

## **Developing and validating the qualitative labour productivity measurement in service industry**

### **ABSTRACT**

Over the past two centuries, labour productivity (LP) measured has long been synonymous with productivity measured in manufacturing quantitative features reflecting to its economic dominance. While manufacturing continues to be critical for economic growth, the world has evolved into a service-based economy that is more customer-focused, labor-intensive, and interactive in nature. The dominance of quantitative LP measure is not comprehensive enough to capture soft service factors in the service industry, as it is not solely concerned with quantity but relies heavily on labour quality. Unfortunately, the qualitative LP measure is still under-researched. Therefore, this paper aims at developing measurement scales for a conceptual model of qualitative LP measurement (QLPM) and its strategic outcomes. To validate the model, exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) were performed. This paper offers the authenticity of qualitative LP, which shifts away from the dependency on quantitative LP measure into a more comprehensive measurement that captured the importance of qualitative factors of LP in the service industry.