A STUDY OF HUMAN CAPITAL PERFORMANCE OF FOUR-STAR HOTEL IN BANGKOK

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Aeyaya Chorot

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Author: Mr. Aeyaya Chorot

Independent Study Committee:

Advisor [redacted]

(Asst. Prof. Dr. Kasemson Pipatsirisak)

Field Specialist [redacted]

(Dr. Sukontip Rattanapupan)

[redacted]

(Dr. Suchada Chareanpunsirikul)

Dean of the Graduate School

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ABSTRACT

The purpose of this research is to (1) determine how employees perceive the human capital factors of education, experience and training as contributing to Business performance; (2) to determine how the managers perceive the human capital factors of education, experience and training as contributing to Business performance; (3) to identify the significant differences between the perception of the managers and employees regarding the human capital factors of education, experience and training. The total samples of eight hotels categorized as four start hotels are collected in Bangkok. In this study, quantitative method is applied by using survey questionnaire.

The researcher constructed a questionnaire with 4 questions on profile of the respondents and for the perception of employees towards education, training and experiences. From the study, it is found that the employees perceived that educational qualification, experience and training contributing factors to business performance, and when ranked employees perceived that educational qualification ranked first then experience ranked second and training ranked third that can contribute to business performance. On the other hand, the manager of the hotels perceived experience as the most important factor that can contribute to business performance. The mangers perceived that experience ranked first then educational qualification ranked second and training ranked third that can contribute to business performance. Finally, there is no significant difference between the perception of employees and manager on human capital factors as contributing to business performance.

Keywords: Education, Experience, Training

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CHAPTER 1

INTRODUCTION

1.1 Rationale and Problem Statement

Human capital is the most important asset for any business. Due to globalization human capital has received vast recognition. Many organizations in the world are investing in the development of human capital, which in turn will bring success to business. Hotel industry uses human capital as a lot of people are involved in it. Organizations invest in human capital to increase productivity and enhance economic growth. Organizations must invest in essential resources to develop the human capital which will have an impact on the performance of the business. Human capital is not about people working in the organization rather it is a combination of their experience, skills, knowledge, attitudes, abilities, culture, and motivation and employee engagement.

It is a fact that, the Travel and Tourism Industry, is crucial to Thailand's economy. The country has long been renowned as a world-class tourist centre. Thailand maintains the reputation as a destination of first choice by tourists all over the world. While making an effort in improving the tourists' attractions and improving the tourists facilities, it must not be forgotten that people are our greatest asset**.** For instance, it is found that when the employees of the hotels provide quality services; the tourists' confidence in Thailand will improve , tourist keep coming in and returning back. Such an investment can ultimately contribute to better financial performance for the country and benefit the Travel and Tourism Industry. The key resource for the development is always human resources.

So, human resources must work and cooperate with international partners to buildand develop business opportunities, The communication skills of human resources at all levels, are crucial for long-term tourism and hospitality business growth. Therefore, Companies should invest and emphasize on learning, training and capacity building to ensure high quality service for all the visitors.

Growth in the country's tourism sector is expected to continue and the Tourism Authority of Thailand (TAT) has forecasted 24.5 million visitors in 2013. The Bangkok hotel market has shown some signs of recovery over the last 24 months. Strong visitor growth has benefitted the hotel industry, contributing to one of the fastest increases in RevPAR (Revenue per Available   Room year to-date (YTD) in the region As at YTD December 2012, RevPAR of the three-star and four-star hotels showed an increase of 11.6% and 20.7% respectively. An estimated 8,000 rooms across all segments are in the future hotels pipelines between 2013 and 2015, which may limit further RevPAR growth in the short term.

For Thailand's tourism market, short-term tourism market appears to be quite positive due to constant increase in the number of visitors from around the world . Thailand should have positive market potentials due to the arrival of Asian tourists. Thai tourism and hospitality firms grow internationally in all sectors, including travel agency, tour operator, hotel, spa and airlines.

Human capital is the stock of competencies, knowledge, social and personality attributes, including creativity, embodied in the ability to perform labor, so as to produce economic value. It is an aggregate economic view of the human being acting within economies, which is an attempt to capture the social, biological, cultural and psychological complexity as they interact in explicit and/or economic transactions.

Many theories explicitly connect investment in human capital development to education, and the role of human capital in economic development, productivity growth, and innovation has frequently been cited as a justification for government subsidies for education and job skills training.

The level of human capital in hotels of Thailand varies from other countries in the region. The question before the owners and administrators of hotel establishments in Thailand, especially in the four star category, is what can be done in order to improve the efficiency of investment in human capital.

This research study would find answers for the following questions:

1. How do the following human capital factors contribute to business performance as perceived by employees about the education, experience, and training as contributing to Business performance?

2. How do the following human capital factors contribute to business performance as perceived by the managers about the education, experience, and training as contributing to Business performance?

3. What is the significant difference between the perception of the managers and employees regarding the human capital factors as contributing to Business performance?

1.2 Objectives of the Study

This research study aims to find out the perceived role of human capital as contributing factors to business performance of four star hotels in Bangkok. Accordingly, the following research objectives have been formulated in the study:

1. To determine how employees perceive the human capital factors of education, experience and training as contributing to Business performance.

2. To determine how the managers perceive the human capital factors of education, experience and training as contributing to Business performance.

3. To identify the significant differences between the perception of the managers and employees regarding the human capital factors of education, experience and training.

1.3 Contribution of Study

This research is on “The perceived Role of Human Capital as contributing factors to Business performance of Four-Star Hotels in Bangkok “, which would significantly add knowledge to the managements of hotels on how human capital attributes, will increase business performance of the hotels involved. The results of the research will also be a positive contribution not only to people in the hotel industry, but also encourage other researchers to conduct further research to improve the business performance of luxury hotels.

According to Becker (1964) the education, training, experience, and health of the workforce affect worker productivity and economic performance. Businesses can invest in human capital with the hope of generating satisfactory returns on that investment through the resulting performance gains.

CHAPTER 2

REVIEW OF LITERATURE

2.1 Related Theories and Previous Studies

In the hotel management, human resource management is one of its most important assets. It centered on human capital management .Human capital management consist of proper management of the staff training of both the new and the existing staff. When the staff are trained they become the asset in the hotel industry .It ensures to meet the objectives and goals of the management.

This paper aims to focus on human capital in the four star hotel category, which is most valuable Intangible asset, and its the role in an organizations' performance. It is without doubt, human resource is the most valuable asset to any organization. People are the greatest potential for any organization. Organizations comprised of three types of major assets that are needful to an organization's ability to produce goods and services, namely, financial assets, Physical assets and Intangible assets. Intangible assets include intellectual capital, goodwill, and human capital. Human capital is not just the people working in an organization but it is the combination of their experience, attitudes, abilities, culture, education, and training. etc.

Human Capital Concept

Human capital is defined in the Oxford English Dictionary as "the skills the labor force possesses and is regarded as a resource or asset." Claudia explained that it encompasses the notion that there are investments in people (e.g., education, training, health) and and according to Goldin (2014) , investment in human capital can increase an individual's productivity

Many researchers from the areas of Human Resource Management have been interested in finding the relationship between human capital (which includes education, knowledge, experience, and skills) and the performance of an organization. Schultz defined human capital theory as “the knowledge and skills that people acquire through education and training as being a form of capital, and this capital is a product of deliberate investment that yields returns” (Nafukho, 2004).

In fact, according to Ganotakis (2010), human capital can be divided into general human capital and specific human capital. General human capital is usually measured by the educational qualifications and by the total number of years of working experience. Specific human capital includes; specific business education, specific skills, industry related experience and managerial experience**.** The definitions of human capital theory all encompass similar important themes and embody the following: investing in acquired education/schooling, on-the-job training and development, and other knowledge, which have a positive impact on productivity and wages. There are numerous methods to improve human capital, which range from formal education to on-the-job learning or firm-provided training (Machin & Vignoles, 2004, p. 4). Human capital theory can be used to explain investments in schooling, firm-provided training, vocational and technical education and qualifications, and the benefits of informal on-the-job learning (Machin & Vignoles, 2004).

The objectives of human capital are to educate employees and maximize the intangible capabilities of knowledge, skills, and experience to create company value and increase performance (Hsiung & Wang, 2012). There is a positive relationship between human capital and knowledge creation (Ning et al., 2011). Gruian (2011) stated human capital refers to the knowledge, skills and abilities of employees, i.e. professionalism, efficiency and effectiveness in improving business productivity. Ngah and Ibrahim (2009) concluded that human capital can be divided into three dimensions: capability and potential, motivation and commitment and innovation and learning. Ngah and Ibrahim (2011) human capital of one organization to another organization is totally different and that makes it difficult to imitate, difficult to copy, rare and non-replaceable. Zambon (2002) Human capital is not owned by the organization, it is only rented for the period the employees spend in the organization.

The concept of human capital theory was first introduced by T. W. Schultz's (1961) in his article," Investment in Human Capital,(edited by Blang 1968). T. W. Schultz (1961) stated that skills and knowledge should be regarded as forms of capital. Schultz considered that education as an investment that yields economic benefits for societies and individuals. Becker (1964) provides the consequences of investing in human capital. Becker analyzed the rates of return from formal education and on the job training, he showed that from an economic point of view; education is a worthwhile investment for individuals. Again, in 1975, he stated that "Economists regard expenditures on education, training, medical care, and so on as investments in human capital" (p. 74).

It is to be noted that human capital is equated as a capital; talented persons carry within them in their knowledge and expertise. The main focus of the human capital theory is the outcome of investments in education and work experience (Becker, 1993). Human capital encompasses both abilities, which are influenced in part by genetic factors (e.g., intelligence, health, personality, attractiveness) as well as acquired skills such as education, job training, tenure, work experience, and interpersonal relationships (Shanahan & Tuma, 1994 cited by Markman, & Baron 2003).

Human capital theory is concerned with decisions in respect to investments in education and work experience (Becker, 1993). Bruederl et al., (1992) distinguished between general human capital as years of schooling and years of work experience; and specific human capital as industry specific experience, self-employment experience, leadership experience, and self-employed . According to Cooper et al., (1997), general human capital relates to factors expected to increase the individual's productivity for a wide range of job alternatives; where as specific human capital factors are related to the factors which is applicable to a specific domain. The skills, knowledge, and experience possessed by an individual or population, viewed in terms of their value or cost to an organization or country is termed Human capital.

The Definition of Human Capital

It is important to understand human capital, according to Becker (1992), human capital analysis starts with the assumption that individuals decide their education, training, medical care, and other additions to knowledge and health by weighing the benefits and costs. "Education and training are the most important investments in human capital" (Becker, 1993, p. 17). The earnings of the more educated and highly trained are almost always well above average (Becker, 1993).

Sullivan and Sheffrin (2003) on the other hand, define human capital as the stock of competences, knowledge and personality attributes embodied in the ability to perform labor so as to produce economic value. Human capital represents the investment people make in themselves or by their organizations that enhance their economic productivity. Human capital is defined as the set of skills which an employee acquires on the job, through training and experience, and which increase that employee's value in the marketplace.

Human capital attributes - including education, experience, knowledge, and skills - have long been argued to be a critical resource for success in entrepreneurial firms (Florin, Lubatkin, & Schulze, 2003; Pfeffer, 1994; Sexton & Upton, 1985). Many researchers have argued that human capital may play an even larger role in the future because of the constantly increasing knowledge-intensive activities in most work environments (Bosma, van Praag, Thurik, & de Wit, 2004; Honig, 2001; Penning, Lee, & van Witteloostuijn, 1998; Sonnentag & Frese, 2002). At present, the interest in human capital continues, and most authors have concluded that human capital is related to success (Bosma et al. 2004; Brüderl et al., 1992; Cassar, 2006; Cooper et al., 1994; Dyke, Fischer, & Reuber, 1992; van der Sluis, van Praag, & Vijverberg, 2005).

We also found that human capital is defined as "the knowledge, skills, competencies, and attributes embodied in individuals that facilitate the creation of personal, social and economic well being" (Organization for Economic Co-operation and Development-OECD, 2001). The human capital attributes such as: personal characteristics, age, years of education and training, work experience of the owner manager, industry specific experience etc determine the level of success of the business. Human capital acts as a resource and it is created by changes in persons that bring about skills and capabilities that make them able to act in new ways (Coleman, 1988).

Further, human capital emanates from the fundamental assumption that humans possess skills and abilities that can be improved, and as such can change the way in which people act (Becker, 1964). Human capital is said to be embodied in the skills, knowledge, and expertise that people have; it has been seen as an important source of competitive advantage to individuals, organizations, and societies (Coleman 1988; Gimeno et al., 1997). For example, Gimeno et al. (1997) found a positive association between the overall level of human capital, as measured by education level and work experience, and economic performance.

Penning et al. (1998) found similar results in their study of the effects of various forms of capital, including human capital, on firm dissolution. Human capital refers to the quality of a person at expressing himself in his knowledge, skills and qualifications, acquired through education, training and experience (Becker, 1993). The studies in general use measures such as degree of education (Gimeno et al., 1997) and experience (Bruderl et al., 1992). Although the results obtained are wide-ranging, there are studies that show that the kind of commercial experience, management experience and business experience significantly influences the business activity, especially when the results are controlled, for example, by factors such as industry (Bates, 1995; Gimeno et al., 1997). Education, experience and knowledge are relevant characteristics of human capital (Pennings et al., 1998; Writh et al., 1995), which allow access, in general, to more business opportunities (Gimeno et al., 1997).

It may be stressed that, human capitals involves processes that relate to training, education and other interventions in order to increase the levels of knowledge, skills, abilities, values, and social assets of an employee which will lead to the employee's satisfaction and performance, and eventually on a firm performance. Therefore, any organization whose goals is to sustain growth and survive in the market has to invest in training and development to improve in production as well as to acquire the greatest return in investment of human capital (Knoke & Kalleberg, 1994). Cheng and Ho (2001), also discuss the importance of training and its impact on job performance.

So to enhance job performance, training skills and behaviors have to be transferred to the workplace, maintained over time, and generalized across contexts (Holton & Baldwin, 2000).Specific job training has been the focus of much of the training literature (Chiaburu & Teklab, 2005). Training programs are vital to organizations (Knoke & Kalleberg, 1994; Liu, 2002; Wang, 2001), training programs are often the first to go (Young, 2008). The training program is the first to be suspended incase of poor economy.

The Related Theories

Human capital theory postulates that an individual, when deciding to invest in education and training, will perform a sort of cost-benefit analysis, considering the benefits of education and training, as net of costs. Various other factors will also influence the individual's decision: investment is likely when the individual is young, when the expected earnings are higher, and when the initial investment costs are lower.

Human Capital theory was proposed by Schultz (1961) and developed extensively by Becker (1964). Schultz (1961) in an article entitled "Investment in Human Capital" introduces his theory of Human Capital. Schultz argues that both knowledge and skill are a form of capital, and that this capital is a product of deliberate investment. The concept of human capital implies an investment in people through education and training. Schultz compares the acquisition of knowledge and skills to acquiring the means of production. The difference in earnings between people relates to the differences in access to education and health. Schultz argues that investment in human capital leads to an increase in human productivity, which in turn leads to a positive rate of return. Human capital is substitutable, but not transferable.

Human capital theory suggests that education, training, and development, and other knowledge have a positive impact on productivity and wages. The theory further distinguishes between on-the-job training to include general and firm-specific training. There is extensive and detailed literature on rates of return on education and training, based on human capital theory. Much of this literature relates to the rates of return for the individual and society in general of investment in human capital, in the form of education and training. Most of this microeconomic research draws on work by Becker (1964), Mincer (1974) and many others.

Main focus of the human capital theory is the outcome of investments in education and work experience (Becker, 1993).The first theory states, “The economics of education certainly has a long and distinguished history” (Machin & Vignoles, 2004, p. 3). The original work and initial thoughts of human capital began with British economists William Petty and Adam Smith, however, American economist Gary S. Becker (1993) is credited with completing extensive work and formulating the theory of human capital (HCT) through the publication of his work. “It is Gary Becker who is generally considered the founding father of the economics of education as a distinct research field” (Machin & Vignoles, 2004, p. 3).

The second theory state that, Human capital theory suggests that education, training, and development, and other knowledge have a positive impact on productivity and wages. The theory further distinguishes between on-the-job training to include general and firm-specific training. These suggestions have direct implications for human resource development. It is the responsibility of human resource development practitioners to provide these investments in people (employees) and to determine the impact of these education and training interventions. Human resource development has the ability to determine return on investment on the education and training provided employees.

"Human capital theory suggests that individuals and society derive economic benefits from investments in people" (Sweetland, 1996, p. 341). The theory of human capital has created a uniform and generally applicable analytical framework for studying not only the return on education but also on calculating a return on investment for on-the-job training, schooling, and "other knowledge"(Becker, 1992, para. 5). The determination of ROI continues to be the responsibility of human resource development scholars and practitioners. According to Fitzsimons (1999), the reformulation of human capital theory can be correlated to significant stress on education and training as a key to participation in the new global economy.

The Information collected so far, showed that measuring the benefits of education and training is complex and can be considered at various levels and from a different perspectives:

(a) At an individual level: examining the impact of education or training on the chances of being employed or unemployed or, most commonly, earnings;

(b) From an organizational perspective, examining the impact of education and training on organizational performance. The extent to which employers engage in training their staff and provide employees with transferable skills in the labor market is critical (Stevens,1999);

(c) At a macro level, examining the role of education and training, typically using qualifications as a measure of activity, and their impact on productivity, output growth and employment.

As seen, human capital theory suggests that that a person’s earnings in the labor market are influenced by the level of human capital they possess and that education and training they have. Human capital affects growth in two different ways: increases in education and training have the potential to spill over to other individuals, making other workers more productive; and better-educated and trained workers are more productive, have more knowledge and make better use of firms’ capital investments. The approach also emphasizes the higher rate of innovation that can be generated by having more educated workers generating new ideas.

A measure of the economic value of an employee's skill set.

This measure builds on the basic production input of labor measure, where all labor is thought to be equal. But the concept of human capital recognizes that not all labor is equal and that the quality of employees can be improved by investing in them. The education, experience and abilities of an employee have an economic value for employers and for the economy as a whole. Economist, Theodore Schultz, invented the term Human Capital in the 1961 to reflect the value of our human capacities. He believed, human capital was like any other type of capital; it could be invested in through education, training which enhanced benefits that will lead to an improvement in the quality and level of production.

According to Leitao and Franco (2008), they found, that empirical research has obtained a range of results regarding this relationship between human capital and performance, but those results are not consensual. But Empirical literature such as

Shiu (2006), Appuhami (2007) and Chan (2009) they all find insignificant relationship between human capital and firm performance. Education program, which includes courses ranging from management skills and personal development to training in systems and processes should be conducted for employees.

Human capital helps to increase the ability of employees to perform their day to day entrepreneurial tasks of discovering and exploiting business opportunities (Shane and Venkatraman et al., 2000).Human capital is positively related to planning strategy, which in turn, positively impacts success (Unger, Rauch, & Frese, 2011 cited Baum, 2001; Frese., 2007).Good work related knowledge is helpful for gaining other needful resources such as financial and physical capital to the firm (Brush, Greene, Hart et al., 2001). Human capital may helpful to compensate a lack of financial capital which is constraint for many entrepreneurial firms (Chandler and Hanks, 1998).

The Benefits from Human capital

The benefit of human capital to the individuals are the financial rewards from work, that is an individual will expect higher earnings over their lifetime because investment in education and training equips them with skills that improve their productivity and make them more attractive to employers.

It is also found from the literature study, that Some studies also showed that the people with higher ability and with higher educational attainment are more likely to participate in training. International evidence indicates there are significant returns to investment in formal training for the individual: higher earnings in the range of 5-10% have been observed. Firms are generally slow to invest in training that equips workers with transferable skills, for fear of poaching. With specific training, firms are more likely to invest as they can reap some of the benefits when the worker becomes more productive as a result of training. The content of training is also important.

So, human capital investment is any activity which leads to the improvement in the quality (productivity) of the worker. Thus, training is an important component of human capital investment. It refers to the knowledge and training required and undergone by a person that increases his or her capabilities in performing activities which are of economic values. Contemporary literature has shown the importance of training. The workforces' lack of training is related to low competitiveness (Green, 1993). A greater human capital stock is related with greater productivity and higher salaries (Mincer, 1997). Similarly, training is linked to the longevity of companies (Bates, 1990) which is in turn related to business and economic growth (Goetz and Hu, 1996).

It has been observed that, many researchers have categorized human capital into three similar aspects such as: (1) Firm –specific human capital; (2) industry – specific human capital; and (3) individual – specific human capital. Individual-specific human capital refers to knowledge that is applicable to a broad range of firms and industries; it includes general managerial and entrepreneurial experience (Pennings et al., 1998), the level of academic education and vocational training and the individuals' age (Kilkenny et al., 1999). Industry-specific human capital pertains to knowledge derived from experience specific to an industry, and several researchers have examined the role of industry experience on the growth and economic performance of entrepreneurial ventures (Siegel et al., 1993) as well as society (Kenney and von Burg, 1999).

In Categorizing the Human Capital Concept**,** the first viewpoint is based on the individual aspects. Schultz (1961) recognized the human capital as “something akin to property” against the concept of labor force in the classical perspective. There is the second viewpoint on human capital itself and the accumulation process of it. This perspective stresses on knowledge and skills obtained throughout educational activities such as compulsory education, postsecondary education, and vocational education (De la Fuente & Ciccone, 2002, as cited in Alan at al., 2008).

The third is closely linked to the production-oriented perspective of human Capital. Frank & Bemanke (2007) define that human capital is “an amalgam of factors such as education, experience, training, intelligence, energy, work habits, trustworthiness, and initiative that affect the value of a worker's marginal product”. “The stock of skills and knowledge embodied in the ability to perform labor so as to produce economic value” (Sheffin, 2003). Human capital is ‘generally understood to consist of the individual’s capabilities, knowledge, skills and experience of the company’s employees and managers, as they are relevant to the task at hand, as well as the capacity to add to this reservoir of knowledge, skills, and experience through individual learning’ (Dess & Picken, 2000 p. 8).

As already shown, human capital theory was originally developed to estimate employees' income distribution from their investments in human capital (Becker, 1964; Mincer, 1958). Now, researchers have employed a large spectrum of variables - all signifying human capital: formal education, training, employment experience, start-up experience, owner experience, parent’s background, skills, knowledge and task- related human capital. Following Becker (1964), human capital has been defined as skills and knowledge that individuals acquire through investments in schooling, on-the-job training, and other types of experience.

The outcomes of human capital investments are acquired knowledge and skills. Human capital theory does not explicate the process of transfer of human capital. The theory simply states that human capital investments “improve knowledge, skills, or health, and thereby raise incomes” (Becker, 1964, p.1). Human capital theory assumes that people attempt to receive a compensation for their investments in human capital (Becker, 1964).

Human capital has been identified as a critical aspect of business knowledge, and especially, important to obtain different resources (Brush et al., 2001), as it makes access to extremely useful social relations easier, such as in obtaining specific resources, for which the value and importance of informal contacts is crucial (Glaeser et al., 2002; Brinlee et al., 2004). In numerous studies (Pennings et al., 1998; Gimeno et al., 1997) human capital is considered a key factor for organizational success, namely with regard to the firm founders (Colombo and Grilli, 2005).

It is predicted that individuals with greater human capital are likely to make better business decisions. Individuals with more specific human capital based on industry or with business knowledge, are at greater advantage of business performance. Davidsson and Honig, (2003) found that there is a positive association between education and discovery and exploitation of business opportunities.

<u>Education and Human Capital</u>

The role of education and training on company performance is an important issue, because of the large amount of investment made each year in knowledge and skills, but also because it is pertinent to know who benefits from these investments.

The later question has a bearing on who should carry the costs of training investment, to what extent we have under-investment in training, whether there is a need for policies to improve the current situation in regard to company training, etc. The aim of this study is to provide an overview of research that connects education, training or skills/competence and experience with the contribution of these activities on productivity, profitability of firm.

Education, in its general sense, is a form of learning in which the knowledge, skills, and habits of a group of people are transferred from one generation to the next through teaching, training, or research. Education frequently takes place under the guidance of others, but may also be autodidactic. Any experience that has a formative effect on the way one thinks, feels, or acts may be considered educational.

There are many thinkers who advocated the relationship between education and human capital. For Mincer (1984), human capital is both a condition and a consequence of economic growth. This is so, as education activities consist of both the embodiment in individuals of available knowledge and the production of new knowledge. Dowrick (2003) argues that human capital 'lives and dies with particular people' while knowledge and ideas 'do not live and die with their inventors'. All agree that the production of human capital is a consequence of education activities, whether formal or informal.

Investment in Education

Firstly, according to the approach of Becker (1962, 1964) and Mincer (1984), whether to undergo education can be seen as an investment decision. In Mincer the costly acquisition of human skills is an act of investment; in Becker the investment in human capital refers to activities that influence future real income through the imbedding of resources in people. Several ways of building human capital besides schooling are usually recognized, such as on-the-job training, learning by doing or experience, and home learning (e.g. through media).

The decision process can be analyzed in a way similar to that of investment in physical capital, where individuals take into account both present costs and future benefits. The human capital literature analyses the accumulation of skills as an outcome of individuals' decisions, which are based on incentives, i.e. their expected rate of return to the investment. In making their decisions individuals take into consideration the cost (time measured by its opportunity cost plus direct costs such as tuition fees) and the present value of the future stream of increments in wages due to additional schooling during their working life.

Optimality conditions similar to those for investment in physical capital determine that individuals will decide to invest in education up to the point where the cost equals the present value of the future stream of increments in wages due to additional schooling during working life. The rate for which this equality holds is the internal rate of return of the investment.

Wages as a Measurement

According to Mincer (1984), he argues that the measurement of labour as a factor of production in manhours is inadequate, as labour is heterogeneous. He states: "wages of a worker are proportionate to the size of his human capital stock. Thus wage differentials among workers are due primarily to differences in the sizes of human capital stocks, not in the 'rental price' employers pay per unit of the stock".

On the Other hand, Welch (1966) highlights the difference between the concepts of 'education' and 'quality schooling' in accounting for individuals' qualifications. ‘Quality schooling’ refers to heterogeneous situations (e.g. over time or across districts or countries) while ‘education’ is homogenous, and ‘quantity times the quality of schooling is defined as education’. Hence individuals who have attended school for the same number of years by definition have the same amount of schooling, but may differ in the amount of education received. The returns to education are not solely private. There may be spillovers from education to other individuals, in which case the social benefits would be higher than the sum of private returns to educated individuals.

Education as an Asset

The investment in education brings returns, social and private, but the timing of investment is also important. Further more, the effects of education, skills and competences on company performance are more difficult to establish, as these factors are accumulated measures of human capital stock. In comparison, company’s training which normally varies from year to year, educational levels are much more constant.

Educational or skills levels are normally included as control variables in most impact research but less frequently used as a main variable. The literature review on explaining company performance indicates that education and skills are important factors in determining the performance among firms. There is research to connect the effect of educational level or skills/competence level with productivity, with positive association in the work of Black and Lynch (1996) and NUTEK (2000). Indications that skills are an important factor in productivity are presented in Carr (1992) and Mason et al. (1992).The findings of Leiponen (1996) indicate that innovative firms have a more educated workforce and that innovative firms are more dependent on educational competence in generating profit(Leiponen, 1996a. The evidence that the level of education or skills is related to innovation and productivity might not be too surprising since education and skills are generally considered as associated with more complex jobs and increased flexibility. What is more surprising is that we start to see studies relating education and skills to profitability. The results of Leiponen (1996a) show that educational level is associated with profitability (net profit margin).

Also, the study by NUTEK (2000) shows that the proportion of higher educated employees is significantly associated with both productivity (value added) and profitability (revenues to cost ratio). Because educational level is associated with both productivity and profitability it gives us a more solid basis for inferring that higher education generates higher productivity and that firms are able to capture some of the benefits.

Prior Education and success

According to Kilpatrick (1996) there is some evidence of a relationship between prior education and success in small business. Kilpatrick (1996) found that small agricultural business owner/managers with formal qualifications were more profitable because they were better able to make appropriate and successful changes in their business. Bureau of Industry Economics (1991) and number of studies summarized in World Bank (1995) found that small businesses with better educated managers are more likely to grow and/or survive. A large Australian study over a twelve year period found a significant relationship between prior formal education and business success (Williams, in McMahon, 1989, 62).

Therefore, the ability and willingness to make successful changes to practices in the business is suggested as the link between education and training and business success (measured by productivity, profitability and/or survival). Education and training is especially important for those functions which require adaptation to change (Sloan, 1994). A number of studies suggest that the better educated are aware of a greater number of possible innovations through use of the mass media and contact with expert advisers (for example, Rogers, 1995)

But Groot, 1999 said Investors and beneficiaries are not always the same as presented, who points out the weak connection between those who contribute to training investment and those who benefit from it. That firms are able to extract higher profitability from more highly skilled or educated workers is an argument put forward by those proposing that wage compression is a major reason for firms to invest in general skills (e.g. Acemoglu and Pischke, 1998, 1999a). The basic reasoning is that individuals are not paid their marginal product and that firms are able to extract higher profits from more skilled workers who are not paid what they are worth for the company. If education leads to a higher quality of entrepreneurial performance, this justifies appropriate investments in education.

Experience and Human Capital:

Business Experience and Formal Education are vital factors to the business success or Failure. The impact of education and business experience on the business success has been the subject of much discussion and speculation. Practical experience is no longer enough to stay competitive. Within the international marketplace, changing structures are intensifying competition. The era of “on-the-job” experience only as enough for success is coming to an end.

It needs to be replaced with an increased commitment and capability in industry to provide systematic on-the-job learning. Relevant experience is also an important element of human capital. Coleman (2007) found that prior business experience was significant and positive in profitability of business. Cooper, Gimeno-Gascon, and Woo (1994) found that higher level of education and industry-specific experience contributed to firm survival and growth. As stated by the Packalen (2007) those with industry experience may bring detailed knowledge about how an industry works, and are likely to have a better understanding of customer demand, and the previous experience would help in growing up a prosperous company in the industry.

Human capital encompasses both abilities, which are influenced in part by genetic factors (e.g., intelligence, health, personality, attractiveness) as well as acquired skills such as education, job training, tenure, work experience, and interpersonal relationships (Shanahan & Tuma, 1994 cited by Markman, & Baron, 2003). Human capital theory is concerned with decisions with respect to investments in education and work experience (Becker, 1993).Some researchers have found positive relationships between previous experience and business growth (Dahlquist, Davidsson, & Wiklund, 1999; Ham brick& Mason, 1984; Locke, 2004; Macrae, 1992; Siegel, Siegel, & Macmillan, 1993; Storey, 1994).

Therefore on a theoretical level, knowledge and skills are acquired from experience and education in a process of learning. Human capital refers to knowledge and skills acquired through experience (Becker, 1964). Hence, theoretically, human capital is the result of experience. Most researchers in entrepreneurship, however, have used experience or education in their analyses of human capital effects (Rauch, Frese, & Utsch, 2005). Whether human capital experience leads to knowledge depends on characteristics of the person and the environment (cf. Quiñones, Ford, & Teachout, 1995; Gagné, 1985). Experience and knowledge have been used in previous studies to analyse human capital success relationships (e.g. Rauch et al., 2005; Gimeno et al., 1997). Although often equated in the literature both are not the same (cf. Reuber & Fisher, 1994).

Some of the former studies which seek to find a direct relationship between experience and performance have found mixed results. Reuber, Dyke, and Fischer (1990) argue that such mixed findings may be due to the fact that various kinds of experience are relevant to entrepreneurship, and that the relevance of a specific kind of experience may vary in different contexts, such as in different industries.

This argument is supported by Covin, Slevin, and Covin (1990) they indicated that different types of management practices are used in different industries. Cooper, Woo, and Dunkelberg (1989) found a significant positive relationship in a cross-industry analysis; however, this study did not examine the relationship between experience and performance directly. Staw (1991) asserts that experience is the best predictor of business success, especially when the new business is related to earlier business experiences. Haswell et al. (in Zimmerer & Scarborough, 1998) note that prominent reasons behind business failures are managerial and experiential incapabilities. Wood (in Zimmereer & Scar-borough, 1998) confirms this.

According to Kim (in Meng & Liang, 1996), Staw(1991), and Katz (in Holt, 1992), after entering the entrepreneurial world, those with higher levels of education are more successful because university education provides them with knowledge and modern managerial skills, making them more conscious of the reality of the business world and thus in a position to use their learning capability to manage business. Roberts (1969) found that the founders of high technology companies had at least one college degree and that half held at least a Master of Science degree.

Kim (in Meng & Liang, 1996) found that 30% of successful entrepreneurs have no work experiences, compared to just 3% of unsuccessful entrepreneurs This means that experience is not critically important for business success. In this context it is very important to study whether the investigation of the source of this fact leads to the relationship between education and business experience with business success. Van de Ven, Hudson, and Schroeder (1984) found a significant, negative relationship between prior small business experience and firm growth.

However education and the business experience are two major success factors to determine the business in modern world. Keeley and Roure (1990) and Van de Ven, Hudson, and Schroeder (1984) did not find a significant relationship between industry experience and firm performance.

Toohey (2009, p.13) argues and supports that experience takes many guises (for example, industry experience, start-up experience, etc.) and breadth of experience is shown to be an important factor driving the performance of firms, with the number of previous jobs positively related to new firm performance (Lumpkin and Marvel 2007). Wanigasekara and Surangi (2011, p.1) elaborates that most of the researchers have found a strong link between business experience, education and business success. Thapa (2007) also found a positive association between education and small business success.

Chrisman, McMullan and Hal (2005) narrowed down and reported that the knowledge gained from previous experience is essential for small firm success. Mazzarol, Volery, Doss and Thein (1999) states that demographic factors such as age, gender, education and work experience has a considerable impact on entrepreneurial intention and venture success.

Finally, according to Richard et al. (2008), the goal approach directs the owners-managers to focus their attentions on the financial (objective) and non-financial measures (subjective). Financial measures include profits, revenues, returns on investment (ROI), returns on sales and returns on equity, sales growth, and profitability growth. Non-financial measures include overall performance of the firm relative to competitors, employment of additional employees, customer satisfaction, employee satisfaction, customer loyalty, brand awareness and owner's satisfaction with way the business is progressing.

Training and Human Capital

"***Training*** is the process that provides employees with the knowledge and the skills required to operate within the systems and standards set by management." (Sommerville 2007, p. 208). "Training is an activity that changes people's behavior." (McClelland 2002, p.7).

Training is designed to provide learners with the knowledge and skills needed for their present job (Fitzgerald, 1992) .There is an increasing awareness in organizations that the investment in training could improve organizational performance in terms of increased sales and productivity, enhance quality and market share, reduce turnover, absence and conflict,(Huselid 1995, Martocchio & Baldwin 1997, Salas & Cannon-Bowers 2000). In contrast, training has been criticized as faddish, or too expensive (Salas & Cannon-Bowers 2000, Kraiger, McLiden & Casper 2004), and there is an increasing skepticism about the practice and theoretical underpinning of linking training with firm performance (Alliger, et al. 1997, Wright & Geroy 2001).

Staff training is a significant part as well as the key function of Human Resource Management and Development; it is the crucial path of motivating employees and increasing productivity in the business. (McClelland 2002, 7).

Training is often conducted to familiarize new employees with the roles and responsibilities of their positions as well as company policies. Many companies offer continuing training opportunities for employees, focusing on skills that can improve efficiency. Employees who are well trained often have higher motivation and morale because they feel that the company has invested in their ability and development. This also results in lower turnover rates. Training impacts positively on employee's performance by generating benefits to both the employees and the organization they work for through the development of skills, knowledge, abilities, competencies and behavior (Evans, 1999).

Training is the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies. Training has specific goals of improving one's capability, capacity, productivity and performance.

Staff training is an indispensible part of human resource management activities; more and more companies have realized how important it is to maintain training in the changing and complex work environment. Therefore, staff training is essential in many ways, it increases productivity while employees are armed with professional knowledge, experienced skills and valid thoughts. Staff training also motivates and inspires workers by providing employees all needed information in work as well as helps them to recognize how important their jobs are (Yafang Wang 2008). Training and development can be seen as a key instrument in the implementation of HRM practices and policies (Nickson, 2007). Successful hotels always include staff training as their important development strategy.

Impact from Staff Training

In general, there is evidence that training has a greater impact when undertaken in connection with supporting HRM practices, in particular existence of a formal training strategy, written commitments to training, methods for analysing training needs, linking training and strategic objectives (e.g. Maglen and Hopkins, 1999; Blandy et al., 2000; Baldwin and Johnson, 1996). Whether training has an additional effect over and above high performance work practices is difficult to determine. Studies by Barrett and O'Connell (1999), d'Arcimoles (1997), Ichniowski et al. (1995), and Bartel (1994) all have measurements of HRM practices and training over time. The results do not agree on whether training or HRM generates the effects on company performance. The study by Barrett and O'Connell suggests that training causes productivity effects whereas introduction of new personnel policies did not show any significant impact on productivity. The results of Bartel propose that training programmes generate considerable productivity effects, in excess of changes in personnel policies. The main results of d'Arcimoles indicate that training produces substantial effects on both productivity and profitability.

The knowledge and skills of workers acquired through training have become important in the face of the increasingly rapid changes in technology, products, and systems. Most organizations invest in training because they believe that higher performance will result (Alliger, et al., 1997, Kozlowski, et al., 2000). However, the theoretical framework for the relationship between training and firm performance has been subject to considerable debate. Devanna, Formbrun and Tichy (1984) proposed a model which emphasizes the interrelatedness and coherence of human resource management (HRM) policies and performance. According to their model, training and other HRM activities aim to increase individual performance, which is believed to lead to higher firm performance.

So far, all finding are that staff training is an indispensible part of Human Resource Management activities; more and more companies have realized how important it is to maintain training in the changing and complex work environment.

Staff Training in Hotel Industry

In modern hotel business, it is all about competence in people, and especially the employee's qualities. The level of service quality depends on the qualities of employees. The qualities are about knowledge, skills and thoughts which lead to a hotel's survival and development. Therefore, staff training is essential in many ways; it increases productivity while employees are armed with professional knowledge, experienced skills and valid thoughts; staff training also motivates and inspires workers by providing employees all needed information in work as well as help them to recognize how important their jobs are. (Yafang Wang.,2008.)

Training and development can be seen as a key instrument in the implementation of HRM practices and policies. (Nickson 2007, p.154-155) Successful hotels always include staff training as their important development strategy.

The Importance of Staff Training

Mcclelland emphasized that Staff training is a significant part as well as the key function of Human Resource Management and Development; it is the crucial path of motivating employees and increasing productivity in the business.(Mcclelland 2002, 7) with the development of the technologies and the whole business environment, employees are requested to be more skilled and qualified, even if you are a good employee today, you could be out of the line some other day if you do not keep studying. A company needs organized staff training if wants to be competitive among others. (Yafang Wang, 2008.)

But, Sommerville warned that training could be enormously demanding and should be in-depth; lack of training or poor training brings out high employee turnover and the delivery of substandard products and services. (Sommerville 2007, p. 208). Staff training enhances the capabilities of employees and strengthens their competitive advantage. Effective training will improve the personal characters and professional abilities. Not only employees, management and organization would benefit from staff training, customers and guests benefit as well, because of the received quality products and services. (Sommerville 2007, p. 210)

Benefits for the Employee

The benefits to the employee according to Sommerville 2007 is that training increases job satisfaction and recognition of the employee. During the training, employees will be introduced what the work is about, how to do, what kind of role does the job play in the whole business, it helps them to understand their work better and also love what they do by understanding the work. He also stated that training encourages self-development and self-confidence among employees. After systemized training, employees will understand what important role their jobs play, and with the information, knowledge and experiences obtained during the training, they will be more confident with their work, so that better services will be provided.

Training also helps to clearly identify career opportunities of employees. Employees gain professional knowledge and skills during training. Training broadens their chance on setting higher career goals. They can get the opportunity to get to know other positions, increases the possibilities of promotions in the meantime (Brookes, 1995).It helps the employee become an effective problem solver. Practical experience can be taught and guided in the training; employees will learn the methods of solving problem or complaints during training. (Daft, 2003). It allows the employee to become productive more quickly. By training, employees get familiar with their work tasks, advanced knowledge and techniques, which improve their capabilities, increases productivity. (Sommerville, 2007, p.209)

Benefits to the Management

The Benefits for the management is found that, training helps in evaluating employee performance. People who are responsible for training will find out those employees during training, who are quick learners, who have better knowledge and skills, so that different methods of training can be chosen, therefore, better results will be acquired. (Sommerville, 2007, p.210) Training also aids in sustaining systems and standards. Within the training, employees will be introduced to the principles and standards of the hotel, together with the policies and procedures; hence hotel can sustain its standards and system with the help of training. (John Leopold et al., 1999).

At the same time, it also helps management to identify employees for promotions or transfers. During the training, employees' abilities and personalities will be easily identified by experienced trainers, or some employees are more suitable for other positions, hotels can adjust and make best use of employees' knowledge and abilities. (Sommerville, 2007, p.210).

Benefits the Organization

According to Sommerville 2007, Training leads the organization to improved profitability. Owing to the growth of productivity and better services after training, it is more promised for the hotel to have more profits in return.

Also Brookes, 1995 mentioned that training reduces accidents and safety violations in the organization. Without organized training and guidance, especially employees who work with dangerous facilities, accidents are prone to occur, training can help organizations to prevent accidents. Brookes, 1995 also said that training reduces wastage and costly employee turnover. Wastage and damages in different departments are commonly found out in hotel operation, with the help of staff training; unnecessary wastage and damages can be avoided. Regular trainings can decrease work pressures and employee turnover, as a result, less labor cost will be spent and better service can be achieved.

So, Training helps in organizational development. Hotels need to develop their technologies and way of working in order to be competitive, and staff training assures the competitiveness, because training will bring good quality, effectiveness and loyal customers to the hotels. (Sommerville, 2007, p.210)

Business success depends on abilities and education, giving rise to the need for the continuous development and updating of skills (Drucker, 1993; Handy, 1997).There are authors who assert that companies which invest more money in training and development have more success (Barrett & O'Connell, 2001; Schonewille, 2001; Kraiger, 2003; Birdi et al., 2008).

<u>Studies that relate to Training and Profit</u>

In studies made by Schumpeter (1982), Dickson et al. (1986), Olavarrieta and Friedmann (1999), Cooke (2001), Bassi et al. (2002), Molina and Ortega (2003) and

Myers et al. (2004),they all have examined the strategies that companies have adopted in order to improve labor productivity. The results highlighted the importance of the growth in investment in human capital in order to improve organizational profit, emphasizing a positive and significant relationship between investment in training and the total return to shareholders.

Studies that relate Training to other Aspects of Business Profit

The studies in this articles, by Ballot and Taimaz (1997), Ottersten and Lindh (1999), Nam-Hong et al. (2004); Battu et al. (2004) examined a wide variety of business results. However, they all found positive results in relation to the importance that training has in respect of themes such as technological change, worker's earnings, labor efficiency etc.

These authors concluded that training allows the resolution of commercial management problems, strengthens competitiveness and improves organizational knowledge. Taking all this into account, they determined that the management of knowledge is a new development that enables companies to position themselves more competitively in the market.

According to Kilpatrick, Businesses which participate in organized training (accredited and non-accredited) are more successful in terms of profitability (Kilpatrick 1997; 1996).Specific, or on-the-job, training is an important factor in increasing productivity. A study by the American Society for Training and Development found that over half the productivity increases which occurred in the United States between 1929 and 1989 were due to learning on the job, and that people given formal workplace training have a thirty percent higher productivity rate (Business Council for Effective Literacy, 1993).

Becker (1993) found that, there are three types of training or knowledge, which are directly related to rate of return and human capital. Becker specified these trainings or knowledge as investments in human capital. These three types of training or knowledge (Becker, 1993) are: (1) on-the-job training— "learning new skills and perfecting old ones while on the job" (p. 31). Broken down into two types of training; (1a) general training—those skills which are "useful in many firms besides those providing it" (p. 33); (1b) specific training—"training that has no effect on the productivity of trainees that would be useful in other firms" (p. 40); (2) schooling—"an institution specializing in the production of training, as distinct from a firm that offers training in conjunction with the production of goods" (p. 51); and (3) other knowledge—any other information that a person obtains to increase their command of their economic situation.

According to Becker (1992), he says, "One of the most influential theoretical concepts in human capital analysis is the distinction between general and specific training or knowledge" (p. 44). This distinction helps explain why workers with highly specific skills are less likely to quit their jobs and are the last to be laid off during business downturns. It also explains why most promotions are made from within a firm rather than through hiring (Becker, p. 44). Becker has established the rationale for firms to provide highly specific training to their workers. This type of training reaps benefits for the firm through higher productivity and for the worker through higher wages.

One significant function of Human Resource Management is the effective use of human resources in training and development. Almost everyone now recognizes the significance of training on the success and growth of Organizations. Many researchers have stated that a significant relationship was found between the employees training and their resultant performance in accomplishing different tasks and vice versa. It was found that those employees who have taken trainings were more capable in performing different task & vice versa. Training has direct relationship with the employees' performance.

Basically, training is a formal and systematic modification of behavior through learning which occurs as result of education, instruction, development and planned experience (Armstrong, 2000). Because of the practical implications of training, it is important to have training that is effective. Studies have proven that more costly but effective training can save money that is wasted on cheap but inefficient training (Ginsberg, 1997). Therefore, training has acquired a strategic value for hotels since service quality depends on employee customer care effectiveness Connie Zheng (2009).

Thomas (1997) argues that employee training involves teaching employees skills that can help them become more efficient and productive workers. Most careers include some type of on-the-job training and a trained work force has benefits for employees and employers.

Therefore, on the job training plays a significant role in the development of organizations, enhancing performance as well as increasing productivity, and ultimately putting companies in the best position to face competition and stay at the top. This means that, there is a significant relationship between organizations that train their employees and organizations that do not (Evans, 1999). Every organization that is committed to generating profits for its owners (shareholders) and providing quality service for its customers and beneficiaries must invest in the on the job training for its employees. Initial writing on human capital flowed from economists of education such as Becker (1964, 1976); Mincer (1974), Schultz (1971), and (the Nobel Laureates for their work in this subject) focusing on the economic benefits from investments in both general and firm-specific training.

Staff training is an essential and indispensable part of Human Resource Management, “the importance and value of staff training has long been recognized. Without the right training, employees can be your (the organization’s) biggest liability. Trained effectively, however, they can become your biggest asset (Bartram and Gibson, 2000). It is commonly acknowledged that organizations choosing to provide feedback and training will reap the benefits, they will assist employees in overcoming shortfalls in performance, improve employee commitment, and quality of service and decrease the prevalence of issues of turnover within the organization (Taylor, Davies & Savery, 2001).

Finally, Staff training is a significant part as well as the key function of Human Resource Management and Development; it is the crucial path of motivating employees and increasing productivity in the business. (McClelland, 2002, p.7). A company needs organized staff training if it wants to be competitive among others (Yafang Wang 2008.). Training could be enormously demanding and should be in-depth; lack of training or poor training brings out high employee turnover and the delivery of substandard products and services. (Sommerville, 2007, p.208).Staff training enhances the capabilities of employees and strengthens their competitive advantage. Effective training will improve the personal characters and professional abilities. Not only employees, management and organization would benefit from staff training, customers and guests benefit as well, because of the received quality products and services. (Sommerville 2007, p.210). Regular trainings can decrease work pressures and employee turnover, as a result, less labor cost will be spent and better service can be achieved. (Sommerville 2007, p.210).

2.2 Hypotheses

1. H1: There is no significant difference between the perception of the managers and employees regarding the human capital factors of education, experience and training.

2.H2: There is no significant relationship between the perception of managers and employees regarding the human capital factors of Education, Experience and Training.

2.3 The Conceptual framework

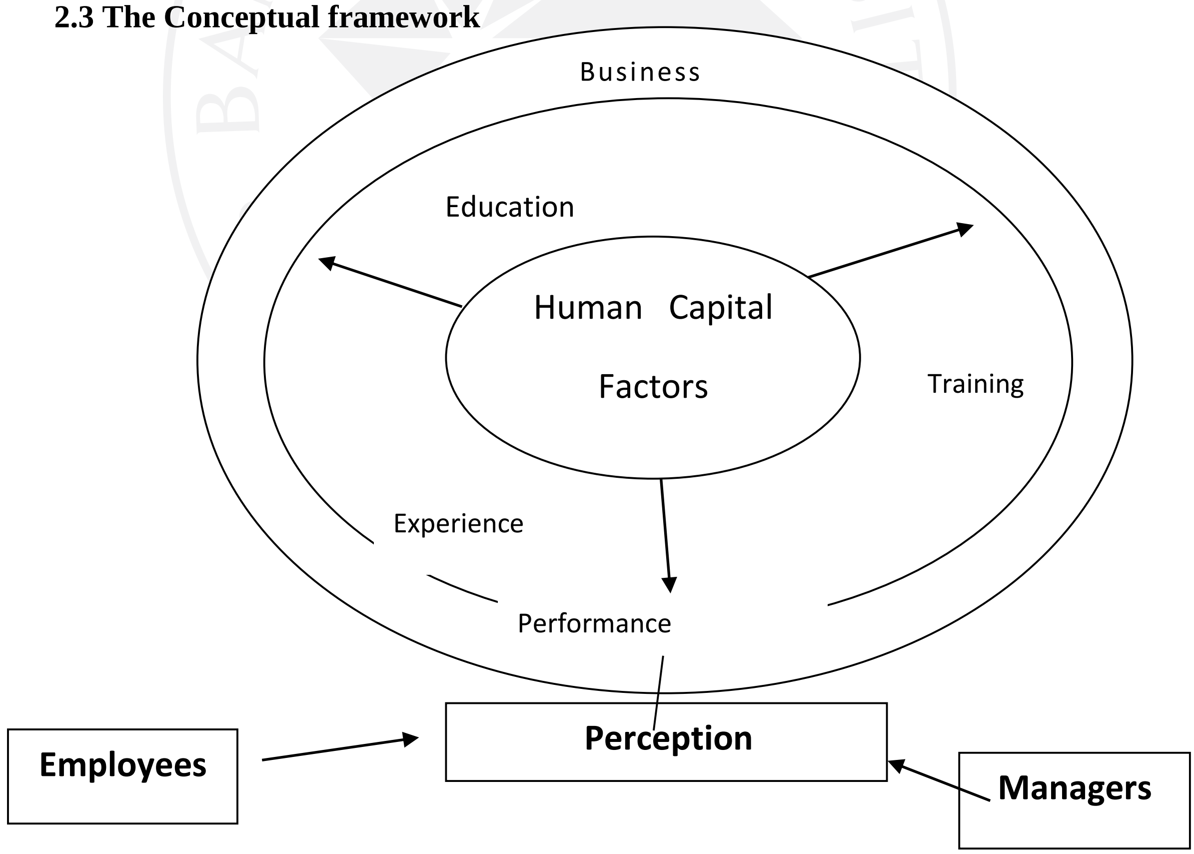

Figure 2.1: Conceptual Framework.

Description of the conceptual framework as shown in figure 2.1 the human capital factors consists of education, experience and training. The perceived role of human capital factors as contributing to business performance is investigated in terms of the perceptions of both employees and managers.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research Design

The research method used in this study is descriptive method. The state of affairs as it exists, and the manifestations of the presence of human capital attributes among the employees of the hotels are the subject in the study. The study focuses on how human capital factors contribute to the business performance of the hotel industry. Human capital is considered as an independent variable and business performance of the hotel industry as dependent variable. The study will be carried out in four star hotels in Bangkok and the respondents are employees working to fulfil the objectives of their respective organizations. The human capital factors considered in this research are: (1) Education (2) Training and (3) Experience.

The business performance of the organizations is determined from perceptions in the opinion survey conducted with employees and managers from the different hotels.

Primary data will be gathered from the samples using a Structured Questionnaire. The questionnaire will be sent to the employees and managers of the hotels and they themselves would respond to the questions asked in the questionnaire.

The data gathered will be analyzed statistically, and the inferences made from the analysis would be presented in the thesis. The thesis would contain all details pertaining to the research questions and objectives.

The research will apply quantitative methods for the analysis of data. Data were collected during the period October – December 2018. A pre-test of the questionnaire was done to establish validity and reliability. Reliability test was done using the Cronbach Alpha. The processing of data was done through the use of Statistical Package.

3.2 Population and Sample Selection

The respondents of the study were the employees and managers of the four star hotels. Simple random, sampling without replacement method was applied in the study. All the four star hotels in Bangkok constitute the Population. There are 24 four star category hotels in Bangkok. From this population, 8 hotels were selected as the Sample size.

Table 3.1: The Locations of Data Collection

Locations	Quota (n = 343)
Hotel A	50
Hotel B	50
Hotel C	50
Hotel D	50
Hotel E	40
Hotel F	40
Hotel G	33
Hotel H	30
Total	343 (85.75%)

As shown in tabl e 3.1, from a total of 8 hotels , 4 had 100% respondents, 2 had 80% ;1 had 66 % and 1 had 60%. Out of 400, there were 343 who responded or a total of 85.75%.

3.3 Research Instrument

The researcher constructed a questionnaire with 4 questions on profile of the respondents and for the perception of employees with the following distribution of items, for education with 5 items, 5 for training and 5 for experience with a total of 15 items. There was a total of 15 items for perception of managers consisting of education with 5 questions, training with 5, and Experience with 5.The questionnaire was tested for content validity and reliability.

Table 3.2: Numerical Rating for Human Capital

Numerical Rating	**Descriptive Equivalent**	**Description**
4.21 – 5.00	Very High	The Human capital factor as contributing to business performance is perceived to be far above the expected level.
3.41 – 4.20	High	The Human capital factor as contributing to business performance is perceived to be above the expected level.
2.61 – 3.40	Moderate	The Human capital factor as contributing to business performance is perceived to be within the expected level.
1.81 – 2.60	Low	The Human capital factor as contributing to business performance is perceived to be below the expected level.
1.00 – 1.80	Very Low	The Human capital factor as contributing to business performance is perceived to be far below the expected level.

3.4 Testing Research Instrument

Content Validity

The researcher has measured the content validly by considering the comments of 5 experts specialized in the fields of this study. The validity was calculated by considering the mean value of the 5 opinions toward each statement of questionnaire. The value of validity was approved and be able to do this study. The statements of questions in the questionnaire were developed according to those comments.

Reliability

The value of Cronbach's alpha coefficient was conducted for measuring the reliability of the questionnaire. Consequently, the questionnaire would be approved when the alpha value must be 0.7-1.00 according to Tavakol (2018). The researcher conducted a pilot kept for this concerns by using 40 quanlified people who were not in the group of samples of this study. The cronbach Alpha for the employee perception is 0.723 or high reliability and for mangers perception it is 0.705 or high reliability.

Table 3.3: Reliability Statistics

Human Capital Factors	**Cronbach's Alpha**	**Cronbach's Alpha based on Standardized Items**	**No. of Items**
Employee Perception	.723	.735	15
Manager Perception	.705	.718	15

Data Collection Procedure

The following steps were followed in gathering data for this study:

1. A letter of request to conduct the study was sent to the Manager of the Hotel.

2. The questionnaires were distributed to the respondents.

3. The questionnaires were retrieved from the respondents.

4. Data gathered were encoded for statistical analysis

3.5 Statistics for Data Analysis

The following statistical tools were used in this study to answer the research objectives. The questionnaires data were analyzed using statistical analysis software named SPSS version 23 by using Statistical Significant level of .01.

Table 3.4: Statistics for Data Analysis

Research Objectives	**Data Analysis**
1. To determine how employees perceive the human capital factors of education, experience and training as contributing to Business performance.	a. mean b. standard deviation (s.d.) c. standard error mean (s.e) d. coefficient of variation (C.V)and rank
2. To determine how the managers perceive the human capital factors of education, experience and training as contributing to Business performance.	a. mean b. standard deviation (s.d.) c. standard error mean(s.e) coefficient of variation (C.V) and rank
3. To identify the significant differences between the perception of the managers and employees regarding the human capital factors of education, experience and training.	Analysis of Variances (Anova)

CHAPTER 4

RESEARCH RESULTS

Presented in this chapter are the results of the data gathered on the role of human capital in the business performance of the four star hotels in Bangkok. The answers to the research problems are presented, analyzed and interpreted under the following major headings.

To determine the profile of the employee respondents in terms of education, experience and training

Table 4.1: The Employee's Profile

Characteristics of the Employees'	n	%
Educational Level		
• Primary school	3	0.90
• High School	12	3.50
• Diploma	4	1.20
• Graduate	291	84.80
• Post Graduate	33	9.60
Total	**343**	**100**
Years of Experience		
• Fresher	33	9.60
• 1 – 5 Yrs	116	33.80
• 6 -10 Yrs	148	43.10

(Continued)

Table 4.1 (Continued): The Employee's Profile

• 11- 15 Yrs	41	12.00
• > 15 Yrs	5	1.50
Total	**343**	**100**
In-service Training Attended		
Fresher	144	42.0
Daily	8	2.3
Once in a Month	106	30.9
Twice in a month	74	21.6
Once in a year	11	3.2
Total	**343**	**100**

Educational Qualification:

As shown in Table 4.1, majorities have completed a bachelor's degree (85%) while 33 or 10% have finished a master's degree. There were 3% who have completed high school; 1% have completed a diploma course and1% completed primary school.

Years of experience

As shown in Table 4.1, majority of the employees or 43% had 6 -10 years while 34% had 1- 5 years. There are 12% who had 11 -15 years, 10% are fresher and 1 % have greater than 15 years of experience.

In – service Training Attended

As shown in Table 4.1, majority of the employees or 42% of the employee undergo training at the beginning of the work at the time of joining while 31% employee have training once in a month. There are 22%who undergo training twice in a month and 3 % have training once in a year and 2% of the employee undergo training daily.

Table4.2:The Manager's profile

Characteristics of the Manager'	**n**	**%**
Educational Level		
• Primary school	3	0.90
• High School	6	3.50
• Diploma	4	1.20
• Graduate	29	84.80
• Post Graduate	18	9.60
Total	**60**	**100**
Years of Experience		
• Fresher	0	0
• 1 – 5 Yrs	18	30.00
• 6 -10 Yrs	32	53.33
• 11- 15 Yrs	8	13.33

(Continued)

Table 4.2 (Continued): The Manager's Profile

• > 15 Yrs	5	8.33
• **Total**	**60**	**100**
In-service Trainin Attended		
Fresher	30	50.0
Daily	2	3.33
Once in a Month	15	25
Twice in a month	8	13.33
Once in a year	5	8.33
Total	**60**	**100**

<u>Educational Qualification:</u>

As shown in Table 4.2, majorities have completed a bachelor's degree (84.80%) while 33 or 9.60 % have finished a master's degree. There were 3.5% who have completed high school; 1.20% have completed a diploma course and0.90% completed primary school.

<u>Years of experience</u>

As shown in Table 4.2, majority of managers or 53.33% had 6 -10 years while 30% had 1- 5 years. There are 13.33% who had 11 -15 years, 0% are fresher and 8.33 % have greater than 15 years of experience.

<u>In – service Training Attended</u>

As shown in Table 4.2, majority of the managers or 50% of the employee undergo training at the beginning of the work at the time of joining while 25% employee have training once in a month. There are 13.33%who undergo training twice in a month and 8.33 % have training once in a year and 3.33% of the employee undergo training daily.

<u>Research Objective 1:</u> To determine how employees perceive the human capital factors of education, experience and training as contributing to Business performance.

Table 4.3: Overall Perception of Employee on Education, Experience and Training as a Factor Contributing To Business Performance

Table 4.3: Overall Perception of Employee on Education, Experience and Training as a Factor Contributing to Business Performance

Perception of Employees	**Basic Statistics**			**C.V**	Rank	**Descriptive Equivalent**
	Mean	**S.E $_{Mean}$**	**S.D**			
Educational Qualification	3.68724	0.0431	0.79801	0.221418	1	High
Experience	3.64916	0.04831	0.894226	0.24531	2	High
Training	3.60276	0.048678	0.900222	0.249559	3	High

Based on the results of data analysis on the above table 4.2 it can be seen that the employee's perceived that educational qualification, experience and training are factors than can contribute to business performance with mean value that lies between 3.60276 – 3.68724.

By considering the C.V value it was found out that all factors were inconsistent with C.V value that lies between 0.221418 – 0.249559. However, it could be prioritized that the employees perceived that educational qualification ranked 1 then experience and training ranked 3 that can contribute to business performance.

T Table 4.4 (Continued): Perception of Employee on Education as a Factor s Contributing to Business

Employee Perception on Education Qualification	**Basic Statistics**			**c.v.**	**Rank**	**Descriptive Equivalent**
	Mean	**S.E Mean**	**S.D**			
Educational Qualification Contribute to your work	4.2362	0.04086	0.75679	0.1786	1	Very High
Continuing Professional Education contribute to Business Performance	3.6082	0.04279	0.79126	0.2192	3	High

(Continued)

Organization encourage Continuing education	3.5889	0.04119	0.76288	0.2125	4	High
Graduate degree holders Contribute to Business performance	4.1137	0.04433	0.82108	0.1995	2	High
Education Qualification criteria for recruiting	2.8892	0.04633	0.85804	0.2969	5	Moderate

Based on the results of data analysis on the above table 4.3 it can be seen that the employees perceived that educational qualification contributes to business performance with the mean of 4.2362 (very high).This shows that educational qualification as a human capital factor is perceived to be far above the expected level as a contributing factor to business performance.

They perceived further that continuing professional education, organization encourages further education, graduate degree holders contribute to business performance with the mean values that lie between 3.558 – 4.1137(high). It means that continuing professional education, organization encourages further education, graduate degree holders are perceived to be above expected level as contributing factors to business performance.

Lastly, education qualification as a criterion for recruiting contributes to business performance with the mean value of 2.8892(Moderate). This means that the employees perceived that educational qualification as a criteria for recruiting employees is perceived to be within the expected level as a contributing factor to business performance.

By considering the C.V. value it was found out that question 1 was consistent with C.V value of 0.1786 and questions number 2, 3, 4 and 5 were inconsistent with the C.V value that lies between 0.1995 to 0.2969.

However, it could be prioritized that the employees perceived that the educational qualification Ranked 1 that can contribute to business performance. On the otherhand educational qualification as a criterion for recruiting employees ranked the last

Based on the results of data analysis on the above table 4.4 it can be seen that the employees perceived that experience is a human capital factor that can contribute to business performance with the mean values that lie between 3.5685 – 3.7339 (high). This means that they perceived that Experience contribute to business performance, Length of experience contribute to business performance, Experienced Staff is better for business performance, Experienced staff capable to produce more output and Experience as a parameter in recruiting staff are above expected level as contributing factors to business performance. By considering the C.V. values it was found out that questions 1- 5 were inconsistent with C.V values that lie between 0.2105 –0.2596. Based on employees perception experience that contributes to business performance Ranked 1. On the other hand experience as a parameter in

Table 4.5: Perception of Employee on Experience as a Factor Contributing To Business Performance

Employee perception on experience	**Basic Statistics**			**c.v.**	**Rank**	**Descriptive Equivalent**
	Mean	**S.E Mean**	**S.D**			
Experienced staff capable to produce more output	3.5906	0.04958	0.91692	0.2553	4	High
Experience contribute to business performance	3.7339	0.04251	0.78622	0.2105	1	High
Experience parameter in recruiting staff	3.5685	0.0499	0.92424	0.2589	5	High
Length of experience improve business performance	3.6997	0.04834	0.8952	0.2419	2	High
Experience Staff better for business performance	3.6531	0.05122	0.94855	0.2596	3	High

recruiting staff ranked the last.

Based on the results of data analysis on the above table 4.5 it can be seen that the employees perceived that in- service training is a human capital factor that can contribute to business performance with the mean values that lie between 3.4985 – 3.7259(high). It means that they perceived that career development program, work design programmes, Training as a pre-requisite to hire staff, employees in-service training program and leadership training programmes are above expected level as contributing factors to business performance.

By considering the C.V. values it was found out that questions 1- 5 were inconsistent with C.V values that lie between 0.2367 – 0.2673.

Based on employee's perception Leadership training Programs Ranked 1 as a factor that contribute to business performance. On the other hand Career development programs ranked the last.

Table 4.6: Perception of Employee on Training as a Factor Contributing To Business Performance

EMPLOYEE PERCEPTION ON TRAINING	**Basic Statistics**			**C.V.**	**Rank**	**Descriptive Equivalent**
	Mean	**S.E**	**S.D**			
Employees in-service training program helps	3.6813	0.05322	0.9841	0.26733	2	High

(Continued)

Table 4.6 (Continued): Perception of Employee on Training as a Factor Contributing to Business Performances

Business performance						
work design programmes	3.5308	0.04559	0.8417	0.23841	4	High
Career development program	3.4985	0.04485	0.8282	0.23675	5	High
Leadership training Programmes	3.7259	0.05322	0.9856	0.26453	1	High
Training pre-requisite to hire staff for business performance	3.5773	0.04651	0.8612	0.24076	3	High

Based on the results of data analysis on the above table 4.6 it can be seen that the managers perceived that that experience can contribute to business performance with the mean value of 3.53994(high). This shows that experience as a Human capital factor is perceived to be above the expected level as contributing factor to business performance. The managers further perceived that education and training are human capital factors that can contribute to business performance with mean values that lie between 3.07816 – 3.37844(moderate). This means that education and training as a human capital factor is perceived to be within the expected level as contributing to business performance.

By considering the C.V value it was found out that all factors were inconsistent with C.V values that lie between 0.213579 – 0.235669.

However, it could be prioritized that the managers perceived that experience ranked 1st then educational qualification and training ranked 3rd that can contribute to business performance.

Research Objective 2: To determine how the managers perceive the human capital factors of education, experience and training as contributing to Business performance.

Table 4.7: Overall Perception of Manager on Education, Experience and Training as a Factor Contributing To Business Performance

Perception of Managers	Basic Statistics			C.V	Rank	Descriptive Equivalent
	Mean	S.E $_{mean}$	S.D			
Educational Qualification	3.37844	0.058994	0.74942	0.224407	2	Moderate
Experience	3.53994	0.064662	0.4944	0.21579	1	High
Training	3.07816	0.058326	0.7225	0.235669	3	Moderate

Based on the results of data analysis on the above table4.7 it can be seen that the managers perceived that Graduate degree , educational qualification and professional education can contribute to Business performance with the mean value that lies between 3.4694 – 3.8105 (high) . This means that educational qualification, professional education and graduate degree holders as a human capital factors are perceived to be above the expected level as a contributing factors to business performance.

The managers also perceived that Higher education leads to business performance and Education qualification as a criteria for Business performance with mean value that lies between 2.7464 – 3.3061 (moderate). This shows that Higher education and Education qualification criteria for Business performance as a Human capital factor is perceived to be within the expected level as a contributing factor to business performance.

By considering the C.V. value it was found out that questions 1- 5 were inconsistent with C.V value that lies between 0.20349 –0.2742.

Based on managers perception Graduate degree holder contribute to Business performance ranked 1 that can contribute to business performance on the other hand Education qualification as a criteria for Business performance ranked last.

Table 4.8: Perception of Manager on Education Qualification as a Factor Contributing To Business Performance

Perception of manager on education	**Basic Statistics**			**c.v.**	**Rank**	**Descriptive Equivalent**
	mean	**s.e**	**s.d**			
Educational qualification contributes Business Performance	3.5598	0.0671	0.7244	0.20349	2	High
Professional education contributes to Business performance	3.4694	0.0550	0.7188	0.20718	3	High
Higher education leads to business performance	3.3061	0.0587	0.7531	0.22779	4	Moderate
Graduate degree contributes to Business performance	3.8105	0.0584	0.7976	0.20931	1	High
Education qualification as criterion for Business performance	2.7464	0.0556	0.7532	0.27425	5	Moderate

Based on the results of data analysis on the above table 4.8 it can be seen that the managers perceived that length of experience, experienced employees produce more output, experience staff for better business performance and experience helps business performance with the mean values between 3.5714 – 3.9184 (high). This shows that length of experience, experienced employees produce more output, experience staff for better business performance and experience helps business performance as a Human capital factor is perceived to be above the expected level as contributing to business performance. They perceived further that experience as a parameter for recruiting staff can contribute to business performance with the mean value of 2.8571(moderate). This Shows that experience as a parameter for recruiting staff as a human capital factor is perceived to be within the expected level.

By considering the C.V. value it was found out that questions 1- 5 were inconsistent with C.V value that lies between 0.1951 – 0.2489.

Based on managers perception the length of experience as a contributing factor ranked 1 on the other hand experience as a parameter for recruiting staff ranked las

Table 4.9: Perception of Manager on Experience as a Factor Contributing to Business Performance

Perception of manager on experience	**Basic Statistics**			**c.v.**	**Rank**	**Descriptive Equivalent**
	mean	**s.e**	**s.d**			
Experienced employee produce more output	3.7114	0.06439	0.7243	0.1951	2	High

(Continued)

Table 4.9 (Continued): Perception of Manager on Experience as a Factor Contributing to Business Performance

Experience help business performance	3.5714	0.06772	0.7988	0.2236	4	High
Experience as a parameter for recruiting staff	2.8571	0.06194	0.7113	0.2489	5	Moderate
Length of experience contribute to Business performance	3.9184	0.06136	0.7897	0.2015	1	High
Experienced staff for better Business performance.	3.6414	0.0679	0.7231	0.1985	3	High

Table 4.9 (Continual): Perception of Manager on Experience as a Factor Contributing to

Based on the results of data analysis on the above table 4.9 it can be seen that the managers perceived that In-service Training program helps Business performance with the mean value of 3.4257 (high) . This shows that In-service Training program helps Business performance as a Human capital factor is perceived to be above the expected level as a contributing to business performance. They perceived further that Training as a Pre requisite to hiring staff , Work Design Program , Leadership training program and career development program contribute to business performance with the mean values that lies between 2.7551 - 3.2216 (moderate). It means that training as a pre requisite to hiring staff , work design program, leadership training and career development as a human capital factor is perceived to be within the expected level as contributing factors to business performance.

By considering the C.V. value it was found out that questions 1- 5 were inconsistent with C.V value that lies between 0.2196 –0.2576. Based on manager's perception in- service training program Ranked 1 that can contribute to business performance on the other hand Leadership training program to improve job effectively ranked last.

Table 4.10: Perception of Manager on Training as a Factor Contributing to Business Performance

Perception of manager on Training	**Basic Statistics**			**c.v.**	**Rank**	**Descriptive Equivalent**
	Mean	**S.E$_{Mean}$**	**S.D**			
In-service Training	3.4257	0.0598	0.7523	0.2196	1	High

(Continued)

Table 4.10 (Continued): Perception of Manager on Training as a Factor Contributing to Business

program help Business performance						
Work Design Program improves Business performance	2.9942	0.0572	0.7148	0.2387	4	Moderate
Career development program improve Business performance	3.1451	0.0584	0.7111	0.2260	3	Moderate
Leadership training program helps to Improve Job effectively	2.7551	0.0623	0.7098	0.2576	5	Moderate
Training Pre requisite to hiring staff to insure business performance	3.2216	0.0562	0.7245	0.2248	2	Moderate

The table 4.10 above shows the significant difference between the perception of the employees and managers on human capital factors. One way Anova was used to test the difference. The computed p value for educational qualification is 0.931(not significant), for experience the p-value is 0.082 (not significant) and for training the p–value is 0.275 (not significant).

Thus, it shows that there is no significant differences between the perception of employee and manager on human capital factors.

<u>Research Objective 3:</u> To identify the significant differences between the perception of the managers and employees regarding the human capital factors of Education, Experience and training .

Table 4.11: The Significant Difference Between The Perception Of Employee and Manager

	Employee			Manager			F-Test	P-Value	Decision on HO
	Mean	S.D	S.E mean	Mean	S.D	S.E mean			
Educational Qualification	4.32	0.75	0.043	4.39	0.79	0.050	0.541	0.931	Rejected
Experience	4.45	0.77	0.048	4.48	0.76	0.064	1.532	0.082	Rejected
Training	4.46	0.78	0.048	4.35	0.76	0.058	1.180	0.275	Rejected

CHAPTER 5

DISCUSSION, FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Findings and discussions

1.1 The employees perceived that educational qualification, experience and training are contributing factors to business performance. There are numerous methods to improve human capital, which range from formal education to on-the-job learning or firm-provided training (Machin & Vignoles, 2004, p. 4). This is so, as education activities consist of both the embodiment in individuals of available knowledge and the production of new knowledge. According to Lucas (1988), human capital is knowledge embodied in workers, as opposed to 'pure knowledge' or 'technology' or 'ideas' which are disembodied, while Judson (1998) defines the human capital stock as the 'value of education embodied in the labor force'. Dowrick (2003) argues that human capital 'lives and dies with particular people' while knowledge and ideas 'do not live and die with their inventors'. All agree that the production of human capital is a consequence of education activities, whether formal or informal.

1.2 When ranked employees perceived that educational qualification ranked first then experience ranked second and training ranked third that can contribute to business performance. Human capital theory can be used to explain investments in schooling, firm-provided training, vocational and technical education and qualifications, and the benefits of informal on-the-job learning (Machin & Vignoles, 2004). “Education and training are the most important investments in human capital” (Becker, 1993, p. 17). The earnings of the more educated and highly trained are almost always well above average (Becker, 1993). Some researchers have found positive relationships between previous experience and business growth (Dahlquist, Davidsson, & Wiklund, 1999; Ham brick& Mason, 1984; Locke, 2004; Macrae, 1992; Siegel, Siegel, & Macmillan, 1993; Storey, 1994).

1.3 Educational qualification was perceived to contribute most to business performance. This includes continuing professional education, graduate degree holders, organization encourage continuing education and educational qualification as a criteria for recruiting staff as contributing to business performance. Bruederl et al. (1992) distinguished between general human capital as years of schooling and years of work experience; and specific human capital as industry specific experience, self-employment experience, leadership experience, and self-employed. Schultz defined human capital theory as “the knowledge and skills that people acquire through education and training as being a form of capital, and this capital is a product of deliberate investment that yields returns” (Nafukho et al., 2004, p. 11).

1.4 After educational qualification, the experience was ranked next as contributing to business performance. This included experience staff capable to produce more output, Length of experience, experience as a parameter for recruiting staff and experience staff are better prepared to meet the demands of the organization for better business performance. Human capital attributes - including education, experience, knowledge, and skills - have long been argued to be a critical resource for success in entrepreneurial firms (Florin, Lubatkin, & Schulze, 2003; Pfeffer, 1994; Sexton & Upton, 1985). Many researchers have argued that human capital may play an even larger role in the future because of the constantly increasing knowledge-intensive activities in most work environments (Bosma, van Praag, Thurik, & de Wit, 2004; Honig, 2001; Penning, Lee, & van Witteloostuijn, 1998; Sonnentag & Frese, 2002).

1.5 Lastly the employees perceived training as factor contributing to business performance. This included career development program, work design programme, training pre requisite to hire staff, employees in-service program and leadership training program which contribute to business performance. Training is designed to provide learners with the knowledge and skills needed for their present job (Fitzgerald 1992) .There is an increasing awareness in organizations that the investment in training could improve organizational performance in terms of increased sales and productivity, enhance quality and market share, reduce turnover, absence and conflict,(Huselid 1995, Martocchio & Baldwin 1997, Salas & Cannon-Bowers 2000).

1.6 The manager on the other hand, perceive experience to have the most contributing to business performance. As far as education and training are concerned they are not sure of the contribution of these human capital factors to business performance. The manager's perceive that experience contribute to business performance and they don't agree nor disagree education and training can contribute to business performance. Coleman (2007) found that prior business experience was significant and positive in profitability of business. Cooper, Gimeno-Gascon, and Woo (1994) found that higher level of education and industry-specific experience contributed to firm survival and growth. As stated by the Packalen (2007) those with industry experience may bring detailed knowledge about how an industry works, and are likely to have a better understanding of customer demand, and the previous experience would help in growing up a prosperous company in the industry

a. The managers perceived that experience ranked first then educational qualification ranked second and training ranked third that can contribute to business performance. Human capital refers to the quality of a person at expressing himself in his knowledge, skills and qualifications, acquired through education, training and experience (Becker 1993). The studies in general use measures such as degree of education (Gimeno et al. 1997) and experience (Bruderl et al., 1992).

b. Experience was perceived to contribute most to business performance. This includes experienced staff capable to produce more output, Experienced staff for better business performance, length of experience improves business performance , experience helps business performance and experience as a parameter for recruiting staff. Education, experience and knowledge are relevant characteristics of human capital (Pennings et al., 1998; Writh et al., 1995), which allow access, in general, to more business opportunities (Gimeno et al., 1997).

2.3 Both mangers and employees perceive that the human capital factors such as education , experience and training contribute to business performance. Good work related knowledge is helpful for gaining other needful resources such as financial and physical capital to the firm (Brush, Greene, Hart et al., 2001)Human capital may helpful to compensate a lack of financial capital which is constraint for many entrepreneurial firms (Chandler and Hanks, 1998).

3.1 There is no significant difference between the perception of employee and manager on human capital factors as contributing to business performance. Since the overall p-value is higher than 0.05 alpha, therefore the null hypotheses is accepted. According to Leitao and Franco (2008), they found, that empirical research has obtained a range of results regarding this relationship between human capital and performance, but those results are not consensual. But Empirical literature such as Shiu (2006), Appuhami (2007) and Chan (2009) they all find insignificant relationship between human capital and firm performance. The computed p value for educational qualification is 0.931(not significant), for experience the p-value is 0.082 (not significant) and for training the p–value is 0.275 (not significant).

Thus, it shows that there is no significant differences between the perception of employee and manager on human capital factors

3.2 The employees perceived that there is a relationship between education and experience and there is a relationship between experience and training that can contribute to business performance. The human capital attributes such as: personal characteristics, age, years of education and training, work experience of the owner manager, industry specific experience etc determine the level of success of the business. Human capital acts as a resource and it is created by changes in persons that bring about skills and capabilities that make them able to act in new ways (Coleman, 1988)**.**

3.3 The managers perceived that there is no relationship between the human capital factors that can contribute to business performance. The firm performance is positively impacted by the presence of human capital practices (Noe et al., 2003; Youndt et al., 2004). Researchers have endorsed that human capital development is a prerequisite to good financial performance (Delaney and Huselid, 1996).

c. There is a correlation between the perception of employees and managers on the human capital factors of Educational qualification, experience and training as contributing to business performance. The correlation is higher in the human capital factor education. The firm performance is positively impacted by the presence of human capital practices (Noe et al., 2003; Youndt et al., 2004). Researchers have endorsed that human capital development is a prerequisite to good financial performance (Delaney and Huselid, 1996). The significance of organizational human capital with regard to firm performance was further supported by Hsu et al. (2007).

From the employees perception educational qualification and experience have correlation and they are significant and experience and training have correlation and they are significant and there is no correlation between education and training. Data analysis shows that the employees perceived that there is a relationship between education and experience with the r value of 0.246.They perceived further that there is a relationship between experience and training with the r value of 0.274 that can contribute to business performance. From the managers perception there is no correlation between the human capital attributes. All the human capital attributes are uncorrelated from the managers perception. Data analysis shows that the managers perceived that there is no relationship between the human capital factors that can contribute to business performance.

d.The employee manager perception on educational qualification has high relationship ,the employee manager perception on experience has negative correlation relationship and the employee manager perception on training has moderate relationship. Human capital refers to the quality of a person at expressing himself in his knowledge, skills and qualifications, acquired through education, training and experience (Becker, 1993). The studies in general use measures such as degree of education (Gimeno et al., 1997). Gimeno et al. (1997) found a positive association between the overall level of human capital, as measured by education level and work experience, and economic performance. So to enhance job performance, training skills and behaviors have to be transferred to the workplace, maintained over time, and generalized across contexts (Holton & Baldwin, 2000). Training is linked to the longevity of companies (Bates, 1990) which is in turn related to business and economic growth (Goetz and Hu, 1996).

The firm performance is positively impacted by the presence of human capital practices (Noe et al., 2003; Youndt et al., 2004). Researchers have endorsed that human capital development is a prerequisite to good financial performance (Delaney and Huselid, 1996). The significance of organizational human capital with regard to firm performance was further supported by Hsu et al. (2007). Most authors have concluded that human capital is related to success (Bosma et al., 2004; Brüderl et al., 1992; Cassar, 2006; Cooper et al., 1994; Dyke, Fischer, & Reuber, 1992; van der Sluis, van Praag, & Vijverberg, 2005).

5.2Conclusions :

1. The employee's perceive that educational qualification, experience and training are contributing factors to business performance.

2. The manager's perceive that experience contribute to business performance.

3. There are no significant differences between the perception of employee and manager on human capital factors as contributing to business performance.

5.3 Recommendation:

1.In the recruitment of employee the human capital factors should be given serious consideration.

2. Employee who seeks positions in the hotel industry should emphasis in their application the educational qualification, the kind of training undergone and the experience they have.

3. The human capital factor of education qualification should be given emphasis by both employees and managers.

4. Employee should highlight the educational qualification when applying for position in the hotel industry in order to have a competitive edge.Managers should give more emphasis on educational qualification when selecting applicants in order to ensure better business performance.

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APPENDIX A-QUESTIONNAIRE:

The purpose of this research is to (1) determine how employees perceive the human capital factors of education, experience and training as contributing to Business performance; (2) to determine how the managers perceive the human capital factors of education, experience and training as contributing to Business performance; (3) to identify the significant differences between the perception of the managers and employees regarding the human capital factors of education, experience and training. Thank you very much for your kind cooperation

Part I: Personal Data of Employees

1. Gender

☐ Male ☐ Female

2. Age

☐ Below 25 years old ☐ 25-35 years old ☐ 36-45 years old

☐ 46-55 years old ☐ Over 55 years old

3. Educational Qualifications

☐ Primary School ☐ High School ☐ Diploma

☐ Graduate ☐ Post Graduate

4. Your position

☐ Employee ☐ Manager

5. Years of Experiences in the field

☐ Fresher ☐ 1-5 yrs ☐ 6-10 yrs

☐ 11-15 yrs ☐ > 15 yrs

6. In-Service Training Attended

☐ Fresher ☐ Daily ☐ Once in a month

☐ Twice in a month ☐ Once in a year

Part II: How employees and managers perceive the human capital factors of education, experience and training as contributing to business performance

Explanation: Please give a rate according to your opinions.

Indication of your opinion:

5 = Strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = Strongly disagree

	Level of Opinion				
	Strongly Agree ⟷ Strongly Disagree				
1. Perception on Education Qualification as a factor contributing to business performance					
1.1 Educational qualification contributing to your work/business performance	(5)	(4)	(3)	(2)	(1)
1.2 Continuing professional education contributing to business performance	(5)	(4)	(3)	(2)	(1)
1.2 Organization encourages continuing education and higher education leads to business performance	(5)	(4)	(3)	(2)	(1)
1.4 Graduate degree holders contribute to business performance	(5)	(4)	(3)	(2)	(1)
1.5 Education qualification criteria for recruiting	(5)	(4)	(3)	(2)	(1)
2. Perception on Training as a factor contributing to business performance					
2.1 In-service training program helps business performance	(5)	(4)	(3)	(2)	(1)

	Level of Opinion Strongly Strongly Agree ⟷ Disagree				
2.2 Work design program improves business performance	(5)	(4)	(3)	(2)	(1)
2.3 Career development program improve business performance	(5)	(4)	(3)	(2)	(1)
2.4 Leadership training programmes help to impvoe job effectively	(5)	(4)	(3)	(2)	(1)
2.5 Training pre-requisite to hire staff to insure business performance	(5)	(4)	(3)	(2)	(1)
3.Perception on experience as a factor contributing to business performance					
3.1 Experienced staff/employee capable to produce more output	(5)	(4)	(3)	(2)	(1)
3.2 Experience contribute to business performance	(5)	(4)	(3)	(2)	(1)
3.3 Experience parameter in recruiting staff	(5)	(4)	(3)	(2)	(1)
3.4 Length of experience improve business performance	(5)	(4)	(3)	(2)	(1)
3.5 Experience staff better for business performance	(5)	(4)	(3)	(2)	(1)

** Thank you for your kind cooperation**

BIODATA

Name-Surname : Aeyaya Chorot

Address : 61/3 Moo 6, Tanaosri, Suanpueng, Ratchaburi 70180

E-mail : Ehyarstic@gmail.com

Education Background : Bachelor of Business Administration

: St.Theresa International College, Nakornnayok

Work Experiences

Date : 2014-2015
Position : Administrative Assistant
Organization : American Chambers of Commerce, Thailand

Date : 2016-2017
Position : Academic Officer
Organization : Bangkok University, International College

Date : 2017 - Now
Position : Interpreter/Translator and Press, Information, and Cultural Wing Officer
Organization : Embassy of India, Bangkok

Bangkok University

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Mr./ Mrs./ Ms Aeyaya Cheroy now living at Parichad Apartment
Soi Lasal 26 Street Sukhumvit 105
Sub-district - District Bangna
Province Bangkok Postal Code 10260 being a Bangkok
University student, student ID 7590204322

Degree level ☐ Bachelor ☑ Master ☐ Doctorate

Program MBA - EP Department - School Graduate School
hereafter referred to as "the licensor"

Bangkok University 119 Rama 4 Road, Klong-Toey, Bangkok 10110 hereafter referred to as "the licensee"

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