

## The performance of Māori firms: A strategic management approach



A recent study by Professor Jarrod Haar found that Māori frontier firms have strong firm capabilities and processes.

Haar analysed survey data covering 146 Māori enterprises, including 106 private sector firms. He looked at the effect of a range of factors on firm performance, covering firm structure, assets, strategy and entrepreneurial culture. Assets included the firm's people, relationships, management and cultural factors, as well as human resource management systems. Performance was measured by product innovation, top talent retention, organisational performance (managerial effectiveness, worker satisfaction and customer loyalty) and breakthrough sales (percentage of total sales generated from new products).

Haar found that all these factors were important for firm success, and that the results support several modern strategic management frameworks. The findings suggest that "Māori firms operate in ways that do align very closely to theoretical and empirical evidence from the western world, which of course, is logical given these Māori firms operate in a western economy".

As a way of considering Māori frontier firms, Haar looked at the top 12 firms in the sample according to their organisational performance. He found that the best-performing Māori firms have strong capacity across a range of organisational factors, including the right people, management, relationships, HR processes and cultural capital. Top Māori firms are able to combine and leverage these factors to gain success over their competitors.

Having both the capabilities and processes to do this provides a buffering effect against hostile industry forces (such as strong competitive pressures). Interestingly, firm size did not affect performance, suggesting that these Māori frontier firms outperform their rivals due to differences in their organisational makeup.

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Jarrod Haar is Professor of Human Resource Management at AUT, and has tribal affiliations of Ngati Maniapoto and Ngati Mahuta.



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