



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

FACTORS CONTRIBUTING TO SUCCESSFUL CONSULTANCY WITH MAORI FARMERS IN NEW ZEALAND

John Gardner¹, Terry Kelly¹, Ganesh Rauniyar¹, Tanira Kingi²

¹Institute of Natural Resources, Massey University, Palmerston North, New Zealand

²Australia National University, Canberra, Australia

INTRODUCTION

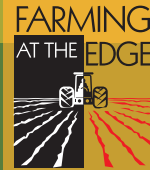
Maori, the indigenous people of New Zealand, comprise 14% of the total population (Statistics New Zealand, 2001), and Maori land is approximately 1.5m hectares (5.6% of the total New Zealand land area). The balance of land in New Zealand is either Crown or General Land. Maori land is administered under the Ture Whenua Act 1993 (Maori Land Act). This Act provides the legal basis for the creation of incorporations and various trusts used to manage land held under multiple ownership by Maori. Maori people are also able to own or lease land held under General Land status, but land classified as Maori land is owned by family and extended family groupings. The area of Maori land has increased in recent years as land is returned to Maori owners under Treaty of Waitangi settlements.

An important group of Maori farms, in terms of total land area and number of owners, are the Maori trusts and incorporations. These entities are governed by a Board (a committee of management for an incorporation, or trustees if a trust). In both cases election to the Board is by the shareholders/beneficiaries.

The employment of managers and consultants by Maori trusts and incorporations, is not uncommon given the large scale of farm operations. The appointed manager may not be Maori; the skills and abilities required to manage a trust/incorporation are significant requiring not only extensive practical experience but preferably also tertiary qualifications. The number of Maori farm managers is decreasing and studies have shown low participation rates by Maori in tertiary agricultural education (Kingi *et al.*, 1995).

For the administration of Maori land, New Zealand is divided into seven Maori Land Court districts. Research undertaken on 23 incorporations in the Waiariki Maori Land Court District found 19 of them (83%) engaged a consultant (Kingi and Nield, 1992). Further research found that every member of the Te Arawa Dairy Group (a collection of Maori dairy incorporations and trusts) employed a farm management consultant or other technical advisor (Kingi, 2000a).

INTERNATIONAL FARM MANAGEMENT CONGRESS 2003



It is important to establish more widely the level of interaction between Maori farmers and consultants, the role that consultants adopted with Maori clients, the strategies employed to develop rapport, and the type of advice sought and if this differed from that sought by non-Maori clients. Information on the number of Maori farmers who employ consultants and similarly the consultants' Maori client base were required. This information was needed by Government to formulate effective intervention policies to enhance the capabilities of Maori farmers and farming organisations.

This is the background to the research project on the role of consultants who advise Maori farmers, which was funded by the New Zealand Ministry of Agriculture and Forestry in 2001. The research objective was to establish baseline data on the farm management consultancy profession in terms of their interaction with Maori farmers.

A 'Maori farmer' was defined as any of the following: (a) a Maori Trust, Maori Incorporation, or other ownership structure registered under the Ture Whenua Maori Act, 1993 (TWMA) involved in the primary industry; (b) a Maori organisation (e.g. company, partnership, trust, incorporated society etc.) involved in farming but not registered under the TWMA; (c) a Maori farmer who farms Maori land (i.e. land registered under TWMA); or (d) a Maori farmer who farms General land. Similarly, primary industry consultants included technical and management consultants from a range of primary industries (dominated by sheep and beef, dairying, deer, forestry and horticulture).

METHODOLOGY

The research involved a mail survey of primary industry consultants in New Zealand. A total of 423 consultants were surveyed with responses from 218 (51.5%). Of these, 118 had Maori clients. A comprehensive list of consultants was compiled from information supplied by the New Zealand Institute of Primary Industry Management (NZIPIM), Farmwise, Livestock Improvement Advisory Service, Agriculture New Zealand, AgFirst, registered Forestry Consultants and other sources. Simple univariate and bivariate statistics were compiled using the SAS software package.

Ten survey respondents, each with at least six Maori clients and/or experience with Maori clients, participated in personal, in-depth interviews to explore issues raised in the survey. Information was sought from the consultants on their Maori clients and factors critical to an effective relationship with Maori.

CONSULTING WITH MAORI CLIENTS

Profile of consultants

Of the 218 total respondents, 207 reported an average of 15 years experience (mean=14.7, median=13 and std.=9.9) with a range of 1 to 42 years. The results for the 118 consultants with Maori clients was not significantly different (mean=14.0, std.=9.4) and a range of 1 to 40 years.

Nearly all consultants (n=218) identified themselves as Pakeha-New Zealander-European. The four Maori consultants (less than 2%) is consistent with the low participation rates by Maori in tertiary agricultural education (Kingi, 1995). Three Maori consultants had both Maori and non-Maori clients and one had only non-Maori clients. Four European consultants had only Maori clients.

While most consultants (53.9%) were aged between 30-49 years, 8.7% were over 60 years. Consultants with Maori clients (n=118) showed no significant difference in age profile compared to those without Maori clients.

The remainder of this paper reports only on information about those consultants with Maori clients, gained from both the survey and personal interviews. The survey identified professional development activities, of consultants, that pertained to consulting with Maori, and the ownership structures of their Maori clients. Consultants were asked to identify factors contributing to a successful consultancy relationship with Maori and differences in information sought between Maori and non-Maori clients.

Professional development activities

Of the 118 consultants with Maori clients, 37 (31%) listed professional development activities undertaken to improve their ability to consult with Maori, and 28 (24%) indicated they had undertaken formal professional development. Sixteen of the 28 had attended one formal activity, ten attended two activities, and two attended three activities.

Common formal professional development activities included courses on Maori language, Maori culture and protocol, Treaty of Waitangi, Maori Land Act, and Maori land valuation. Informal activities identified by the remaining consultants included attendance at marae committee meetings, various hui, and attendance at conferences in which Maori affairs was part of the programme.

Ownership structure of Maori clients

Consultants were asked to identify the ownership structure of their Maori clients. The 531 Maori clients included 179 trusts (34% of total), 120 incorporations (23%), 146 owner operators (27%); 57 sharemilkers (11%), 5 lessees (1%), the Maori Land Court and the Maori Trustee (0.4%) and 22 others (4%), which included: deceased estate, company, farm staff or farm manager, shareholder, forestry contractors.

Differences in information sought by Maori and non-Maori clients

Of the 118 consultants with Maori clients, 23 claimed Maori sought information that was different or in addition to the information generally sought from their non-Maori clients. This information included more emphasis on long-term

viability and environmental impacts. Board members lacking technical background in business often requested more detail. Information was also sought on technical issues of Maori land. Examples of comments are:

Since many questions relate to resource applications by others, they want to know what the longer-term implications of the application may have on their operation.

They tend to seek more day to day, week to week hands on type info.

More "day to day" type information and more detailed as generally little background knowledge by committee and trustees.

Maori land ownership is a complicated issue.

Require more reassurance that something is going to work rather than requiring the technical reasons as to why it will work.

Mainly on Maori land issues and the Treaty of Waitangi.

More information required about ownership/governance. Technical information required is the same.

More detail on forest management, effect on soil and water, employment.

Services to Maori clients

Consultants were asked which of the following services they provided to Maori: technical advice, strategic planning, financial planning, supervision and other. Respondents were not restricted to one category. Of the 118 respondents 102 (86%) provided technical advice, 86 (72.9%) worked with clients on strategic planning; 74 (62.7%) provided financial advice; and 48 (40.7%) undertook contract farm supervision. Twenty four consultants (20.3%) listed other services including: resource consent advice, marketing/bulk purchasing, facilitating discussion groups, lease administration, forest management, property valuations, education and training.

Factors important to successful consultancy with Maori

Consultants surveyed were asked to identify the three factors that they considered important to successful consultancy with Maori. Ninety-nine consultants responded and their responses were grouped into six categories. These are explained below with examples of consultant's responses.

(Table 1)

Good consulting practice. Factors here are considered good consulting practice in general, such as technical competence and achieving results, (e.g., increased profitability, cost-effectiveness, and goal-setting); and rapport factors such as good communication, listening, trust, personal relationship, and understanding the client. Respondents'

comments included: *“ability to listen and identify constraints and objectives”*; *“being able to answer the questions raised”*; *“increased satisfaction from farm business”*; *“ability to tailor advice to client needs”*; and *“quality of advice/value for money”*.

Cultural sensitivity. Factors here included cultural understanding, respect, empathy, and knowledge of protocol specific to Maori culture. Respondents’ comments included: *knowing Maori protocol; empathy with Maori aspirations; understanding the land value to Maori; understand Maori politics; and broad understanding of Maori cultural concepts, particularly related to decision making and relationship to natural resources.*

Ownership structure. Factors here related to problems associated with multiple ownership, committee structure, politics and power struggles. These may or may not be unique to Maori, but are associated with managing Maori land. Comments by respondents included: *understand restrictions of land ownership; often for the shareholders (if appropriate) not to take money (when small amount per shareholder) out; management to trustee communication; communication with Trustees/Committee members; the owners/trustees having a clear idea on what they want to achieve and having the mandate to make the decisions to get there; and interface with as many of the landowners as is possible.*

Personal practice. Factors included relate the way the consultant operates, and include taking time, building confidence, being patient, getting everything in writing, and where appropriate, employing Maori staff. Respondents’ referred to: *laid back personality; patience and understanding; not rushing things; spending lots of time discussing and agreeing on what the outcome should be; relative to rating issues, consultation early and throughout a programme; and work with their timeframe.*

Other/condescending. Included here are factors that don’t fit in any of the above, or are condescending comments. Some examples are: *working at their level; ability to put technical information into an easily understood form; and adjust advice to the right level.*

No difference. Consultants who claimed there was no difference in consulting between Maori and non-Maori clients.

Personal interviews with selected consultants clarified many of the survey responses. They highlighted the need for the successful consultant to develop good rapport with the client. Rapport was identified as having the ‘right’ personal qualities coupled with an understanding of the cultural issues and political dynamics of the client in the cases where that client is a trust or incorporation.

Four key elements for consultants emerged from the interviews when dealing with Maori trusts and/or incorporations: (1) the cultural values that Maori place on the whenua (land) and whanaungatanga (family relationships); (2) iwi politics and

in particular the political interests of those landowners who are largely separated from the land but still have a very strong attachment to it; (3) the necessity of developing and maintaining a strong working relationship with a Board (committee of management and/or trustees); and (4) building Board capabilities.

Cultural values

An understanding of the historical context of Maori trusts and incorporations was seen as important in understanding the value that Maori place on relationships and land retention.

“The Maori have a long term view, longer term view of relationships than Pakeha... and so consistency and honesty is really important. I think you also have to appreciate or understand that non-profit issues can in fact be just as important as profit issues, and I would include perhaps the most important one is the security of the tenure of the land. You cannot take the risks with the tenure of the land because it cannot be subject to a mortgagee sale. If you for example, take on more debt than the system is able to handle, they won't lose the land, but they would have to sell their livestock and lease the property out with a loss of mana, a loss of equity, and probably the inability in the future to ever regain the control of their land again. It's a major issue, over that security of tenure. The main non-profit issue, I would put down to the whanau/hapu/iwi relationships..., both past and present. It's important to understand that you're not just dealing with a bunch of people who happen to be the directors of a business. It's the whole tie-up of history and relationships here. So understanding the non-profit issues can be important.”

“...there certainly are restrictions with the Maori land aspect ... you have to be very conservative as an advisor ... you cannot do anything that is going to put the land at risk.”

Some consultants recognise that their clients did not always view the development and management of the land in the same light as non-Maori. The priority given to business performance may not be as high as it is for other farmers.

“For many of the committees that I'm involved with the people do not see their land as a business and they don't see farming as a business, what they see is ownership and their involvement is at that level. And this underpins the problems of decision-making where they are more involved with being accountable to their whanau rather than the business. Profits and losses to a lot of people are considered the same. If we make a loss they say yeah we made a loss they don't say lets look at what's causing this loss and make the changes.”

While an understanding of cultural issues was important and some understanding of the language an advantage, the key factor considered essential for consultants' successful relationship with Maori was to recognise that their relationship with Boards involved a mixture of trust, loyalty and competence. One consultant stated that it takes time to develop the relationship because there can be an expectation that a consultant will “rip them off” (overcharge).

Politics of Maori Incorporations and Trusts

The consultants interviewed found the political agendas that frequently interfered with the operation of the farm business frustrating and often bewildering. Decisions were sometimes made without appropriate discussion or information and for reasons never explained. Consultants recognised however, the need to get on with the job.

"If you [the consultant and the Board] can minimize the politics and get on with the objective decision-making and monitoring you've got a good head start. Good incorporations have handled the politics outside of the scope of what they're doing and got on with the job and focused on real performance."

Building the relationship with the Board

A key finding from the interviews was that there was no difference in the principles of developing successful consultancy relationship between Maori and non-Maori clients, although with Maori, greater emphasis was given to acknowledging culture. The important requirement was to build rapport and encourage progress at an appropriate pace and level of risk.

"The way I've handled it is to spell out the basics, you know, its sort of very basic business planning, never mind the bells and whistles. Spell out the real basic plan of where you're expecting to go, and how long it'll take, and... take the trustees with you, this is really important. You've got to take them with you. I think a lot of consultants or supervisors come in and sort of assume a superior position, if you like. If you're not cognisant of the way things work in Maoridom, you will assume that they all are looking up at you with their mouths open, you know. But in actual fact, they're not."

Developing a working relationship with Maori was a two-way process in which consultants found that meeting protocols became a significant cultural learning experience.

"As a pakeha consultant I realised early the importance of putting people first. Many of the protocols surrounding meetings create an atmosphere of trust and respect. With other farmer groups you wouldn't think that it is that important to greet each person individually but with Maori it's what's expected regardless of when you last saw that person. Taking time to acknowledge other people helps to generate a real bond with the group."

"In dealing with Maori clients, they have to have confidence in you as a person and it is the personal relationship that creates long term work and also gives you the opportunity to visit new clients as everything is word of mouth as well. Having the right personal qualities is quite important, being able to listen, being able to acknowledge the client often knows an awful lot about what he is asking you about, but sometimes he doesn't have the confidence to act on it."

Lack of expertise in governance and farm management undermined the confidence of some Boards to make decisions. In these situations consultants either guided a Board to a decision or made the decision for the Board.

“With some committees that lack expertise they lack the confidence to make tough decisions. This can be overcome with Board members keeping in touch with the farm. I say to my committees that I am an advisor to them though there are times when I have made decisions for them... Sometimes you have to...”

Consultants had an important role in facilitating the relationship between the Board and the farm manager.

“One difference, I believe, that a consultant makes is to help the relationship between the committee and the farm manager. I can provide independent advice on how the farm manager is performing... and at the same time ensure that the wishes of the committee are being carried out by the farm manager... It is important to have the confidence and trust of the Board along with excellent communication skills.”

Building Board capability

The business success of Maori trusts and incorporations depends upon the performance of the key players, i.e., Board, consultant, farm manager and accounts. Weaknesses were sometimes present in the Board.

“One of the biggest dilemmas is the weakness of the team and for many of the committee members who are lay people you can understand they wouldn’t have the best decision-making ability...”

Consultants tried to build Boards’ decision-making capabilities. However, there could be problems.

“...building the confidence of the committee members is not always easy when there is a high turnover in membership (as a result of shareholder voting) but in many cases there are two or three core members that have strong positions with the shareholders and are unlikely to be voted off in the near future. My job as a consultant is to develop the ability of these key people to make sound decisions.”

SUMMARY AND CONCLUSIONS

Several key factors contributing to successfully consulting with Maori farmers have emerged here. First, while Maori clients in general requested different types of information or required information to be presented in a different format to non-Maori clients, consultants still needed to implement good consultancy practices. For both groups it was important to establish the clients’ goals and objectives; identify constraints, risks, and resources; and tailor advice accordingly. A

feature of the Maori client base was that over half consisted of multiple-owned entities – trusts and incorporations. Consultants need to develop the skills to communicate and work with committee or board structures. It is vital to be able to identify key people and to gain the support of these people to implement processes to identify areas for improvement. The inadequate governance skill level of Maori incorporations and trusts has been identified by Te Puni Kokiri (Ministry for Maori Development). While owners are generally passionate about land issues and may have commercial experience in other fields, they require assistance from advisors, such as consultants, to develop their understanding of farm management concepts.

Many trusts and incorporations employed managers or sharemilkers. Consultants need to be skilled in the field of staff recruitment, advice on hiring, and all aspects of managing the relationship between the Board and the manager or sharemilker.

Consultants recognised both the importance of retaining Maori land in Maori ownership and appreciated the constraints imposed by the Ture Whenua Act. It is essential, therefore, for the consultant to work with landowners to develop policies that reflected the 'risk-averse' position held by many landowners.

Nearly all consultants identified themselves as Pakeha New Zealanders. Interest in, awareness and knowledge of Maori culture and protocol was seen as advantageous but more importantly, learning in this area was an enriching experience for some consultants. While knowledge of Maori protocol and culture may be advantageous, there was some evidence that it was not essential for success at consultancy with Maori. Fewer than one third of consultants had undertaken formal courses in the past three years, which were designed to improve their ability to consult with Maori. Only 22 respondents (14% of total responses) identified "cultural sensitivity" as a factor important to successful consultancy with Maori. This may be misleading and it is possible that consultants considered "cultural sensitivity" as being a component of "good consulting practice in general" in the same way that a consultant would be sensitive to deeply held religious beliefs or ethical values.

In conclusion, consultants who are successful with non-Maori farmers also are likely to succeed with Maori clients when dealing with a single entity such as a sharemilker or husband and wife partnership. If the Maori client is a trust or incorporation, the consultant is dealing with a more complex entity. To succeed here, the consultant must be able to deal with a group of people where there may be internal conflicts, some strengths, but possibly weaknesses also, in the organisation. The skills needed to succeed in this situation are likely to be universal, and are likely applicable when dealing with any complex group of people. Those consultants with knowledge of Maori culture and protocol are likely to find this to be an advantage, and personally rewarding.

REFERENCES

- Kingi, Tanira; Kelly, Terry; Gardner, John & Rauniyar, Ganesh. (2001). Consultancy services to Maori farmers: A survey of farm consultants in New Zealand. Report to MAFPolicy. September 2001. Institute of Natural Resources, Massey University.
- Maori Land Development. A report prepared by the Maori Multiple Owned Land Development Committee. February 1998.
- Kingi, T.T. (2000). Strategic benchmarking of Te Arawa Dairy Incorporations and Trusts. *Massey University 2000 Dairy Farming Annual*, 99-102. Massey University.
- Kingi, T. T., Parker, W. J. P., & Anderson, R. D. (1995). *Maori and tertiary education in agriculture: the development of the Te Arawa, Waiariki Polytechnic and Massey University Applied Science Programme*. Faculty of Agricultural and Horticultural Sciences, Massey University.
- Statistics New Zealand. (2001). 2001 Census. Wellington.