

## **IMPACT OF HUMAN CAPITAL TO SUCCESS OF A BUSINESS IN SRI LANKA**

K.A.H.K.Senarathna [hasinthesenarathna@gmail.com](mailto:hasinthesenarathna@gmail.com)

Department of Accountancy, University of Kelaniya

### **Abstract**

Human capital refers to knowledge, skills and abilities acquired by an individual through education and work experience. When considering the whole business context it can be seen human capital is the best factor businesses have. Although companies are having many resources, its management cannot proceed business towards the success without good combination of human capital. All other factors are used for the business process by involving the human capital. Human capital increases the capability of owners to perform the generic entrepreneurial tasks of discovering and exploiting business opportunities (Shane and Venkatraman, 2000).

This paper refers to identify the combination of human capital and success of a business in Sri Lanka. Owners with higher human capital should be more effective and efficient in running their business than owners with lower human capital. When it comes to the Sri Lanka, as a developing country there are lack of financial resources in the Sri Lankan business context. Therefore Sri Lankan businesses have to maintain a good usage of human capital in order to get maximum contribution of other resources. The effectiveness of other business resources mainly based on the effectiveness of the human capital. The study expect that that there is positive relationship between human capital and success of a business

**Key words:** Human capital, success of the business, effectiveness of business resources