

NCEA Level 2

Business Studies

Maori Business Concepts Workbook



NAME: _____



Business Studies Workbook
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TKI Website
Kaikoura Whale Watch

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Although residents must take their own rubbish to the council tip (where they are charged \$5.50 per bag), the Kaikoura District Council collects both recyclables and "kitchen waste" without charge. Potato peelings and other vegetable matter finds its way into the council's giant composting unit, with the final product sold back to residents for use on their gardens.

There's a commonly used expression in Kaikoura that "those who sleep under the mountains do not see them", but the same is not true of their beloved whales. On my second day there, a family of humpback whales was spotted frolicking offshore. Within minutes the Esplanade was crowded with excited onlookers, locals and tourists alike, craning to catch a glimpse. Bound in the moment.

"In our culture we have a saying: *kanohi ki te kanohi* – face to face. My breath, your breath," said Marcus Solomon. "A destination is more than just a place on the map, it's the people you meet there and the experiences you share. So tourism has a huge responsibility – its arms reach far and wide."



The Maori Economy

The Māori economy is defined as assets owned and income earned by Māori – including collectively owned trusts and incorporations, Māori owned businesses, and service providers. Within the Māori economy Māori can express their collective interests and aspirations. The Māori economy is a significant and growing contributor to the New Zealand economy as a whole. Between 1996 and 2003 the contribution of the Māori economy to New Zealand's Gross Domestic Product (GDP) , led by Māori businesses, increased by 123%.

In 2007 Māori economic contributions were concentrated in agriculture, fisheries and housing (these three areas together comprised 75% of the Māori economy). However, Māori businesses are diversifying, with increasing investment, ownership and business development by Māori in the tourism and hospitality, telecommunications and energy, dairying, wine and horticulture industries.



What is meant by the term 'multiple bottom line'?

Can you think of a non-Maori business that also exhibits multiple bottom line goals?

Ownership

Multiple ownership

When a group owns something together, as share-holders or as beneficial owners with specific and quantifiable 'interests' in land and/or assets, it is known as multiple ownership. The assets are usually vested in a Trust – with the collective owners being 'beneficial owners' of the Trust, or an Incorporation – with the collective owners holding shares - being 'shareholders' - in the incorporation. Banks have traditionally been reluctant to lend or support developments involving land and assets in multiple ownership because of the perceived complications associated with this form of ownership.



Write your own definitions for:
Multiple Ownership:

Collective Ownership:

Collective ownership

Assets (for example; lands, waterways, forests, buildings, companies, fishing quota) that are owned by a collective or group. The term 'collective ownership' is sometimes used interchangeably with the term 'multiple ownership'. However, 'collective ownership' more correctly refers to the mode of shared ownership by a group without specific identifiable share parcels or interests. Culturally significant sites, and assets returned through Treaty Settlement processes are often in collective ownership. Governance of the business and assets may still be vested in a Trust, with Trustees acting on behalf of the collective, and subject to particular rules and conditions.

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"Honestly, we had no choice – it was about survival," says Solomon, whose father was a founder. "Our people were becoming the main statistic for drug and alcohol abuse [in New Zealand]. Our children were leaving school at 15, without jobs." A great bear of a man, Solomon, 40, initially worked for nothing when he joined the company and is proud that Kaikoura has gone from being "a pie stop on the way to the [Picton] ferry" to one of the country's foremost tourist destinations. "But an operation like this can only work if you bring in the community," he says. "And there's no quick fix. You need a 10-year strategic plan because that's how long it takes."

Apart from kick-starting the local economy, Whale Watch Kaikoura has spawned a host of other adventure tourism enterprises – such as swimming with dolphins and albatross-watching tours – and made Kaikoura (pop. 3,500) a national model for sustainable living. In 2004 it became the first town in the world to gain accreditation under the Green Globe scheme, conceived at the 1992 UN earth summit in Rio. It has since begun a number of environmental projects, including a radical pay-for-use rubbish scheme, which aims to eliminate household waste from the local landfill site within six years.



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ageing Hillman Imps and Morris 1100s. "People are always fixing things in their sheds – bits of machinery, old mowers," says one recent arrival. "It's quite old-fashioned, in a way. Like Britain in the Sixties, I suppose. But I quite like that."

Although Maori have a fearsome reputation as warriors (reinforced by the haka, or war dance, performed by the New Zealand rugby teams), they are also deeply hospitable to strangers, to whom they show the upmost courtesy – and patience. "Visitors are known as *waewae tapu* or 'sacred feet'," says Maurice Manawatu, the founder of Maori Tours Kaikoura. "Part of our belief is that your ancestors walk with you, so we are giving respect not only to you but your ancestors. That's why a Maori greeting can take so long – we have a lot of ancestors."

Twentytwo years on, Whale Watch Kaikoura is the region's biggest employer, with a full-time staff of 77, a custom-built marina, a fleet of six purpose-built catamarans and an annual turnover of \$NZ10m. The venture has also been a catalyst for social and economic revival in what was once a poor, neglected community. Cuts to public spending in the Eighties hit the town hard, especially the Maori population, which relied largely on the railways for work. When those jobs began drying up, five prominent Maori families came up with the idea of starting a whale-watching company but were unable to secure funding from the banks. Instead, these accidental entrepreneurs mortgaged their own houses to fund the project – now one of the most successful non-profit, Maori-run co-operative projects in New Zealand.

Other Key Concepts**Inter-generational assets**

Assets (such as land and waterways, businesses structures and rights) that are passed down through generations. If assets are thought of as intergenerational in nature, they will not, cannot or should not be sold, because the role of the adult generation is to protect and grow the assets for future generations. If a Māori business or organisation is responsible for inter-generational assets, they will usually be more interested in growing the assets in a risk-averse manner (slowly and carefully so as to protect the asset), rather than engaging in high risk investments (those that may make more profit in the short term – but that also carry a higher element of risk). The idea of maximising profit in the short term leading to a sale of the assets while they at high value, is not promoted. The intergenerational nature of Māori business and assets promotes a custodial/guardianship view, where long term stability is favoured over short term gains.

Tikanga

Tikanga is a term used to refer to the ethical framework of Māori society; that is the foundation of what is right and correct in any given situation. Tikanga underpins the customs, systems and processes of Māori society and organisations. Tikanga is a primary basis of reasoning and decision-making pertaining to appropriate behaviour and courses of action. It is also the foundation for codes of ethical practise (*tikanga matatika*). A wide range of Māori customary concepts and values fall within the parameters of tikanga; tikanga determines the priority and expression given to these concepts and values in a given context. Tikanga is equally relevant in contemporary Māori society (and business contexts) as it was in historical times.

Kaitiakitanga

The philosophy and practise of the guardianship of resources. Closely related to a view of assets and resources as inter-generational and a philosophy that promotes the protection of resources and careful growth of asset base for the long-term benefit of the collective and of future generations.

Points of Difference in Maori Business

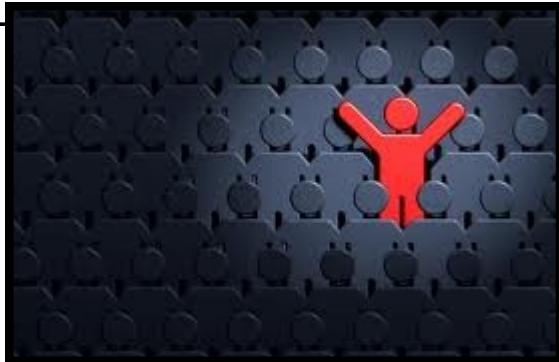
There are many commonalities between Māori businesses and New Zealand businesses in general. Some Māori businesses operate in an almost identical manner to non-Māori businesses. However there also are some important areas in which Māori businesses may differ from those of 'general' businesses in New Zealand. Differences between Māori businesses and general business operations can be broken down into two main categories:

Legislative

Māori businesses must comply with all New Zealand laws that apply to businesses generally. However there are some laws that apply only to Māori businesses. For example, the Māori Reserved Lands Act (1997); Te Ture Whenua Māori Act (1993) and the Māori Fisheries Act (2004) set rules and establish structures and processes that many Māori businesses, based on collectively owned assets (such as Māori land and fishing quota), must follow.

Māori culture and values

Māori culture and values may be woven throughout Māori businesses in clear and obvious ways, or in a more subtle and less visible manner. For example, some businesses openly promote Māori language, culture and products; or are based on tribal assets. Other Māori businesses may appear to operate like general businesses, but may incorporate Māori values such as manaakitanga, whanaungatanga and tuhonotangaion. Multiple Objectives – social, cultural, environmental, spiritual and economic goals may be central within business as practised by Māori.



Case Study Analysis—Kaikoura Whale Watch

New Zealand: Whale-watching company wins Virgin Holidays Responsible Tourism Awards

A whale-watching company based in New Zealand was this week named overall winner of the Virgin Holidays Responsible Tourism Awards 2009. Mark Chipperfield hears why it took the prize.

By Mark Chipperfield

Published: 12:26PM GMT 11 Nov 2009

Excerpts only – full article available on www.telegraph.co.uk

"All of our founders made their living from the ocean," says Kauahi Ngapora, chief operating officer of Whale Watch Kaikoura, "so that sense of respect for our [cultural] values and the environment has been embedded from the very beginning." According to Ngapora, who began working on the boats at 15, "responsible tourism" is not just a handy marketing tag for nature-based tourism in New Zealand, but increasingly represents a core set of values and enduring beliefs.

Underpinning everything that the company does is the Maori concept of *kaitiakitanga*, or custodianship, which demands that each generation protects the environment – and its natural resources – for the one to come. Despite their tribal differences, the idea of *kaitiaki* is universal among Maori, from the Bay of Islands to Invercargill – and tightly adhered to. "It's absolutely our responsibility to deliver for the next generation," explains Marcus Solomon, the director of Kaikoura Whale Watch. "That's just part of our cultural being."

These ancient principles of *kaitiaki* seem to dovetail easily with the traditions of thrift and resourcefulness brought to New Zealand by Scots in the 19th century. Even today Kiwis talk proudly of being able to repair most things with a piece of "Number 8" fencing wire, including ageing

Review

Using the chart on the previous page draw up a more user-friendly chart.

Kaupapa Maori Approaches to Business

Key concepts relating to legal and cultural frameworks within which Māori businesses operate, are identified and discussed below. Māori businesses may incorporate some or all of the concepts and principles identified below in business contexts.

Te kaupapa pakihī – The base/foundations of business

This refers to core elements that apply throughout the business studies curriculum and across the range of business domains, including small, medium and large businesses; social, community or profit driven ventures; mainstream or Māori focused enterprises.

Nga Matapono Whanui/He Kaupapa Pakihī: the base or platform of any business related venture will include:

- **Pūtake** – The origin or reason for being.
- **Tūranga** – The foundation or position on which the venture is based.
- **Tikanga** – The values, guidelines, rules, priorities and ways of doing business that frame the venture.
- **Kaitiakitanga** – The exercise of guardianship- particularly in relation to natural resources, such as land, sea and waterways; also flora and fauna, including people, that comprise elements of the natural environment. This principle requires that sustainability and environmental protection is valued. As kaitiaki or guardians, the owners or trustees of an enterprise are responsible for protecting (and/or growing) resources for future generations – not just for short-term or individual profit.
- **Rangatiratanga** – Exercise of leadership, authority, guardianship and ownership rights; particularly focused on resource production, utilisation and management for current and future requirements. This includes strategic development and oversight, relationship development and maintenance, problem-solving, conflict resolution and peace-making, adaptation, risk analysis and management.



Read and Revise

What does the term Kaitiakitanga mean?

What does the principle require to be valued?

Why?

In what ways would a businesses Code of Conduct be similar to the term 'tikanga'?

In what ways is kaitiakitanga becoming an important business concept for tourism in NZ?



Māori businesses managing collectively owned assets		
Māori business (asset holding trusts/incorporations)	Dimension	General business
Tend to have low debt-equity ratio	Debt-equity ratios	Tend to have higher debt-equity ratio
Planning tends to be long-term, vision for intergenerational growth (protecting and growing assets sustainably for future generations).	Future planning	Planning tends to be in relatively short cycles (up to 5-10 years).
Sale of foundational assets (eg. land) is unusual. Sale of land often requires agreement of 75% of owners or shareholders, may have to be approved by the Māori Land Court and profits from land sales may have to be re-invested in land.	Sale of business	Many businesses grow profits as rapidly as possible, with a view to sale of business at peak profitability.
Governance tends to be conservative and risk averse	Risk tolerance	More inclined to take risks and engage in off-shore investment
High levels of engagement with world markets – 60% exposure of Māori assets to international trade	International trading	Moderate to low levels of total engagement with world markets – 31% exposure of total NZ economy to international trade
75% of Māori business production from agriculture, fishing and home ownership	Business focus	Manufacturing is the largest employer. Rental, hiring and real estate, agriculture, forestry and fishing, construction and professional, scientific and technical services comprise the bulk of businesses.

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Joint ventures

Māori organisations and businesses are increasingly participating in joint ventures. These may take a variety of forms – for example joint activities and initiatives with local or central Government; housing or commercial property developments with public or private agencies (for example; where a Māori land holding entity puts in the land for a development, and a partner provides the building capital; both partners co-operate in the operation and management of the development). Typically, a separate legal entity is established to govern the joint venture, with representatives from both partners (or all partners if the joint venture involves three or more parties). Examples from the Case Studies provided include Metlife Care Retirement Village (Palmerston North) Ltd established by the Palmerston North Māori Reserves; and Taranaki 217, Village at the Park, Village Healthcare Ltd and Tenth Hospital Ltd established by Wellington Tenth Trust).

Offsetting risk / risk minimisation strategies

In order to safeguard core assets such as land, Māori entities may employ a number of strategies to separate developments and initiatives (such as joint ventures) which carry a higher level of risk than is characteristic for them. In such cases, separate legal entities may be established to 'carry' the risk. Through establishing separate legal entities Māori organisations can limit the liability to that separate legal entity, should anything go wrong, and thus protect the core assets of the organisation.



Characteristics of Maori Business Operations

Multiple bottom line

As was the case in pre-European contact times, and in the early contact period, Māori businesses - particularly those based on collectively owned assets (eg. land and fisheries based trust and incorporations) - commonly work to a triple or quadruple bottom line; that is they measure their performance against multiple goals – not solely on financial or economic outcomes – although this is important.

Triple bottom line

The success of the business is judged by its performance on economic, social and environmental outcomes. The organisation or business has economic, social and environmental goals, and reports against these in annual reports. Different business organisations may place more or less weight on particular goals; or social, logical performance may be business organisations may place more or less weight on financial and eco-weighted equally.



Quadruple bottom line

The success of the business is judged by its performance on economic, social, environmental and spiritual goals. The organisation usually reports against these goals in annual reports. Different business organisations may place more or less weight on particular goals; or social, financial, ecological and cultural or spiritual performance may be weighted equally. Cultural or spiritual outcomes are often seen as difficult measure. Cultural integrity, support for cultural initiatives, education and development, attention to spiritually significant sites, people and events; as well as adherence to particular values and principles may provide performance indicators against this outcome.