s findings about sustainable competitive strategies and sustainable economic advantages, expounded in the 1980s (Porter 1987). This section can not conclude without mentioning the work of Porter, for rightly or wrongly it has become the benchmark for much management and entrepreneurial teaching over the last 12 years. Following the identification of differences and opportunities, the skills and traits of the entrepreneur are discussed in the following section.

2.4 Entrepreneurial Traits and Measures

Baum’s (1995) research to clarify the causes of entrepreneurial performance produced nine competencies that are synonymous with the six models of entrepreneurial concepts: ‘traits’, ‘competencies’, ‘motivation’, ‘strategy’, ‘organisational structure’ and ‘industry structure’.
The nine competencies that were defined as measures of performance are ‘knowledge’, ‘cognitive ability’, ‘self-management’, ‘administration’, ‘human resource’, ‘decision skill’, ‘leadership’, ‘opportunity recognition’ and ‘opportunity development’. Some three years after Baum’s research, Zimmerer and Scarborough (1998) identified seven characteristics in entrepreneurs that they believe are traits for success in the entrepreneur. They are: ‘a desire for responsibility’, ‘a preference for moderate risk’, ‘confidence in their ability to succeed’, ‘a desire for immediate feedback and reinforcement on how they are doing’, ‘a high level of energy’, ‘future orientation in searching for further opportunities’ and ‘skills in organising people and resources’ (Zimmerer and Scarborough 1998:3-5). Prior to Baum’s research in the USA, David Johnson and Rosa Suet Fan Ma of the ‘British School’ of research proposed that there are seven dimensions distinguishing the successful from the non-successful manager or entrepreneur. These seven dimensions are: ‘vision’, ‘the need for achievement’, ‘the need for autonomy’, ‘the internal locus of control’, ‘the opportunistic character of the individual’, ‘creativity and innovation’ and ‘calculated risk taking’ (Johnson and Ma 1994:81).

Baum is generalistic and is testing the characteristics or competencies as he calls them. Johnson and Ma relied heavily on the works of Filion (1991), Quincy (1986), McClelland and Winter (1969), Solomon and Winslow (1988), Brockhaus and Nord (1979), Stevenson et al. (1989), Herbert and Link (1988) and Liles (1978). This is old material, and there is no need to expand on it here; rather it is presented to highlight the conservatism of Johnson and Ma’s work. Perhaps it is not as testing as Baum, erring on the side of the conservative, however it is based on some of the early pioneers in this area of study and it highlights one of the most important competencies, the ‘vision’ of the entrepreneur.

It would appear that Baum did not consider ‘vision’ as an entrepreneurial trait. Falbe and Larwood (1995:187) view vision as important as ‘leadership’, ‘strategy implementation’ and ‘change’. The entrepreneurs’ dimensions of vision are in fact significant predictors, which differentiate them from the non-entrepreneurs. Following Baum (to some degree), Hart et al. (1995:75-84) place emphasis on the entrepreneurs’ knowledge and specification of resource needs, the location of these providers, and their choice of partners, as having significant implications for their performance over time. There is evidence to support the view that previous experience can affect new venture performance by building on strategic alliances and leveraging those relationships through social networks.

Given the profoundly disadvantaged circumstances of the Indigenous Australian population, the low number of Indigenous Australian business graduates and the likely single digit number of Indigenous Australian MBA graduates, such social relationships can only be developed after significant exposure to industry, or advantages commonly associated with ‘old school tie’ networks.

Significant exposure to both industry and social networks seem to be an attribute of the non-Indigenous Australian business population. The socio-economic environment that Indigenous Australia has been forced into has not allowed these associations to exist in any great number. This disadvantage in not having strategic alliances, and in not being able to leverage relationships through social networks, combined with the demands of cultural sensitivity in the Indigenous
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entrepreneur’s daily dealings with both the Indigenous community and the non-Indigenous business community, highlight the complexity of the pressures on the Indigenous entrepreneur. These pressures are additional to the normal, daily business pressures experienced by the mainstream entrepreneur.

It is important to recognise sensitivity to cultural meanings and practices in interpretative ethnographic and quantitative psychological research (Miller 1997:171). Sensitivity is an understanding, not a methodological process. Before we proceed to consider other entrepreneurial traits, we should reflect on the sensitivity aspect, or understanding of the Indigenous entrepreneur. It is important that readers be sensitive to the environment of the Indigenous Australian entrepreneur, so that they may understand the unique person who has achieved this classification. The personal initiative of the Indigenous entrepreneur is seen as a behaviour syndrome resulting in the individual taking an active and self-starting approach to work (Frese et al. 1996). The entrepreneur is self-motivated, in control of their actions and their attitudes to workplace endeavours.

Hallahan et al. (1997) consider the attribute linking the positive behaviour that follows this to internal causes. Interestingly, they propose the concept of ‘face’, referring to the concern people have about the way other people perceive them. The public self-image that people want to claim for themselves is a universal human need. Yet, following Indigenous Australia’s appalling history of subjugation and the racist attitudes displayed by Eurocentric governments and the wider population, this poses the question: How can Indigenous business people be positive and maintain ‘face’ (as Hallahan et al. define it)? From this it is possible that ‘positivity’ is a determining factor or attribute of the Indigenous Australian entrepreneur’s survival in a negative societal environment. This point also highlights the variation in terms that include ‘success’. The Indigenous Australian entrepreneur’s interpretation of success differs from that of the mainstream operator, as discussed below.

2.5 Success

Success is conceptualised and defined in many differing ways. Maslow (1968) and Rogers (1964) view success as a process of self-actualisation.

The term success is often used in literature dealing with locus of control, attribution, or achievement motivation, however success is seldom defined. The subjective meaning of success is important because people’s definitions of success influence goal striving behaviour and underlie reasons and attributions for success and failure, for example males and females may differ in their definitions of success and different cultures have differential definitions of success (Fan and Karnilowicz 1997:589).

Fan and Karnilowicz identify that differing cultures have different definitions of success. Participants in the case studies will provide their own definitions of success, but in view of the economic disadvantage of Indigenous Australia (as previously discussed), Indigenous economic success can be different to the mainstream concepts due to differing values, as follows:
In Aboriginal society, economic success is not necessarily considered to be a goal in itself... For Aboriginal people to achieve economic equality with other Australians does not necessarily mean that they must abandon their own values. Distinct cultural practices influence Aboriginal participation in today’s economy (Queensland Government 1998:7-8).

Success to an Indigenous Australian can be and often is vastly different to the meaning of the concept for a European Australian. Martin and Liddle (1997:2) found that the combination of low employment and low income levels will remain an intractable problem in Aboriginal society; therefore, the goals of self-sufficiency and economic development as the defining parameters of success may in fact be unrealistic. The accumulation of material wealth is a Western or European measure of success. Indigenous Australia looks at basics such as regular food, access to school for their children, access to medical facilities for their family, a motor vehicle, and a reasonable place to live as the criteria of success: basics which, in mainstream society, are often taken for granted. This highlights a difference in values between the two cultures.

2.6 The Cross-Cultural Environment of the Business Sector

For Indigenous entrepreneurs, common concepts of the benefits that follow ‘success’ include basic items such as food, clothing, comfortable housing and good education opportunities for their children. A dollar figure constituting a ‘reasonable income’ is rarely mentioned in the Indigenous community, whereas success in the non-Indigenous sense can be measured by what model BMW you drive, where you live, how big your swimming pool is, which Italian suit you wear etc. These are the trappings of an extravagant Western society. In correlating the success criteria in Indigenous society with those of non-Indigenous society, the reader begins to understand the differences between the two cultures. Western society uses luxuries as the criterion, whereas Indigenous Australia is still trying to acquire the basic commodities that Western society takes for granted, including food, clothing, shelter, and access to health and educational facilities. This illustrates to the reader a modest interpretation in a cultural context of Indigenous Australian entrepreneurs when we compare them with extravagant examples of non-Indigenous entrepreneurs such as Christopher Skase or Alan Bond.

In defining success in a business context, entrepreneurship is a process, a recognition of opportunity that occurs prior to a venture launch (Hills 1995:105-116). It can occur even in the poverty level of Aboriginal Australia. Entrepreneurship, to Hills, may occur in greater or lesser degrees throughout the life of the enterprise and the life of the entrepreneur. It is not qualified by Western grades of success or dollar turnover, rather it is represented by its very existence. In the application of Hills’ criteria, success can exist without the entrapments of Western societal standards. If we begin to understand that the accumulation of material assets in Western society is not a necessary criterion of success, then how do we measure the cognitive factors in entrepreneurial development? Perhaps Western society by its accumulation of material wealth provides the incentive for entrepreneurial development; from this it could be reasoned that the economic pressures found within Indigenous Australian society in fact discourage the development of entrepreneurship. Busenitz and Lau (1996) conclude that cognitive factors have yet to be integrated into a cross-cultural framework to enable us to understand why some cultures produce individuals with a higher propensity for entrepreneurial activity. They have found that
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different cultural values affect individual cognition, which in turn will result in different behaviour, which is affected by their cultural values, the social context and their personal variables. In the business context, do cultural values and their resultant behaviour determine business behaviour, or ethical behaviour?

Recent research suggests that ethical business behaviour is grounded in the unique characteristics of each national culture (Stajkovic and Luthans 1997:19). The rise in popularity of the One Nation Party in the 1990s, Prime Minister Howard’s attack on the ‘black armband’ attitude of the High Court over the Mabo and Wik Native Title decisions, the ‘rightness of whiteness’ in the Howard ten point plan, together with the Prime Minister’s refusal to apologise over the ‘stolen generation’, are factors that have fanned the embers of racism and guilt that are products of our colonial history. Negative stereotyping of Indigenous business people in Australia could provide a hostile environment if this were a blanket application.

The continuing existence of racism, and the failure to grapple with the real causes of racism, seem to bear out Australia’s inability to face the facts of its (almost recent) past acts of genocide against Indigenous people. This includes the inability to acknowledge the responsibility and attitudes of white Australians (living and dead), and the inability to achieve a positive plan for the future involvement of Indigenous Australia in mainstream society, on Indigenous terms (Pollard 1988:15). The connotations of racism are incorporated in the cross-cultural environment of the business sector; racism is a permanent aspect of the business culture and, I suggest, it is a permanent aspect of the wider mainstream culture of Australia. It is a product of the British class system, a product of colonialism and is as much a hidden, unspeakable part of Australian society as is the 200 year lie of terra nullius. Culture, when applied holistically to Australia:

Represents the broad spectrum of accumulated knowledge that people use to interpret their experiences and generate social behaviours (Stajkovic and Luthans 1997:19-20).

Further:

Common values found in cross-cultural studies do not necessarily equate to universal values, nor do values attributed to one nation, or collectively to people defined with one ideology, go far enough to explain divergent patterns of organisational behaviour (Holt 1997:490).

Stajkovic and Luthans (1997) and Holt (1997) acknowledge that the cultural mix of Australia does not have a common value-base or a collective ideology. A less than objective media, the denial of reality and truth in our education systems concerning the history of the British invasion and subsequent genocide of Australia’s Indigenous people, are examples that restrict the true history of this country. This allows ignorance and bigotry to prevail in some sections of our society towards Indigenous Australians. In illustrating only two examples, whilst the media and education systems produce these attitudes of misinformation, the Australian people will be denied ‘accumulated knowledge’, they will be denied ‘common values or collectively possess one ideology’, they will be denied empathy and understanding. The result is an environment that is not receptive to Indigenous views.
As mentioned previously, sensitivity is an understanding, not a methodological process (Miller 1997:171). However, when the methodological process in historical truth is denied, when we have a Prime Minister who thwarts the process of reconciliation, then the sensitivity in understanding is denied to mainstream Australia. This is a social and cultural climate that is potentially negative for the Indigenous entrepreneur when competing for market acceptance in mainstream Australia.

2.6.1 Cross-Cultural Government Funding versus Free Market Funding

The Minister for Aboriginal Affairs’ recent discussion document, *Removing the Welfare Shackles*, admits that there has been a conflict between commercially-oriented programs in the past, producing conflict between social and economic goals. The emphasis on social needs has resulted in poor commercial decisions and resultant commercial failures (Herron 1998:6). This in effect displays the dichotomy between the paradigms of ‘cross-cultural’ lending and ‘free market’ or commercial bank finance. Commercial lending in the ‘free market’ banking industry involves the scrutiny of a practitioner’s (proven) track record, their success, their accrued assets, their financial reserves and ability to succeed in their chosen endeavour and so on. Lending in the Indigenous context appears to be driven by ‘social needs’ (Herron 1998:6). Potential Indigenous entrepreneurs, from their position at the bottom of the social ladder, are unable to compete or obtain positions whereby they can participate in the ‘free market’ of the commercial banking industry.

This observation is supported by the initial research for this project, discussed in Section 3.0, which coincided with attendance at several conferences, including National Indigenous Business Week in August 1995. The majority of the Indigenous businesses examined in this period (including those highlighted at the Indigenous business conferences) appeared to be little more than products of paternalistic government policies, in that these businesses had been the beneficiaries of short-term funding from ATSIC for poorly-conceived ventures. This perception has been clarified and substantiated by Herron’s *Removing the Welfare Shackles* of March 1998, some three years later.

The Centre for Aboriginal Economic Policy Research (CAEPR) discussion paper of August 1996 also confirms the prior observation made in this study:

> Economic programs have been in place over the last twenty years ... many business programs were marked by a lack of commercial success ... often due to the relatively low level of managerial skills and because the programs had mixed social and economic objectives (Arthur 1996:1).

Herron acknowledges social needs as the principal determinant of poor commercial decisions, while CAEPR notes the combination of low managerial skills and the confusion of ‘social’ versus ‘economic’ objectives. If applied to the commercial banking sector, the risk factor of these new ventures would be so extreme and the exposure of the bank so great that, if a loan was made, its potential to fail would be so high that the commensurate rate of interest would exceed normal commercial rates. An abnormally high interest rate would severely reduce the cash flow of the venture, reducing its chance of success and/or profit (Roussakis 1997:332-339). Poor
management skills and social requirements are not characteristics of commercial lending that are acceptable if applied to the commercial ‘free market’ of the Australian banking sector. Here we have identified one of the major flaws in current government policy.

In comparison with the banking sector, ATSIC and its many funding agencies and sub-groups are not looking at providing commercial lending on a commercially viable basis. In general, the clients, the potential business entrepreneurs, and Indigenous people (in general) do not have the skills, background or financial reserves to enter business on a commercially viable basis. Before funding is provided, should it not be a government priority to provide the training to increase the likelihood of success for the potential Indigenous businessperson under the BPS, BDF, CDC, BFS or IBIP schemes? Training implies that potential Indigenous business persons will be adequately trained in management, and preferably will have a period of ‘hands on’ experience in industry to crystallise their expertise and managerial skills.

2.6.2 Joint Venture and Venture Capital Finance

Government funding in the various schemes mentioned above is similar to ‘venture capital’ finance in that the government is an equity partner in the future economic success of the participants. The 1997 Commonwealth of Australia Information Paper on Informal Equity Investment defines ‘venture capital’ as:

A generic term for investment in businesses which are not well established. The risks and potential rewards of such investment are generally high in comparison to investment in more established businesses, or other asset classes such as property (Commonwealth of Australia 1997:viii).

ATSIC and other government-funded agencies are venture capital providers in accordance with this definition. In reality, the government is looking at the holistic success of the Indigenous community in their funding, not the success of the business (which should not be confused with a previous statement that “the government funds the business and not the individual”). It would appear that the effects of cross-cultural funding have caused the government to fund social needs (Herron 1998:6), looking for holistic outcomes, rather than basing decisions on the commercial parameters of bank lending, which funds the individual and focuses on financial outcomes (Roussakis 1997:331-335).

The joint venture is a strategic move to extend the competitive strength of a business by combining the benefits of each partner, in a symmetrically related association. This venture produces a high stakes undertaking with potentially substantial benefits for each partner (Park and Kim 1997:87-91). In the ATSIC funding scenario we have the benefit of money from the government; however Herron already identifies in Removing the Welfare Shackles (1998:6) that ATSIC have provided funding based on social needs with the other venture partner providing a low level of managerial skills and economic objectives (Arthur 1996:1). The result is that the government provides a benefit, while the Indigenous partner has no positive attribute to provide, which results in an asymmetrically related association. Park and Kim (1997:89) associate this scenario with a lack of familiarity. There is difficulty in utilising outcomes to improve the competence and expertise and to enhance the knowledge of the minor contributor. The minor
partner will not benefit from the association. When the government is not an active partner, providing only the capital, and with managerial expertise lacking in the managing partner, then the outcomes are susceptible to failure. In a ‘free market’ situation the funding partner would have an active role in the management of the business venture. If applied in a cross-cultural context this could be interpreted as paternalism. However, providing funding without necessary safeguards for successful outcomes, and funding for social needs rather than on the basis of entrepreneurial ability, creates a situation just as sinister as paternalism, and perhaps worse if we consider the social cost of wasted capital and human resources.

Park and Kim (1997:89), in their discussion of the asymmetrically-related joint venture, go further in their explanation of the problems faced by unrelated partners, as applied in the ATSIC funding scenario. They have difficulty in identifying and assimilating the other partner’s knowledge, due to information asymmetry, which is further constrained by a lack of effective monitoring and cooperative participation.

The non-participatory management role of ATSIC as a venture capitalist would appear to be a recipe for disaster. However, it would appear it might not be alone in this area. Recent research indicates that venture capitalists in general do not necessarily have a strong understanding of the decision-making process (Zacharakis and Meyer 1998:58-74). As previously mentioned, ATSIC is driven by social needs in the decision-making process (Herron 1998:6-7), whereas in the ‘free market’ the venture capitalist can consider hundreds of factors in the decision process. Yet, it appears that the dominant criterion is in fact the personality of the entrepreneur rather than the plethora of rational, preconceived issues such as profitability, cash flow projections and so on (Zacharakis and Meyer 1998:58).

From this comparison it can be said that venture capitalists in the ATSIC versus ‘free market’ scenario view their venture partners as subject to different market forces. ATSIC looks at the social determinants, whereas the ‘free market’ emphasises the personality of the applicant. These different forces appear to be in contradiction with the potentially positive outcomes of ventures in which funding decisions are based on rational criteria.

2.7 The Indigenous Observation of Entrepreneurial Activity

In ending this section we should not imply that Indigenous Australian entrepreneurs are solely a phenomenon of the twentieth century, or a product of the 1990s. Indigenous Australian entrepreneurs have in fact existed since time began. From my own family oral history (the Eora of Sydney, New South Wales), it is said that we obtained our flints from the ‘long tails’, the Grey Kangaroo people of what is now called the Scone district of the upper Hunter River area. This is a distance of over 300km. We traded shells (used for many items that including spear barbs, fishing and possum hooks) with the Wiradjuri of the western plains of New South Wales. We purchased stone axe heads from south of Wollongong, and from west of Penrith, which where traded both inland and north and south of the east coast for several hundred kilometres (Willey 1979:17). There are examples of bifacial points being traded from the Kimberleys to Arnhem Land, and pearl and baler shells from Broome to Adelaide, from Cape York to Central Australia and even into northwest Victoria (Flood 1995:199; see also McCarthy 1939, 1977; Mulvaney 1976).
When the ancestors of existing European entrepreneurs were living in caves, Indigenous Australia was trading and following strict codes of conduct in their entrepreneurial pursuits. The playing field and rules have now changed forever in this country; however, let us hope that the Indigenous Australian entrepreneur is in a state of resurgence.

In the mobilisation of this resurgence, it is sincerely expressed that the ultimate objective or expectation of this study is that the findings will be considered by government departments and by financial institutions and that alterations will be made to existing policy and procedures. It is the expressed view that subsequent consultation will ensure that funding and incentive venture capital funding is allocated to those Indigenous Australian entrepreneurs who have high potential for success. This study will provide the reader with an insight into the environment of the successful Indigenous Australian entrepreneur.

3.0 METHODOLOGY

3.1.1 Introduction

The main focus of this research project is a case study analysis of Indigenous Australian entrepreneurs that is based in grounded theory. This entails action research in the hope that the relevant social organisation and social-psychological characteristics of Indigenous entrepreneurs will emerge from the study, in their own perspective (Eden and Huxman 1996:526-540; Glaser 1992:1-127). This is a study within the parameters of the social sciences. To justify the methodology and explain the direction of the study, the philosophy of social science needs to be addressed first.

Prior to the 1970s it could be argued that the philosophy of social science was an ‘empiricist’ or ‘positivist’ philosophy of science, oriented primarily to the physical sciences, which constituted the methodological ideal to which the social sciences could aspire (Outhwaite 1987:1). The modifications of the social science model were envisaged to deal with the holistic complexity of social reality, the impossibility of experimentation, the limitations on prediction, the lack of reality of ideology and so forth. The rise to prominence of ‘realist’, ‘hermeneutic’ and ‘critical’ theories coincided with a revival of interest in the classical social theories supported by the writings of Marx, Weber, Durkheim and others. This coincided with a change, or rather a positive development, in research methodology.

3.1.2 Qualitative versus Quantitative Methodology: The Application of Grounded Theory

In the early 1970s there was an expansion of qualitative as opposed to quantitative methods of empirical research in the social sciences. The development of participant observation techniques, the legitimisation of case study analysis, and the refinement of unstructured interviews following the intuitive skills of the researcher (rather than a bland one-dimensional quantitative questionnaire method) enabled social science approaches to become an appealing alternative to the dominant scientific methods of the day.
The qualitative method is superior in its application to ‘Grounded Theory’ as it can uncover the nature of the individual’s actions, experiences and perspectives which are not reflected in other research products, and cannot be obtained in any form of detail in quantitative research (Glaser 1992:1-127). A criticism of the statistical, aggregated nature of quantitative research is that it is unable to provide intricate, problematic details of a phenomenon. In qualitative research the hypothesis often follows the study, which in turn provides the formula to construct the questionnaires of quantitative research. Glaser (1992) extends the view that the grounded theory of qualitative research exists in its most abstract conceptual level by being theoretically sensitive. The researcher does not force the data; rather with patience (and correct application) the hypothesis will emerge, in the perspective of the organisation of the people studied. Qualitative methods, on the other hand, can result in the construction of preconceived questions that substantiate the demographics of a hypothesis; but the true nature of the initial data is lost forever due to constant comparison of data without allowing for the analyst to pursue the relevance of the questioning (Glaser 1992). This is further developed in analytical deduction by the re-formulation of the data, re-examining the cases, re-defining the phenomenon and re-formulating the hypothesis until a universal relationship is established (Robinson 1951).

It is the interdisciplinary nature of social science methodology that makes this discipline so attractive. The cumulative results of the emergence of grounded theory, with the interaction of participatory action research utilising qualitative research techniques, produce a research situation for the writer which is intrinsically stimulating.

3.1.3 The Application of Critical Theory to the Case Study Methodology

The scientific concept of ‘social change’ appears to be an achievement of present day studies in sociology (Marcuse and Neumann 1994) and has yet to develop a historical tradition. It is important to understand that the dynamic character of the new order of social change has induced theorists to subordinate the problem of social change to the problem of social stability. The social teachings of Luther, Calvin, Machiavelli, Bodin, Hobbes and even Spinoza evaluate the tendencies and ideas of change but do not determine the question of why change has occurred, or the solution (Marcuse and Neumann 1994:118-120). Giambattista Vico in his work *Scienca Nuova*, in 1725, was the first to treat change as a sociological problem. Perhaps Vico could be regarded as the ‘father’ of critical theory, as his concepts emancipated the analysis of the social change process from what was then an alien metaphysical and theological framework within a narrow pragmatic view (Marcuse and Neumann 1994:119). In time several schools of thought have evolved in the development of critical theory, including the British (Burke), the French (Bonald and De Maistre), the German (Habermas) and the American (dominated by Brian Fay) (Fay 1996:1-27; Habermas 1988; Marcuse and Neumann 1994:127).

In the development of critical theory, the applications of Brian Fay and Arthur Veno appeal to the methodology of this study, in particular to the extent that theory can help redress a situation in which a group is suffering as a result of its social position. To overturn this situation, critical theory must provide an alternative that the group can not only relate to, it must be able to take control of the redress, or as Horkheimer (1976:221) states, their emancipation. Critical theory is a ‘catalytic agent’ in the repositioning of a social order. For emancipation to be achieved the process must give those in need a process of enlightenment and empowerment.
Enlightenment ... ‘raising the consciousness’ of the oppressed ... providing a means whereby the members ... can come to see themselves in a radically different way to their current self conception (Fay 1987:28).

It provides the tools for the subject group to critically re-appraise themselves to see their potential and new perceptions at another level. Empowerment is the intrinsic force that enables the group to reposition itself. In lieu of being the oppressed, they become the initiators, in control of their own destiny in correcting their social position (or situation). A practical example of this theory in its application can be found in ‘Alternative organisations: A case study of the rise and fall of an Australian welfare organisation’ by Arthur Veno (1996:105-278).

The empowerment of the Indigenous entrepreneur is called many things: ‘self-determination’ is perhaps the popular context used today. If we apply Veno and Fay’s theory, the conditions for a social theory to be ‘critical’ and practical as well as containing scientific explanation, must include:

- there must be a ‘crisis’ in the social system;
- the crisis must be partly caused by the false consciousness of those experiencing it;
- the false consciousness must be amenable to the process of ‘enlightenment’; and the enlightenment must lead to the ‘emancipation’ of the group empowered by its new found self understanding, radically altering its social arrangements and thereby alleviating its suffering (Fay 1987:30).

The initial sections of this study have provided the reader with an insight into the social and economic dilemma of the Indigenous Australian population. From recent government findings illustrated in the initial sections, there is a tangible crisis in the social system of Indigenous Australia. There is need for enlightenment at the community level, the mainstream community level, and at the institutional level. Emancipation is the third step that must logically follow, which is Indigenous Australian entrepreneurs reaching their level of defined success.

This case study model is chosen and used to illustrate the validity of the critical social science methodology without rigidly adopting Fay’s meta-theory. Critical theory can explain a social order, and in doing so can create a scenario where this order is overthrown. In light of the development of the definition of an Indigenous Australian entrepreneur, the case study method:

- examines the entrepreneurs’ altering of traditional patterns of behaviour;
- highlights their utilisation of resources in their pursuit of self-determination and economic sustainability;
- provides a medium to portray their forcing a social change beyond the norm by their dependence on economic sustainability subject to their own endeavours, not that of an ‘employee’ scenario or a welfare dependency scenario; and
- the case study enables the examiner to illustrate the social change beyond their cultural norm; it highlights their individual crises, their individual processes of enlightenment and their differing situations of emancipation.
Critical social theory in its application demands “that it produce an amount of net good greater than or equal to that of the original situation” (Fay 1987:30). The case study methodology provides examples where there has been an enlightenment and emancipation.

3.2 Case Study Procedures

The central activity in organisational research is the development of a theory. Glaser and Strauss in the 1960s developed a comparative method for developing grounded theory and Yin in the early 1980s described the design basis of case study research (Eisenhardt 1989:532-549). The case study research strategy focuses on understanding the dynamics present within a single setting combining data collections from several sources including archives, interviews, questionnaires and observations. The case study analysis can be used to test theory or generate theory (Eisenhardt 1989:532-549). The latter is the aim of this study. Eisenhardt describes this as a ‘bottom up’ approach in that the specifics of the data produce the generalisations of theory. The complexity of the findings is discussed in the final sections.

The case study process used in this study involved:

- personal introduction by an intermediary;
- written introduction by the writer providing a brief outline;
- informal contact to explain the interview and establish a suitable time and venue that was comfortable for the participant;
- research into recorded data on the enterprise or individual (if available);
- the interview, with possible research into the enterprise if the situation warranted;
- analysis of the verbal transcript and interview notes, onto hard copy format; and
- subsequent coding and analysis, cross comparison of data.

Interviews were conducted using a semi-structured format. This approach allowed sufficient flexibility to obtain full ideographic detail on each business, while ensuring a consistent basic framework for purposes of subsequent comparison. This was then used as a base line to probe and pursue leads.

3.2.1 Introduction

A series of constructed case studies have been used to explore the issues of the preceding sections. As mentioned above this encompassed utilising interviews, analysis of natural text (when available), and observation of the individual business people in their workplace and within their communities.

Participants must be Indigenous Australians. For the purposes of this study, they are Indigenous Australians who identify as such and are accepted as per the definition of an Indigenous Australian as adopted by ATSIC: that is, they are Indigenous by descent, by self-recognition and by recognition of their community.
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The participants targeted are self-employed in their own businesses, operating individually as sole traders, partnerships or proprietary limited companies. Aboriginal corporations (incorporated under the *Aboriginal Councils and Associations Act 1976*) are not included as they obtain taxation benefits and status as non-profit organisations.

All participants must have a similar profile to that of a non-Indigenous self-employed entrepreneur or small businessperson. However it could be said that they do not have the same social profile as the non-Indigenous, rather this is qualified in that they do not have a financial advantage over the non-Indigenous. In reality, due to the socio-economic circumstances of the participants in their community over the majority of their life, they are generally at the lower end of the socio-economic scale.

The participants are diverse in their business pursuits, which adds to the strength of the project’s objectivity.

Eighteen Indigenous Australian business enterprises were reviewed and studied over a period of several months. The 18 enterprises have been studied to varying degrees; this has included in some cases several interviews and active participation in facets of the business. A case study analysis portfolio has been compiled on each individual enterprise. Based on the initial examination and interview, they have then been examined as to their acceptability for further study subject to the applicability of the definition of an Indigenous Australian Entrepreneur as set out in Section 2.2, that is:

> The Indigenous Australian entrepreneur alters traditional patterns of behaviour, by utilising their resources in the pursuit of self-determination and economic sustainability via their entry into self-employment, forcing social change in the pursuit of opportunity beyond the cultural norms of their initial economic resources.

Those case studies that did not comply with this definition were re-examined. In some cases this warranted further investigation due to unique circumstances. Several case studies were found to be so distant from this definition that they were eliminated from further study. Seven businesses warranted further investigation, and from these five form the basis of this study.

In the case study analysis it is important that the names and pertinent demographic details of the business enterprises remain confidential. This was an almost universal request by the participants to ensure anonymity. To assist in maintaining the confidentiality of the case studies included in this work (in view of the relatively low number of Indigenous business persons in Australia), the geographic spread of the participating enterprises was extended from central Queensland to southern New South Wales, including the Australian Capital Territory. Covering two states, one territory, three capital cities and several major regional centres decreased the likelihood of the casual observer identifying the Indigenous persons examined in this study.

The participating Indigenous Australian enterprises will be referred to by alphabetical code, “A” to “R” as specified in the following list. The participants are:
3.2.2 Initial Research and Pre-Test of Methodology

In the initial field research as to the feasibility of this project, the task of finding ‘successful’ Indigenous Australian business people proved almost impossible. The only readily accessible records and data were of those enterprises funded under various ATSIC business development schemes. On initial perusal of several of these enterprises it became apparent that the business proposals that had been viewed appeared to have a ‘welfare dependant attitude’, that is they were not economically viable business proposals that did not require recurrent funding. As an example, cash flow projections were unsubstantiated by any collaborative data and appeared to have little to no conclusive evidence as to their calculation.

In addition, upon examination of the individual operators of the business ventures, operators appeared to have a lack of expertise or prior experience in their fields of endeavour. Three of these businesses are discussed in this study. If these failed businesses are typical examples of ATSIC funded enterprises, something is terribly wrong in the scrutiny and funding of business venture proposals approved by ATSIC.

3.2.3 Comparative Study of International Indigenous Business Endeavours

With the aid of a grant from the Griffith University’s Recruitment and Career Development Strategy for Indigenous Australians, the writer was able to attend an international conference in Albuquerque, visiting the University of New Mexico Indigenous Studies Unit, which provided introductions to three organisations. These were briefly observed, providing data confirming that,
in the United States, successful community-based business ventures existed (and numerous examples of individual Indigenous entrepreneurs were evident).

The three principal observations and interaction were undertaken in the following communities:

- Acoma Tourism Corporation (Acoma, western New Mexico);
- Tsay Corporation (Sante Fe); and
- Mescalero Apache business enterprises (southeast New Mexico).

Enthused by this American experience, on return to Australia the writer made contact with the Indigenous liaison member of the Queensland Chamber of Commerce and Industry (QCCI) and Queensland Confederation of Industry for assistance in the search for Indigenous Australian business people. The search was for Indigenous Australian entrepreneurs who were not government-funded enterprises subject to the confusion of social and economic goals (Arthur 1996:1; Herron 1998:6). Upon reflection, the difficulties experienced in the initial pursuit of the Indigenous Australian entrepreneur were not the subject of a search for something that did not exist; rather, the search was in the wrong place. The American experience enabled the writer to focus on the commercial business culture within Australia, the QCCI rather than the politically-funded ATSIC.

3.2.4 Selection of Case Study Participants

Following the initial research, case study participants were obtained from:

- introductions from the Queensland Chamber of Commerce;
- ATSIC records;
- conference participation;
- subsequent networking by the writer; and
- community introductions.

A strict rule of introduction was used in most cases whereby an Indigenous Australian intermediary was used who knew both parties, who would introduce the writer and the purpose of the case study. On several occasions the ‘extended’ family network was used in this introduction process. A formal letter of introduction followed. This was to substantiate the writer’s position as a staff member in the Aboriginal and Torres Strait Islander Studies Unit at the University of Queensland and to ensure that the participant was comfortable with the interviewer’s qualifications, eliminating any misgivings or preconceived concepts as to the writer’s motives.

Upon introduction, verbal and written informal contact was made with the participants to explain the purpose of the interview and the study, organise a time, date and venue that was suitable to them to undertake the case study interview. After the initial interview (which in some cases lasted up to three hours), subsequent visits were made in those cases that met the definition. This was then followed by a letter of thanks, and in several cases, social visits and assistance in areas of mutual interest. In three cases this can best be described as continuing action research by participatory involvement in the business enterprise.
3.2.5 Selection of Organisations for Further Study

The participants were eliminated or included on a case by case basis as set out in the following sections. However, before we discuss the individual enterprises, let us review the definition of an ‘Indigenous Australian entrepreneur’ from SECTION 2.2, for it is this definition in addition to the criteria of success discussed in SECTION 2.5 that is the basis for the acceptance or elimination of most participants.

This definition is as follows: the Indigenous Australian entrepreneur alters traditional patterns of behaviour, by utilising his or her resources in the pursuit of self-determination and economic sustainability via their entry into self-employment, forcing social change in the pursuit of opportunity beyond the cultural norms of his or her initial economic resource.

Based on this definition, entrepreneur A has been retained. Interestingly this enterprise obtained ATSIC funding in its initial commencement in conjunction with a commercial loan from the Commonwealth Development Bank. However, the differential element between this entrepreneur and the other ATSIC funded enterprises, H, I and J, is that this case study had its total personal capital base invested in the enterprise; H, I and J did not.

In addition, A’s initial capital base of approximately $60,000 was accumulated after many years of sacrifice and training in the hospitality industry. The entrepreneur’s net worth now exceeds several hundred thousand dollars, after 13 years of hard work. This individual fulfils the definition of an Indigenous Australian entrepreneur.

Entrepreneur B has been retained also. This individual fulfils the definition of an Indigenous entrepreneur. The entrepreneur has pooled his assets after a lengthy period of training in the industry, which included completing an apprenticeship, and then working for the principal competitor. The entrepreneur re-financed his house mortgage, sought commercial business funding, undertook extensive research in developing a business plan and risked all his assets in his business pursuits. He is the son of another ‘successful’ entrepreneur that we have considered in this study.

Entrepreneur C has also been retained as a case study. The husband and wife principals, whilst working in their former public service jobs, sold artefacts and paintings door-to-door in the establishment of a humble capital base. They sought business funding from ATSIC and were denied. Even after they commenced business and wished to expand, ATSIC further declined funding. On commencement of business several years ago they unsuccessfully sought commercial bank finance which was extremely tight at that period of time. With their own meagre capital base and a $5,000 credit card advance they commenced business and have worked extremely hard ever since, ensuring the success of their venture through their level of sacrifice, determination and preparedness to risk their personal assets to keep the venture in a positive cash flow. They meet the definition of an Indigenous Australian entrepreneur.

Entrepreneur D has also been retained as a case study. Not only does he comply with the definition; he came from a seven year long-term unemployment situation to break the status quo
by becoming a successful entrepreneur. He commenced initial operations in partnership with someone who had a capital base, but poor knowledge of the industry. D moved on after a few years, divorcing himself from the initial partner after accumulating a modest capital base prior to entering into another partnership on an even capital input. D’s story is one of calculated risk, sacrifice and intimate knowledge of his chosen industry. On the downside, this entrepreneur does not disclose his Aboriginality outside of community and family gatherings for fear of consumer and supplier backlash.

Entrepreneur E has also been included in the case study due to his congruence with the definition. In this example the individual has ‘dabbled’ in consultancies over several years building up expertise and industry exposure prior to making a break from salary and wages employment, eventually becoming self-sufficient on income earned from personal exertion in his chosen field of consultancy. E formed a proprietary limited company, re-financed his personal debts to reduce cash flow requirements of a personal nature and commenced business on a ‘shoe string’ budget. This individual is an extremely effervescent character, bubbling with energy and positive thought. He is an interesting example of an Indigenous entrepreneur who has altered the traditional pattern of his previous employment as a schoolteacher to become a self-employed consultant, whose success is due to a large extent to his personal skills.

F was initially retained as a reference study as there are two principals in this partnership, an Indigenous Australian and a non-Indigenous Australian. Both can be classified as entrepreneurs in their own right and it is their differences and similarities that initially were of interest. During the process of observation it became apparent that the non-Indigenous partner was not an active participant in the running of the business and was retained for his artistic ability which is profitable for the other party. This business did not comply with the definition.

Entrepreneur G was also initially retained due to his unique circumstances. He was self-employed as a tiling contractor in a once thriving seaside retirement and holiday destination for some 15 years. He experienced regular cyclical fluctuations within the building industry with severe contractions in cash flow together with varying racial discrimination within this industry. Following a severe downturn in the industry he was forced into choosing an alternative employment situation, or facing almost certain financial ruin. The participant chose the former as an administrator in a then factionalised, financially mismanaged group of Aboriginal Land Councils which at the time were under surveillance for possible fraud and other breaches of the Audit Act 1901-1964 and government funding regulations. Almost individually he has turned this situation around and now administers one of the more successful land council conglomerations and heads the Council’s CDEP. Whilst he is no longer self-employed, even in a salaried position he has maintained an entrepreneurial flair. In self-employment this was for his family; in his current role it is for his Aboriginal community. He does not comply with the definition, and this study is not discussed in the results.

Entrepreneurs H, I and J were eliminated because the principals of these businesses did not commence their business activity with any personal capital input or risk. Funding was 100% governmental, from ATSIC. These individuals did not meet the key criterion of utilising their own resources. They utilised ATSIC’s. All three enterprises, H, I and J ceased to operate within 12 months of establishment.
Both case studies K and L have been eliminated. The first has been rejected due to its corporate structure, as it is a company trading under the direction of a Board of Directors. There is Indigenous Australian content and, from external examination, it appears to be Indigenously managed. However, on closer examination there is also non-Indigenous management who appear to have the controlling say in most issues. There is no one enterprising Indigenous Australian individual or group of individuals who stand out in the corporate structure. It does not comply with the definition. L is almost identical in its legal composition and management operations to K. It does not comply with the definition.

M was eliminated. On interview it was disclosed that the subject was on wages. He had no managerial influence or control. The enterprise is marketed as an Indigenous Australian enterprise. A few Indigenous staff are employed as token shop front representatives of a non-Indigenous organisation ‘cashing in’ on Indigenous Australian organisations seeking Indigenous information technology. This enterprise’s claim to Indigenous management is false; it does not comply with the definition.

Entrepreneur N was difficult to interview. In view of his uncooperative nature and advice that he had received ATSIC funding for recurrent business ventures, it was deemed inappropriate to include this enterprise in the study. The data compiled on this participant have not been included. Whilst the business operations appear to be entrepreneurial, the vagueness and inconsistencies in N’s reply to the questionnaire prohibited him from being included. Since the commencement of this study N has gone into liquidation, and has since recommenced business under a different trading name.

Entrepreneur O was excluded on the basis that on investigation he was found to be a corporation incorporated under the Aboriginal Associations and Councils Act 1976, a non-profit ‘community’ managed enterprise that received taxation benefits not received by other commercial operations. This does not meet the definition and O is excluded based on the management structure and legal structure.

P was found to be a salaried employee of several other contractors over several years and was eliminated because he had never had any capital invested in the business and was not self-employed. This business did not comply with the definition.

Both Q and R were also eliminated based on their lack of ownership in their enterprises. Q was a minority shareholder in a partnership. He was paid a wage by the partner and given no incentive or profit distribution. Likewise, R was a token Indigenous face at the front of a non-Indigenous owned and managed enterprise. He is a wage earner with no incentive (and little passion in his role).

3.3 Case Study Protocols and Ethics of the Research Methodology

It would appear that there is very little published research to date in Australia in the area of Indigenous Australian entrepreneurship. This void in academic writings has resulted in a lack of ‘standardised’ ethical research procedures specific to this specialised area of study. In
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undertaking this study, the ethical approach has been influenced by work of Yamada (1991:185). The methodological approach resulted in the adoption and development of the ethical standards of both the academic and Indigenous paradigms. The ethical standards prevalent in the fields of anthropology, ethnomusicology and the writer’s traditional ‘lore’, contained within the parameters of academic codes of conduct have been adopted (Bird and Frankel 1998; Society for Ethnomusicology 1994:53-58). The Manual for Ethnomusicologists and the Australian Archaeological Association Code of Ethics have also been adopted concerning the honest representation of the research, respecting the informants’ beliefs and traditions, maintaining confidentiality, cultivating an honest relationship with the informants, avoiding secrecy, and providing intellectual rigour of an ethical standard.

3.3.1 Case Study Protocol

Two distinct protocol criteria were followed. The first and the culturally appropriate protocol was the unwritten paradigm (often vague and conflicting to the non-Indigenous). This is the Indigenous ‘lore’. Perhaps this can be best explained in that the Indigenous Australian protocol is one based on respect. In the writer’s particular case this has been reinforced from teachings received as a child from the father’s brothers (within a patriarchal society), and more importantly teachings received as a child from the mother’s brothers, and her mother and aunts, within the dominant matriarchal society. Indigenous protocol can be described more as a psychological phenomenon than a physical existence. However if this protocol is broken, the repercussions, punishment and social expulsion are real and tangible to the perpetrator.

Respect in an Indigenous Australian perspective (in the writer’s case, coming from the matriarchal lore of the Eora) is an holistic approach to the person or persons being interviewed. They are not inanimate subjects without feelings, nor are they socially distant. They are, in a holistic sense, your ‘kin’, your brother or sister, and depending on their age they may in fact be deemed your uncle or aunt. Therefore they are, by their existence, people who by spiritual law demand respect, as they would also give you. In the application of the case studies, the writer’s intrinsic Indigenous protocol was followed. This often excluded or restricted the asking of personal questions (which are deemed culturally inappropriate). However, the semi-structured interview technique enabled the interviewer, in most cases, to circumnavigate this shortcoming of the data collection to ensure that relevant facts of a personal nature were suitably addressed without offending the participant (cf. Broome 1994:15-18).

As an academic staff member of the University of Queensland, the second protocol followed was the University of Queensland Code of Conduct, in particular adherence to the principles of ethical conduct of research. This protocol is also in accord with the Public Sector Ethics Act 1994 from which the ethical obligations contained in the University’s Code of Conduct are derived:

The ethical principle of voluntary informed consent to research participation by human subjects should be respected. The ideas, information or intellectual contribution of others should be acknowledged appropriately and the intellectual property of others respected (University of Queensland 1997:Sec.4.14, HA1, Vol.1).
Adherence to the University of Queensland *Code of Conduct* in no way or form should be interpreted as a rejection of the Griffith University *Code of Conduct* guidelines. As an academic staff member of the University of Queensland, professional protocol required that these guidelines take precedence.

The consent to research participation was obtained formally in writing in the majority of cases, as a part of the Research Interview Format. Following the cultural norm of Indigenous Australia, a minority of participants opted for verbal consent. Where possible an explanation of the research and the participant’s subsequent consent was recorded on tape.

Robert Weiss (1994:61-66) concludes that the interviewer should conduct interviews in settings that are comfortable for both the interviewer and interviewee, ensuring that in qualitative situations acknowledgment is given to time frames and the length of the interview itself to ensure that the respondent is not tiring, which may reduce the quality of the recording. In all applications interviews were carried out in the comfort of the respondent’s normal surroundings, be it their workplace or their residence.

In this study an initial time frame of thirty minutes to one hour or less for the initial interview was adhered to in most cases. Two noted cases lasted for nearly three hours due to the enthusiasm of the respondent for the research. This was followed by a second interview that averaged between one and two hours. It was important to establish a level of understanding with the respondents, taking the opportunity of allowing them to become comfortable with the writer on the first visit, which allowed the interview process to run smoothly on subsequent visits. Conversely, if there appeared to be tension or a problem following the initial visit, the situation could be resolved or the interview cancelled.

3.4 Analytical Processes

3.4.1 Data Collection

Data collection is oral, which conforms to the cultural norm of Indigenous society. Interviews were recorded on audiocassette with supportive notes. To ensure continuity of the data collection, no research assistant was employed, so that the principal researcher maintains a set standard of interpretation throughout the course of the research. Weiss (1994:3) points out that the quality of data collection often depends on the quality of the researcher. In the writer’s case the years of experience gained in consultative roles and counselling functions assisted in maintaining an objective standard without preconceived analysis or data corruption from personal perception.

3.4.2 Validity

*Validity* is “the extent to which a measuring device or technique actually measures what it is intended to measure and how well it measures that factor” (Zimmerer and Scarborough 1998:444).

An emerging view among some academic social scientists is that social research should be done primarily by social scientists who are apart or to some extent distant from the academic
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community of social science research (Ford 1977; Maruyama 1969; Okpala 1987). From the writer’s diverse business background, validity has been maintained in this instance in accordance with Ford’s views as work prior to this study has been outside the academic sphere of influence. Likewise the processes of the case study analysis previously explained in the preceding sections provide a framework to ensure validity, reliability and objectivity.

Accuracy of the data is supported by the documentation and recording both in audiocassette and written transcripts. However, how much of what the respondent tells you as truth or conversely how much is left out is the dilemma of the writer. This is why the cultural protocol of introduction is crucial to ensure that the respondent is comfortable with the researcher, resulting in a more open and responsive interaction in the interview process.

The interview skills of the interviewer are the foundation determining the quality of the data. It is the accurate recording of these data that determines the quality of the analysis. We come back to the openness of the respondent and the skill of the interviewer. If the respondent is not accurate, ‘going through the motions’ of the interview, then the skill of the interviewer is called upon to determine the validity of the data for inclusion in the analysis.

Validity in this project is best described by Weiss (1994:150):

Ultimately our best guarantee of the validity of interview material is careful, concrete level, interviewing within the context of a good interviewing partnership.

3.4.3 Reliability

Reliability is “the extent to which a measuring device or technique produces consistent measurements of a factor over time” (Zimmerer and Scarborough 1998:444).

Reliability is maintained by the structured questionnaire format together with the random third party analysis of findings. It is supported by the diversity of the respondents’ industry involvement. In addition, a process of cross-comparison of data, analysis of coding to ensure correct classification and recording of outcomes, together with the application of Fay’s (1987) interpretation and format assist in the overall reliability of the project. Using only one interviewer ensures that data are recorded at a common standard. The random review of the findings by a colleague substantiates the reliability and recording of data, as there will be accurate transcripts and audiocassette records for the major case study interviews.

3.4.4 Objectivity

Objectivity is an important issue in social science research. As Outhwaite (1996:97) has noted, “one of the most pervasive issues in twentieth century philosophy of social science concerns the relation between factual statements and evaluations”. The epistemological process associated with grounded theory in a critical social science application requires a standardisation of data recording and coding that is sustainable under different critiques thus providing similar outcomes. The standardisation of the initial recording of data based on the interview sheet is one
method to ensure objectivity. Ultimately however, it will not be until the development of a grounded theory postulating a hypothesis that the objectivity of the project can be substantiated, when this hypothesis is tested by independent research by a third party (Outhwaite 1996:97).

3.4.5 Coding

In the coding of grounded theory there are two types of coding, ‘Substantive Codes’ and ‘Theoretical Codes’. Substantive Coding identifies the conceptional meanings given by creating categories with related properties, which conceptually summarise patterns found in the field research. ‘Open Coding’ and ‘Constant Comparative Coding’ are the subsets of the classification, Substantive Coding. Open Coding is the initial stage of Constant Comparative analysis before delimiting the coding to a core category with like properties. Constant Comparative Coding is the constant comparative analysis that yields the conceptional relationships among categories as they emerge. Theoretical Codes are the conceptional models of relationships that are discovered relating the substantive codes to each theory (Glaser 1992:27-38).

Substantive Coding (Open Coding and Constant Comparative Coding) has been used in the analysis of the interview data. Attention has been given in recognising data and relevant underlying patterns of incidents of data, fixing attention on obvious patterns or common incidents of data (Open Coding). Once a category has been established the data are examined to discover any emergent properties by constantly coding and analysing the data (Constant Comparative Coding).

The coding conceptualises what the researcher finds initially. Theoretical codes are then introduced to suggest interrelationships within the data from which relevant hypotheses can be drawn. Conceptual deductions based on these grounded hypotheses then determine theoretical sampling that may lead to further data collection or a re-evaluation of existing data (Glaser 1992:38-48).

The co-originators of grounded theory, Barney Glaser and Anselm Strauss, differ on this methodological tool. Strauss opts for a labourious method of labelling and then re-grouping of data, re-labelling and re-grouping in like fields. Glaser’s method using constant comparison gets the researcher to the required conceptional outcome in less time and possibly with greater accuracy. The process is somewhat like a washing machine, continually mixing and reviewing the data so that the emergent relationships in the comparisons determine the outcomes, on which the purity and simplicity of grounded theory rest.

3.4.6 Interviews

Semi-structured interviews were adopted to maintain a standardised procedure (Weiss 1994). There is however, a heavy reliance on the personal intuitive skills of the interviewer in probing certain aspects if it was felt that the replies provided indication that led to further questioning which was within the constraints of cultural acceptability of the subject matter. Examples of these include questions involving the respondent’s experience with governmental agencies, banks, and financial institutions when the respondent’s body language and voice tone indicated
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a reply that was contradictory to the initial response. Other examples concerned the questioning of racial attitudes with suppliers (creditors) and dealings with the general public, when indication was given or suspicion was aroused in the interviewer that additional information could be gained. In several interviews, the personal details of the participant’s relationships with their partners (and in mixed racial relationships, their partner’s families) were obtained. Whilst these findings are of a very personal nature and have since been deemed to be outside of the scope of this project, they may warrant exploration in further studies that explore the possible conflict of value systems for people with non-Indigenous partners. The impact that this has on the positivity of the Indigenous Australian entrepreneur needs further exploration with regard to the cognitive response factor in dealing with two different cultures.

3.4.7 Materials and Procedures

Due to the qualitative nature of the project, ‘time’ is perhaps the most expensive resource in this study: time in locating suitable participants, following up on leads, then going through often tedious processes of culturally acceptable introductions through Aboriginal networks to ensure my credibility. This is why Torres Strait Islander businesspersons are omitted from the study, as the writer is mainland Aboriginal. Added to this is the time involved in the comparative coding of the data and the resolution of the outcomes.

Materials included a microcassette recorder and a supply of interview tapes. The microcassette recorder assisted in the ‘flow’ of the interview process and in ensuring maximum content was recorded without summary or subconscious bias in the recording process. Other materials included a word processor, and access to several University libraries.

Procedures in the actual fieldwork involved:

- resourcing participants;
- initial interview to substantiate the credibility of the interviewer and the participant’s acceptability to the interview process, also to ensure that the participants are acceptable to the specifications of the project;
- an initial interview in a comfortable non-threatening venue to the participant;
- transcribing the interview, including coding and recording outcomes;
- subsequent visits and contacts with the participants to follow up on ‘other’ findings from other interviews or to expand on issues;
- analysis of data; and
- recording of outcomes and further comparative analysis.

4.0 RESULTS

4.1 Introduction

The substantive coding of the interview data produced results that indicate in many ways that the Indigenous Australian entrepreneur is superficially similar to the non-Indigenous entrepreneur. The results are summarised and presented within three categories as follows:

- Outstanding Trait, ‘Positivity’;
- Structural Functional Characteristics; and
- Indigenous Australian Characteristics and Experiences.

The case study data produced an outstanding trait or personal characteristic that pertains to the entrepreneur in general (Hallahan et al. 1997). This is the ‘positivity’ of the participants and their calculated adherence to personal sacrifice to achieve positive outcomes. The trait (or criterion) of positivity was evident almost immediately during the first interview and subsequently reinforced in later meetings.

The second category that the data produced is the ‘structural functional’ characteristics. This includes the entity structure, educational levels obtained, industry experience, training, membership in industry associations, business plan structure and capital. If we refer to the entrepreneurial traits and measures outlined in SECTION 2.4, these results conform with the existence of competencies of performance and traits of success similar to those discussed by Baum (1995) and Zimmerer and Scarborough (1998). Performance competencies evident in the results include knowledge, cognitive ability, self-management skills, administrative and human resource skills, decision making skills, leadership, opportunity recognition and opportunity development. In addition, successful traits such as the desire for responsibility, preference for moderate risk, confidence in ability, high levels of energy, future orientation in searching opportunities and skills in organising people and resources are evident. The structural functional categories that are listed follow these results to some extent. However, competencies of performance and traits of success are the product of other authors’ previous research (as referred to in the literature review, SECTION 2.0). The structural functional categories as listed in this work have been classified in this section in accordance with their occurrence and relevance following the use of substantive coding.

The data suggest that Indigenous Australian entrepreneurs are unique. The evidence indicates that the traits and measures thought necessary for entrepreneurship not only apply, but that the Indigenous entrepreneur also experiences an interaction of cultural forces and demands that are not experienced by the non-Indigenous entrepreneur. The Indigenous Australian entrepreneur has had to conform to mainstream business practices in addition to the maintenance of cultural ethics and interactions hidden from the view of their non-Indigenous counterparts.

The third category of data reflects the values and interactive forces unique to the Indigenous Australian entrepreneur. This data reveals that they each have children, and they are each married in long-term relationships. Within this family structure there are strong family commitments,
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Social obligations and kinship levels which are synonymous with Indigenous Australia (even, it would appear, in mixed racial marriages). These affect the entrepreneur’s motivation and performance application. In four out of five cases, racial discrimination was also a factor motivating their quest for success. Their desire to ‘show the whiteman that blackfellas are just as good as them’ (joint opinion of A, B, C and E) is a driving force that has a profound effect on their perceived public image. The revelations concerning the degree of negative experiences and emotions of the participants in their dealings with ATSIC, the peak Indigenous funding institution in Australia, were not anticipated. The racial overtones and experiences that they endure from their clientele and trade suppliers seemed insignificant in view of the ATSIC revelations.

4.2 Outstanding Trait, ‘Positivity’

After having interviewed the principals of 18 different organisations including the five male entrepreneurs and two Indigenous spouses who form the core sample, it was noted that a positive attitude predominated. Negatives were rarely discussed, and words such as ‘if’ did not occur in their vocabulary. Rather ‘when’ was the operative word. Their positive attitude even in the face of racial discrimination was observed to be a method of survival.

The positivity of D illustrates the observation. D settled in a thriving, growing satellite suburb of a major regional centre within commuting distance of the regional city or the state capital. On commencing business the major regional employer began to scale down, and the backbone of the regional economy, coal mining, went through a downsizing. Another significant employer in the region, the power station network, drastically reduced staff after privatisation. The highway was re-routed. The town went from seven petrol stations to just one in five years. Families moved away in droves. In the first five years in business, the area changed from a busy, bustling tourist seaside resort to a predominantly retirement village development area. The change in consumer spending with this population shift had a disastrous effect on the local economy. D watched and diversified his product lines, and changed location to maximise trade from foot traffic. He foresaw the demise of the market yet he remains positive, continually looking at what sells, and asking if there is a niche market that he can tap into.

A, shortly after commencing business, experienced an increase in interest rates to over 20%. This husband and wife team did not expect it, nor did they have the resources to manage the financial drain on their cash flow.

We had to do it, we had to work harder, we had to make our payments, we had to cut costs, do without luxuries, it brought the whole family together. We knew the alternatives and failure was not one of them (Interview Notes, 19 January 1998).

A’s involvement in Rotary, the Moteliers Association and the Tourist Association typify his attitude of pro-action rather than reaction. Likewise B is heavily influenced by A. He displays similar qualities of positive thinking, and preparedness to sacrifice personal luxuries for the benefit of the business. B is working methodically towards targets in the positive development of his business. C (an Indigenous husband and wife team), after all the set backs, are still working
towards their vision. Their sacrifices in the first few years of business including long hours with minimal drawings fuelled their passion to succeed. E is often referred to by his colleagues as the ‘pocket dynamo’ due to his charismatic, bubbling personality and positive outlook on life. He displayed similar attitudes to A and C in the commitment to success using terminology of ‘when I achieve this’, rather than ‘if’.

This positivity could be construed as a charismatic trait, and this would be correct to some degree. The positive attitude to life is very charismatic. When staff of A were questioned they enthusiastically agreed that “the boss’s attitude is infectious, when they are happy and positive it makes working more enjoyable and less of a chore” (Interview Notes, 19 January 1998). A staff member of C gave a similar response. The positive trait, the powerful vision to succeed and the preparedness of personal sacrifice to succeed in the accomplishment of their vision have been summarised as ‘positivity’, a factor that seems to be conducive to successful Indigenous Australian entrepreneurship.

4.3 Structural Functional Characteristics

4.3.1 Trading Structure

All of the five case studies are formally registered entities, two are proprietary limited companies, two are formal partnerships and one is an informal partnership operating as a sole trader in the wife’s name with the trading name registered in the wife and children’s names.

Questioning of the two proprietary limited operators revealed that A became incorporated over 10 years ago prior to the commencement of the current enterprise, and incorporated specifically as a vehicle for borrowing purposes. Initially the couple was seeking leasehold premises and incorporation provided a legal buffer to insulate the liability of the Directors. Since purchasing freehold, the corporate structure has been used as a vehicle to reinvest undrawn wages of the principals in the form of Directors’ loans. This was done to ensure that on the eventual sale of the business there is a sizeable amount of untaxable income on sale from which the Directors will benefit. The incorporation and purchase of a shelf company was done by A’s accountant and business adviser. E on the other hand purchased a $2 shelf company thinking that this was what you did when you commenced business. On investigation it appeared that his accountant was less concerned with E’s interests in the long-term; his priority was more with fees on the sale and set up of a proprietary limited company in addition to the annual fees on the submission of corporate reporting. Prior to this study, E was under the impression that he obtained a taxation benefit by being incorporated rather than being a sole trader or a partnership. In addition E was advised that:

> When you go into business you have to have a company. That’s what everyone told me, so it cost me $1,000.00 to set it all up. I thought it was expensive but I thought that’s what you have to do when you go into business (Interview Notes, 21 October 1998).

It would appear that the accountant poorly advised E.
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Both B and D are formal partnerships. B is the youngest in age of the case studies, the least experienced, yet has one of the most impressive backgrounds in terms of his research and investigation prior to the commencement of business. B had scrutinised the possibility of incorporation and had come to the conclusion that there was no real benefit that could substantiate the cost of purchasing a shelf company or incorporation. D, at the opposite end of the experience continuum, has the most experience in business and came to the same conclusion over 10 years ago. He has operated in that time with two separate sets of partners. C is a sole trader operating in his wife’s name. It is not clear why his name is not included in the trading entity. I suspect there may have been a problem in the past, however this was not substantiated.

All five entrepreneurs used an accountant prior to commencing business and in the formal establishment of the trading entity. All five stated that they understood that this was an acceptable, mandatory process of being in business. All have their respective accountants prepare their financials at least once a year. In E’s case this is done without question. The other four prepare their cashbooks and question their accountant’s decisions closely. All five stated that they see the formal reporting and compilation of accounts as an acceptable process of being in business. As stated by both C and E:

> It provides legitimacy, it proves that we can operate in business just like anyone else. That we can control money, that we can work and earn our own money (Interview Notes, 21 January and 21 October 1998).

This is an implicit comparison with the non-Indigenous businessperson. Further questioning along these lines provided a consensus of opinion that one has to use an accountant both for taxation reasons and also for legitimacy. Four of the participants did not know an Indigenous accountant, and they thought that if they did use one they might not obtain legitimacy in the eyes of non-Indigenous businesses. E stated that he had used an Indigenous Australian accountant on a proposal in a consultancy that he was involved in some 12 months ago in conjunction with a firm of certified practising accountants. He said:

> When the funding organisation found out the accountant was a Koori [A Koori is an Indigenous Australian. The term is usually associated with New South Wales and parts of Victoria], they rejected the figures and got their own people to redo them (Interview Notes, 21 October 1998).

All five indicated that a formal structure and the use of an accountant were essential for ‘face’ in a predominantly non-Indigenous business world. Further questioning revealed that four out of the five participants had what seemed to be feelings of inferiority when commencing business. Inferiority of being in a business environment that was out of “their place” (Interview Notes, C, 21 January 1998) as an Indigenous Australian. They had entered into a world in which they felt unwelcomed to an extent. They reiterated their initial fear of being “out of their league”, “in a place where black fellas didn’t belong” (Interview Notes, C, 21 January 1998). The use of an accountant (a non-Indigenous accountant) seems to give the entrepreneurs a sense that they legitimately belong in the business world.
4.3.2 Education Levels

The education standards of the participants varied. One Indigenous husband and wife team are both qualified secondary school teachers. Another participant is also a qualified secondary school teacher. Two other participants have obtained year 12 standard plus TAFE or trade qualifications. Four out of the five entrepreneurs have a year 12 education or better. Only one has an intermediate level education equivalent to year 9. What this participant lacked in formal education was offset by some 40 years experience in his industry.

The approximate ages of the participants in commencing business in descending order were 53, 48, 45, 33 and 24 years. The oldest is the participant who had only achieved a year 9 education. This participant had been fostered, being a member of the ‘stolen generation’. He was not allowed to attend school after the age of 15 years, as he had to get a job to help support the family of his foster parents. Even though the remaining four have a year 12 education or better, none commenced business until the age of 24 to 48. Further questioning sought to reveal a correlation between their ages and their education. The results produced data, which showed that there was no correlation between age and education levels. The results, however, reveal that there appears to be a different sort of relationship: a period of chaos or trauma in the participant’s lives which, combined with the benefit of their educational and or industry experience, stimulated them in the transition from being employed to being self-employed.

A and his wife found themselves unemployed for the first time in their working life together after a wrongful dismissal from a less than compassionate employer at 45 years of age. This motivated A:

To take control of our future. I was sick of working for others, making money for them.
It was about time I had a go (Interview Notes, 19 January 1998).

B spent a year at University realising at age 19 that this was not his chosen direction. He wanted to use his hands:

to be in control of my life, not wasting away behind a desk at someone else’s beck and call! (Interview Notes, 30 June 1998).

C commenced business after a long period of soul searching together as the husband and wife were both stuck in positions that had no certainty, with poor short-term contracts. They sought control in their lives. D had been unemployed for seven years following a lay off with the closure of the regional branch of which he was the manager. A non-Indigenous entrepreneur with no industry experience was close to liquidation after purchasing a relatively large franchise in an industry, which D knew intimately. D was offered equal partnership with no capital investment. After 12 months he amassed enough profit to commence his own enterprise and leave the initial organisation. E searched and planned his business over several years during which he probed possible niche markets. After a workplace dispute, he resigned and commenced operations.

In this study four of the five entrepreneurs had graduated from year 12. This is a high proportion when compared to the national average of Indigenous students who achieve year 12 graduation.
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In comparison with non-Indigenous year 12 graduates, only some 25% of Indigenous students achieve graduation (Pollard 1988:133). When questioned, the participants acknowledged that their actions following the chaos or trauma (that was the instigating factor in determining their entry into private enterprise) were based on their research, experience and ‘education’. This highlights the importance of their educational background together with their industry experience and training.

4.3.3 Industry Experience and Training

This factor is linked closely to education. On examining the data it was found that the industry experience and training of the entrepreneurs generally were inseparable, therefore these two areas are treated as one.

Only the youngest and most recent business venture participant has undertaken any form of business management training. His training was with a New South Wales Business Enterprise Centre in conjunction with a Rotary Youth Business Seminar. The other four participants do not have any form of formal external business training. In addition, they vary greatly in their business ‘industry’ experience: from no experience to over 40 years experience. The youngest and most recent example had studied a year at university and then took on an apprenticeship in a field related to his eventual business (panel beating and spray painting). This provided necessary industry knowledge. He then worked for his principal opposition to ensure that he knew the industry intimately before preparing his business plan and forming his business. One entrepreneur entered business as an extension of his hobby; another schemed and planned for several years looking at business opportunities and niche markets before entering business. One entered business with no capital after some seven years of being unemployed.

Two out of the five had extensive industry experience of 20 and 40 years. Another undertook a five year apprenticeship, then worked for his major competitor. Another planned for several years prior to entering business. Those participants with extensive industry experience and/or industry knowledge from research were very confident about their business. They gave an impression of being in a comfort zone, whilst they were hesitant to predict their future. D was positive about his personal future, however, he was negative concerning the long-term future of his business in its current position in the market:

In the last five years we have had to change our product line, diversify with the shrinking market and no doubt we will have to change again into other lines if we are to survive. On the current trend we will be out of business in five to ten years if we don’t diversify (Interview Notes, 24 January 1998).

His attitude touched on arrogance at the success of the business to date. C was the exception. This Indigenous husband and wife team had entered business as an extension of their hobby of producing Indigenous art and artefacts. Their business relies heavily on the tourist market in a highly competitive industry, an industry which, in their words, is “full of cheap Asian copies” (Interview Notes, 21 January 1998). They lacked industry experience and training. This was evident in their recent forced relocation by their landlord after only 12 months in a major capital city tourist centre during refurbishment. Their sales have plummeted over the 10 month
observation period. They have gone from a prominent tourist floor traffic area to an obscure temporary area off a food hall, without financial compensation from the landlord. On questioning they said that:

We trusted them (the landlord) and didn’t think that they would screw us like this (Interview Notes, 13 September 1998).

This entrepreneur has a lease, but has lacked the legal acumen to press claims effectively. Extensive knowledge of the industry environment appears to be a key element in the entrepreneur’s decision to enter self-employment. It would also appear to be a valuable resource for survival.

Two of the ventures have been established for over 10 years, two for two years and one for three years. The relative age of the ventures is divided into two distinct classifications, those established for 10 years or longer with correlating industry experience of 20 years and more, and those established less than 3 years, with much less industry exposure.

4.3.4 Membership in Industry Associations

A is a member of Rotary, the local golf club, the board of his motel franchise chain, the local tourist association (only recently stepped down from the Vice-President position), and the motels association. C is a member of the Retail Traders Association.

The participants were initially asked to provide information on their memberships in industry associations to illustrate the existence or non-existence of ‘networking’. B stated emphatically “no, I am not a member of any association, as I see no need to be” (Interview Notes, 30 June 1998). D had been a member of Lions, had looked at Rotary, and had been a member of the RSL and the Bowls Club. However it cost him money with no return. In his words:

when you are a member of the Chamber of Commerce, Rotary or one of the local Clubs you become a target for donations, gifts etc. You are an easy touch. Every bastard is after something off you for nothing. Donate to this, donate to that, and you get nothing back. I can’t afford that bullshit (Interview Notes, 24 January 1998).

E was not a member of any industry or other associations, and could not see the need to be as they were in a niche market and would get no benefit from it. On further questioning he advised that he was a member of the local athletics and swimming clubs, which were for his children’s development. Two of his children are representative athletes at the State level. He could see the relevance for them, but not for himself in business.

The entrepreneurs’ positioning in Indigenous networks revealed that A had dropped out of the local Aboriginal land council:

Couldn’t stand the continual fighting and backstabbing, couldn’t afford to waste my time with them! (Interview Notes, 19 January 1998).
B could see no benefit in it, as it would require time away from his business that he could ill afford. The husband and wife team, C, regrettably had a fall out with their local land council over the land council’s support for a non-Indigenous operator. They remain in touch with Indigenous community organisations, however, such as school associations (it brings them customers). However, the time required in the operation of their business has forced them to reduce their community involvement. D would not be a member of his local Aboriginal corporation; in his words:

not one of them has a job, they all want everything for nothing, want credit when they have no intention in paying for it, at least the white customers pay cash, no I don’t have anything to do with them (Interview Notes, 24 January 1998).

D became somewhat uncontrolled during the interview after this point and it took some time to calm him and argue that what he had espoused was negative stereotyping, identical to the hardline racial elements of some in Anglo-Saxon Australian society. He did not accept the racial severity of his statements, however, he entered a period of what appeared to be soul searching and over the next few visits his attitude mellowed. On further discussion he almost apologised and explained that he felt that his views, although extreme, are a method of survival in the ‘white’ culture against the negative oppression of his ‘black’ culture. When we look at D’s background, as a foster child with no parental contact, minimal education, long-term unemployment, seven children, and a very strong commitment to family unity and support, the reader can begin to understand the complexity of this person. This case illustrates the implicit tensions that arise when an Indigenous Australian chooses to operate in the white world of Australian business.

E also has no active membership in his local land council. Prior to going into business he was very active in several local Aboriginal organisations. However, since he experienced adverse dealings with ATSIC, E no longer participates actively in community affairs. His body language and attitude at this line of questioning suggested much anguish and personal pain. Further questioning revealed that the participant has strong ethical standards and values, reinforced by his parents’ Pentecostal Christianity and the values that they live by in their church. E’s dealings with ATSIC highlighted what appeared to be ‘cronyism’ and possible corruption in Aboriginal organisations. E has not yet recovered from the shock of this experience and is having difficulty in dealing with what happened to him. It was as if this could not be true. E now holds ATSIC in contempt, as he is personally (and culturally) hurt and deeply offended.

Both A and C are in the tourism/hospitality industry: one a motel owner, the other an Indigenous art and artefact retailer. Their respective membership in associated organisations is driven by their business. “You can’t afford not to be” (Interview Notes, A, January 1998). “It pays to belong, it gets your name out there” (Interview Notes, C, 21 January 1998). A went on to qualify his statement: “It certainly costs you money, you have to give time and money and put yourself up for community work”. A understood it as an investment: an investment for the business and an investment in breaking down some of the stereotypes concerning Aboriginal people.
When people see a Koori person running a business, they see that we are competent people and we are generally putting in our bit and more to develop our business sense in this town. When they see us in Rotary functions, or at the Tourist Association they initially are a bit stunned, but they come around and see that we are just as community minded as them. They see that we are not all drunks and welfare recipients! (Interview Notes, 19 January 1998).

The lack of involvement in Aboriginal community organisations was related in most cases to time. The entrepreneurs could not afford the time to be involved. Their businesses have become a consuming force that has altered their involvement in grassroots Aboriginal life, that is, involvement in their Aboriginal community. It would appear that their business pursuits either dominate their cultural community relationships or have become a substitute for them.

4.3.5 Business Plan

All five enterprises have either a ‘loose’ or a formal business plan. A, B and C produced a formal plan prior to or during the commencement of business to ascertain the projected viability of their respective enterprises. D produced short-term projections concentrating on targeted sales figures within specific time frames and profit ratios. E produced a five year plan that looks at outcomes and targets without addressing the intricacies of how to achieve them.

A, on the commencement of the business, had to produce a one year, five year and a ten year plan for their financiers. Whilst he had been employed in the hospitality industry for many years and had produced numerous forecasts for his employers, he had never completed anything this detailed. In his words:

It really opened up my eyes, it showed me things about business that as a manager I knew existed, perhaps because you don’t own the business the costs are not really relevant to you (Interview Notes, 19 January 1998).

The plan was produced with the assistance of a non-Indigenous business adviser from ATSIC in just under a month.

B took six months to develop his plan with the assistance of staff from the local Business Enterprise Centre and the Rotary Youth Project:

There was a heavy emphasis on research, talking to other manufacturers and retailers in similar product lines (Interview Notes, 30 June 1998).

C experienced 14 to 15 months being manipulated and:

stuffed around by incompetent ATSIC business advisers and useless Business Enterprise Centre staff who in one case this whitefella starts preaching to us about self-determination. We ended up starting without a plan because after seeing six non-Indigenous advisers who knew nothing about dealing with blackfellas. Then one of our customers introduced us to the NSW Tourism and Oz Industry, one of their advisers was brilliant. We still use him today and he is a good friend. The plan he developed for us has been spot on (Interview Notes, 21 January 1998).
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D on initial entry into business did not need a plan as he had no capital investment; the other partner had everything to lose, and D could see no point in doing any long-term planning as he was in there only for the short-term. Due to his vast experience in their industry (some 40 years), D feels that they know everything and do not have to plan. When he did enter business he produced a business plan only for the bank:

We told them what they wanted to hear otherwise we wouldn’t have gotten any refinancing on our homes (Interview Notes, 24 January 1998).

D has a loose plan that sets monthly sales and profit targets. He can tell due to his experience on gauging the stock levels and ordering system what the sales and profits are. This has allowed him to alter product lines and diversify into other areas. D has gone from a motor vehicle spare parts specialist, supplying numerous trade accounts, to being a one stop motor vehicle accessory retail outlet with no trade accounts, diversifying initially into pushbikes, then fishing gear, and now caravan and trailer accessories. D on further questioning said:

There is no need to do a detailed plan, you couldn’t justify the cost and time. I have been in this game long enough and I know the signs, how to read the market that I don’t need a fancy plan (Interview Notes, 24 January 1998).

E compiled a simple plan for his bank on commencing business, to obtain an overdraft and re-finance his personal debts. The plan was a five year vision that is reviewed on an annual basis. E feels that it should be kept simple and that there is no need to look at SWOTs (strengths, weaknesses, opportunities or threats) or do a marketing plan as examples, as “I already know this stuff, its in my head” (Interview Notes, 21 October 1998).

4.3.6 Initial Capital

The capital investments of the participants varied from nil, to just $5,000, to a maximum of $60,000. In all five cases, however, this was the total capital resource that the participants could access. In other words, they invested their life savings in the venture, which in three cases involved mortgaging their homes and re-financing to ensure that they had a capital base. The other two participants were not homeowners.

A had a total capital base of $60,000 when he commenced business; that was barely enough to pay legal costs and the deposit on the property that was purchased. A borrowed heavily in a cocktail loan from two different sources to secure the property. B commenced with only a few thousand dollars of working capital, and a small loan. Within six months they found themselves in financial difficulty with a home mortgage, several commercial hire purchases, the business loan and credit card commitments. If not for re-financing and financial assistance from his parents they would never have survived the initial trading period. C commenced business with a $5,000 cash advance on a credit card. C could not obtain any financial assistance. The husband and wife team ‘did it tough’, re-investing wages, profits and any spare cash they could get their hands on, in stock.
D commenced business initially with no capital at all, after being long-term unemployed (for in excess of 7 years). Frugal funds management enabled him to turn his personal poverty situation into one of financial soundness within a 10 year period. Several years ago D applied to his banker of 25 years, only to be rejected on a small commercial loan secured almost 400% by real estate on which the same bank held a small first mortgage. D no longer deals with that bank, and has grave opinions about banks in general. E commenced business only after re-financing with a bank; he had to try several before he found a lender who would provide a small overdraft, which in effect was an advance on the equity in his home, fully secured by a real estate mortgage. This was his initial business capital.

All participants experienced difficulty in accruing capital prior to commencing business and/or obtaining capital and working capital finance on the commencement of business. This is not an exclusive occurrence, found only in the world of the Indigenous business person. However, in view of the marked disparity between poverty levels in the Indigenous Australian community and the non-Indigenous community, it is a credit to these participants that they have started with so little and still survive.

4.4 Indigenous Australian Characteristics and Experiences

Many of the structural-functional characteristics highlighted experiences and unique situations that pertain to the Indigenous Australian entrepreneur within the classifications of trading structure, education, industry experience and training, membership of industry associations, business plan and their initial capital. In all of what were initially presumed to be structural-functional characteristics pertaining to the Indigenous and the non-Indigenous entrepreneur, the results demonstrated that in fact there were instances that were culturally or socially specific to the Indigenous entrepreneur. The following characteristics and experiences are presented as distinctive elements of Indigenous entrepreneurship.

4.4.1 Status and Children

All the participants have children; the average is 3.6 children per entrepreneur, with a minimum of one, and a maximum of seven. All participants are married in long-term relationships: minimum three years (married 18 months, with one child) to a maximum of just under 40 years (seven children). The average age of the male partners is 46 years, with a range from a minimum of 26 to a maximum of 58 years. The estimated age of their partners is around 44 years of age. All five male partners are Indigenous, and three spouses are non-Indigenous.

All five participants agreed that one of the reasons they were in business was so that they could provide for their children. By being in business they are creating opportunities for their children that they, themselves, never had. The benefits of their businesses have enabled them to enjoy a higher standard of living, from which their children now benefit. The children of entrepreneur C and D have enjoyed the knowledge of learning new skills working in their parents’ businesses, and it is hoped that they may one day take over the businesses.
B was the only entrepreneur who had children after commencing business. He has a baby daughter, and would like a son to take over the business “only if he wanted to, I wouldn’t force him” (Interview Notes, 30 June 1998).

The capacity of the participants to provide for their children appears to be a major determinant of their being self-employed in business. There is a strong underlying cultural force in place that is the ‘motivator’. Repeated comments were made by the participants that they want their children and their children’s children to grow up with better opportunities than they had, or their parents had. The stories of their parents and grandparents on the mission were vividly reinforced by A, C and E. All five believe that their children are entitled to the same world as that given to the white population. Comments included:

We want our kids to have the same chance as theirs. We want our kids to have the same opportunities be it in sport or school as the non-Indigenous kids (Interview Notes, E, 21 October 1998).

Why shouldn’t our kids have the same opportunities as the whitefella, we work hard and we pay our taxes just like whitey (Interview Notes, C, 13 September 1998).

Our kids deserve the same opportunities (Interview Notes, A, 19 January 1998).

4.4.2 Social Interactions, Family Associations

Four of the five entrepreneurs accept that their business has been a six- to seven-day-a-week exercise for several years, resulting in a sacrifice of contact time with their family, particularly with their children. The same four have experienced isolation from their wider family – parents, brothers, sisters, aunts, uncles, cousins etc – because of their involvement in business. The same four entrepreneurs have been forced by their involvement in their businesses to cease being active in Indigenous community organisations.

A, for the first eight to nine years, was totally involved in the business. Shortly after commencing business he had endured commercial interest rates that increased to in excess of 20% per annum, during a period when he was highly geared. This required cutting costs, and in doing so A had to reduce staff and take on a greater workload. During this period an almost total separation from his children, his family and his wife’s family occurred. He is physically located some 400km away from his parents and some 1,500km from his wife’s family:

The kids were great, they soon realised that you have to work hard, we had some family squabbles but it brought us close together. Its taken us 10 years but we both now take a day off each week, we both play golf and this helps us to relax. We are now beginning to enjoy a better lifestyle however for many years we worked dawn till way after dark and it hurts to have our family so far away (Interview Notes, 19 January 1998).

In C’s case, when their children began working in the business, they began to realise that the business was not a ‘cash cow’, and began to understand their parents’ stress levels and reasons for them being so involved. This has brought them closer together. Now there is a dedicated team
of four which has strengthened the business by having a family member rostered on at all times to supervise staff. C also has had to forego ‘community’ involvement. He was active in local Aboriginal politics, being on the local land council for over six years:

We now see our community involvement in dealing with our suppliers. We only buy Australian made and all components must be Australian made. Our community involvement is now how we deal with our creditors. We know what it’s like to be an Aboriginal artist, we were ripped off for years and we treat our suppliers how we wanted to be treated. We don’t do consignment. We pay cash whenever we can and we buy only what we think we can sell. We get a bit soft at times when they are hard up and often pay too much for some things. We promote Aboriginal women’s art a fair bit. One example is this lady came in here one day from Alice Springs, her work was good and we paid her cash. She told us that the art dealers round Alice usually only pay her in smokes and grog. She sent us a card with her most recent shipment of paintings telling us how proud she was in that her camp now has a tap with running water bought from the money we send her. She thanked us, we thank her for little things like this make it worth while (Interview Notes, 21 January 1998).

D has had several of his children work in the business, and now has one working there full time. The children to an extent accept that the business has made them ‘orphans’ (in their words). However they also realise that it has enabled their parents to pay off their home, buy a nice boat for cash, have a good car and go on regular holidays. This represents a massive turnaround from the poverty experienced prior to entering business at the end of a long-term period of unemployment. Since commencing business, D has turned his back on the community and no longer has any social cultural ties outside of his immediate family. On further questioning D aggressively replied:

if my customers or suppliers knew I was a blackfella I would not last two minutes in this town. [Name of the city withheld] is the most racist town in Australia. Full of redneck coal miners with IQs half their age, steel workers who still think Bob Menzies is PM and dimwitted pensioners that think Pauline Hanson is the solution to their problems. I would not last two minutes if I associated with the local (black) community (Interview Notes, 24 January 1998).

E stated that:

I am the front man in this business, means I have to go out in the field, it puts a lot of pressure on me, I’ve got a young family, at times they believe that they have been denied my time and attention. This is the price I have had to pay for being in business. Yet, our standard of living has improved slightly, we are involved in a triathlon club and a swimming club [their children are talented athletes]. These all-white organisations by our presence are having to confront their attitudes and change those attitudes (Interview Notes, 21 October 1998).

E went on to substantiate that his reduced level of community involvement in the ‘black’ community was substituted by his involvement in mainstream organisations such as the swimming club. Prior to his entry into self-employment, E was very active in Aboriginal
community issues and family issues, such as land claims and cultural heritage management. When he was questioned as to why he had ceased these activities he replied:

you can only take getting kicked in the guts for so long. Being in business opened my eyes and let me escape! (Interview Notes, 21 October 1998).

At the time of interview, B’s child was only seven weeks old, and he worked a five day week. Seldom had he worked six days a week. In addition he is young, in his mid-20s and had never been involved in community organisations; therefore his comments are not included.

In four out of five entrepreneurial studies, the entrepreneur’s involvement in self-employment has resulted in a loss of time and relationship not only initially to their children and their wider family, but also to their Aboriginal community. The price they pay for being in business appears to be a loss of cultural contact. A makes up for this by advertising his motel in the Aboriginal media:

We get a lot of repeat business from Aboriginal people as far away from Moree, Brisbane and Sydney. The beach access and the budget style accommodation and the fact that they can see a black face allows them to come here and be blackfellas. As they say, they can come here and relax and don’t have to put on any airs or graces (Interview Notes, 19 January 1998).

A’s pro-active, groundbreaking involvement in Rotary, the golf club, moteliers association, tourist association and other network groups is his substitute for Aboriginal community involvement. Likewise, C’s dealings with their suppliers are their way of maintaining some sort of community liaison. D has severed all community links outside of immediate family. E also cut his commitments with the community, yet he has undertaken membership in organisations (similar to A) to extend his Indigenous profile (in E’s case, for the initial betterment of his children).

4.4.3 Motivation and Performance Stimulants

Three dominant motivators or ‘performance stimulants’ became apparent in the interview analysis. The most common motivator (as mentioned previously) is the desire to provide for their children. A secondary motivator and performance stimulant found in all five studies was the desire to be in control of their destiny; “not working for wages or making money for someone else” (Interview Notes, 19 January 1998) was a common statement.

The third common motivator was to disprove, by their success in business, the commonly held stereotypes that Indigenous Australians endure. In three out of five cases there was a desire to succeed in a white man’s world and to show mainstream Australia that Aboriginal people are not stereotyped “drunks, welfare bludgers, lazy” (Interview Notes, 13 September 1998). The entrepreneurs, in a common expression, have a desire to “show that Aboriginal people are just as good as whites, given the chance” (Interview Notes, 21 October 1998).
Only one of the five entrepreneurs mentioned income as a motivator: “I would like to make a small profit after tax” (Interview Notes, 21 October 1998). The other four did not mention profit. Rather than talking about money, their concepts revolved around ‘viability, sustainability, and the long-term survival and growth’ of their businesses.

The strong social family commitment to their children has already been covered in Sections 4.4.1 and 4.4.2. When this feature became apparent, it was necessary to return to the field to interview two of the entrepreneurs about it. These entrepreneurs were asked if they would be so committed if they did not have children or a wife. They hesitated, and then stated:

doubt if I would have stayed at it for so long [that is, their business]; would probably have sold out or stayed working for someone else (Interview Notes, 21 October 1998).

When questioned about being in control of his destiny, E summed it up eloquently:

Over the last two hundred years they shot us, poisoned us, raped our women, used us as slaves, herded us like cattle off our traditional lands, sold us like animals, abused us, stole our children, kept us like mongrel dogs in the name of Christianity in their missions. Now we have the chance to live like human beings. If we don’t succeed we may never get another chance, this is our time! (Interview Notes, 21 October 1998).

Being in control, and having some power over their future, was a theme repeated several times, especially by A, C and D. The term ‘self-determination’, meaning being self-employed, was discussed by all participants. Even D, who did not publicly display his Aboriginality, agreed that “if the limited number of Koori business people in business today blew it, what hope has the next fella got” (Interview Notes, 24 January 1998). Inadvertently this has placed the participants under the spotlight, as they are role models in the eyes of other potential Indigenous Australian entrepreneurs. Possibly it is more significant for an Indigenous entrepreneur than a non-Indigenous entrepreneur to be self-employed and have control over his or her future. Indigenous Australians were not classified as members of the human race, as members of Australian society, as human beings who had the right to vote, until legislation in 1965 and 1967.

The comments on stereotyping appeared in three out of the five studies:

People see me in this town and know that I am a motelier, they see the black face, they see a Koori person running a business [for over 10 years], they see that I am a competent person who is involved in community issues [Rotary, tourist association as examples], they see that we are putting our bit and more back into this town and into the broader community, and they [the non-Indigenous] have trouble accepting it at first (Interview Notes, A, 19 January 1998).

It is something that I will always have in my mind, we needed a place where we could start off, that we could prove that we were reliable, where we could prove that we were not drunks, we could prove that we were not lazy, people could see us every day (Interview Notes, C, 21 January 1998).
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The barriers that hinder us, they are amazing. When I go into an organisation they treat me in a very paternalistic way; often they appear shocked when they first meet me. Then they see me do my presentations to the client base, hear me speak fluently and eloquently in the Queen's English. They looked shocked, surprised then they ask me stupid questions such as, am I from Africa, or some other exotic country? They appear to have difficulty in accepting that I am an Indigenous Australian. The stereotyping is almost stifling, and this is from trained, educated supposedly sensitised people within the education system, it makes you wonder (Interview Notes, E, 21 October 1998).

The motivators and stimulants that drive these entrepreneurs are very personal, and the participants became very emotional in explaining them. Any readers from the fields of organisational behaviour or entrepreneurship may question the simplicity of the findings. Consideration should be given to the fact that the longest experience in self-employment of any participant was only 10 years. The parental instinct to support and provide for the next generations of their children is very strong. The need to succeed, the need to be in control of their lives, and to disprove the racist stereotypes that are worn like an oppressive yoke are driving forces that are further illustrated in the next section, on racial discrimination.

4.4.4 Racial Discrimination

All five participants have suffered discrimination from extreme to subtle in the establishment and running of their respective businesses. During the interview process several instances were observed by the writer of non-Indigenous customers exhibiting contempt for two of the participants who were oblivious to, or chose to ignore, discriminating racist remarks by their clientele. To the Indigenous Australian entrepreneur, racism is twofold. It is predominantly directed from the non-Indigenous population, and secondly, it is experienced to a lesser degree from within the Indigenous Australian community.

The most vivid examples of mainstream racism are given by C:

The girls will often ring up crying, particularly just after Pauline Hanson made her speech in parliament ['the girls’ being a young Indigenous staff member and her daughter, who often do the weekend shifts together]. This shop was a ladies fashion outlet and for many months we would get people coming in to buy dresses that they had been told about. On several occasions the girls would say we have an extensive range of dresses over there, to which the customers would say, Aborigines don’t wear clothes. Once or twice you can handle it, but when it becomes a regular thing it gets to you. We also have this person who writes in our visitors book, “Nice enough for Pauline to hate!” At the other shop when we had artists painting in there for the tourists we would have these mongrels come in and tip the paints out. Our marketing person gets a hard time, when she talks to tour companies and travel groups she has had them turn her away because they believe that as we are Indigenous, we are ATSIC-funded and in view of all of the publicity about ATSIC’s budget cuts we will be out of funds and will close up. So it goes on, there are numerous occasions when people in tour groups for example will say that’s what my taxes are paying for. They think because we are black this is government-funded. They look at you like dirt and if we ask them if we can help them they just grunt. It’s a daily occurrence when you are in business. The bus groups of retired people are the worst. We prefer the Asians; at least they treat us with respect. We
won’t deal with non-Indigenous trade suppliers if we can help it due to bad experiences and their racial attitudes. We have gone through several solicitors since we started. They have treated us like dirt, as if we have no intelligence (Interview Notes, 21 January 1998).

When asked about racial discrimination experiences from trade suppliers, banks and financiers, four out of five participants reported unpleasant comments or experiences with suppliers. Two cases revealed instances when commercial representatives from trade suppliers had ‘pranced in’ to their premises asking for the manager, not accepting that the person addressed was the owner-manager. On one occasion a trade representative called the owner ‘boy’ when the Indigenous proprietor was possibly 10 to 15 years their senior: “Boy, can you tell the manager that I am here to see him to discuss xyz product” (Interview Notes, 21 January 1998). The participant does not use or stock that trade line.

Four out of five participants have had ‘less than helpful’ experiences with banks. However, they were unsure if this was racial discrimination, or just the generally unhelpful attitude of bank clerks and junior managers. Four out of five have had mixed experiences with finance companies, and once again they could not provide exact examples; rather it was the attitude of the staff. To quote E, “When you are black, you know when you are being shit on because of who you are!” (Interview Notes, 21 October 1998). The same four out of five repeated similar stories of racial attitudes of their clientele – comments that include, “this is what my taxes go to”, or “this is what the government funds”, or “I should get a discount, my taxes pay for this” (Interview Notes, 21 January 1998).

D has nothing on his premises that indicates that he is Indigenous. He has cut all ties in community matters. He will state that he is “of Spanish descent” if a customer or a trade supplier asks. Despite all this denial, they have experienced similar distress to that of the motel owner who has Aboriginal prints in the reception and in some rooms, the Indigenous retailer who sells only Indigenous goods, and the Indigenous consultant.

Discrimination when you are Indigenous comes from both the non-Indigenous community and the Indigenous community. The data revealed that the entrepreneurs are subject to relentless criticism by other Indigenous Australians. This is an Indigenous peoples’ version of the tall poppy syndrome.

E illustrated the extent of the problem from an Indigenous perspective:

the Koori grapevine is the worst thing that happens, people trying to badmouth you and what you are trying to do. Always trying to put you down when they don’t really understand that what you are trying to achieve has a solution to some of the issues, some of the problems of the broader Aboriginal community. By being there in business, by being a success we are illustrating to both black and white, the whites have difficulty accepting it that’s for sure, and sadly our community have difficulty in accepting it as well. We get called a city black, whiteman in a black skin, coconut – dark on the outside yet white within. We have to endure this from our own people yet I believe that the positive outcomes outweigh the negative (Interview Notes, 21 October 1998).
A also mentioned that derogatory terms like 'coconut', 'white man in a black skin' and so forth had been said to him by members of the local Indigenous community in the town in which he does business.

It would appear that racial discrimination is a very real threat to the Indigenous entrepreneur, be it from mainstream Australia or from within our own Indigenous Australian community. Of all the pitfalls and negative aspects of being in business, it was obvious to the writer that during the interview process this is the one element that caused the participants the greatest level of personal anguish.

4.4.5 Definition of Success

As discussed in a previous section, success to the Indigenous entrepreneur cannot be measured in tangible assets. The data revealed that an ever-present cultural force has a limiting or restrictive cultural influence on the actions in four out of five of the case studies. The youngest and more inexperienced looks at success in the immediate sphere of influence, whereas A, C, D and E view success in a holistic context. In the interview sessions these four participants were very reluctant to discuss this topic. The interviewer had to depart from the subject questioning on numerous occasions, then return to it when a similarity appeared in the respondents’ replies on other matters. Probing, paraphrasing and summarisation interview techniques were applied.

It was as if there was an invisible yet tangible barrier around the concept of success. This is most certainly a consequence of cultural values that make it difficult for the respondents to talk openly about success. Once again, the interviewer observed that there was a degree of embarrassment. Cultural ‘shame’ is the jargon that seems to apply. Four out of five appeared embarrassed at being successful in a Western context. Their interpretation of the Western context of success is that they had established themselves in business over varying timeframes and had not failed. In fact they were prospering, and had amassed wealth, which in reality was increased stock levels or other tangible business assets necessary for expanding the enterprise.

In one example, this was as insignificant as the respondent’s purchase of a current model motor vehicle. This would not even be considered an issue in a non-Indigenous context. However, in this respondent’s family not one member has ever purchased a ‘new’ car. When he made such a purchase, his family subsequently shunned him. In this example we are only talking about a small $15,000 family sedan on bank finance. Such is the level of poverty within Indigenous Australia that even what would be considered a necessity, a purchase that is a part of everyday life in mainstream Australian society, is in Indigenous Australian society enough to create a barrier between the purchaser and his own blood family members. The interpretation that the interviewer was given from the respondents was that although they were very proud of their achievements, they had broken away from the status quo, and there was a level of trepidation about their acceptance by both black and white societies.

Four out of five of the respondent’s replies indicated that success was holistic. Some of their replies were almost philosophical. The following comments were taken from the interview notes of the respective studies to illustrate their individual perceptions of success.
A views success as “only what you do today! I do the best I can at achieving what I can today” (Interview Notes, 19 January 1998). B believes that success is “having a sustainable business where I can work 100% on my business rather than in my business” (Interview Notes, 30 June 1998). C feels that success is:

to build this up to what we picture it, more than a retail store ... a cultural centre. A centre were Aboriginal people who have been ripped off for their art and things can come and be treated right, can be treated with respect as Aboriginal people, a place were school kids can come and learn of our culture, break down the barriers of racism. Yes success is a place of respect and no racism (Interview Notes, 21 January 1998).

D feels that success is “long-term viability [in business]” (Interview Notes, 24 January 1998). Finally E defines success as:

a number of things. I have a vision that I want to help my people through the struggles of the twentieth century. I want to see educational standards improve, our job participation rates improve. One of the biggest buzzes I get is when I speak to grassroots people and I come away knowing that I have made a positive difference to them in that my programs have worked. This is success (Interview Notes, 21 October 1998).

Success is philosophical and tangible, individual and communal. Success is many things, yet not one of the five put it in dollar terms or used the accumulation of assets as a measure. Success as mentioned previously tended to be measured in terms of the importance of what you do and how you do it, not what you had in assets at the end of the day.

Given these philosophical reflections about success, why were the entrepreneurs initially so reluctant to speak about it? Perhaps it was due to the cultural sensitivity of the concept and the emphasis that the Western world places on material benchmarks to illustrate success or achievement. Or perhaps this reluctance was due to the cultural sensitivity in that success in the Indigenous Australian community is a pluralist phenomenon that is theoretically shared within the wider family and/or community. To use the example of the purchase of a new motor vehicle in the business, this entrepreneur experienced a rejection by his family because it was perceived that his wealth accumulation in the purchase of the vehicle was at the expense of his family. It was perceived that this imaginary wealth should have been distributed within the family, even though there was no ‘wealth accumulation’, as the vehicle was subject to almost 100% finance. The new vehicle represented wealth in the wider family perception. This entrepreneur, in the day-to-day demands of his business pursuits, has had to reduce community (family) contact, due to time constraints as the majority of his time is now devoted to the business. The family sees this as a rejection of them. The entrepreneur feels bad; his entry into business results in a guilt factor, a ‘shame’ concept.

Success in the non-Indigenous context is seen within the Indigenous community as a loss of Aboriginal values. On further questioning, four out of five entrepreneurs concluded that this was the case in their individual situations. Success in business terms, involving increased wealth, was in contradiction with their cultural value of sharing wealth; and though they realised that any income had to be re-invested in the business, they felt guilt at not sharing it.
Fan and Karnilowicz (1997) see success as dealing with a locus of control, with the subjective meaning of success being an influence on goal-striving behaviour. What these case studies have highlighted is that Indigenous Australian entrepreneurs display trepidation at their achievements. They obviously suffer cultural and social alienation as a direct result of their achievements. The non-Indigenous reader can begin to understand the internal conflict and pressure that the Indigenous Australian entrepreneur suffers by remaining in business and being successful. No wonder they were reluctant to discuss this topic. Success results in cultural pain and alienation. Such are the invisible ‘cultural’ barriers that the Indigenous Australian entrepreneur must negotiate.

4.4.6 Dealing with Government Institutions

All five entrepreneurs have had dealings with ATSIC and numerous other government agencies. Two have experienced hostile relationships, two have questioned the professionalism of agencies and one has used ATSIC for his benefit, but would prefer not to deal with them.

On the commencement of business A sought a cocktail loan from the Commonwealth Development Bank and ATSIC:

When I sought funding I had to go to the state level, 10 to 12 years ago the commercial lending team were all non-Indigenous people, professionals such as accountants, they were really helpful and very cooperative. Very professional in fact they showed me in the development of my business plan that it was foolish of me buying the leasehold, I could afford the freehold and it would be far better for me in the long run. After we obtained the loan, a loan not a grant remember I had to deal with the regional office. They make me fill in monthly reports, when I look back this has been good for me because I am forced to look at my monthly Profit and Loss. What annoys me is how suspicious the Indigenous staff are, continually questioning petty issues. The Commonwealth Bank don’t treat me like this, they do an annual review and are very competent. There is nothing confidential with ATSIC. I have friends who have tried to deal with the commercial lending people following my initial experience. No good, they are nearly all Indigenous now, mostly unqualified staff who have no experience in business and seem to be related to the Regional Commissioner or someone. I have asked for little things over the years, their reaction and service attitude has been terrible. I will pay the loan out in a few years then my business affairs will no longer be common knowledge among the local community. I have nothing to hide however what you earn, what you take in income is not for public dissemination. The ATSIC staff at the local level are very unprofessional (Interview Notes, 19 January 1998).

B obtained a small grant shortly after commencing business from an ATSIC business development scheme fund. However, the experience caused concerned with regard to the amount of paper work, and the political jousting between regional and state office, “how no one returns calls, makes decisions or even tries to help you” (Interview Notes, 30 June 1998). B is considering putting in another application for a low interest loan to purchase equipment that will help reduce costs and enable expansion. In view of the first experience and his recent bad experience in trying to get someone to review the project he is considering going without until he can obtain funding from a mainstream financier. This would be at a much higher rate of interest; or he can do without, and continue to pay exorbitant outsourced manufacturing costs.
C, an Indigenous husband and wife managed business, on commencing business, was treated very poorly by a large government instrumentality over the premises that they initially leased. Without warning the retail shop that they negotiated was let to someone else. After a lengthy battle C was given other premises that had been a bond store for wool:

It was filthy, full of rats as big as cats, no wiring or sewerage, a take it or leave it situation if you want your $4,000 bond back (Interview Notes, 21 January 1998).

Basically this was a ‘ransom’ situation when you consider C only had $5,000 to start business with. Before and after commencing business, C applied for several ATSIC grants and loans. ATSIC ruled that a business plan was a prerequisite of the loan application. Over a period of approximately 15 months C was forced to allow business enterprise consultants to look at the business. One non-Indigenous consultant preached to them continuously about self-determination, and another corruptly suggested to them:

Don’t go into business, you keep painting and supply me. I’ll buy it all off you, at wholesale price of course (Interview Notes, 21 January 1998).

In the end they approached Oz Industry and the NSW Department of Tourism who provided a consultant who has been an asset to their aspirations. This consultant helped them produce an extensive and detailed business plan. They wished to move into larger premises and sought a loan from ATSIC. Several months later, after numerous visits, negative scepticism by ATSIC staff who refused to accept the projected income figures, and countless un-returned phone calls, their landlord advised them that they did not get the loan. The receptionist at ATSIC cried and begged forgiveness, as no one would take their call:

Friends and associates would come to dinner or drop into the shop and say how sorry they were about us not getting the loan; they had heard it from an ATSIC staff member. To this day, almost a year later no one has returned our calls or our letters to tell us why we missed out, or explain it to us (Interview Notes, 21 January 1998).

C alleges that ATSIC staff copied their business plan and distributed it as a guide for other business people. This participant questions the integrity of ATSIC staff and their professionalism. It would appear that several of the staff that they have dealt with, have (or had) a possible association with another Indigenous operator who, with ATSIC funding, commenced business shortly after them and has since gone into liquidation. They ask why this other operator was funded, but not them. They are stunned at the negative attitude of the Indigenous staff of a government department that is supposedly there to assist in Indigenous affairs.

Both C and D’s comments on ATSIC are extremely derogatory and most cannot be repeated. D sought ATSIC business funding, when unemployed, at the Commonwealth Employment Services’ direction. This was in respect to a small business operation that D was interested in:

I was treated like a liar by some pimple face cocky kid who couldn’t spell, had dirty fingernails and continually sniffed. He questioned who I am, what I am, and made a judgement that I needed to do a training course before he could process my application. I will never have anything to do with that mob again (Interview Notes, 24 January 1998).
When questioned about dealings with other government departments, D has had good relationships with the local Department of Employment, Education, Training and Youth Affairs (DEETYA) office.

E works within the education and DEETYA funding networks and has become hardened over the last year in dealing with bureaucracy. When questioned about ATSIC he became evasive. After some time he advised:

Yes I have had the displeasure to deal with ATSIC in seeking a loan on commencing business and also as a consultant working on community projects. I have dealt with them at the local, regional and state levels. They have been very paternalistic in their dealings with me, treating me like a dunce. In one project they didn’t really come to assess whether or not I had the skills or the project was viable. They were Indigenous and non-Indigenous. I would have thought that at least if their job was there to encourage business that they certainly suss you out, find out your capabilities before they make their judgements. I have no time for them. In my dealings they appear to be corrupt, nothing is confidential, in one case a local person who is an uncle of one of the women I was dealing with in state office knew the confidential details of a submission the night of the day I couriered it to ATSIC. I would prefer that I never deal with them again (Interview Notes, 21 October 1998).

From this data it would appear that a minority of staff in one regional ATSIC office are, in fact, a deterrent to Indigenous Australian entrepreneurship.

4.5 Conclusion

The results provide an insight into the business and social world of the Indigenous Australian entrepreneur. It is true that to succeed in business the Indigenous entrepreneur is superficially no different in character or in traits to the non-Indigenous entrepreneur. If we take positivity as an example, we can easily compare the driving force of the Indigenous entrepreneur with the supportive findings of Hallahan et al. (1997) in the non-Indigenous business environment. However, the environment, the social environment, of the Indigenous entrepreneur is very different to that of the non-Indigenous. The social interactions with immediate and wider family members and the subsequent trade-off in cultural values are not comparable to those experienced in the non-Indigenous world. It is as if the ‘rightness of whiteness’ in a cultural context is integrated in the survival practices of the Indigenous entrepreneur. For, in fact, if they are to survive and prosper they have to accept non-Indigenous values and practices, at least to a degree, to maintain business cohesion. The use of a non-Indigenous accountant is a classic example. A ‘white’ accountant substantiates business legitimacy in these entrepreneurs’ minds.

Another illustration of the ‘rightness in whiteness’ is that the non-Indigenous entrepreneur is not subjected to an oppressive yoke of restraint in his or her everyday life that results in racial stereotyping, such as that experienced by the respondents in this study. Racial discrimination as discussed in these findings is not only an assault on Indigenous entrepreneurs from Anglo-Saxon Australia (which conforms to the ‘rightness of whiteness’ from the white racist perspective), it is to a degree also an attack from their own people. As Indigenous entrepreneurs commence
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business, breaking away from the status quo of stereotyped welfare dependants (or as members of a predominantly welfare dependant society), their own families and communities have changed. It is as if they have metamorphosed, becoming ‘white’ to some degree in the eyes of their Indigenous peers, by being in business. Thus the Indigenous community label them ‘coconut’ or ‘city black’, ‘uptown nigger’ (as examples) due to the fact that the community sees them enjoying financial independence and wealth accumulation. The entrepreneurs by being active in their businesses are seen by the Indigenous community as becoming ‘white’, as the Indigenous community perceives that they are adopting non-Indigenous values.

The results illustrate that the Indigenous Australian entrepreneur does not only have to endure all the physical and psychological hurdles that the non-Indigenous entrepreneur faces on entering business, they also endure social alienation by being a minority in a ‘white’ business environment. They are subject to the racial stereotyping that mainstream Australia assaults them with. In addition they endure the cultural psychological distress of being alienated from their own people. Four out of the five respondents have adopted their own survival practices to counteract this, which makes their life in business more bearable. However, it is difficult to comprehend how a substitute practice can make up for the loss of family contact in the Indigenous Australian context.

The loss of cultural practices and community acceptance is a heavy price to pay for the Indigenous Australian entrepreneur. The lack of support or understanding from the government-funded agency, ATSIC, only fuels the pain of the respondents in their struggle to establish their business ventures. The respondents’ negativity is evident in their fury and anger towards this institution. In view of the recent negative press coverage of ATSIC, the respondents were questioned as to whether the negative press coverage fuelled their attitude towards their representative body. In all cases they replied that it had not, rather it was their individual personal experiences that had moulded their attitude towards ATSIC.

Hopefully, the reader can begin to understand some of the reasons why so very few Indigenous Australians enter into mainstream business. In the following section these results will be expanded upon with constructive recommendations that will hopefully be adopted by other researchers and interested parties in the creation of an environment conducive to entrepreneurial activity by Indigenous Australians.

5.0 DISCUSSION

5.1 What does all this mean?

Thirteen categories were discussed in the preceding section:

4.2 Positivity;
4.3.1 Trading Structure;
4.3.2 Education Levels;
4.3.3 Industry Experience and Training;
4.3.4 Membership to Industry Associations;
These categories emerge directly from the data. However, the categories are somewhat overlapping in their implications and in the experiences that give rise to them. It is useful, therefore, to provide a more interpretative and normative description by collapsing the discussion into seven key elements:

**Positivity**: the vision, the driving force that success will happen, the unselfish willingness to sacrifice personal luxuries to realise a vision.

**Face**: the formality of the business structure and the use of a non-Indigenous accountant for perceived legitimacy.

**Chaos**: the catalyst that instigated entry into entrepreneurial activities and self-employment.

**Education and Industry Experience**: the relationship that education and industry knowledge has with entry into business.

**Networking**: the need to network for the benefit of the business, and the possible substitution of previous Indigenous community contact with specific business-related contacts and/or the domination of business pursuits over community (cultural) contact.

**Immediate Family**: their relationship with their spouse and the perceived need to provide for their children and following generations.

**Discrimination**: discrimination from mainstream Australia and also from within their own communities. Following generations of subjugation, Indigenous entrepreneurs have a strong drive to be in control of their destiny and disprove the racial shackles that continue to be a yoke of restraint in their daily lives.

These seven elements are discussed and expanded upon below.

### 5.1.1 Positivity

Raymond Smilor in his 1997 work acknowledges that entrepreneurs are remarkably diverse, with a variety of elements that contribute to their existence. Despite extensive research focussing on
traits and characteristics of entrepreneurs, there is no clear set of traits or characteristics that apply to all entrepreneurs. In fact, Smilor believes that to attempt to identify a specific set of characteristics or define a specific psychological profile in predicting the successful entrepreneur is a waste of time. On reflection on the data this is evident in the individuality of the participants, with their similarities outweighed by their differences. This is also noted recently by Baron (1998), who confirmed the findings of Hatten (1997:40) that:

the conclusions of 30 years of research indicate that there are no personality characteristics that predict who will be a successful entrepreneur ... successful entrepreneurs come in every shape, size, colour and from all backgrounds.

Smilor acknowledges the individuality of the entrepreneur. They are dreamers who make things happen. “It is the fire in the belly that makes the improbable possible”, wrote Smilor (1997:342), which is similar to the observations made in this study.

The obvious distinguishing attribute of the ‘fire in the belly’ of the Indigenous Australian entrepreneurs in this study was their positive application, their ‘positivity’. The studies by Bird (1989) and Baum (1995) revealed that traits are particularly important where few organisational cues or constraints are present. This is not the case in these studies; the research reveals the opposite. There are in fact numerous constraints placed on the Indigenous Australian entrepreneur: societal and cultural restraints, from both mainstream society and the Indigenous community. The constraints include the lack of capital, the nature of government agency assistance, the lack of confidentiality and negativit of the same government agency, cultural constraints in value systems and the dilemma of wealth accumulation.

The findings indicate that the trait of positivity is evident even in the presence of the oppressive yoke of racism. The United Nations Declaration of Human Rights in Article 1 states:

All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

Article 3 states:

Everyone has the right to life, liberty and security of person.

After 200 years of annihilation, of genocide, and of every evil act that the Anglo-Saxon ‘Christian’ society has inflicted on these Australians – bearing in mind that every respondent has suffered under these political policies – after all this, the dominant trait is their positivity to succeed, their positive attitude “to show the white man we are as good as them” (Interview Notes, 21 January 1998). These Indigenous Australian entrepreneurs are living the hope that the Universal Declaration of Human Rights provides. They are not asking or demanding a free ride; they wish only to succeed in accordance with Articles 23 to 27 of the Declaration, which spell out people’s economic, social and cultural rights. Yet we live in a nation where ‘reconciliation’ appears to be a bureaucracy that is controlled by the politicians; none of those pulling the strings are Indigenous. The results reveal that the participants are the reconcilers, they are the role models. They are an inspiration to the writer and hopefully to the reader. They have a vision, a
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driving force that success will happen; and their unselfish willingness to sacrifice personal luxury to realise their vision is also a dominant trait. The words of one respondent ring in the ears of the interviewer, “we have the chance to live like human beings. If we don’t succeed we may never get another chance, this is our time!” (Interview Notes, E, 21 October 1998).

Such positivity also influences the non-Indigenous and Indigenous staff who work in their enterprises. Another commendable quote was provided by two female non-Indigenous staff of one of the respondents: “the boss’s attitude is infectious, they are happy and positive, it makes working more enjoyable and less of a chore” (Interview Notes, 19 January 1998). When I asked these non-Indigenous staff if they had ever worked for an Indigenous Australian before they were quick to reply ‘no’, on which they then commented without prompting that they had wished that they had:

If the boss is an example of what Aboriginal people are like, we wish that we worked for him 20 years ago. If so we would still be there. They are unreal. We have never had a boss as decent (Interview Notes, 19 January 1998).

These comments from hardened, working class non-Indigenous staff who openly admitted that prior to working for the respondent they thought Indigenous Australians were “just black trash, drunks and bludgers” (Interview Notes, 19 January 1998) indicates the degree of loyalty that has been created. Above all, it illustrates the reversal of negative stereotypes that this experience has given to them.

This suggests that a positive outlook is a core characteristic for successful entrepreneurship, at least for Indigenous entrepreneurs. Although personality, as measured by pencil-and-paper tests, may not capture what is unique about entrepreneurs (Baron 1998; Hatten 1997), attitude is an individual characteristic that matters, as Smilor (1997) contends.

5.1.2 Face

The concept of ‘face’ as given by the Concise Oxford Dictionary is the “outward show, to judge by appearances, the image that is projected” (1977:370). ‘Face’, to an Indigenous Australian entrepreneur, is of extreme importance. In addition to the intrinsic benefits of self-accomplishment that follow looking good and doing it right, there is the cultural factor in that they are role models. The effects of over 200 years of military and social domination of Indigenous Australia have resulted in what Senator Herron refers to as the ‘shackles of welfare’. Indigenous Australia is stereotyped as a welfare-dependant community, and to a large degree it is. At present, each and every Indigenous entrepreneur who succeeds in business is a potential role model for the wider Indigenous community. This imposes an additional burden on them to those already experienced through the rigours of being in business. Add to this the pro-actively negative forces of racism from the wider Australian community, some members of which are continually searching for opportunities to discredit or attack the Indigenous entrepreneur – then we can begin to recognise the importance that initial impressions (their values) hold for Indigenous Australian entrepreneurs.
“Face refers to the way in which people are perceived by those around them” (Brown and Levinson 1987). Hallahan et al.’s (1997) findings substantiate the findings of the case studies presented in this study. They refer to the empirical research of Ambady et al. (1996), Holtgraves and Yang (1990) and Lee (1993) as demonstrating that “elaborate verbal and non-verbal social behaviours are enacted to protect ... and to fulfil needs to be perceived positively” (Hallahan et al. 1997:65).

The Indigenous Australian entrepreneur’s engagement of a non-Indigenous accountant is a perceived positive action in the Indigenous operator’s eyes, creating this perceived image (or ‘face’) of legitimacy. The non-Indigenous entrepreneur does not employ an accountant for the same reasons. The non-Indigenous entrepreneur employs an accountant for a specific purpose within the needs of the business. It could be argued that there is not the same ‘accountability stigma’ attached to the Anglo-Saxon entrepreneur, as exists for the Indigenous Australian entrepreneur due to racist stereotyping. On the same basis, the non-Indigenous entrepreneur of less than creditable intentions does not employ an Indigenous Australian accountant due to their perceived illegitimate image or dishonest ‘unaccountable’ image. Thus the vivid comparison of this value of ‘face’ is made. The impression of legitimacy, of accountability, is a significant image deemed necessary by the Indigenous respondent to counteract negative stereotyping by mainstream Australia. The example of the Indigenous entrepreneur’s involvement in Rotary or other such industry and community organisations, even the example of membership of a golf club, supports Hallahan et al.’s (1997) findings, in so much as the Indigenous entrepreneur is establishing a positive face by their actions.

Holt (1997) argues that understanding what entrepreneurs value is critical, because values reflect social priorities and influence how decisions are made by the entrepreneur. This accounts for the importance of ‘face’ in appointing a non-Indigenous accountant or in acquiring membership to traditionally white dominated organisations. Holt refers to the previous work of Hofstede and Bond (1988) which considers the importance of the value of having a sense of shame, protecting one’s ‘face’. This is a reflection on Confucian social philosophy; however, its similarity to the results of this study is apparent:

Confucian dynamism is not proprietary to ... Asian cultures ... parallel values among a number of South American, African and subcontinental Asian populations, but the composite concepts were conspicuously missing in Western value systems. Specific considerations such as ‘saving face’ is puzzling to individuals in Western societies (Holt 1997:487).

Values reflect how social and business decisions are made. The value systems of Indigenous Australian entrepreneurs in this illustration differ from those of the non-Indigenous. The result is that government agencies and financial institutions should acknowledge and respect this differing value system when dealing with the Indigenous Australian entrepreneur.

5.1.3 Chaos

In coding data it became evident that all five participants had dreamt of and/or planned their entry into business. The one thing that they did not do in this planning stage was to create a timetable
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so that they could work towards their entry into business in systematic, planned stages. What did become evident from coding the data was that a traumatic, chaotic situation occurred in their lives, which became the catalyst for entrepreneurial action. This chaotic or traumatic experience became the instigating factor that turned them from the dreamer ‘wannabe’, to the ‘doer’, the self-employed entrepreneur.

In one case this was an unfair dismissal. In another, it was a heated argument with his father after (in the participant’s words) “wasting twelve months at university”. In another it was a period of long-term unemployment when the participant reached the depths of despair and felt himself to be on the brink of physical and psychological ruin. In the remaining cases, one scenario was that the participant was employed in Indigenous higher education at a university and the other couple at a TAFE college, in separate states and under differing political policies. Both groups experienced disagreements in the workplace with management practices. They all had similar stories of a period of chaos in their lives directly preceding entry into business.

The transformation from being employed or a student to that of being self-employed is a dramatic social change for the case study participants. The ‘Displacement School of Thought’ (Kuratko and Hodgetts 1989:21) might seem a possible means of explanation for this occurrence. However, displacement is limited to political, cultural and economic causes. Although these were clearly operative in the cases studied here, the motivating chaos also discerned from subsequent personal explanations was too general to apply to the majority of participants in this study. The social stimuli are not adequately addressed by the Displacement School of Thought. The personal and social forces seem to function at an individual level in much the same way as crisis, enlightenment, and emancipation do at social levels in critical theory (cf. Fay 1987).

In effect, the cognitive reaction follows the high level of emotions experienced at the time of the crisis, which Baron (1998) states has a powerful impact on the rational thinking of the entrepreneur. According to Baron, these intense emotions can produce distortions in the cognitive process, by introducing bias and error. The results here do not indicate that this is the case. There is no evidence to suggest that the entry into business was an error, or resulted from irrational bias. It could be argued that had the case studies been failures in their initial set up then this could be applicable. However despite intense emotions, they have proven to be successful and subject to rational management rather than irrational bias.

Lowell Busenitz and Chung-Ming Lau (1996) argue that cultural values, social context and some personal variables affect the start-up intentions of a person’s cognition in a cross-cultural cognitive model. There is a far greater rational understanding in this process than in Baron’s model. Consider such comments as:

This is our time. Being in business opened up my eyes and let me escape. Show the whiteman that blackfellas are just as good as them, to take control of our future, to be in control of my life. We want our kids to have the same chance as theirs ... why shouldn’t our kids have the same chance as the whitefella ... our kids deserve the same opportunities (Interview Notes, 19, 21, 24 and 30 January 1998).
These comments support Busenitz and Lau’s (1996) findings. The Indigenous entrepreneurs are driven by the social value of providing for their children. This is the creation of a new social context within the cross-cultural society of the Indigenous Australian entrepreneur. Success creates the opportunity to provide for their children in a manner that is a fulfilment of the entrepreneurs’ aspirations. Busenitz and Lau’s work, in its application to this study, emphasises that the intent to pursue the creation of a new venture is significantly affected by the individual cognition of the cross-cultural participant, in this case, the motivation to provide for their children. Market conditions, resource mobilisation and other societal factors are accepted as important factors in terms of how people perceive and interpret them in the decision-making process. However, Busenitz and Lau classify these factors as opportunities, and they conclude that it is the overall opportunity of entering a new venture that directly affects the decision process. In reviewing the interview data this was substantiated in four of the five case studies.

The opportunity recognition factor is supported by Hills (1995). Hills believes that opportunity recognition occurs in the early stages, prior to the venture launch. The chaos, or as Fay or Veno would say the crisis, is produced in Hill’s interpretation as an opportunity. The data suggest that the participants also viewed it as an opportunity; once again I refer to a touching quote from one of the respondents that graphically illustrates this ‘opportunity’ aspect:

we have the chance to live like human beings. If we don’t succeed we may never get another chance, this is our time! (Interview Notes, E, 21 October 1998).

This is their time; this is their opportunity.

5.1.4 Education and Industry Experience

Other research such as that of Chen et al. (1998) indicates that the choice of entrepreneurial activity is the role of self-efficacy, covering areas of the entrepreneurial career preference, intentionality and performance. The self-efficacy is the individual’s cognitive estimate of their capacity to motivate themselves and to instigate the courses of action needed to control the events over their lives. The results of this study highlight the respondents’ behavioural attitudes after the ‘opportunity’ arose from the initial chaos, amplifying the relationship that education and industry knowledge has on the entrepreneur’s entry into business.

Four out of five respondents have a year 12 or better education. Three have tertiary qualifications, which includes one husband and wife team. Two have TAFE or trade qualifications, which includes the completion of an apprenticeship. Only one respondent has a minimal intermediate school education, and this is arguably compensated by industry experience that exceeds 40 years (with three others having a sound grounding in their respective industries). When one considers the small number of Indigenous Australians who achieve a year 12 education level, then there is strong correlation between education and industry experience.

Baum (1995) links nine competencies to the success of entrepreneurial activity. These include the competencies of ‘knowledge’, ‘cognitive ability’, and ‘opportunity recognition’. Baum’s research findings produced an 81% response that ‘industry experience’ and a 77% response that
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‘technical skill’ are the supportive variables. This is similar to the findings from Indigenous Australian entrepreneurs: 80% indicate ‘sound industry experience’ and 80% ‘technical skills through formal education’. Hills (1995) suggests that ‘cognitive ability’ and ‘opportunity recognition’ (competencies listed by Baum) are linked with the experience base of the entrepreneur. It is not difficult to validate that the experience base is gained from industry knowledge and education. The conceptual link between the phenomena of cognitive ability and opportunity recognition has generated new empirical studies that support the identification of entrepreneurial opportunity as a process of several learning steps over time (Baum 1995:551); learning steps that rely on technical skill through education and industry knowledge. Christian and Peterson’s work confirmed that “profound market or technological knowledge is a prerequisite for venture ideas” (Christensen and Petersen 1990 cited in Hills 1995:106). Baron (1998) combines the cognitive ability in entrepreneurship with the ability to minimise cognitive effort by using short cuts in the mental process, thus reducing mental effort. This can only be achieved if the mental resources are initially there: that is, the technical and industry knowledge, which again supports the argument that education and industry knowledge are vital competencies for the entrepreneur.

This emphasises the value of education and training. If only 25% of Indigenous Australians complete year 12, in comparison with non-Indigenous year 12 graduates, the requisite educational base for entrepreneurship is simply not being provided for Indigenous Australia. Policies seeking to advance Indigenous Australian entrepreneurship must address the issues of Indigenous education and industry training.

5.1.5 Networking

Consideration of ‘Membership of Industry Associations’ (see Section 4.3.4) and ‘Social Interactions and Family Associations’ (see Section 4.4.2), revealed that networking in the case of the Indigenous Australian entrepreneur was threefold. It was firstly, for the direct benefit of the business, or secondly as a substitute for previous Indigenous community contacts (indirectly for the business development and benefit), including networking with Indigenous and non-Indigenous creditors and debtors. Thirdly, the networking was for the entrepreneur’s children. Indirectly this was seen to benefit the entrepreneur’s profile in the wider community and the subsequent profile of their business; however, it has the potential to benefit the wider Indigenous community as well.

Smilor’s (1997) research highlights the fact that entrepreneurship is facilitated or constrained by linkages between entrepreneurs, resources and opportunities. It is these social relationships through which the entrepreneur obtains information, resources and social support. Thus entrepreneurship is embedded in networks of continuing social relations. In the Indigenous Australian context, prior to entry into business, four of the five entrepreneurs had relatively strong Indigenous community ties and connections. Three had strong wider family connections and were pro-active in Indigenous community organisations including land councils. Within a relatively short time in their entrepreneurial history, one participant had denounced his Aboriginality and three others had ceased pro-active involvement in Indigenous community organisations and had severely cut back on wider family contacts and family involvement. The
lack of time in the latter three cases was the common explanation. As the data revealed, on further questioning most agreed that the business had overtaken their previous social commitments. Their previous value system, based on kinship and community obligations, had been altered in response to the ever growing demands on their time from their enterprise. Thus their opportunity to network within the Indigenous Australian community was diminished.

Hart et al. (1995) link entrepreneurs' social economic action to the management of resources through social networks. In three instances we have seen a dramatic shift in social embeddedness away from Indigenous cultural commitments to the enterprise commitments, shifting values superficially from their cultural commitments to the economic priorities of the business. This conforms to Hart et al.'s theory. However, in the Indigenous Australian example we have seen a substitution, or a replacement in three cases, of the previous pro-active community involvement with more subtle community contacts.

The examples of A's membership in a golf club, his membership and pro-active role in Rotary, his board membership on the motel franchise chain, his memberships of the local tourist and moteliers association, have altered his social position. We also see this in C’s membership in the retail traders association, and in E’s membership in several sporting clubs. In these illustrations, the shift in cultural commitment has been, in A and C’s cases, partly economic. If we compare A and E, their membership is also partly recreational: for their or their combined children’s benefit. It can be argued that A, E and C’s involvement in these organisations is a change in social positioning for the benefit of the wider Indigenous community. They provide potential role models, and they contradict popular stereotypes.

It appears that the minority criticism from within the Indigenous community is an interpretation by that community that the deviation in the Indigenous Australian entrepreneur’s social order by their entry and success in business, is a deviation from, or possibly even an abandonment of, their Aboriginality. The case study data confirm that in four of the five studies this is not the case, and in the remaining one, the ‘real’ abandonment is a survival tactic. Further discussion with this respondent has revealed an additional behavioural problem, in that not only has his denial of Aboriginality been a survival tactic, it has also been a sociological response to his pain at being abandoned by his Indigenous family as a child. This current somewhat dysfunctional attitude is deeply rooted in the respondent’s pain (cultural frustration and dilemma), which may be a direct result of the stolen generation phenomenon. Although this respondent has ceased community contact (other than with his nuclear family) since commencing business, his cultural values of respect, tolerance and listening, and even the communal sharing of wealth within his children’s families, is strong. He has retained Indigenous values.

Entrepreneur C, the Indigenous husband and wife team, have experienced a similar substitution. They network with their retail traders association and, correspondingly, network increasingly less with their community contacts due to the demands on them of their business. However, they have retained Indigenous values in their business, in particular in their dealings with their creditors. In Section 4.4.2 the example was given of the Indigenous artist from Alice Springs who, prior to dealing with C, was paid in smokes or alcohol by other retailers. C pays her in cash, which she has put to good use by paying a plumber to install a tap into her Alice Springs community.
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Such is the positive, ‘domino’ effect of the retention of Indigenous values for the entrepreneur. Whilst their involvement in business is seen as a reduction in previous Indigenous community contact, and an increase in business networking, the real benefit is that they provide potential role models and contradict popular stereotypes. In the case of entrepreneur C, they can create a positive change in the social order for other Indigenous Australians, in addition to the social change that they create for themselves.

5.1.6 Immediate Family

B and E’s wives are not active in the day-to-day operation of the business, and have minimal contact with customers or creditors. In A, the wife’s role in the business is high profile. She is involved in the housekeeping functions of the motel and in reception; however, this does not dominate the Indigenous partner’s role, as he has the dominant contact role with the public (clients) and creditors. All five enterprises involve couples, be they married or in de facto relationships. In addition, all five have children.

Baum’s (1995) findings referred to Herron and Robinson’s (1993) studies to the effect that an entrepreneurial performance model integrated elaborate personal dimensions such as motivation (Baum 1995:548). Consider the concept that, if motivation and achievement needs are driven by the Indigenous entrepreneurs’ need to provide for their families, then we have isolated a determining trait or characteristic of the Indigenous Australian entrepreneur that may be linked to venture performance. This also complements the definition of an Indigenous entrepreneur in pursuit of economic sustainability. Different cultural values affect individual cognition. The cultural value of providing for children in the Indigenous Australian context is consistent with Bird’s (1989) findings that the social and economic environment is a determining function in the entrepreneur’s ‘thinking’, which can directly influence the individual’s cognition (Busenitz and Lau 1996:26). In the discussion on the entrepreneur’s definition of success, the contributing factor of provision for dependants was confirmed.

5.1.7 Discrimination

Sadly, the results highlighted the experience of Indigenous entrepreneurs that, following entry into business, discrimination from mainstream Australia was common. This discrimination was in the form of racism. It was evident in examples of dealing with government institutions, financiers, creditors and even the entrepreneurs’ clientele. To an Indigenous Australian, racial discrimination is a part of life. Whilst racism should never be accepted or condoned, if we refer to history and the data collected from the 18 initial investigations that form this study, mainstream Australia is a racist society. Jackie Huggins, a noted Indigenous historian and writer, in a recent publication wrote:

Has anything changed in the last hundred years? ... While many things have improved, many things have not really changed. In fact they’ve regressed … Racial discrimination is the prejudice most cosmetically apparent (Huggins 1998:108, 135, 141).
The findings of the Royal Commission into Aboriginal Deaths in Custody acknowledge the development of racist attitudes, both overt and hidden, and the way these attitudes have become institutionalised in the practices of legal, educational, welfare and Aboriginal and Torres Strait Islander assistance authorities (Commonwealth of Australia 1992:5).

The Royal Commission report acknowledges to some degree the extent of racism, both overt and hidden. It acknowledges that racism towards Australia’s Indigenous people is institutionalised. The Human Rights Commission also acknowledges the extent of racism in Australian society. The findings of the National Inquiry into Racist Violence in 1991 state that:

many Aboriginal people have grown so used to being verbally abused and called by insulting names over the whole period of contact with whites that they tended to focus their complaints upon physical harassment and discriminatory exclusion from social venues (Human Rights and Equal Opportunity Commission 1991:16).

Discrimination (racism) is so common to Indigenous Australians that we only acknowledge it when it is physical or exclusionary. This is reality to Indigenous Australia. The two instances witnessed in the interview process, in which both A and C were treated with racial contempt by two customers, illustrate the extent of racism within our society. To the respondents’ credit, they did not acknowledge the racist comments. Rather, they smiled and said to me after the clients had departed that their money is the same as good people and after a while you just ignore them. Such is the extent of racial ignorance and discrimination in ‘white’ Australia. The entrepreneurs also had negative dealings with government agencies whose mandates should have required them to be supportive. This suggests that racism finds its way into the very agencies intended to counteract it.

Discrimination was also experienced, in three of the five cases, from within the Indigenous community. The data revealed that this has the potential to be more destructive and inhibiting than mainstream racism. The responses from the participants were observed to be more emotional when this subject was discussed. It appeared that, as Indigenous entrepreneurs’ achieved success, the effects of social change together with the subsequent realignment of networking and community contact, caused discrimination to become evident from within the participants’ own communities. This is a second form of racism.

The entrepreneur’s success changes his social and business networks, and his priorities. This distinguishes the Indigenous entrepreneur from the Chinese entrepreneur in Australia in so much as the Chinese entrepreneur’s success is valued by the Chinese Australian community and the entrepreneur is drawn closer to that community as a consequence of his success (Casimir and Keats 1996; Holt and Keats 1992). Thus, policy implications regarding promotion of ethnic entrepreneurial activity that are drawn from studies of Chinese Australians are unlikely to apply to Indigenous Australians.

5.2 Conclusion

In the initial planning of this research, the inclusion of comparative cases was not contemplated. The initial concept was to look purely at the Indigenous Australian entrepreneur. The use of
grounded theory techniques and a participatory action research methodology was envisaged as the appropriate medium in which observation could be made in its purest form, without undue bias or contamination of the findings. The extent of any preconceived concepts was limited to the basic questionnaire form which was used as a foundation for standardisation to ensure that all interviews had an initial or base structure. The results and comparative coded findings are the product of the entrepreneurs', not the writer’s, perceptions or preconceptions. The results are not conclusive, and they have raised more questions than answers for the writer. What the results have given us is a foundation, a sensitivity base, from which to work in future examinations of Indigenous Australian entrepreneurs.

If we re-examine the results there are no personality characteristics that predict who will be a successful entrepreneur. The distinguishing obvious attribute of the ‘fire in the belly’ of the Indigenous Australian entrepreneurs in this study was their positive application, their positivity, in the face of the numerous organisational constraints placed on them. The results reveal that the participants are the reconcilers; they are the potential role models. They are an inspiration to the writer and, hopefully, to the reader. They have the vision, the driving force that success will happen. Their unselfish willingness to sacrifice personal luxuries to obtain their vision is also a dominant trait. The words of one respondent are repeated, for they vividly summarise the situation: “We have the chance to live like human beings. If we don’t succeed we may never get another chance, this is our time!” (Interview Notes, E, 21 October 1998).

Such positivity also influences the non-Indigenous and Indigenous staff that work in their enterprises. The positivity of the Indigenous Australian entrepreneur is the reversal of the negative stereotyping of Indigenous Australia. The Indigenous entrepreneur is establishing a positive face by their actions; they are creating new values within their cultural paradigm. As Holt (1997) argues, understanding the entrepreneur’s values is critical because values reflect social priorities and influence how social and business decisions are made. The value systems of Indigenous Australian entrepreneurs in this research appear to differ from those of the non-Indigenous. Government agencies and financial institutions should acknowledge and respect this differing value system when dealing with the Indigenous Australian entrepreneur, specifically the emphasis that funding organisations base their lending criteria on wealth accumulation, which is contrary to the pluralist concepts of Indigenous society.

One revelation that became evident from coding the data, and that was not expected, was that all of the respondents experienced a traumatic (chaotic) situation, which precipitated their entrepreneurial action. This change in their life involved a marked change in their social position. In the study this was the transition from the status of unemployed or employee/student to that of the self-employed. The Indigenous entrepreneurs’ aspirations to succeed and provide opportunities for their children supports differing cultural values, placing them between the social context of two societies, Indigenous and non-Indigenous.

Self-efficacy, being the individual’s cognitive estimate of their capabilities to motivate themselves and instigate courses of action needed to control the events over their lives, is interpreted here as the respondents’ behavioural attitude after the ‘opportunity’ arose from the initial chaos. The results illustrate the effect that education and industry knowledge have on the
participants of this study with their entry into business. As the research results depict, technical knowledge (the industry experience) and education (the basis for skill development) provided the cognitive ability to recognise entrepreneurial opportunity.

The results on ‘networking’ highlight the differing cultural and business complexities of the entrepreneurs’ social embeddedness and economic action in the management of resources through social networks. In three instances, we have seen a dramatic shift in social embeddedness, away from Indigenous cultural commitments to the enterprise commitments, shifting values superficially from their cultural commitment to the economic priorities of the business.

A link to venture performance and the performance of the Indigenous Australian entrepreneur was established in that motivation and achievement needs are driven by the Indigenous entrepreneurs’ need to provide for their families. In making this link we have isolated a determining trait, or characteristic, of the Indigenous Australian entrepreneur.

The results graphically illustrate the double-edged sword of discrimination from external and internal sectors of the entrepreneur’s environment. Racism is a barrier that the entrepreneur must overcome.

5.3 Recommendations

There are several recommendations that arise from this study. Firstly, education and industry training are a major priority. Whilst millions of dollars have been poured into Abstudy, Aboriginal education programs and the now-defunct Commonwealth Employment Service, we are yet to see a meaningful increase in Indigenous Australian school participation rates or increased tertiary training accomplishments. The inadequate training budget in the CDEP programs is a ‘band-aid’ application by the current government. Indigenous Australian entrepreneurship, at the time of writing, is not a curriculum topic in any of the diploma or degree programs in Aboriginal and Torres Strait Islander administration or commerce studies taught around Australia. As an example, in Brisbane there are only two or possibly three Indigenous Australians qualified to lecture in management at a diploma or degree level who have industry experience in addition to formal qualifications. There are no qualified staff in Brisbane to teach entrepreneurship at this level, and for that matter it would appear that there is a possibility that there are no Indigenous staff qualified to be a lecturer at this level, nationally.

There is an urgent need, if we are ‘to break the welfare shackles’, that entrepreneurship be made a core subject in Indigenous business studies at TAFE and university level. Pro-active mechanisms to reduce attrition rates need to be developed and implemented so that Indigenous Australians can obtain a year 12 education. Funding and development of programs by commercially qualified and culturally sensitised people, through the various business enterprise schemes, are needed to ensure that Indigenous Australians can receive effective training and acquire adequate industry skills.
Secondly, there is a need for a commercially aligned (or commercially associated) venture capital funding scheme to be developed that is within culturally sensitive parameters of operation: one that is structured to be congruent with Indigenous value systems. The comments given by the respondents indicate that ATSIC’s current operations are unacceptable, and the business enterprise schemes currently being structured within the CDEP lack the capacity to build businesses. They are pluralistic in their outcomes, looking at community and social issues rather than entrepreneurial skill development. We need to develop individuals and partnerships, not entire communities in one go. Within a commercially aligned venture capital funding structure there is also the need for culturally and industry qualified experts to provide social, cultural and business support to aspiring Indigenous Australian entrepreneurs.

Thirdly, the social degradation of Australian Indigenous people, the institutional racism and societal discrimination need to be addressed by action, not political ‘lip service’. Several Royal Commissions and other government-commissioned studies have produced a plethora of recommendations. The rise of Hansonism in the last four years has seen Indigenous issues take a backward step to a level seen by some as comparable to that of semi-colonial times. Howard’s ‘Ten Point Plan’, the lack of Indigenous content in land rights legislation, the political grandstanding on reconciliation and the lack of Indigenous content in the negotiation of a treaty document illustrate that there is little commitment by the government to implement methods to reduce discrimination. Australia is constituted under a ‘Christian tradition’, yet consecutive governments have shown little empathy for the plight of Indigenous and other minority peoples in this country in dealing with discrimination.

If we are to break the shackles of welfare collectively as a nation, then we, the Indigenous people of Australia, need to be accepted as human beings by all Australians in our own country: not by ‘do gooders’, and not by legislation. It needs to be done by conviction, by pro-action, and by education. Indigenous Australian entrepreneurs face unique challenges in Australia. Yet, we lack even the most fundamental knowledge of the context and complexities of successful Indigenous entrepreneurship. Clearly more research like this is needed.
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