

The Influence of Structural Capital, Rational Capital and Innovation Performance on the Knowledge Related to HRM Practices in Pharmacy Business in Thailand: Mediating Role of Human Capital

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ABSTRACT

The prime purpose of this study is to examine the influence of structural capital, rational capital and innovation performance on the knowledge related to HRM practices. Another and foremost aim of the article is to analyze the mediating role of human capital among the nexus of structural capital, rational capital and innovation performance on the knowledge related to HRM practices in pharmacy business in Thailand. The data were gathered from the employees as well as managers of HR in the pharmacy outlets situated in the top five cities in Thailand. PLS-SEM are utilizing for data analysis purpose and results indicated that structural capital, rational capital and innovation performance have positively influence on the knowledge related to HRM practices in pharmacy business in Thailand. The findings also exposed that human capital is also positively mediates among the nexus of structural capital, rational capital and innovation performance on the knowledge related to HRM practices in pharmacy business in Thailand.

These outcomes give the insight to the regulation making authorities that they should increase the emphasis on the knowledge spreading activities regarding the HRM practices that improve the structural capital with the help of human capital.

Keywords: HRM practices, Structural Capital, Human Capital, Pharmacy Business

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INTRODUCTION

Innovation in corporate culture is very first dilemma in order to operate the organizational structure. Innovation in the firm is the strategic outcome of efficient workings of the HRM. Therefore, it can seem that knowledge is the predictor of innovation, therefore, knowledge is source of both the input which include strategic concepts and ideas and output which include invention in purchasing. Therefore, from the prior researches, it has been found that knowledge and HRM are the source of enabling innovation in an organization. This study discussed the innovation with reference to HRM and the knowledge which produces by the firm. However, the prior academic researchers have found that knowledge perspectives and HRM were interrelated to each other being the crucial issue in the organization and still it is the under developing in order to build strong process through innovation (Adler & Kwon, 2002; Chang, Franke, & Lee, 2016; Chen & Huang, 2009; D. Wang & Chen, 2013).

Innovation not only limited to invent new product or changing in existing product but also can be in the form of changing business model, changing in brands, changing in organizational structure, changing in marketing strategies, changing in internal management, or changing in customer experience or service (D. Wang & Chen, 2013).

Prior research studies have confirmed has innovation is one the superior strategy through which companies are striving to gain their maximum market share and higher level of competitive edge. In this ongoing dynamic environment, it is hard to gain advantage over other organization which probably possible through innovation. The research conducted by “Center for Innovation and Collaboration (CIC), PPM Management” reported that 24.6% organization leading their process through working on innovation in 2013. However, this percentage exceeds to 26.5% in 2014 as reported

by CIC, PPM management. Therefore, it can be observed through it, in today's competitive environment, most of the organization moving their process and accepting the innovation as good point for their success (Inkinen, Kianto, & Vanhala, 2015; Kianto, Sáenz, & Aramburu, 2017). Furthermore, the existing organization also focusing on to best utilizing their processes through innovation because this is the biggest factor to gain advantage over other organization and through this organization can achieve their desired market share.

Innovation is similar to the growth of organization. In addition, dissimilarities at factory and in the environment's adjacent factory danger disintegrating welfare with destructive penalties for folks and, supposedly, for administrations. These nonconformities have been widely beckoned but regularly unnoticed in the essential HRM style and protect ordering HR does that can support to faultless their imprint. As differences in experience endure to suffer working for innovation. Though nearly nonconformities are optimistic, primary to the mechanization of repetitious activities, forecasts to application from family and greater interaction to indication, others demonstrate competitions to innovate. Indication know-how can upsurge supplication and produce work surplus (Sáenz, Aramburu, & Kianto, 2017). Main to work-home meddlesome, suffering the dominance of recapture stretch, increase the prospects for investigation with its insinuations for injury of governor and augmented nervousness and underwrite to ability hopelessness and allied occupation hesitation. However, examination has traditional the aids for innovation in redesigning works to bring superior individuality, Sáenz et al. (2017) formulate that in the UK, systematic stratum of authority have deteriorated though work apprehensions have amplified, predominantly in low-skill professions.

However, organizational performance can be predicted through its implications of proper HR policies. While, adoption of technology and making innovation in the organization can be the biggest reason of organization success. In figure 1, this study illustrates the factors of innovation and organizational performance which turn the organization in the way to achieve competitive growth in the market. Innovation capabilities can be two types of like for technology and for business. Innovation capabilities for technologies consist of several distinct factors like manufacturing capabilities, learning capabilities, and resources allocation capabilities. Innovation capabilities for business include administrative practices, management innovation and structure of the organization (Jiang, Wang, & Zhao, 2012; Sáenz et al., 2017; Zhang et al., 2019). However, organizational

performance can be seen in increasing sales, gaining market share, attaining market advantage and performance of the newly launched product. Furthermore, more precisely, the following figure indicating that innovation of both types directly leads the organization to experience higher organizational performance. And this performance leads them to experience higher sales, higher market share, higher performance of launched products and gaining higher level competitive edge. Intellectual capital (IC) contained three factors like “employee capital, structural capital and customer capital”, and totally IC leads to the innovation process. Therefore, we can conclude that innovation performance is the outcome of IC and this outcome is positive when the industry’s growth is on good or increasing stage. The same thing has presented in the following figure 1 and Table 1.

TABLE 1. HR Salary Forecast in Thailand

Year	Salary Forecast (THB)
2016	92500
2017	96000
2018	98000
2019	100000



Figure 1: HR Salary Forecast in Thailand

More precisely, this study propose that corporate innovation is the outcome of Knowledge and HRM. While the prior studies conducted to found the association amid HRM and innovation (Jimenez-Jimenez & Sanz-Valle, 2005; Preacher & Hayes, 2004) and with intellectual capital (IC), (Rasool, Samma, Wang, Zhao, & Zhang, 2019; Veth, Korzilius, Van der Heijden, Emans, & De Lange, 2019; J. Wang et al., 2019; J. Wang et al., 2020). The less available linkage of the constructs requires the more research in order to highlight the several notions for the betterment of HR function in an organization. Therefore, this study proposed that IC level of the company effected by HRM activities which reveals that organization’s intangible assets like worker’s motivation and skills, exterior relations, and knowledge structure grounded on accurate information. These factors of IC directly possess impact for innovation performance. More accurately, innovation is the outcome of HRM by stimulating the organizational knowledge.

LITERATURE REVIEW

Innovation and Intellectual capital

In the ongoing competitive environment, literature of management has attempted the Paradigm of IC in order to predict how knowledge regulate the organization in value creating capitals. IC can be defined as “the possession of the knowledge, applied experience, organizational technology, customer relationships and professional skills that provide a company with a competitive edge in the market” (Alavi & Leidner, 2001). More precisely, IC comprises the organizational resources like knowledge and other intangible things which have been common to establish value creation process. IC has three key types which include “human capital, structural capital and relational capital”, and these factors are associated with knowledge of workers, process, structures, network and relations of the firms (Anand, Gardner, & Morris, 2007; Curzi, Fabbri, Scapolan, & Boscolo, 2019; Rungtirsawat & Jermisittiparsert, 2019).

Human capital comprises an administration’s workforces and their characteristics, like their knowledge, skill, obligation and enthusiasm (Bontis, 1998; Bontis, Keow, & Richardson, 2000). The company does not have or even rheostat human assets in

the severe sagacity, meanwhile it 'gaits out' the business's entrance to each night or when workers alter works (Youndt & Snell, 2004). Though, writers in the arena deliberate that human assets is the greatest substantial component of IC, as a company can achieve zero including novelty without it. By way of Youndt and Snell (2004) contend, "critical share of the knowledge and skills required for innovation resides with and is used by individuals." Since emerging new knowledge entails approximately level of prevailing facts" (Wu, Lin, & Hsu, 2007), workers' services and knowhow are significant forecasters of administrative innovation. Imaginative and well-informed workforces are added probable to progress new and ground-breaking philosophies (K. Jiang et al., 2012) or to interrogate current conducts of behavior and perform as structural change negotiators. Structural capital, occasionally named organizational capital, includes 'all the non-human stockrooms' of information within organizations, accumulated and distributed by administrative edifices, procedures, structures and guides (K. Jiang et al., 2012; J. Wang et al., 2019). It is the facts that remains with a company when workers are on leaves. This standard of established facts and organized involvement can upsurge novelty as the invention of new goods, procedures or approaches typically includes uniting and smearing dissimilar parts of prevailing facts (Fleming & Sorenson, 2004). From now, having industrialized an "administrative recollection" (Nonaka & Takeuchi, 1995) will aid businesses to bargain out and syndicate all the pertinent minutes of facts that they must produce or assimilated in the earlier, and that they essential to harvest the predicted innovation.

Recognized constructions, standards and procedures sustenance the methodical certification and preservation of facts that administrations may use to unceasingly harvest and examines novel ideas (J. Wang et al., 2019). Therefore, from the prior researches, it has been found that knowledge and HRM are the source of enabling innovation in an organization. This study discussed the innovation with reference to HRM and the knowledge which produces by the firm. However, the prior academic researchers have found that knowledge perspectives and HRM were interrelated to each other being the crucial issue in the organization and still it is the under developing in order to build strong process through innovation. Material and message skills similarly smooth the modernization by permitting there to be material exploration, recovery, storing, transmission, investigation and distribution (Anand et al., 2007). Totally, structural capital provisions invention by giving a shared substructure for information expansion doings within an association.

Increasing innovation and IC by knowledge grounded HRM Practices of HRM substantially upsurge the competence of the firm for the innovation system through structured knowledge developed by the HRM. **The core factors for the company's behaviors or the antecedents are recruitment, selection, training, development and performance** (Bowen & Ostroff, 2004). Similar findings have found by the Curzi et al. (2019), this study argued that innovation being outcome of the knowledge can enhance the organizational structure, and for that, executive have to customized the traditional HR practices in order to enhance the creativity of the workers which ultimately support to the innovation procedure within the organization. Knowledge grounded HR performs refers to the practices which are designed for the purpose of increasing knowledge through the structured process. In the following

section, this study highlighted the traditional practices of HRM being processed by the organization of today. This study further highlighted that these perspectives can directly contribute toward the innovation structure being ran within the organizational boundary.

Knowledge grounded recruitment

Recruitment refers to "those practices and activities carried out by the organization with the primary purpose of identifying and attracting potential employees" like humanoid assets (Chen & Huang, 2009). However, selection stated as "the task of predicting which applicant will be the most successful in meeting the demands of the job, and/or be the best fit with the work group and culture of the organization" (D. Wang & Chen, 2013). The factors directly influence the creation of knowledge as is assess the knowledge within the company. Further, the prior researchers have shown that **company's knowledge leads to the company's successful gaining of innovation** which probably possible through inducting talented workforce (Combs, Liu, Hall, & Ketchen, 2006). More precisely, induction through assessing applicant's knowledge, networking and their learning abilities, directly contribute in innovation process.

Knowledge grounded training

Den Hartog, Boon, Verburg, and Croon (2013) revealed that competent workers not always be competent, their level of competence reduce with the passage of time. The proper **development and implementation of worker's development** probably leads the organization to assess the worker's current fit, their skills and knowledge which directly contribute in generating knowledge within the organization and also contribute in the development of human assets (J. Jiang et al., 2012; Rasool et al., 2019; Takeuchi, Lepak, Wang, & Takeuchi, 2007). More precisely, training based on the knowledge developed the robust expertise of the workers which enable them to be fit for the development of innovation.

Knowledge grounded performance valuation

Performance assessment may be an enormously pertinent instrument for supervising worker deeds. Executives should intentionally and obviously comprise presentation standards connected to knowledge procedures (i.e. knowledge distribution, formation and application) in command to boost them. In specific, presentation assessment should emphasis on expansion and response (Lau & Ngo, 2004). Response supports to recognize gaps amid presentation and goals (Kang, Snell, & Swart, 2012), thus inspiring workforces to effort imaginatively (Sáenz et al., 2017). Furthermore, assessments that emphasis on knowledge and progress possibly will support workers increase the self-confidence essential to grab prospects for advanced level knowledge (J. Jiang et al., 2012). Shortly, knowledge grounded presentation assessments assess workers rendering to their aids to administrations' knowledge procedures: knowledge distribution, formation and application (Alavi & Leidner, 2001; Anand et al., 2007).

Knowledge grounded compensation

Compensation strategies may also indorse knowledge management within the administrations. Executives could utilize both perceptible (e.g. advantages and one-off plunders) and imperceptible encouragements (e.g. position and acknowledgement) to inspire workers to segment, generate and put on facts (Huizingh, 2011). Numerous preceding

researches (Bollen, 2011) have established that encouragement schemes are significant apparatuses for inspiring workers to yield the time desired to segment facts and produce new philosophies. Shortly, knowledge grounded recommence suggests satisfying workers rendering to their donations to the important information procedures of knowledge distribution, formation and application.

Prior investigation has recognized that HRM performs possibly will have a sturdier influence on organizational presentation when they are functional mutually, relatively than in separation (Bollen, 2011; Bontis et al., 2000; CHUANG & Liao, 2010; Huizingh, 2011). Therefore, from 20 years, SHRM works has transferred from a repetition concerned with standpoint to a packet concerned with one. Subsequent this streak of supposed, we undertake a bale concerned with method to HRM (CHUANG & Liao, 2010) and deliberate knowledge grounded HRM as a bale of distinct but unified HRM performs planned to interest, keep in mind and inspire workers to segment, generate and employ knowledge. Grounded on this evidence, we undertake that following knowledge grounded HRM performs in a comprehensible bale is probable to employ a sturdier endorsing inspiration on construction IC and modernization than realizing only solo supportive performs (CHUANG & Liao, 2010; Huizingh, 2011).

Hypotheses Formulation

In the present study, author would like to measure the power of HRM practices based on **knowledge which include “human capital, structural capital and relational capital”** and on innovation. **And this is in line with “resource base view” (RBV).** However, based on this perspective, gaining competitive edge is not just the consequence of HRM performs, as it does not have any substitute and not inimitable, and still it is significant in order to measure the Humanoid asset for the company and numerous other knowledge grounded sources (Wright, McMahan, & McWilliams, 1994; Wright & Nishii, 2007). This source has been proved as rare, un-inimitable and no substitute, therefore it has been seemed as for the competitive edge. When organizations have to gain competitive edge, for this organization have to adopt non inimitable HR practices.

In addition to this, HRM performs grounded on knowledge possess the strong influence on IC and this knowledge attempt to variety in the other kinds of IC and their relationships becomes stronger when other key construct becomes have to remain with these relationships. Paauwe, Wright, and Guest (2013) **stated worker’s expertise and their knowledge and motivation have the ability to formalize the IC within the organizational boundary. More precisely, humane capital which include “employees’ knowledge, skills and motivation”** have the ability to modify the structural relationships of all kinds of capital and it developed the extents which leads the organization on the ways of developments. This have been proposed that HRM performs grounded on knowledge probably directly influence the factors of IC with direct or indirect ways. Based on these findings, this study formulated the below hypotheses:

H1. HRM practices grounded on knowledge positively related to structural capital in the pharmacy corporations in Thailand.
H2. HRM practices grounded on knowledge positively related to relational capital in the pharmacy corporations in Thailand. The classified association of IC’s **factors have the significant influence on innovation structure of the organization.** The

prior studies have stated that human capital possibly will influence to the performance of innovation within the organizational boundary through increasing the relational and structural assets. Though, the prior studies have also mentioned that innovation and IC, their association, have been seen as the predictors of human assets for the development of the organization. Furthermore, in command to this, have mentioned that these kinds of capitals with integration supply chain leads the organization for the successful implementation of the innovation process.

Wright et al. (1994) working for the assembly of Taiwanese microelectronic and material knowledge businesses is single of the scarce trainings that examines the title role of humanoid assets as a predecessor to organizational and interpersonal wealth in the association amid IC and novelty presentation. In possession with their prospects, they bargain that organizational and interpersonal assets definitely mediate the association amid human assets and innovation. Curzi et al. (2019) also found comparable consequences. Grounded on these answers and the theoretic fundamentals beforehand delineated, we express the following suppositions:

H3. HRM practices grounded on knowledge positively related to Innovation performance in the pharmacy corporations in Thailand.

H4. Human capital are positively mediates among the nexus of structural capital and HRM practices grounded on knowledge in the pharmacy corporations in Thailand.

This grounded association amongst the factors of the IC and innovation grounded on the knowledge which have been produced by the organization for the welfare of their workers. These factors of capital directly contribute toward the systematic performance of the innovation process developed by the organization. Similarly, HR practices possibly will influence to the innovation within the organization through the factors of IC. This mediating relationship ultimately developed structural consequences for the organization. IC **contained three factors like “employee capital, structural capital and customer capital”,** and totally IC leads to the innovation process. Therefore, we can conclude that innovation performance is the outcome of IC and this **outcome is positive when the industry’s growth is on good or increasing stage.** From the several distinct prior investigational studies, most of them have proved the empirical association amid the components of the IC and innovation (Rasool et al., 2019; Wright et al., 1994). However, this paper argued that factors of IC impact on innovation and this relationship becomes robust through involvement of HR practices. This association can be presented by formulating the following suppositions.

H5. Human capital are positively mediates among the nexus of rational capital and HRM practices grounded on knowledge in the pharmacy corporations in Thailand.

H6. Human capital are positively mediates among the nexus of performance innovation and HRM practices grounded on knowledge in the pharmacy corporations in Thailand.

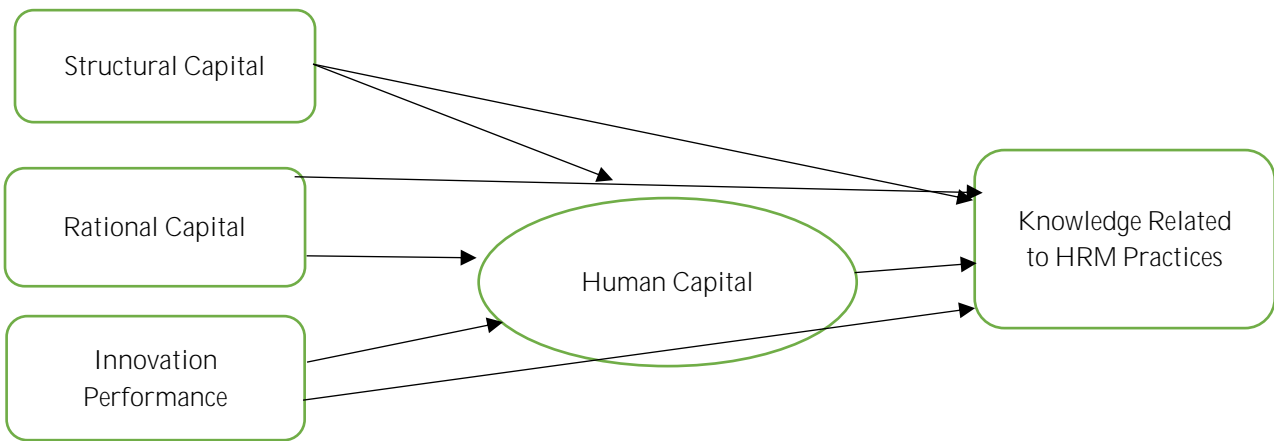
Research Methods

The foremost purpose of this article is to examine the influence of structural capital, rational capital and innovation performance on the knowledge related to HRM practices. Another aim of the article is to analyze the mediating role of human capital among the nexus of structural capital, rational capital and innovation performance on the knowledge related to HRM practices in pharmacy business in Thailand. The data

were gathered from the employees as well as managers of HR in the pharmacy outlets situated in the top five cities such Bangkok, Nonthaburi, Nakhon Ratchasima, Chiang Mai and Hat Yai in Thailand by using five point likert scale questionnaire and PLS-SEM are utilize for data analysis purpose.
Measure

The knowledge related to HRM practices (KRHRMP) is used as dependent variable and has eight items while structural capital (SC), rational capital (RC) and innovation performance (IP) are used as independent variables and have eight, six and ten items respectively. Moreover, human capital (HC) is used as mediator variable and has six items.

THEORETICAL FRAMEWORK



Findings

The output consist the validity of the data such as convergent and discriminant and path analysis of the article. The convergent validity is verified by employed the AVE that has more than 0.50 values and CR that has more than 0.70 values.

In addition, the convergent validity is also verified by employed the Alpha that has more than 0.70 values and loadings that has more than 0.50 values. Hence, the convergent validity has proved in this article and Table 2 mentioned under exposed the convergent validity.

TABLE 2. Convergent Validity

Constructs	Items	Loadings	Alpha	CR	AVE
Knowledge Related to HRM Practices	KRHRMP1	0.705	0.849	0.884	0.523
	KRHRMP2	0.782			
	KRHRMP3	0.822			
	KRHRMP4	0.631			
	KRHRMP5	0.626			
	KRHRMP6	0.680			
	KRHRMP8	0.789			
	Structural Capital	SC1			
SC2		0.742			
SC3		0.781			
SC4		0.804			
SC5		0.743			
SC8		0.758			
Rational Capital	RC1	0.838	0.883	0.911	0.631
	RC2	0.834			
	RC3	0.793			
	RC4	0.666			
	RC5	0.792			
	RC6	0.828			
Innovation Performance	IP1	0.792	0.896	0.918	0.587
	IP2	0.843			

	IP3	0.497			
	IP4	0.812			
	IP5	0.722			
	IP8	0.776			
	IP9	0.828			
	IP10	0.800			
Human Capital	HC1	0.892	0.806	0.859	0.553
	HC2	0.812			
	HC4	0.677			
	HC5	0.648			
	HC6	0.657			

The discriminant validity is verified by employed the Fornell Larcker method and the finding shown the values are meet the criteria of first value is higher than the rest. Hence, the

convergent validity has proved in this article and Table 3 mentioned under exposed the Fornell Larcker criteria of discriminant validity.

TABLE 3. Fornell Larcker

	KRHRMP	SC	RC	IP	HC
KRHRMP	0.723				
SC	0.723	0.763			
RC	0.575	0.686	0.794		
IP	0.548	0.514	0.388	0.766	
HC	0.686	0.484	0.476	0.516	0.744

The discriminant validity is verified by employed the cross loading method and the finding shown the values are meet the criteria lower than the 0.90. Hence, the convergent validity

has proved in this article and Table 4 mentioned under exposed the cross loadings criteria of discriminant validity.

TABLE 4. Cross Loadings

	KRHRMP	SC	RC	IP	HC
KRHRMP1	0.705	0.392	0.426	0.303	0.372
KRHRMP2	0.782	0.559	0.426	0.373	0.462
KRHRMP3	0.822	0.485	0.343	0.401	0.430
KRHRMP4	0.631	0.341	0.349	0.325	0.314
KRHRMP5	0.626	0.429	0.369	0.406	0.323
KRHRMP6	0.680	0.613	0.480	0.443	0.639
KRHRMP8	0.789	0.686	0.471	0.468	0.730
SC1	0.496	0.748	0.665	0.354	0.441
SC2	0.635	0.742	0.423	0.464	0.656
SC3	0.508	0.781	0.639	0.397	0.413
SC4	0.532	0.804	0.659	0.355	0.489
SC5	0.518	0.743	0.362	0.376	0.738
SC8	0.589	0.758	0.429	0.389	0.800
RC1	0.438	0.506	0.838	0.288	0.326
RC2	0.392	0.496	0.834	0.286	0.336
RC3	0.511	0.604	0.793	0.292	0.444
RC4	0.430	0.512	0.666	0.313	0.418
RC5	0.336	0.401	0.792	0.224	0.252
RC6	0.559	0.664	0.828	0.399	0.431
IP1	0.351	0.240	0.175	0.792	0.298

IP2	0.504	0.484	0.411	0.843	0.480
IP3	0.246	0.274	0.244	0.497	0.262
IP4	0.478	0.478	0.358	0.812	0.460
IP5	0.437	0.466	0.368	0.722	0.396
IP8	0.438	0.464	0.300	0.776	0.384
IP9	0.424	0.362	0.252	0.828	0.429
IP10	0.410	0.306	0.217	0.800	0.390
HC1	0.695	0.732	0.446	0.499	0.892
HC2	0.639	0.589	0.364	0.521	0.812
HC4	0.398	0.649	0.344	0.269	0.677
HC5	0.289	0.408	0.252	0.200	0.648
HC6	0.335	0.486	0.334	0.273	0.657

The discriminant validity is verified by employed the HTMT ratio and the finding shown the values are meet the criteria of first value is higher than the rest. Hence, the convergent

validity has proved in this article and Table 5 mentioned under exposed the HTMT ratio of discriminant validity.

TABLE 5. HTMT Ratio

	KRHRMP	SC	RC	IP	HC
KRHRMP					
SC	0.803				
RC	0.636	0.777			
IP	0.605	0.573	0.419		
HC	0.713	0.906	0.537	0.545	

The outcome exposed that structural capital, rational capital and innovation performance have positively influence on the knowledge related to HRM practices in pharmacy business in Thailand because the beta meet the criteria that have positive sign. The outcome also exposed that structural capital, rational capital and innovation performance have significant influence on the knowledge related to HRM practices in pharmacy business in Thailand because the p and t values meet the criteria less than 0.05 and higher than 1.64 respectively and

accept the H1, H2, and H3. The findings also exposed that human capital is also positively and significantly mediates among the nexus of structural capital, rational capital and innovation performance on the knowledge related to HRM practices in pharmacy business in Thailand because beta, p values and t values are meet the criteria of positive sign, less than 0.05 and higher than 1.64 respectively and accept the H4, H5 and H6. Table 6 mentioned under show the path analysis.

TABLE 6. Path Analysis

	Beta	S.D.	t-values	p-values	L.L.	U.L.
SC -> KRHRMP	0.307	0.098	3.115	0.001	0.143	0.459
RC -> KRHRMP	0.169	0.063	2.694	0.004	0.075	0.280
SC -> HC	0.383	0.039	9.860	0.000	0.322	0.449
IP -> KRHRMP	0.202	0.053	3.772	0.000	0.107	0.286
RC -> HC	0.084	0.046	1.807	0.036	0.002	0.157
HC -> KRHRMP	0.245	0.071	3.471	0.000	0.122	0.356
IP -> HC	0.566	0.004	15.616	0.000	0.511	0.627
SC -> HC -> KRHRMP	0.117	0.038	3.096	0.001	0.055	0.176
RC -> HC -> KRHRMP	0.128	0.069	1.855	0.002	0.000	0.062
IP -> HC -> KRHRMP	0.173	0.055	3.151	0.001	0.082	0.251

DISCUSSION AND CONCLUSIONS

The purpose of this research is to examine the influence of structural capital, rational capital and innovation performance on the knowledge related to HRM practice sand also analyze the mediating role of human capital among the nexus of structural capital, rational capital and innovation performance

on the knowledge related to HRM practices in pharmacy business in Thailand. The results indicated that structural capital, rational capital and innovation performance have positively influence on the knowledge related to HRM practices because the pharmacy business in Thailand are more towards the innovation, and capital improvement for this

purpose they provide comprehensive knowledge to their employee that enhance the learning regarding HRM practices. The findings also exposed that human capital is also positively mediates among the nexus of structural capital, rational capital and innovation performance on the knowledge related to HRM practices because the human capital is the key source that taking advantage from the innovation, and capital improvement to gain the comprehensive knowledge related to HRM practices. These outcomes give the insight to the regulation making authorities that they should increase the emphasis on the knowledge spreading activities regarding the HRM practices that improve the structural capital with the help of human capital.

Finally, conclusion of the study is the pharmacy business in Thailand is more towards the innovation, and capital improvement for this purpose they provide comprehensive knowledge to their employee that enhance the learning regarding HRM practices. It also the part of conclusion that the human capital is the key source that taking advantage from the innovation, and capital improvement to gain the comprehensive knowledge related to HRM practices. This research has some restrictions such as it takes only three predictors to predict the knowledge related to HRM practices and further studies may put emphasis on other factors. In addition, this literature emphasis only on the pharmacy business and prospective literature should increase their emphasis on other business as well.

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