



Making Indigenous friendly businesses: the impact of Indigenous managers

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This policy brief is part of a larger study called *Making Indigenous Friendly Businesses*, completed by Australian National University (ANU) in partnership with Supply Nation, the National Indigenous Australians Agency (NIAA), and Indigenous Business Australia (IBA).

Key findings

Indigenous employment is **12 times higher** in Indigenous-owned businesses than non-Indigenous businesses.

How an Indigenous manager in a non-Indigenous business can help close the employment gap

680 surveys completed in total with non-Indigenous businesses to understand the impact of an Indigenous manager



Reconciliation Action Plan
Higher rate of RAP implementation, **45% vs 13%** with no Indigenous managers



Acknowledges Country
Higher rate of Acknowledging Country at significant events, **73% vs 46%** with no Indigenous managers



Cultural competency training
Higher rate of cultural competency training delivered across the business, **47% vs 11%** with no Indigenous managers



Employment strategy
Higher rate of Indigenous employment strategy implementation, **40% vs 9%** with no Indigenous managers



Celebrates Indigenous events
Higher rate of involvement with NAIDOC/Reconciliation Week events, **63% vs 23%** with no Indigenous managers



Indigenous staff
Higher rate of Indigenous staff in the organisation, **4% vs 1.3%** with no Indigenous managers

Recommendation

Organisations should prioritise hiring and/or developing Indigenous managers in senior roles, including incorporating it as a target in their RAPs.



A characteristic of the Indigenous business sector is its substantial Indigenous employment outcomes¹. This is in stark contrast to non-Indigenous businesses² and the Australian economy at large³, in which rates of Indigenous employment are still below parity. To better inform workplace and government level policies to increase Indigenous employment, more should be learned from the practice of Indigenous businesses. This policy brief provides a summary of a recent research project about Indigenous employment in Indigenous and

non-Indigenous businesses, to better inform Indigenous employment policies and practices.

The Indigenous business sector is experiencing a sustained period of growth⁴, with an increasing number of Aboriginal and Torres Strait Islander entrepreneurs entering into business ownership⁵. While it is not a characteristic of all Indigenous businesses to maintain high rates of Indigenous employment, we know that there are many factors that may lead to Indigenous-led organisations attracting and requiring an Indigenous workforce.

2. Research project on Indigenous employment and Indigenous businesses

Throughout 2022-23, the authors of this brief embarked on a research project to detail the extent of Indigenous employment within Indigenous and non-Indigenous-owned businesses in Australia. This involved analysing Supply Nation data, interviewing Indigenous business owners, managers and employees from Indigenous-owned Supply Nation businesses, and a survey of non-Indigenous-owned businesses.

We found that over 35% of all employees within Supply Nation-listed businesses are Indigenous peoples. While there is some variation, the rate of Indigenous employment remains high across industry type, geography, profit-status and business size. Indigenous business owners, managers and employees from across the country were interviewed in order to help explain these strong Indigenous employment outcomes^{6,7}. Participants described the importance of contextually informed policies and practices that were most relevant for their target workforce. Indigenous businesses spoke

of the significant investment associated with ensuring their workplaces were equipped to draw on the strengths of an Indigenous workforce – strengths that non-Indigenous businesses are not harnessing. The common thread for all businesses was the crucial role of Indigenous governance within the business informing their practices.

So, what about the vast majority of Australian workplaces that are non-Indigenous owned? Non-Indigenous businesses can learn from the Indigenous business sector as to how to create workplaces that are culturally informed, anti-racist and values driven. Not just in theory, but in practice. Representation of Indigenous people in senior management positions is very limited⁸. There are a number of barriers to and within the workforce that impact the Indigenous population more acutely than the non-Indigenous population, but Indigenous owned businesses are incredibly effective at removing these barriers. So, what can non-

¹ Eva, C., Bodle, K., Foley, D., Harris, J. & Hunter, B. (2023a). [The importance of understanding Indigenous employment in the Indigenous business sector](#). Australian Journal of Social Issues

² Minderoo Foundation, Bankwest Curtin Economics Centre (BCEC), & Murawin. (2022). [Woorit Koorliny Australian Indigenous Employment Index 2022 National Report](#).

³ ABS data.

⁴ Evans, M., Polidano, C., Dahmann, S. C., Kalera, Y., Ruiz, M., Moschion, J., Blackman, M. (2024). [Indigenous Business and Corporation Snapshot Study 3.0](#). The University of Melbourne.

⁵ Shirodkar, S., Hunter, B., & Foley, D. (2020). [A new method of estimating the number of Indigenous business owner-managers](#).

⁶ Eva, C; Harris, J; Bodle, K; Foley, D; Nichols, N; Hunter, B. (2023b) [Externalities, Economics, and Expectations of the Indigenous Business Sector](#). Journal of Australian Indigenous Issues

⁷ Eva, C., Harris, J., Bodle, K., Foley, D., Hunter, B. & Nichols, N. (2024a) ["It's Self-Determination. Blackfullas Making Right Decisions for Blackfullas": Why Indigenous-owned businesses create better Indigenous employment outcomes](#). Australian Journal of Social Issues.

⁸ Minderoo Foundation, Bankwest Curtin Economics Centre (BCEC), & Murawin. (2022). [Woorit Koorliny Australian Indigenous Employment Index 2022 National Report](#). Reconciliation Australia (2023). RAP Impact Report.



Indigenous-owned businesses do to follow their lead?

In 2023, a survey was completed by 680 non-Indigenous owned, Australian-based businesses⁹. These businesses were from across Australia, primarily for-profit and spanned across all industries, with a broadly 50/50 split of businesses with above

and below 20 employees. The survey revealed that the rate of Indigenous employment in these businesses was 2.8%¹⁰. This is likely an overestimate of Indigenous employment, given the 2021 Census data suggests this rate is at 2.2%. In any case, it demonstrates that Indigenous-owned businesses employ Indigenous people at a rate at least 12 times higher than that of non-Indigenous businesses.

Table 1: Indigenous Employment Statistics in a sample of non-Indigenous-owned businesses.

		All businesses	2-19 Employees (For-Profits)	20+ Employees (For-Profits)	Not-for-Profits
Total % of Indigenous Employees	Indigenous-owned businesses (n=2,291)	34.1%	50.7%	21.1%	58.5%
	Non-Indigenous owned businesses (n=680)	2.8%	4.6%	2.7%	3.1%

This table uses data on Indigenous-owned businesses from Supply Nation (2021), and data from a survey of non-Indigenous businesses (2022). Source: Eva et al., (2024b).

There are many aspects that might influence why Indigenous businesses have higher rates of Indigenous employment. For example, the industry profile, the location or the profit status of Indigenous businesses may mean they have greater access to, or a specific need for, Indigenous staff. But our analysis shows that only between 6% and 13% of the difference in rates of Indigenous employment between Indigenous and non-Indigenous businesses can be explained by differences in their characteristics.

Put simply, all things being equal, Indigenous businesses create their employment outcomes not because of what they are or what they do (for example, geography, industry), but how they do it. This is likely not news to those within the Indigenous business sector, but it is worth reiterating for the

non-Indigenous institutions across Australia that are still struggling to employ and retain Indigenous staff.

Thus, the question remains: what factors within non-Indigenous businesses are associated with higher rates of Indigenous employment and retention? While we know that over recent years, there has been an increase in the uptake of initiatives such as Reconciliation Action Plans (RAPs), cultural competency trainings, Indigenous employment targets and identified positions, there has been very little analysis of the efficacy of these initiatives in creating or supporting Indigenous employment. Implemented individually, we were unable to determine a correlation between any of these policies and higher rates of Indigenous employment. It is only when multiple of these policies were in place within businesses that we were able to see some association¹¹.

⁹ For a deeper understanding on the methods and sample characteristics, refer to Eva, C., Foley, D., Bodle, K., Hunter, B., Harris, J., & Nichols, N. (2024d) [Indigenous workplace policies: the crucial role of Indigenous management](#). Journal of Industrial Relations.

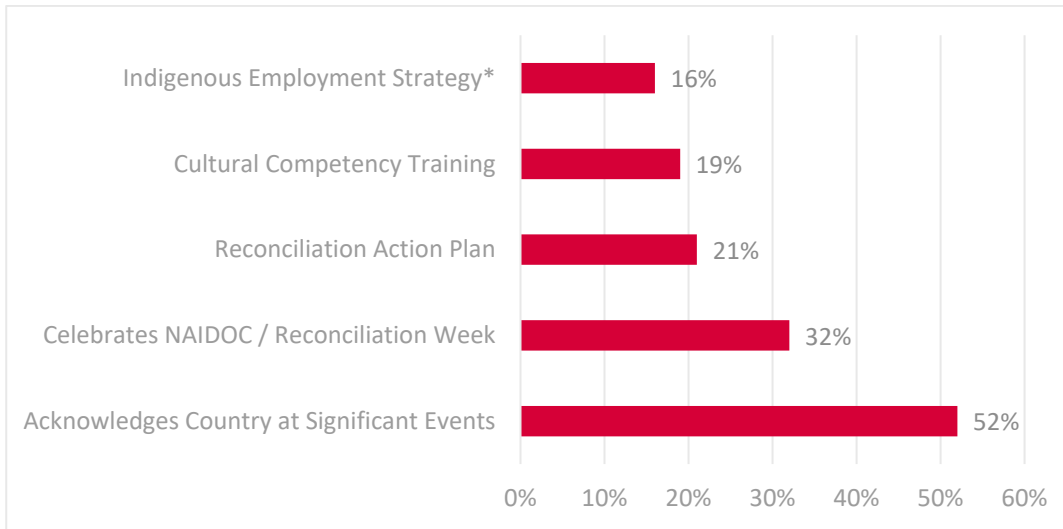
¹⁰ Eva C, Hunter B, Bodle K, Foley D, Harris J. (2024b). [Closing the employment gap: Estimations of Indigenous employment in](#)

[Indigenous- and non-Indigenous-owned businesses in Australia](#). The Economic and Labour Relations Review.

¹¹ Eva, C., Shirodkar, S., Foley, D., Bodle, K., Hunter, B. (2024c). [‘Making Indigenous Employment Everyone’s Business: Indigenous Employment and Retention in non-Indigenous owned Businesses’](#). The Economic and Labour Relations Review.



Figure 1: Uptake of Indigenous-Focused Workplace and Recruitment Practices in a Sample of Non-Indigenous-owned Businesses (n = 680)



*Indigenous employment strategies included ‘encourage Aboriginal and Torres Strait Islander peoples to apply’, ‘Identified positions’, and ‘employment targets’, etc. *Source: Eva et al., (2024d).*

Ultimately, the most crucial aspect in determining whether a non-Indigenous business had a higher rate of Indigenous employment was the presence of an Indigenous manager/s within the business¹². From Table 2 we can see that the rate of Indigenous employment in businesses with Indigenous manager/s is three times higher than those without.

Organisations with Indigenous managers were more likely to have RAPs (45% vs 13%), complete cultural competency training (47% vs 11%), have an Indigenous employment strategy (40% vs 9%), celebrate NAIDOC / Reconciliation Week (63% vs 23%) and acknowledge Country at significant events (63% vs 23%).

Table 2: Rates of Indigenous Employment and Indigenous Workplace/Recruitment Policies in a Sample of Non-Indigenous-owned Businesses

	Indigenous Managers	No Indigenous Managers
Total percentage of staff that are Indigenous	4.0%	1.3%
Reconciliation Action Plan	45%	13%
Cultural Competency Training	47%	11%
Indigenous Employment Strategy	40%	9%
Celebrates NAIDOC / Reconciliation Week	63%	23%
Acknowledges Country at Significant events	73%	46%

Source: Eva et al., (2024d).

These findings only help to confirm what we were told in our interviews with Supply Nation listed Indigenous-owned businesses. The incorporation of Indigenous ways of knowing, being and doing into institutional practice was crucial in facilitating strong

Indigenous employment outcomes. As such, it is perhaps unsurprising that we can see such a strong correlation of higher rates of Indigenous employment in non-Indigenous businesses when an Indigenous manager is present. However, this does

¹² Eva, C., Foley, D., Bodle, K., Hunter, B., Harris, J., & Nichols, N. (2024d) [Indigenous workplace policies: the crucial role of Indigenous management](#). *Journal of Industrial Relations*.



not mean that the labour of organisational change should fall solely on Indigenous management, as this should be the responsibility of all employees.

The size of the businesses in the sample ranged from two employees to 5,500, but the findings remain consistent across businesses of all sizes:

Indigenous management within a non-Indigenous business is the most significant factor in predicting higher rates of Indigenous employment. Therefore, the research recommends that organisations should prioritise hiring and/or the development of Indigenous managers in senior roles, including incorporating it as a target in their RAPs.

3. Conclusion

In summary, while our research has been able to produce some novel findings, the answer is the same as it always was: Indigenous people know what is best for Indigenous people. The Indigenous business sector demonstrates the substantial social impact for Indigenous peoples that can be delivered via Indigenous self-determination. For non-Indigenous businesses, there is clear evidence to suggest that the incorporation of Indigenous people with their management structures can help support higher rates of Indigenous employment.

If you have any questions about this research project, please email Christian.Eva@anu.edu.au