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Letter from the Editor-in-Chief

Myanmar and Korea have many similarities and are complementary relationship. Therefore, we believe that research exchange will expand mutual understanding between Myanmar and Korea, and will be the cornerstone for mutual development.

KOMYRA and YUE have co-published The Myanmar Journal since August 2014. So far, many scholars have published numerous papers through the journal, and We are sure that this journal has helped many people understand Myanmar and Korea more clearly and closely.

The Myanmar Journal covers various issues in Myanmar and Korea. It covers various topics that can promote bilateral development and mutual understanding, not limited to specific topics such as economy, industry, society, education, welfare, culture, energy, engineering, healthcare, and agriculture.

We hope that this journal will continue to promote understanding of the current status and potential capabilities of Myanmar and South Korea and promote in-depth international exchange and cooperation.

We would like to express our deepest gratitude to the editorial board and YUE and KOMYRA for their valuable support in The Myanmar Journal publication.

August 30, 2021

Youngjun Choi *yj choi*

Editor-in-Chief of THE MYANMAR JOURNAL
Vice-President of KOMYRA
Email: yjchoi@khu.ac.kr
Office: +82-2-961-0485
Web address: komyra.com/doc/scope.php

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INFORMATION ABOUT The Myanmar Journal

The Myanmar Journal (ISSN 2383-6563) is the official international journal co-published by Yangon University of Economics (YUE) and Korea Myanmar Research Institute (KOMYRA).

This journal aims to promote the mutual cooperation and development of Myanmar and Korea through intensive researches in the entire field of society, economy, culture, and industry.

It will cover all general academic and industrial issues, and share ideas, problems and solution for development of Myanmar.

Articles for publication will be on-line released twice a year at the end of February and August every year on the Myanmar Journal webpage (http://www.komyra.com/bbs/board.php?bo_table=articles).

Resources and Firm Performance of Hotels in Bagan

*Than Thu Zar**

Meiktila University of Economics

ABSTRACT: This study aims about the resources and firm performance of hotels in Bagan. The objectives of the study are to identify resources of hotels in Bagan and to analyze the effects of resources on firm performance of hotels in Bagan. This study uses both primary and secondary data. There are 49 one-star and two-stars hotels in Bagan. Primary data are collected from 40 owners or managers of 40 one-star and two-stars hotels by using simple random sampling method. These respondents represent (82%) of 49 one-star and two- stars hotels in Bagan. The structured questionnaire is used to collect these primary data. To confirm the collected data, personal interviews with owner/manager are conducted in these hotels. Descriptive statistics, correlation analysis and multiple regression analysis are used to analyze the collected data. This study found that physical resources and information resources have positive and significant effects on firm performance. Human resources and financial resources do not have significant effects on firm performance. Therefore, managers of hotels should emphasize on physical and information resources to increase firm performance.

Key words : *Physical Resources, Human Resources, Financial Resources, Information Resources, Firm Performance*

I. Introduction

Resources are the most important factors that contribute to the competitive

* Associate Professor, Dr., Department of Management Studies, Meiktila University of Economics

advantage and superior performance of industry. Resources can be utilized to produce service effectively for business organizations. However, individual resources do not automatically confer competitive advantage and high performance. Accordingly, they have to be allocated efficiently and integrated together. Resources without any attribute make the firms costly and possession of a large amount of such ownership creates competitive disadvantage (Barney, 1991).

Successful firms are finding ways to improve profitability levels, streamline costs and eliminating waste. Firm performance as a multidimensional concept and all aspects of performance is widely used by many researchers. It is the heart of strategic management and the construct was measured mainly in financial aspects (David, 2011). Firm performance is the continuous process of identifying, measuring, and developing of each resource and aligning their performance with organization's goals.

Hotel industry is one of the most and fast developing sectors of economy in Myanmar. The role of hotel industry in the international economy is multifaceted and its effects are initially observed in depicting the tourist traffic and revenues from hotel industry. Bagan is an ancient city located in central Myanmar. The visitor attraction places such as more than 2000 legendary background behind the pagodas and its breathing architecture style are catching the eyes of international visitors. Moreover, hotels in Bagan are struggling with many difficulties because of limited resources and poor performance. In order to fulfill the local requirements and to attract the tourists, the improvement of hotel industry especially in Bagan is essential in the country. To improve this industry, resources such as physical, financial, human and information resources are vital importance for hotels. Therefore, this study analyzes the effects of resources on firm performance of one-star and two-stars Hotels in Bagan.

1. Objectives of the Study

The objectives of the study are as follows:

- (1) To identify the resources of Hotels in Bagan.
- (2) To analyze the effects of resources on firm performance of Hotels in Bagan.

2. Research Methods of the Study

This study focuses on the resources and firm performance of hotels in Bagan. Both primary data and secondary data are used. According to Ministry of Hotels and Tourism (2020), there are (76) hotels in Bagan. Among then, 10 are one-star and 39

are two-stars hotels. Therefore, total numbers of one-star and two-stars hotels are 49. The primary data are collected from 40 owners/managers of 49 one-star and two-stars hotels by using simple random sampling method. One respondent is only represented for one hotel. These respondents are 82% of one-star and two-stars hotels in Bagan. Structured questionnaire is used to collect these primary data. Items of the questionnaire are measured with five-point Likert Scale. In-depth interviews with owners/managers are conducted in this study. Secondary data are gathered from the relevant text books, journals, hotels' annual reports, previous research papers and Internet websites. Descriptive statistics, correlation and multiple regression analysis are used to analyze the effects of resources on firm performance. Data collection method was in in January, 2020

II. Literature Review

Strategic Management concepts is the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives (David, 2011). The purpose of strategic management is to exploit and create new and different opportunities for tomorrow; long-range planning, in contrast tries to optimize for tomorrow the trends of today. The manager must have a thorough knowledge and analysis of the general and competitive organization environment so as to take right decisions concerned with their firm's resources (Daft, 1983). Resources are given the major role in helping companies to achieve higher organizational performance. A firm's resources includes tangible and intangible resources. Theses resources include physical, financial, human, information, organizational and logistics resources (Barney, 2011).

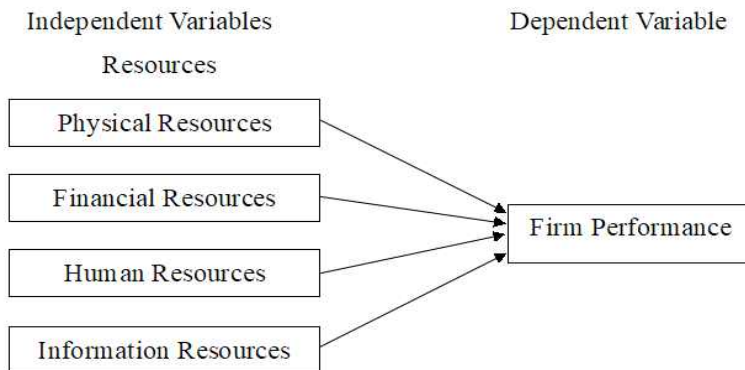
The physical resources include tangible items that are necessary and available for a business to function. These are items that take space, have a value, and are used in the operation of the company (Wernerfelt, 1989). Financial resources are the resources from which the industries obtain the funds they need to finance their investment, capital and current activities. Financial resources include all the money, from whatever sources, that firms use to conceive and implement strategies (Inmyxia & Takahashi, 2010). A firm's human resources are defined as all of the knowledge, experience, skill and commitment of a firm's employees, their relationships with each other and with those outside of the firm (Cappelli & Singh, 1992). Human resources include all the employees, training, experience, judgment, knowledge, intelligence, relationships and insight of individual managers and workers in a firm. Information resources are resources that help not only a business get a job done but also a customer get the information need (Wernerfelt, 1984). At present, accurate

information can reduce the business risks and hence firms need to access a variety of information sources domestically and internationally.

Performance is outcomes, results or accomplishment of organization and a firm's level of success. Performance is defined doing something successfully by using skills and knowledge. Firm performance can be assessed with sales, market share, profitability (Piecy et al., 1998); sale volume, market share, growth, customer satisfaction, employee satisfaction, social performance, and environment performance (Santos and Brito, 2012) are used as performance indicators. Firm performance is measured by using not only financial but also non-financial measures (Abushaiba & Zainuddin, 2012). Firm performance is measured by respondent perception towards profitability performance, growth performance, and employee satisfaction in this study.

There are various researches and studies related with resources and firm performance over the years. Gil-Padilla and Espino-Rodríguez (2008) found that the resources and capabilities effect on performance of the hotel. Arshad (2014) stated that time resources, information resources and organizational resources have significantly and positively effect on firm performance, whereas technological resources are insignificant on performance in this research. Othman et al. (2015) found that physical resources have positive and significant effect on performance of private hospital industry. Based upon the literature review, a conceptual framework is formed. This conceptual framework is shown in Figure.

Figure 1. Conceptual Framework of the Study



Source: Own Compilation Based on Previous Studies

According to Figure, this study uses four resources as independent variables (physical resources, financial resources, human resources and information resources). Firm performance the dependent variable.

III. Analysis of the Results

In order to meet the objective of identifying resources, the respondent perception towards resources and firm performance are analyzed by descriptive statistics (Mean and Standard Deviation). The standard deviation is commonly used to measure confidence in statistical conclusions. Standard deviation (S.D) is a measure that is used to quantify the amount of variation or dispersion of a set of data values (Zikmund, et al., 2010). If standard deviation is greater than 1, it means that the respondent has quite different opinion about the questions. As described in Table (1), the standard deviations for all variables are below one which indicates that they do not deviate from the mean values. Moreover, the alpha values of all variables are more than 0.70 and prove the reliability of the items. These items direct towards one dimension. The alpha values of all variables have the acceptable levels. Thus, the results of the questionnaire are suitable for further analysis.

Table 1. Descriptive Statistics and Reliability Test of the Variables

Sr. No.	Variables	Mean	SD	Items	Alpha
1	Physical resources	2.96	0.833	5	0.886
2	Financial resources	3.06	0.664	5	0.808
3	Human resources	3.07	0.523	5	0.673
4	Information resource	3.16	0.958	5	0.889
5	Firm Performance	2.38	0.644	7	0.705

Sources: Survey Data (January, 2020)

According to Table (1), the minimum mean value (2.96) is founded at neither agree nor disagree level in the physical resources. It can be said that ownership of physical resources is lower than other three resources. In this present study, 18 hotels have swimming pool, garden and play grounds. And the remaining 25 hotels have only car parking area. Because these studies are one-star and two-stars hotels, they do not arrange cars and bicycles for their guests to visit the Bagan. Therefore, physical resources are lower mean value than others.

Financial resource is at the agreement level. For human resources, it is also at the agreement level. Most of hotels have skillful employees, sufficient numbers of employees and their capability. Most hotels have family type relationship between owners/managers and employees because they are one-star and two-stars hotels. Thus, financial and human resources are good perception by the managers.

Information resource is the maximum mean value (3.16) among all resources. It can be interpreted that managers of hotels use some extent of information resources to communicate with customers and suppliers. Information can be accessed by customers and suppliers through Internet in the hotels. Customers can be booked

through Internet. Hotels receive information of the country and foreign countries' condition. Most hotels use online information system for ordering, delivering, billing and advertising.

The correlation of the independent variables; physical resources, financial resources, human resources and information resources are tested to show their correlation with dependent variable (firm performance). The results of the correlations of measured variables are shown in Table (2). Correlation is the statistical technique that can show whether and how strongly pairs of variables are related.

Table 2. Correlation Analysis Among Variables

Sr. No.	Variables	1	2	3	4	5
1	Physical Resources	1				
2	Financial Resources	0.649***	1			
3	Human Resources	0.656***	0.387***	1		
4	Information Resources	0.627***	0.526***	0.473***	1	
5	Firm Performance	0.724***	0.597***	0.462***	0.743***	1

Note: *** is significant at the 1% level.

Source: Survey Data (January, 2020)

Table (2) shows that there are positively and significantly relationships between all resources and firm performance at 1% level. The correlation coefficient of physical, financial, human and information are less than 0.8. Therefore, they are moderately correlated with firm performance. The correlation results highlight that the resources are essential to achieve firm performance.

As the main analysis, the study applies the multiple regression analysis to test the objectives of the effects of resources (physical resources, financial resources, human resources and information resources) on firm performance. Regression analysis is a set of statistical process for estimation the relationship among variables. It helps to understand how the typical value of the dependent variable is varied, while the other independent variables are held fixed.

Table 3. Multiple Regression Analysis of Resources and Firm Performance

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.271	0.426		2.987	0.005		
Physical Resources	0.307	0.127	0.397	2.419	0.021	0.347	2.884
Financial Resources	0.118	0.126	0.122	0.934	0.357	0.550	1.817
Human	-0.077	0.159	-0.062	-0.482	0.633	0.559	1.789

Resources							
Information	0.308	0.086	0.459	3.595	0.001	0.573	1.744
Resources							
R	0.820						
R ²	0.673						
Adjusted R ²	0.635						
F	17.975***						

Note: *** is significant at the 1% level. Dependent Variable: Firm Performance Source: Survey Data (January, 2020)

The results of multiple regression analysis provide that physical resources and information resources are related to firm performance ($B=0.307$, $P<0.05$), and ($B=0.308$, $P<0.01$), financial resources and human resources do not support the significant relationship with firm performance ($P>0.01$).

Based on Table (3), R value is 0.820. R value is the square root of R² and it is the correlation between the dependent variable and the independent variables. It shown that there is a significant correlation between dependent variable and independent variable which means firm performance 82% depend on resources. R² indicates the extent the independent variable (physical, financial, human and information resources) can explain the variation in the dependent variable (firm performance). This is an overall measure of the strength of association and does not reflect the extent to which any particular independent variable is associated with the dependent variable. In this study, the coefficient determination (R²) is 0.673, which indicated that independent variables can explain 67.3% of the variations in dependent variable.

According to the results of multiple regression analysis, physical resources and information resources have significant and positive effects on firm performance. Financial resources and human resources do not show the significant effects on the firm performance. Physical resources and information resources are main concern in their operations. Financial is one of the critical resources that allow the firm to enough in business environment that can sustain firm performance. For hotel business, the financial resources are fundamental factor in supporting businesses activities in funding to improve their services.

IV. Discussion

The main aim of this study is to analyze the resources and firm performance of hotels in Bagan. The descriptive statistics result for the objective of identifying resources shows that information resources have the maximum mean value among

the resources. Owners and managers believe that they use mostly information resources to run their hotels. Physical resources have the minimum mean value. The owners and managers think that they are weak in physical resources compared with higher star rating hotels.

Correlation results show that physical resources, human resources, financial resources and information resources are significantly and positively correlated with performance. Therefore, the more use the physical, human, financial and information resources, the more increase the performance of hotels.

This study also analyzes the effects of resources (physical resources, financial resources, human resources and information resources) on performance by using multiple regression analysis. It is found that physical resources and information resources have significant and positive effects on firm performance. Hotels can use physical and information resources to improve the performance of the hotels. Financial resources and human resources do not have significant effects on firm performance.

V. Conclusion

This study contributes to the hotels by suggesting ways to enhance their firm performance. Firm performance is evaluated by the owner perception of increased net income, reduced cost, net profit and employee satisfaction. Based on the results of this study, there are several suggestions for existing one and two-stars hotels in Bagan.

Hotels should use the attractive physical resources for the extra services. Managers should prepare to arrange clean and attractive environment within the hotels. Most visitors including local and foreigners want to go with the bicycles and motor bikes. Managers should arrange them to get easily in their hotels. In addition, owners and managers of Hotels in Bagan should upgrade their physical resources and should have typical attractive buildings and facilities to improve firm performance.

Information resources are important resources to improve the hotel performance. Nowadays, every firm needs the latest and update information. Information should be used effectively to increase productivity, quality of services and reduce waiting time. Owners or managers should actively participate in the Association of Hotels for sharing knowledge and discussing difficulties and needs for improvement. Most visitors are searching information from Internet websites and tourism businesses. Hotels should create own websites and pages in social media. In addition, hotels should always connect with the tourism businesses. Most of the hotels are now using

POS system. Other cheaper and effective system such as customer relationship management software should be used to give quick and reliable services. Therefore, they should concentrate more on combining resources that lead to the optimum development level, which contribute towards superior firm performance.

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