

Year	Production of Burgers	Productivity*	Productivity Changes
2007	46,241,971	5780.25	0%
2008	47,915,640	5989.46	3.62%
2009	46,965,170	5870.65	-1.98%

\*Approximate staff total of 8000

McDonalds are constantly upgrading and reshaping their method of production to increase the amount of burgers produced. They can achieve this by using better capital, division of labour and in theory if McDonalds can increase the amount of burgers supplied they can increase their turnover. This is a good theory but only applies when the customers have an unlimited want for a McDonald's product. If the customers cannot afford McDonalds or is no longer satisfied by what products McDonalds offers it will led to a drop in production as McDonalds doesn't have to supply as many burgers because consumer demand has decreased.

In addition to giving customers healthier food choices the warmer trays were removed and now food is prepared when it is ordered. These producer decisions may have lowered productivity as this means that McDonalds has to prepare burgers when ordered and can't pre-prepare burgers and put them in a warmer. If McDonalds increases its productivity by upgrading capital and diversifying labour they can supply customers with their food much faster than before, meaning that they are a 'fast food' restaurant.

There are disadvantages to increasing production this way as machinery is being used 24/7 and at a faster rate so is prone to breaking down. Workers can become bored with diversified labour as the job is monotonous, so to remedy these problems the machinery is regularly maintained and repairs made quickly and workers jobs are rotated to keep them interested. Increased production may mean that supply exceeds customer wants, meaning you are left with a surplus so this creates waste and less profit. McDonalds remedies this problem by making food to order meaning there are no extras and so no wasted food and maximised profits.

**Example:** These production decisions made changes to both the product and to the method of production in 2007 and 2008 and could have led to the increase in productivity of 3.62% because...and an increase in consumer demand for burgers as 1,673,669 more were produced in 2008... Production dropped in 2009, this may have been due to the global recession as people had less money to spend on fast food restaurants like McDonalds so production decreased by 950,470 in New Zealand...