

JOURNAL OF ASIA ENTREPRENEURSHIP AND SUSTAINABILITY

REFEREED EDITION - ISSN 1176-8592

EDITORS: ROSEL FONACIER & JENS MUELLER

VOLUME III, ISSUE 3, DECEMBER 2007

© 2007, JOURNAL OF ASIA ENTREPRENEURSHIP AND SUSTAINABILITY
NO REPRODUCTION OR STORAGE, IN PART OR IN FULL, PERMITTED WITHOUT
PRIOR PERMISSION.

EDITORS@ASIAENTREPRENEURSHIPJOURNAL.COM

ENTREPRENEURIAL LEADERSHIP AND INDIGENOUS ENTERPRISE DEVELOPMENT

Gido Mapunda
School of Management
University of South Australia, PO Box 2471
Adelaide South Australia 5000, Australia
gido.mapunda@unisa.edu.au

ABSTRACT

This paper argues that in order for Indigenous peoples to achieve economic development and social advancement the establishment of a robust business sector is critical. In the quest to establish such a sector the focus has to be the development of viable and successful small to medium size business enterprises. It further argues that entrepreneurial leadership will be the main determinant of such enterprises. The challenge for Indigenous peoples then is to identify and nurture entrepreneurial leadership in the hope that such leadership will embark on to the establishment of, in the initial stages, viable small business enterprises. Once these businesses are successful they will not only provide employment to Indigenous peoples but can act as role models for other prospective Indigenous entrepreneurs.

In the quest to identify entrepreneurial leadership, some form of training and mentoring may be necessary. This is premised on the notion that entrepreneurship is not natural, which means people learn to be entrepreneurs and entrepreneurship. In other words, there is no such thing as 'born' entrepreneurs.

This article explores the role of entrepreneurial leadership in the development of Indigenous business enterprises in Tanzania and South Australia. The study focuses on ten Indigenous business enterprises in South Australia and in Tanzania that are small in orientation and are considered successful businesses, promoting individual and family holistic development in the process. The research explores the processes, issues and challenges Indigenous entrepreneurs face in developing business enterprises. In addition to entrepreneurial leadership, it also examines other factors that influence practice and success in Indigenous entrepreneurship and enterprise development.

Key words: *Indigenous entrepreneurship, entrepreneurial leadership, enterprise development, economic development, social advancement.*

Introduction

This paper explores entrepreneurial leadership and its role in Indigenous enterprise development in six business enterprises located in South Australia and four business ventures located in Tanzania that are traditional in orientation and are considered successful businesses, promoting individual and community holistic economic development and social advancement. The research explores the processes, issues and challenges facing group-based traditional entrepreneurs and their enterprises face. It also examines the factors that influence entrepreneurial leadership practice and success in Indigenous enterprise development.

Leadership, in particular, entrepreneurial leadership Indigenous business and enterprise development is an area that has not been given due attention and focus. In the context of Indigenous economic development and social advancement, this article argues that Indigenous enterprise development is a must, and that for such development to be realised entrepreneurial leadership is a critical factor. In examining entrepreneurial leadership and Indigenous enterprise development there is another factor addressed in the article, albeit briefly-the myth that men are

leaders as opposed to women. The truth is much of the leadership is provided by women. Often men are the mouth pieces of women who provide leadership in the background. In an indirect way the statement by Dubois (date unknown) that ‘if you educate a man you educate an individual, whereas if you educate a woman you educate a family’, is relevant and of critical significance in this research effort. The potency of this statement is premised on the perception that by educating a woman an entire family will benefit because women are the mainstay of many a family. Women will provide for their family. It also highlights the view that women are inclined to use socialised power to empower others and to benefit a community whereas men are likely to use power for their own personal ends (Kreitner and Kinicki, 2006). Similarly, educating a man is likely to benefit the man himself and not the family. In traditional societies, for example, men are likely to be away from home with other men, during and after work, while women look after and provide for the wellbeing of the family.

At another level, in examining Indigenous enterprises and entrepreneurship there may be some specific types of business ventures whereby Indigenous entrepreneurs can have a competitive advantage if supported by competent entrepreneurial leadership. For example, as owners and custodians of Indigenous cultural resources and heritage, Indigenous entrepreneurs should be able to influence and determine how these resources are used. In addition, within the Australian and Tanzanian communities there is now a growing realisation and recognition of the distinctive roles and contributions that entrepreneurial leadership provided by male and female entrepreneurs can make to the growth of small business enterprises and how in turn, the business sector can be used to serve the holistic economic development and social advancement of Indigenous peoples.

The purpose of this research project was to study and analyse the role of entrepreneurial leadership in the development of Indigenous business enterprises and entrepreneurship. The project identified the following aims:

- The impact of entrepreneurial leadership on the successful establishment of Indigenous business enterprises and how Indigenous peoples/communities responded to it
- Nature and structure of Indigenous business enterprises
- Issues and challenges facing Indigenous business enterprise development
- Implications for Indigenous entrepreneurship
- Future research

Indigenous Entrepreneurship

While business operation and entrepreneurship is a relatively old, well-established discipline, modern Indigenous business enterprises and entrepreneurship is a relatively new area by comparison. Its growing prominence in recent times can be explained by the awakening of Indigenous peoples around the world coupled with international shifts toward First Nations rights and self-determination. Indigenous business enterprises and entrepreneurship is potentially a powerful tool that can be used to promote economic independence, self-determination and cultural preservation within Indigenous societies (Buttler and Hinch, 1996). In principle Indigenous enterprise and entrepreneurship in areas such as small to medium size business enterprises (SMEs) is accessible to individuals and groups, it requires limited capital and skills,

and appears to easily accommodate values and environmental concerns shared by many Indigenous groups (Hall, 1996). Furthermore, Indigenous entrepreneurship in tourism, for example, is potentially capable of rejuvenating local economies, minimise the impact of negative tourism through local intervention, and strengthen, support and value Indigenous cultural heritage (Brokensha, 1992).

Despite potential benefits, the growth of Indigenous business enterprises is not immune from controversy. In the case of tourism for example, critics see Indigenous tourism as a ‘double edged sword’ that promises prosperity on the one hand while potentially exploiting Indigenous people and their cultural heritage on the other. Commercial contact almost inevitably gives rise to the threat of abuse, the risk that external business interests will dominate local needs and that through commercialisation, Indigenous culture will be irreversibly contaminated (Butler and Hinch, 1996), even compromised. I think part of the solution lies in Indigenous business enterprises owned and operated by Indigenous entrepreneurs not only in tourism but in other areas.

Arguably, there are negative and positive impacts of Indigenous business enterprise and entrepreneurship. Some of these have been documented (Brokensha, 1992; Kesteven, 1988; Sofield, 1996) are summarised in Table 1 below:

Table 1: Positive and Negative Impacts of Indigenous business Enterprise and Entrepreneurship

POSITIVE	NEGATIVE
Economic base to revive Indigenous communities	Increased cost of living for local residents
Maintenance and growth of income generating products, e.g. arts and craft.	Risk of decline in artistic quality and authenticity
Job creation; Indigenous entrepreneurship and small business development	Domination of external interests and control of managerial and decision-making processes
Cultural revival and preservation	Exploitation of human and cultural resources
Investment in environment conservation	Risk and actual desecration of sacred sites and natural resources
Development enterprises in remote communities	Exploitation of remote communities and increasing incorporation into mainstream society

While the positive factors may encourage aspiring Indigenous entrepreneurs into the establishment of business enterprises, the negative factors may have the reverse effect - they may discourage and even undermine the involvement of Indigenous peoples into the sector.

Effective entrepreneurial leadership is a critical factor in the Indigenous quest for economic development through enterprise development. There is a dearth of literature on entrepreneurial leadership in general, let alone indigenous entrepreneurial leadership. Operating and developing business enterprises require leadership. What is leadership? There several definitions and perspectives of leadership. For the purpose of this paper, the definition by Mariotti (2007: 279) is used:

A leader is someone who has the confidence and energy to do things on his or her own. Leadership comes from self-esteem. If you believe in yourself, you can do things with confidence and you will inspire confidence in others. Develop a positive attitude and you will become a leader. Great leaders are optimists - they have trained themselves to think positively, no matter what.

I think another important aspect of effective leadership is the ability to train people such that they ultimately become independent of the leader and not dependent on the leader. As Lao Tzu (in

Mariotti, 2007: 279) puts it: “give a man a fish and you feed him for a day, teach a man to fish and you feed him for a lifetime.” It can be argued that this is even more critical when canvassing entrepreneurial leadership and enterprise development in traditional or indigenous societies. This is because these societies were colonised and one of the major downsides of colonialism to these societies was the fact that it destroyed traditional peoples’ self confidence. Let me illustrate by citing a Tanzanian example: when Tanzania mainly (formerly Tanganyika) became independent in 1961 the local population, having had their self confidence and self-esteem systematically undermined by their British colonial rulers could not bear the thought of having one of their own sons take charge of governing the country as Prime Minister. They did not believe it was possible or even desirable for an African person to govern the country. It took a long time for traditional people to gradually reclaim self confidence and also confidence in their own people’s ability to govern the country. Fortunately, Mwalimu Julius Kambarage Nyerere, who became Tanganyika’s first Prime minister and Tanzania’s first President proved them wrong (*Mwalimu* is a *Swahili* word for teacher. Prior to embarking onto politics Nyerere was a Secondary School teacher. Tanzanians affectionately referred/refer to him as President Mwalimu Julius Nyerere because they regarded him as both their president as well as their teacher). His excellent leadership and good governance laid the foundation for Tanzania’s political stability for decades to come. Today Tanzania remains one of the most politically stable countries not only in Africa but in the world.

Indigenous Entrepreneurial Leadership

There is dearth of literature on entrepreneurial leadership in economically developed societies let alone in Indigenous communities. It seems that the role and contribution of entrepreneurial leadership in operating a successful business enterprise is taken for granted and hence not in need of special treatment. I think it needs special treatment because its role is so critical to business survival and success. According to Herron (1990), in order to operate a successful business the following seven are necessary:

- Product/service design
- Business
- Industry
- Leadership
- Networking
- Administrative
- Entrepreneurial.

In addition to this list, Baum and Locke (2004) have also suggested that entrepreneurs need the ability to acquire entrepreneurial resources. However, the focus of this paper is entrepreneurial leadership. This focus is in line with the generally accepted view that training and education can sharpen aptitudes and therefore provide individuals with usable skill set (Sriram and Mersha, 2006). This is even more critical and developing societies because of limited education and training opportunities. It can be argued that leadership education and training underpins each of other skills listed above.

The benefits of entrepreneurial leadership training in Indigenous and developing societies in particular would include: provision of entrepreneurial leadership models; exhibiting high

entrepreneurial behaviour; entrepreneurship and enterprise mentoring for budding and aspiring entrepreneurs; improved self-efficacy for entrepreneurs; increased entrepreneurial passionate and determination to make a positive influence in people's wellbeing. This last point is significant because unlike the Western economic system, which is abstract because it tends to focus on objects, the Indigenous system primarily focuses on people, hence the need for a holistic approach to entrepreneurship.

Clearly, for many Indigenous and developing societies the problem with regard to entrepreneurial skills and behaviour thereof is far more critical. In Africa, for example, low literacy rates (estimated to be 38% in Ethiopia in 2000) and low levels of secondary and tertiary school enrolment, coupled with insufficient government spending on education and training, mean that would-be African entrepreneurs face serious challenges (Sriram and Mersha, 2006). In fact, the poor state of the labour and human capital in most of Sub-Sahara Africa (e.g. Malawi, Mali, Zambia) is a major reason why they are ranked near the bottom by the United Nations Economic Commission for Africa (UNECA) in regards to their Trade Competitive Index (TCI). Consequently, the higher skill levels needed by entrepreneurs are a low priority for African governments in view of the basic education and training challenges these governments face. The situation is further compounded by brain drain. The United Nation's Commission on Private Sector and Development (CPSD) reports that brain drain for Africa has been 6% since 1990, with over 300,000 African professionals living and working in Europe and North America (<http://www.undp.org/cpsd/documents/report/english/chapter2.pdf>). It is probable that these are potential entrepreneurs who leave their countries and become successful in more entrepreneurship-conducive countries, further robbing Africa of much needed skilled personnel. To give an example of how serious the brain drain problem is the World Health Organisation reports (in New Internationalist, 2005) that:

- Today there are more doctors from Benin working in France than there are in Benin, West Africa.
- There are more Ethiopian doctors in Washington DC than in the whole of Ethiopia
- South Africa loses almost half its qualified doctors to Canada, Britain and Australia. It recruits staff from poorer countries like Kenya, Malawi and Zimbabwe which now account for 80% of South Africa's rural doctors.
- Zambia's public sector retained only 50 out of 600 physicians trained in medical school from 1978 to 1999
- Britain has saved \$117 million in training costs by recruiting Ghanaian doctors since 1998.
- Around 12,500 doctors and 16,000 nurses from Africa are registered to work in Britain.

Arguably the role of government for new enterprise and indeed entrepreneurial leadership is especially important in Africa. This can be explained by three reasons: first, in order for appropriate foundations to be put into place for a robust private sector to take shape and contribute to economic development and for entrepreneurship to flourish in developing nations, governments have to play an active and major role. Second, many of the necessary reforms can only occur as a result of specific actions by the state, such as introducing and enforcing legal and regulatory changes to spur entrepreneurship. Third, and arguably the most important reason, the history of many African countries is one of post-colonial socialism where the government was

and continues to be a powerful player (Sriram and Mersha, 2006). Almost in each developing country the government provides much of the employment and investment opportunities and has created massive bureaucratic public sector enterprises that still dominate economic activity.

African governments need to develop the internal capacity to help potential entrepreneurs gain the necessary entrepreneurial skills to recognise opportunities, start and operate successful business enterprises. A study by Ladzani and van Vuuren (2002) on content and training methods of SME service providers in South Africa found that business skills were emphasised to emerging entrepreneurs rather than entrepreneurial skills. This suggests, indirectly or otherwise, that governments need to recognise the importance of education and training in entrepreneurial leadership for successful establishment of business enterprises must put strategies into place to facilitate the competitiveness of their budding entrepreneurs.

Methodology

In-depth, semi-structured interviews were conducted with a total of ten business enterprises in South Australia and in Tanzania, which collected data on the role of entrepreneurial leadership in the development and operation of these enterprises and which provided a narrative used to extrapolate the success factors, entrepreneurial problems and challenges encountered.

In the quest to identify entrepreneurial leadership, some form of training and mentoring may be necessary. This is premised on the notion that entrepreneurship is not natural, which means people learn to be entrepreneurs and entrepreneurship. In other words, there is no such thing as 'born' entrepreneurs. As Barringer and Ireland put it:

one of the myths about entrepreneurship is that entrepreneurs are born, not made. This is based on the mistaken belief that some people are genetically predisposed to be entrepreneurs. No one is born an entrepreneur. Everyone has the potential to become one.

(Barringer and Ireland, 2006: 10)

Apart from conceptual aspects that inform this study, data from interviews and the examination of literature on entrepreneurial leadership was used to develop a narrative, which facilitated the identification of Indigenous entrepreneurial leadership characteristics and how such characteristics influence enterprise development in Indigenous communities. A comparative analysis of the outcomes of the case studies from the two study areas was also undertaken.

The research was conducted in the second half 2006. This is a qualitative (case study) research project that I believe is most suited to this kind of investigation. As Merriam (1988: 10) points out, this approach is especially suited to situations where it is impossible to separate the phenomenon's variables from the context. I believe Indigenous entrepreneurship and enterprise development fits the bill. The case study method (Fielding, 1988; Lincoln & Guba, 1985; Stake, 1978); is advantageous and enables:

- an analytical focus on Indigenous entrepreneurs' construction of their experiences and attitudes related to their entrepreneurial leadership and enterprise development;

- a conceptual framework of economic and holistic development for Indigenous people;
- the provision of contextual thick description which is essential for:
 - transferability of application and comparative analysis within the case study
 - a grounded assessment of the impact of Indigenous entrepreneurial leadership and enterprise development within an Indigenous context and in terms of self confidence, self efficacy and identity.

Six Australian Indigenous business enterprises were identified through networking with Indigenous entrepreneurs and the Business Unit of the State (South Australia) Indigenous Affairs Department, Adelaide. Three of the Six are community-run business ventures owned and operated by Indigenous communities. Each of three communities came up with the idea of establishing a cultural (tourist) centre in their respective communities as a business arm designed to tap on the growing tourism and hospitality industry. These cultural centres provide a whole range of artifacts for sale to international as well as local tourists. They also provide cultural workshops to schools and tourists. The tourism business arm compliments other business arms of the two communities such as market gardening, bush food, dairy farming, and crop farming.

The remaining three case studies are individual-run privately owned and operated Indigenous business enterprises – a tourist tour operator for schools, international and local tours; human resource consultancy; and catering service. Each of these business ventures collaborate and network with Indigenous communities in Adelaide and outside Adelaide in an effort to capitalize on cultural and other resources for the benefit of both the communities, and the operators of these business enterprises.

In regard to Tanzania's contribution to the study, four privately owned and operated business enterprises were identified through the process of snowballing – a transport company; a restaurant; a general store; and a tour guide and excursions company. Unlike Australia, Tanzania does not have an Indigenous community structure for historical and political reasons – in Australia the Indigenous population is a minority whereas in Tanzania it is the majority.

Once the ten business enterprises were identified, formal arrangements were made to contact them in order to request their participation in the study. The requests were granted and both participants and the researcher duly signed consent forms.

Data collection

In-depth interviews were employed as the main method to collect data. Data collection techniques included open-ended semi-structured interviews. These techniques were designed to collect data on:

- the conditions for success in establishing Indigenous business enterprises
- the significance of Indigenous business enterprises to Indigenous economic development and social advancement
- the role of leadership in Indigenous entrepreneurship
- the role of entrepreneurial leadership in Indigenous enterprise development

A semi-structured interview format allows the interviewee a great deal of freedom, while covering a given set of topics in a more or less systematic fashion (Moser and Karlton, 1973).

Such a format gets away from the inflexibility of fixed and formal questions, yet gives the interview a set form and ensures that all relevant topics are discussed.

To ensure that the research aims were met, participants were treated as co-researchers. The term *participant* is used instead of the conventional term *subject*. This is an acknowledgement that the participants are the experts not the researcher. Treating participants as co-researchers facilitated their participation in common learning with the researcher in which action, reflection, and theorising are part of the same process and take place as a dialogue between equal partners (Karlsen, 1991: 148). Ultimately, however, the task of analysing data and writing the findings into a coherent finished product rests with the researcher.

Data analysis

Data from the case studies and interviews were collated and recorded in the form of narrative description based on the main concept cues provided during interviews. Further interpretation focused on the significance of Indigenous entrepreneurial leadership in the development of business enterprises and the social advancement of its communities. In order to minimise the risk of misinterpretation and trivialisation of the results by some readers, this qualitative interpretation transcended the “merely descriptive” (Merriam, 1998:131).

Where relevant, discourse analysis was used to analyse documents essential to this study. These were mainly government policy statements on Indigenous economic development. According to McHoul (1986, in Fisher and Todd (eds): 187-202) this process

acknowledges that a social fabric is constituted and saturated by discursive formations; that policy, policy-making, policy writers, policy studies, and so on effects of determinate techniques of signification, and that these techniques of signification provide the ‘rules’, the conditions of possibility for policy.

This is a qualitative study, which is essentially a type of interpretive research. This type of research presupposes

That reality is holistic, multidimensional, and ever-changing; it is not a single, fixed, objective phenomenon waiting to be discovered, observed, and measured
(Erickson, in Merriam, 1988: 165).

Put another way, this is a study about real people with real challenges. Order in their society is often unstable and changeable. Cause and effect are artificial concepts, which oversimplify complex, continuous processes of metamorphosis and ambiguity (Kellehear, 1993: 26-27). From a qualitative researcher's viewpoint, social science should go out into the world but with only a desire to listen and participate and not to impose a pre-structured theory onto the world.

Quantitative researchers may have reservations (as this approach forces them out of the 'comfort zone' which revolves around quantitative methods). One must bracket one's former understanding about particular social phenomena and attempt to understand these processes from the point of view of the experience (Kellehear, 1993: 27). Most importantly, the researcher is essentially telling or reporting the participants' story (knowledge), be it in a sophisticated and scholarly manner. Arguably, unlike in the past, this approach gives Indigenous participants a voice in shaping the way their stories (knowledge) is communicated and articulated inside and outside their communities.

Findings

The researcher found that, in both study areas entrepreneurial leadership, played a pivotal role in the success of Indigenous business enterprises both in community-run Indigenous business enterprises as well as individual-run (privately owned and operated) Indigenous business enterprises. The research participants saw entrepreneurial leadership as a critical factor in the development of viable and hence successful business enterprises. There is also one finding, what I regard as a 'cultural bend' which is that: participants observed that their entrepreneurial leaders had to bear in mind that providing for and maintaining family relationships took priority over profit maximisation. To both types of business enterprises, that is, community-run, and individual-run, preserving and maintaining the 'soul and spirit' through relationships was more

important than maximizing profit. The latter was seen as merely a tool or a means to an end not an end in itself.

When asked: What role did entrepreneurial leadership play in the development and operation of their business?

Both community-run and individual-run business enterprises responded that:

Leadership is absolutely critical for our business activities to succeed. We do not take it for granted either. You see, most of our people do not have self confidence. Consequently, those who are confident and possess leadership qualities are valued commodities to us. Our communities are in desperate needs of entrepreneurial leaders.

When asked a prompt question: Is there a correlation between entrepreneurial leadership and successful operation of your business enterprise?

The answer was unequivocally clear:

The situation is very simple for us: no entrepreneurial leadership equates to business failure. That is precisely why we do not take it for granted. Several would be Indigenous business enterprises have failed mainly because of lack of entrepreneurial leadership.

We also believe that there can be no establishment and development of successful Indigenous business enterprises without quality entrepreneurial leadership.

When asked: What outcomes did they want from their business?

There was a definite pattern in the responses from participants. Community-run Indigenous enterprise one responded:

The biggest outcome for us would be to provide employment for Indigenous people. Given a choice between maximising profit and providing employment for our people the choice is very clear to us - employment.

Community-run Indigenous enterprise two responded:

Our main aim, sometimes at the cost of making a dollar, is providing employment for our people; developing and nurturing relationships within our community and also with the local non-indigenous community.

The entrepreneurs from the two individual-run Indigenous business enterprises gave similar responses. One of them responded:

Oh, now this is a tricky one. I want to be able to accomplish and sustain achievable goals or objectives; improved quality of life and the general wellbeing of Indigenous people. Seriously though, the main outcome for me would be to have the capacity to employment Indigenous people. For example, it would be rewarding to be able to take Indigenous students on board for work experience because they need it to position themselves in the job market.

The entrepreneur/owner-manager of the remaining enterprise responded:

It would be great for the business to make money. This would allow us to employ to employ Indigenous people. It would be good if we were able to provide jobs to our people, especially our youth so they can look forward to a bright future.

From an Indigenous standpoint, these responses have one major entrepreneurial leadership implication: the driving force in Indigenous entrepreneurship is not profit maximisation but making a positive difference to members of the community. However, in the process of doing so, money is an important tool – a means to an end rather than an end in itself.

A similar pattern emerged in the four Tanzanian business enterprises. One entrepreneur responded:

You know, many of our people are doing it tough these days. It would be very rewarding to be able to provide employment to our people. God only knows that our people desperately need jobs. We want to make money so we can make a positive difference by creating jobs for people.

These responses provide testimony to the earlier observation about Indigenous peoples' perception on money and its role in Indigenous entrepreneurship and enterprise development. It is significant to note that when the Tanzanian entrepreneurs were asked what drove them into starting a business: a common response was:

I had no choice but to start a business in order to survive. I had difficulty making ends meet, this led me to start my own business.

This response is consistent with previous studies which show that most Africans who start their own business do so as something of a last resort and as a means of survival rather than a preferred pathway to wealth accumulation and become rich. These are 'necessity' entrepreneurs. In fact, it is often said that there are many 'necessity entrepreneurs' in Africa, that is, people who start micro businesses to supplement their income or open small retail shops because that is the only way for them to earn a living or make ends meet (Sriram and Mersha, 2006). According to Charmes (1999) many of these businesses are informal and subsistence-level, with the informal sector in some African nations accounting for a substantial portion of the non-agricultural Gross Domestic Product (GDP). Mitchell (2004), referring to a study by Kuiper (1993), reports that this economic to start a business is especially significant among African women entrepreneurs.

Historically, entrepreneurship has not been a career path for many Africans, especially for the educated elite (Sriram and Mersha, 2006). In other words, those who are educated prefer public sector employment because of job security. However, because there are increasingly fewer jobs compared to applicants there is need for governments to motivate people to pursue entrepreneurship as a viable economic and career option. This is where entrepreneurial leadership and successful entrepreneurs as role models for aspiring entrepreneurs is critical for enterprise development.

Indigenous communities generally sanction and approve the business activities that are undertaken in their respective communities. Community involvement was critical for the success of Indigenous business enterprises. In the case studies researched in this paper positive and harmonious relations between Indigenous business enterprises and the wider Indigenous community were evident in situations where the Indigenous community was actively involved in their consensus decision making processes and accrued tangible benefits from the Indigenous business operations. Participants in the study regarded these aspects as part and parcel of Indigenous entrepreneurial leadership. Occasionally, however, friction or conflict can surface over unresolved kinship and quasi-kinship issues, resource allocation, and competing individual or group interests.

There is something empowering about entrepreneurial leadership in these Indigenous business enterprises. In general, the leadership style tends to be participative and inclusive of staff and community members. Staff and community members actively participate in making decisions especially on new business developments. This approach enhances commitment by all to the

success of the business activities because people seemingly identify themselves with the projects and take pride in their success. It is also empowering in that the participative, consensus processes make it possible for communities to identify champions who have good skills and capabilities, and have the potential to become excellent entrepreneurial and community leaders. Self-efficacy is another critical trait in Indigenous and developing societies. The participative and consensus processes mentioned above do facilitate self-confidence as well as enhance self-efficacy. One of the many downsides of colonialism was the destruction of the colonised peoples' self-confidence, which also had a negative effect on their self-efficacy. According to Kreitner and Kinicki (2007, P. 144) self-efficacy is a person's belief about his or her chances of successfully accomplishing a specific task.

It can be argued that models in entrepreneurial leadership and behaviour can play a major role and will enable colonised peoples to re-claim their confidence and Self-efficacy – a belief in themselves and their own abilities. These are critical traits and play a pivotal role in entrepreneurship and enterprise development.

When asked: what were the benefits of operating business? Participants identified the following as some of the benefits:

- *building confidence*
- *being your own boss*
- *doing something people said you cannot do. Enhancing 'can do' attitude*
- *building friendships and networks*
- *financial independence*
- *providing business role models for aspiring Indigenous entrepreneurs*
- *supporting and giving family member a head start in life*
- *teaching Indigenous people to be proud of themselves, their culture and heritage*
- *enhancing self determination*
- *leaving your mark, your legacy.*

When asked: what was the role and impact of (entrepreneurial) leadership in Indigenous business enterprises? There was a common pattern in the responses of participants from the two study areas:

Indigenous businesses are increasingly acknowledging the important role leaders (champions) play in the running of our business enterprises. As one entrepreneur put it, 'I guess we have always known how valuable they are, only that we have not openly acknowledge them. We are now changing and are beginning to openly acknowledge the important role these champions play in our society. It is time we talk up the significant contribution they make and give credit where it is due'.

The participants in this study felt that the outcomes of operating a business were just as important as entrepreneurial leadership, both of which were to be considered carefully in any enterprise development efforts. When participants were asked: 'what outcomes they wanted from their involvement in business operation for themselves, the Indigenous society and the wider society in general?' Several animated responses were given. The following is a summary of their outcomes:

Table 3: Outcomes of Indigenous participation in business

GROUP	OUTCOMES
INDIVIDUAL PARTICIPANTS	Self-confidence, self-esteem, financial security, respect, educational and skills development, professional advancement, personal growth.
INDIGENOUS SOCIETY	<p>Increased employment opportunities.</p> <p>Community skills development.</p> <p>Identify and nurture community champions/leaders</p> <p>Local and national communities networking and cooperation.</p> <p>Promoting Indigenous peoples' achievements and positive images. Talking up Indigenous success stories.</p> <p>Empowerment of Indigenous peoples.</p> <p>An Indigenous 'entrepreneurship renaissance.'</p> <p>Promoting Indigenous communities as a vital business resource for the use and benefit of Indigenous peoples.</p>
THE WIDER SOCIETY	<p>Dissemination of knowledge.</p> <p>Economic growth through business start-ups and enterprise development.</p>

	<p>Cross-cultural training in entrepreneurship and enterprise development.</p> <p>A meeting place to learn, reflect, and develop networks and friendships.</p>
--	--

Challenges facing Indigenous Entrepreneurial Leadership and Enterprise Development

Indigenous entrepreneurial leadership and enterprise development are faced with different types of challenges. Participants in this study identified several challenges, some of which are discussed below.

External forces

The dominance and control by government agencies in particular, was seen as a major challenge. While government funding was regarded as necessary and inevitable for entrepreneurship and enterprise development, participants had reservations about the stringent conditions on funding contracts that are administered by government agencies. This is especially relevant in the case of community business enterprises.

Creation of an environment that fosters entrepreneurial behaviour and leadership

There is ample literature on the topical issue such as the need for governments to streamline the bureaucracy, fight corruption, ease burdensome regulatory structures on new and small businesses, and tax reform in developing societies. Bureaucratic and regulatory bottlenecks not only complicate the ease with which new enterprises are established and operated but also increase the cost of doing business, decrease a business enterprise's ability to respond to market needs and thus reduce its competitiveness and profitability. Arguably, however, the major challenge for developing societies in Africa and elsewhere is for governments to create an environment that fosters entrepreneurial behaviour and leadership. Such an environment will strengthen entrepreneurship and enterprise development with increased business start-ups and stronger small business enterprises. Governments in these societies have to minimise administrative red tape and provide a positive business entrepreneurship climate.

There are a few 'best practices' models that come to mind. For example, one-stop shops such as the Tanzanian Business Registration and Licensing Agency have dramatically reduced the time it takes to register a business. In Kenya, the introduction of a single permit to start and operate a business has reduced costs for small businesses while increasing the government's revenues. Zambia's unified tax authority has eliminated duplication and unnecessary delay. All of these are examples of the types of administrative reforms that will help entrepreneurs and can be implemented easily if there is strong political will and resolve by the polity of the day.

Creation of business networks that seek to promote the interests of the private sector by influencing government policy (McDade and Spring, 2005) may help improve the business climate. Business networks are part and parcel with the creation of an environment that can foster entrepreneurial behaviour and leadership.

Initiate 'social entrepreneurship' through public-private partnerships

There are signs that the traditional approach of providing aid whereby donor countries provide funds and technical assistance to governments in developing societies is giving way to a new model. This is a new *social entrepreneurship* model whereby 'wealth creation is increasingly seen as a vehicle for social change' (Bridges.org, 2002, p.28) and donors seek to support and strengthen SMMEs through partnership with governments, companies and NGOs in order to bring about the desired social change. A study by Bridges.org also shows that several social entrepreneurship initiatives that assist SMMEs in developing societies have been launched based on public-private partnerships. These initiatives emphasise the application of fundamental business principles, accountability and performance measurement and take different forms - they can be local initiatives established at the community level, national initiatives, or international initiatives established at the community or national level. Such efforts are designed to help create and strengthen new start-ups by providing them with a variety of valuable services including planning assistance, management support, financial support, business incubation facilities, networking and relationship building (Bridges.org, 2002) and can be invaluable to SMMEs in developing societies.

Lack of education and training in entrepreneurial leadership and enterprise

Participants unanimous expressed the view that in general Indigenous peoples had limited formal education and training in general let alone in entrepreneurship, lacked self-confidence, had low self-esteem. There was consensus among participants that these factors helped explain their disadvantage and disempowerment. Australian participants also asserted that the ‘handout mentality’ perpetuated by welfare had given rise to an attitude of entitlement at an individual as well as community level. Consequently, some Indigenous organisations had to deal with problems of absenteeism.

Indigenous society dynamics

In Australia, in particular, the Indigenous community framework or structure is an anomaly! Often a community is made up of different tribal groups, naturally a recipe for friction between groups. Indigenous communities are a government construct conveniently designed to deal with a particular group of people. As Mapunda puts it:

Indigenous society is heterogeneous, complex and diverse. Yet many non-Indigenous bureaucrats and politicians have treated Indigenous society as homogenous. On their part (non-Indigenous government officials), one might suggest, it has been convenient to do so because it then becomes easier to deal with a ‘homogenous’ group than a heterogeneous, diverse group.

(Mapunda, G. Unpublished PhD thesis, 2003: 30)

Participants cited Indigenous community politics as another challenge. Conflicts within Indigenous communities can stem from competing interests of kinship and quasi-kinship groups – competing for scarce community resources, land and counter land claims. Participants also stated that the widespread ‘tall poppy syndrome’ affected Indigenous communities as well.

Successful individuals or groups may attract envy and resentment from those who are less successful. At another level, participants explained that traditionally, Indigenous communities do not see the need for aggressiveness (that seems to be the norm in non-Indigenous business) and in fact resent it – they consider it to be arrogance, which to them is quite unnecessary. Western business convention would see self-promotion and marketing as central to business success. However, Indigenous peoples have problems with both concepts. As one Indigenous entrepreneur put it:

self-promotion and marketing is not culturally appropriate for us.

self-promotion is a hard thing for Indigenous people to do. It does

not come naturally. Sometimes I am embarrassed when

I have to do it, but we have to change the way we think.

(C. Thyer, Pers Comm, 2005).

There is what the researcher refers to as a ‘cultural bend’ or an Indigenous business worldview which is premised on the belief that Indigenous business entrepreneurship can and should be successfully promoted and marketed without aggressiveness.

Lack of capital and the cost of capital

In general there is a dearth of resources in Indigenous societies. Even when capital is available, for example, often its cost is unaffordable to most Indigenous peoples. Participants cited securing capital and other resources necessary to keep abreast with innovation and the development of infrastructure as one of the main obstacles facing indigenous business enterprises and entrepreneurship. Shortage of capital severely restricts business capacity. Limited financial resources made it difficult to promote and market their products and hence unable to expand their business operations.

Coming to terms with operating a business

Generally, while the thought of running one's own business is exciting, venturing into it was not an instant success for Indigenous entrepreneurs. They quickly learned it demanded perseverance, patience, changing their thinking, and being able to 'keep family away from the business.'

Indigenous entrepreneurs realized that 'mixing' family and business made it difficult to succeed in operating a business enterprise. Yet, from an Indigenous cultural standpoint, it was hard not to 'mix' business with family, which posed a real challenge for those Indigenous business enterprises and entrepreneurs who wanted to be successful business operators. Above all, the business did not offer immediate returns on capital invested. Most of the participants realized that rewards had to be a long-term proposition. As one participant put it:

'We had to come to terms with operating a business: what is it? It calls for a lot of hard work and training. Many of our people are not up to it because we are shy we have got

disadvantages in certain areas. Many cannot read, cannot write, cannot spell, and lack self-confidence. We also had to keep the business separate from family, which is a difficult thing to do in Indigenous culture.'

(D. Walker, Pers comm, 2002)

Participants reported that their business enterprises had to adjust and cope with seasonal fluctuations, increased competition, and pressure to innovate regularly. Employees had to come to terms with business protocols, overcome personal insecurities and generate enough self-confidence to deal with (often) an intimidating (or discerning) public, especially those participants who had to deal with the public for the first time.

Managing the challenges

Clearly, Indigenous business enterprises examined in this study have to deal with several challenges. However, they all had made steady progress and are becoming success stories. Their success is due to a combination of factors such as the provision of a quality product and a supportive management approach, which empowers staff resulting in their commitment and determination to succeed. The traditional Indigenous consensus decision-making approach and providing for the people is still the preferred way of doing business. This also informs their perception of entrepreneurial leadership and enterprise development – the Indigenous way of entrepreneurship. In regard to community-owned and managed business ventures, the injection of capital through government and joint venture partnerships has contributed to infrastructure

and market development giving rise to positive outcomes to respective communities and the wider Indigenous society.

Individual-owned and managed Indigenous business enterprises tend to remain small and focused. This is mainly because of scarce financial resources and limited support. At any rate, success has also come as a result of strategic partnerships, which allow them to build their products while at the same time cutting on their overheads. They heavily rely on word of mouth for the promotion and marketing of their products.

Limitations to the study

There are three limitations with the study: first, given that the research is based on four case studies from each of the two study areas, it is limited in that the study can not be generalized to the larger Indigenous societies of the world. Second, entrepreneurial leadership is still an uncharted territory and there is limited literature especially on Indigenous and developing societies. Third, more time is required to explore other similar societies for a comprehensive comparative studying entrepreneurial leadership and enterprise development.

Future Research

There is scope for future research into entrepreneurial leadership Indigenous business enterprises and entrepreneurship. A qualitative study, using grounded theory that would business enterprises from other developing societies would be appropriate. In addition, a study examining other forms of Indigenous business enterprises and entrepreneurship would allow the research effort to discover other forms or styles of entrepreneurial leadership in Indigenous business enterprises and entrepreneurship.

Conclusion

This study has examined eight Indigenous business enterprises that are reasonably successful. They have had to overcome many challenges in the process. Apart from being an economic resource for their staff and their respective indigenous societies, they are also a cultural resource not only to their own societies but also to the wider society. Contrary to negative stereotypes about Indigenous people in relation to 'laziness', Indigenous entrepreneurs and their staff involved in these eight enterprises have demonstrated capacity for hard work, creativity, and a 'can do' attitude. They have persevered in situations where it would have been much easier to give up and put blame on somebody else - bureaucrats, funding bodies, financial institutions, to mention a few. They have identified entrepreneurial champions (leaders) and have used them as role models. Indigenous and developing societies need more entrepreneurship champions.

Data collected indicate that Indigenous business enterprises may provide benefits to its operators in the long-term rather than the short-term. The data also shows that jobs in small Indigenous

business enterprises tend to casual and often do not provide financial security. Consequently, people have to juggle between welfare payments and casual work when it is available in Australia. In the case of Tanzania, there are no welfare payments. Consequently, family support during lean times is crucial. Finally, it has to be said that successful operation of an Indigenous business enterprise presupposes training, compromise, flexibility and entrepreneurial leadership. These four factors appear to be the ingredients for success, at least in an the context of Indigenous societies.

In order for Indigenous business enterprises and entrepreneurship to continue making a positive contribution toward holistic development of Indigenous peoples and their societies, the challenges discussed above need to be addressed. In large part government agencies have to bear this responsibility. There has to be strong political will and commitment on the part of governments to act on entrepreneurial leadership and entrepreneurship training in support of Indigenous business enterprise development.

References

Barringer, B. R. and Ireland, R. D. (2006) *Entrepreneurship: successfully launching new venture*. New Jersey: Pearson-Prentice Hall

Baum, J. A. and Locke, E. A. (2004) 'The relationship of entrepreneurial traits, skill, and motivation to subsequent venture growth', *Journal of Applied Psychology*, Vol. 89, No. 4, pp. 587-598.

Bridges.org (2002) Supporting entrepreneurship in developing countries: survey of the field and inventory of initiatives.

Brokensha, P and Gulberg, H (1992) *Cultural Tourism in Australia*. Canberra: Australian Government Publication Service.

Butler, R. and Hinch, T. (ed.) (1996) *Tourism and Indigenous Peoples*. London: International Thomson Business Press.

Charmes, J. (1999) 'Micro-enterprises in West Africa', in King, K. and McGrath, S. (Eds) *Enterprise in Africa: Between Poverty and Growth*, London: Intermediate Technology Publications, pp. 71-82.

Freese, M. (2000) *Success and Failure of Micro Business Owners in Africa: A Psychological Approach*, Westport, CT: Quorum.

Herron, L. A. (1990) 'The effects of characteristics of the entrepreneur on new venture performance', *Doctoral Dissertation*, University of South Carolina.

Kiggundu, M. N. (2002) 'Entrepreneurs and entrepreneurship in Africa: what is known and what needs to be done', *Journal of Development Entrepreneurship*, Vol.7, No. 3, pp. 239-259.

Kreitner, R. and Kinicki, A. (2007). *Organizational Behavior*, 7th Edition. New York: McGraw-Hill.

Kuiper, M. (1993) 'Women entrepreneurs in Africa', *Discussion Paper No.68*, Geneva: International Labour Office.

Ladzani, W. M. and van Vuuren, J. J. (2000) 'Entrepreneurship training for emerging SMEs in South Africa', *Journal of Small Business Management*, Vol. 40, No.2, pp. 154-161.

Mapunda, G. K. (2003) *Indigenous Peoples' Business*. Unpublished PhD Thesis, RMIT University, Melbourne, Australia.

Mariotti, S. (2007) *entrepreneurship: Starting and Operating a Small Business*. New Jersey: Pearson Prentice Hall

McDade, B. and Spring, A. (2005) 'The new generation of African entrepreneurs': networking to change the climate for business and private sector-led development', *Entrepreneurship and Regional development*, Vol. 17, pp. 17-42.

Mitchell, B. C. (2004) 'Motives of entrepreneurs: a case study of South Africa', *Journal of Entrepreneurship*, Vol. 13, No. 2, pp. 167-183.

Moser, C. A. and Kalton, G. (1973) *Survey methods in social investigation*. London: Heinemann.

New Internationalist: The people, the ideas, the action in the fight for global justice. *June, 2005*.

Sriram, V., and Mersha, T. (2006) 'Facilitating entrepreneurship in Sub-Sahara Africa: what governments can do', Paper presented to The Leadership and Management in Sub-Sahara Conference, Zanzibar, June-July, 2006.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.