

## **CRITICAL ISSUES IN FOOD AND BEVERAGE PRODUCTIVITY: A REVIEW**

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If New Zealand's Gross Domestic Product (GDP) is to continue growing, labour productivity needs to improve. This raises concerns, not just to economists at a policy level, but also, to those who manage and own the service industries that account for the bulk of our employment. Productivity measurement is very difficult to achieve in sectors that provide a service rather than simply a tangible end product. The complexity of measuring service productivity also creates difficulties in gauging sector progress and business needs.

Statistics New Zealand is developing improved measures of productivity, and the Department of Labour is providing resources and support to manufacturing and service industries to help them improve productivity, and in turn strengthen the national economy. One key sector that has caught the attention of the Department of Labour Workplace Group is Food and Beverage services.

In 2006, the New Zealand Tourism Research Group was commissioned to conduct an array of research into productivity issues in the NZ Food and Beverage (F&B) sector. The project involves indepth interviews with industry operators and stakeholders, a nationwide web-survey of industry attitudes and approaches towards productivity enhancement, and a series of focus groups with employees.

This paper provides an overview of the outcomes of the initial phase of this project – a far-reaching review of global and New Zealand specific trends in F&B productivity research.

The paper begins by reviewing definitions of productivity and then discusses approaches to, and problems with, the measurement of productivity. We then provide a review of the key influences on hospitality productivity identified in the literature, such as: technology, training, hiring, internal communication, turnover and retention, labour out-sourcing, management capability, and human resource management generally.

The paper concludes with an overview of methods that have previously been adopted for F&B productivity research, and the need to 'triangulate' or 'mix' different research approaches, and adopt innovative and cost effective research strategies.

Key words: productivity, food and beverages, performance, labour, methodology