

A Literature Review on Developing a Framework for Factors Affecting Labour Productivity and Suggestions to Improve It

Jayaram S¹ and Aswin Bharath A²

Post Graduate Student, M.E Construction Management, Department of Civil Engineering¹

Assistant Professor, M.E Construction Management, Department of Civil Engineering²

Kumaraguru College of Technology, Coimbatore, Tamil Nadu, India

Abstract: *This literature review explores the development of a framework for understanding the factors that influence labor productivity and provides practical suggestions to enhance it. Drawing from a diverse range of academic sources and research papers, the review highlights the complex interplay between various macroeconomic and microeconomic factors, including technological advancements, skills, management practices, infrastructure, and labor market institutions. It emphasizes the need for a holistic approach that considers the synergistic effects of these factors and proposes strategies to improve labor productivity. These strategies encompass investment in research and development, fostering innovation, promoting human capital development, implementing effective management practices, improving infrastructure, enhancing labor market flexibility, and creating an enabling business environment. This review serves as a valuable resource for policymakers, researchers, and practitioners seeking evidence-based approaches to boost labor productivity and promote sustainable economic growth.*

Keywords: Labor Productivity, Macroeconomic and Microeconomic, Effective management practice

REFERENCES

- [1]. Acemoglu, D., & Autor, D. H. (2011). Skills, tasks and technologies: Implications for employment and earnings. *Handbook of labor economics*, 4, 1043-1171.
- [2]. Bailey, T., & Kurlaender, M. (2002). The changing productivity of labor in higher education. In *Studies of Supply and Demand in Higher Education* (pp. 67-114). University of Chicago Press.
- [3]. Bartel, A. P., & Lichtenberg, F. R. (1987). The comparative advantage of educated workers in implementing new technology. *The Review of Economics and Statistics*, 363-376.
- [4]. Bloom, N., & Van Reenen, J. (2010). Why do management practices differ across firms and countries?. *Journal of Economic Perspectives*, 24(1), 203-224.
- [5]. Brynjolfsson, E., & McAfee, A. (2014). *The second machine age: Work, progress, and prosperity in a time of brilliant technologies*. WW Norton & Company.
- [6]. Cappelli, P. (2015). Skill gaps, skill shortages, and skill mismatches: Evidence and arguments for the United States. *ILR Review*, 68(2), 251-290.
- [7]. Dearden, L., & Reed, H. (2002). The impact of training on productivity and wages: Evidence from British panel data. *The Oxford Bulletin of Economics and Statistics*, 64(s1), 397-421.
- [8]. Hulten, C. R., & Hao, L. (2012). What is a company really worth? Intangible capital and the "market to book value" puzzle. NBER Working Paper No. 18546.
- [9]. Ichniowski, C., Shaw, K., & Prennushi, G. (1997). The effects of human resource management practices on productivity: A study of steel finishing lines. *American Economic Review*, 87(3), 291-313.
- [10]. Jorgenson, D. W., & Stiroh, K. J. (2000). Raising the speed limit: US economic growth in the information age. *Brookings Papers on Economic Activity*, 1, 125-236.
- [11]. Krueger, A. B. (1993). How computers have changed the wage structure: Evidence from microdata, 1984-1989. *The Quarterly Journal of Economics*, 108(1), 33-60.

- [12]. Lazonick, W., & O'Sullivan, M. (2000). Maximizing shareholder value: A new ideology for corporate governance. *Economy and Society*, 29(1), 13-35.
- [13]. Lucas Jr, R. E. (1988). On the mechanics of economic development. *Journal of Monetary Economics*, 22(1), 3-42.
- [14]. Mankiw, N. G., Romer, D., & Weil, D. N. (1992). A contribution to the empirics of economic growth. *The Quarterly Journal of Economics*, 107(2), 407-437.
- [15]. Nunnally, S., & Hill, A. (2016). The relationship between firm size, innovation, and productivity growth in the US food processing sector. *Agribusiness*, 32(4), 500-513.
- [16]. Oliner, S. D., & Sichel, D. E. (2000). The resurgence of growth in the late 1990s: Is information technology the story?. *Journal of Economic Perspectives*, 14(4), 3-22.
- [17]. Pfeffer, J., & Veiga, J. F. (1999). Putting people first for organizational success. *The Academy of Management Executive*, 13(2), 37-48.
- [18]. Roberts, M. J., & Tybout, J. R. (1997). The decision to export in Colombia: An empirical model of entry with sunk costs. *American Economic Review*, 87(4), 545-564.
- [19]. Romer, P. M. (1990). Endogenous technological change. *Journal of Political Economy*, 98(5, Part 2), S71-S102.
- [20]. Syverson, C. (2011). What determines productivity?. *Journal of Economic Literature*, 49(2), 326-365.
- [21]. Teece, D. J. (2018). Profiting from innovation in the digital economy: Enabling technologies, standards, and licensing models in the wireless world. *Research Policy*, 47(8), 1367-1387.
- [22]. Van Reenen, J. (2011). Does competition raise productivity through improving management quality?. *International Journal of Industrial Organization*, 29(3), 306-316.
- [23]. Wang, J. (2014). R&D, productivity, and exports: Plant-level evidence from China. *Review of Economics and Statistics*, 96(2), 353-368.
- [24]. Wooldridge, J. M. (2019). *Introductory econometrics: A modern approach*. Cengage Learning.
- [25]. Zellner, A. (1962). An efficient method of estimating seemingly unrelated regressions and tests for aggregation bias. *Journal of the American Statistical Association*, 57(298), 348-368.