

## Farm management consultancy services and Maori farmers

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### Abstract

This paper reports the findings from a study of 218 farm management consultants, 118 of whom had Maori farmers in their client base. The paper presents information on the experience of the consultants, their ethnicity, age and professional development activities the consultants undertook to improve their ability to consult with Maori, together with the ownership structures of the Maori clients. The paper reports the consultants' perceptions of the factors important for successful consultancy with Maori as being good consulting practice, cultural sensitivity, understanding the complexities of Maori ownership structures and appropriate personal practice. Information for the study came from a mail survey and from personal interviews with ten consultants, each of whom had at least six Maori clients. The personal interviews enabled issues raised in the survey, in particular factors important for successful consultancy with Maori, to be explored in more depth.

**Keywords:** consultancy services, Maori farmer

### Introduction

Maori have a significant involvement in New Zealand agriculture and constitute an important group of clients for the farm management consultancy profession. This paper reports some findings from a study of farm management consultants and their Maori clients.

New Zealand is divided into seven Maori Land Court districts. Research undertaken on 23 incorporations in the Waiariki Maori Land Court District found that 19 incorporations (83%) engaged a consultant. Further research in 2000 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).

These findings, although valuable, had limited scope. It was important to establish in a wider context the level of interaction between Maori farmers and consultants. Information on the number of Maori farmers who employ consultants and similarly the consultants' Maori client base was required. This information was needed by the Crown to formulate

intervention policies to enhance the capabilities of Maori farmers and farming organisations. It was also important to identify the role that consultants adopted with Maori clients.

This is the background to a research project on consultants who advise Maori farmers, funded by the Ministry of Agriculture and Forestry in 2001. The objective was to establish baseline data on the farm management consultancy profession and its 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.) not registered under the TWMA; (c) a Maori who farms Maori land (i.e. land registered under TWMA); or (d) a Maori who farms General land. Primary industry consultants included management consultants from a range of primary industries.

### Methodology

The research involved a mail survey of primary industry consultants in New Zealand. A total of 423 consultants were surveyed. Responses were received from 218 (51.5%) consultants of whom 118 had Maori clients. 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 interviews to explore issues raised in the survey.

### Results

#### Profile of consultants

Experience of the consultants ranged from 1 year to more than 20 years. There was no significant difference between those consultants with Maori clients and those without Maori clients.

The consultants reported their area(s) of specialisation with most indicating more than one specialty. The two most common specialties were sheep/beef and dairy with half the consultants working in these fields. Specialty areas under 'other' included: fertiliser assessment, agrichemical, international

development, investment analysis, MAF Policy, valuation and agribusiness. Consultants with Maori clients (n=118) showed a slightly higher proportion consulting to dairy and forestry clients.

Nearly all consultants (n=218) identified themselves as Pakeha-New Zealander-European. The four Maori consultants (less than 2%) is consistent with the low Maori participation rates in tertiary agricultural education (Kingi 1995). Of the four Maori consultants, three 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. The small number of consultants less than 30 years of age may reflect fewer opportunities now to enter the consultancy profession. Consultants with Maori clients (n=118) showed no significant difference in age profile compared to those without Maori clients.

### Consulting and Maori clients

The information in the sections below comes from the survey and personal interviews. The survey identified professional development activities and the ownership structures of the Maori clients. Consultants with Maori clients reported on factors contributing to a successful consultancy relationship with Maori, and on differences in information sought between Maori and non-Maori clients.

### Professional development activities

Of the 118 consultants with Maori clients, 28 (24%) had undertaken formal professional development activities to improve their ability to consult with Maori, sixteen of whom had attended one formal activity, ten had attended two activities, and two had 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 undertaken by a further nine consultants included attendance at marae committee meetings, various hui, and attendance at conferences in which Maori affairs was part of the programme.

### Ownership structures of Maori clients

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.

### Factors important to successful consultancy with Maori

Consultants were asked in the survey to identify the three most important factors contributing to successful consultancy services to Maori clients. Information from the personal interviews augments the survey data. Four factors were identified as important in developing a successful relationship with Maori, with another two multi-factor areas included to capture all respondent comments (Table 1).

While only 12 respondents specifically indicated “no difference” between Maori and non Maori clients, possibly those consultants who only listed factors that are good consulting practice in general may also consider that their Maori clients are not different from other clients. Conversely, respondents may have listed factors such as cultural sensitivity to emphasise their importance when consulting with Maori.

Good consulting practice: Factors here are those 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.

Cultural sensitivity: Factors here include cultural understanding, respect, empathy, and knowledge of Maori protocol.

Ownership structure: Problems associated with multiple ownership, committee structure, politics and power struggles are included under this heading. These may or may not be unique to Maori, but are associated with managing Maori land.

Personal practice: Factors included relate to the way the consultant operates, such as taking time, building confidence, being patient, getting everything in writing, and employing Maori staff.

Other/condescending: Factors included here are those that don't fit in any of the above, or are

**Table 1** Factors important in successful consultancy with Maori.

Key factors	Number of responses	Percent
Good consulting practice in general	77	50
Cultural sensitivity	22	14
Ownership structure	14	9
Personal practice distinguished as important to Maori	18	12
Other/condescending comments	11	7
No difference to non-Maori clients	12	8
Total	154	100

condescending comments.

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

The interviews clarified many of the responses from the survey. The consultant's "performance" is undoubtedly crucial in a successful consultant/client relationship and although technical competence and improving profitability are essential, the interviews highlighted the importance of the consultant developing a relationship beyond these qualities. A consultant who was technically sound also needed a strong relationship and good rapport with the client to be successful. Rapport was identified by several consultants as having the 'right' personal qualities coupled with an understanding of the cultural issues and political dynamics of the client in cases where that client was a trust or incorporation.

Four key elements for consultants emerged from the interviews when dealing with Maori trusts and/or incorporations: one, the cultural values that Maori place on the whenua (land) and whanaungatanga (family relationships); two, 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; three, the necessity of developing and maintaining a strong working relationship with a board (committee of management/trustees); and four, the need for consultants to build 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 retaining ownership of their land.

*"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."*

*"...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."*

Most consultants recognise that their clients, if members of Maori incorporations/trusts, 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."*

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 the boards involved a mixture of trust, loyalty and competence.

### Politics of Maori Incorporations and Trusts

Almost all of the consultants interviewed found the political agendas, which 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

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."*

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.”*

### Building Board capability

Business success of Maori trusts and incorporations depends upon a team effort from consultant, Board, accountant and manager or sharemilker. Some consultants observed weaknesses at the Board level.

*“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 saw it as important to build Boards’ decision making abilities by working with key people on the Board.

*“My job as a consultant is to develop the ability of these key people to make sound decisions.”*

### Differences in information sought by Maori and non-Maori clients

Of the 118 consultants with Maori clients, 23 claimed Maori sought different information from non-Maori but 86 saw no difference. Of those consultants who thought Maori sought different information, comments focused on the following areas: more emphasis on long-term

viability and more detail on the environmental impacts relating to resource applications, often lacking technical background so wanting more detail, and on Maori land issues. Examples of some 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 com. 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.

**Table 2** Services to Maori clients by ownership structure.

Type of advice		Trusts	Incorporations	Owner/ operators	Share- milkers	
Clients - Total		502	179	120	146	57
Technical	n	482	173	118	138	53
	%	96	97	98	95	93
Strategic planning	n	420	158	90	121	51
	%	84	88	75	83	89
Financial planning	n	363	118	80	118	47
	%	72	66	67	81	82
Supervision	n	326	149	96	65	16
	%	65	83	80	45	28
Other	n	124	60	29	30	5
	%	25	34	24	21	9

Table 2 shows the services the consultants provided to Maori clients according to ownership structure. For each field of advice, the table shows the total number of clients receiving that type of advice and the number of clients in each ownership structure getting advice in that field. For example, of the 502 Maori clients, 482 (96%) received technical advice. Of the 482 total, 173 were trusts (being 97% of all trusts), 118 were incorporations (98% of all incorporations), 138 were owner-operators (95% of all owner-operators) and 53 were sharemilkers (93% of all sharemilkers).

Strategic planning advice was provided to 420 clients (84% of the client base). It was least provided to incorporations (75% of all incorporations) and most sought by sharemilkers (89% of all sharemilkers). A higher proportion of owner-operators and sharemilkers received financial planning advice than did trusts and incorporations. These latter entities presumably undertook financial planning from their own resources or used other professionals such as accountants. Supervision was principally undertaken for trusts and incorporations as these entities employed hired managers needing to be supervised.

### Summary and conclusions

Several important points emerged from this study. First, all Maori entities had a very high requirement for technical advice, with a less, but still high, demand for advice on strategic planning and financial management. Supervision was frequently important where the ownership structure was a trust or incorporation.

A feature of the consultants' Maori client base was that over half of all clients were trusts and incorporations. Consultants needed to develop the skills to communicate and work with these structures. It was important to identify key people on the Boards and to gain their support in building Board capability.

When consulting with Maori, consultants needed to employ good consulting practices. It was important to identify goals and objectives, to establish the resource base, identify risks and constraints, and tailor advice accordingly. If the client was a trust or incorporation, consultants needed to recognise the importance of retaining Maori land in Maori ownership and appreciate the constraints imposed by the *Ture Whenua Maori Act*.

Nearly all consultants were Pakeha New Zealanders. Interest in and awareness and knowledge of Maori culture and protocol was seen as advantageous when consulting with Maori. For some consultants, the opportunity to consult with Maori provided an opportunity to extend their knowledge of Maori culture and protocol, which was deeply rewarding.

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