Research Article

The Strategic Role of Human Capital in Firm Valuation: A Regression-Based Study of Investment, Disclosure, and Organizational Control Mechanisms

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Abstract: In today's knowledge-driven economy, human capital has emerged as a pivotal driver of firm valuation, performance, and competitive advantage. Despite its strategic importance, many firms still regard human capital investment as an expense rather than a value-generating asset. This study investigates the influence of Human Capital Investment, Human Capital Disclosure, and Organizational Controls on the perceived valuation of firms. Drawing from the Resource-Based View, Human Capital Theory, and Signalling Theory, the research adopts a quantitative approach using survey data collected from 40 mid- to senior-level professionals. A structured 25-item Likert-scale questionnaire was administered, and responses were analysed using SPSS. The scale demonstrated high internal consistency (Cronbach's Alpha = 0.861), and the regression model showed a strong predictive capacity (R^2 = 0.668). Results indicate that all three independent variables significantly and positively influence perceived firm valuation. Among them, Organizational Controls were the most influential predictor, followed by Disclosure practices and Investment in training and development. The findings emphasize that human capital adds measurable value when strategically governed, transparently disclosed, and embedded in performance frameworks. This study contributes to literature by offering an empirically validated model that integrates investment, transparency, and governance dimensions of human capital. It provides practical insights for organizations and policymakers to realign human capital strategies with broader value creation and reporting practices in dynamic business environments.

Keywords: Human Capital Investment, Firm Valuation, Human Capital Disclosure, Organizational Controls, Resource-Based View (RBV).

INTRODUCTION

In the current knowledge-intensive economic environment, human capital has emerged as a strategic driver of firm performance and long-term value creation. Comprising the skills, experience, and adaptability of employees, human capital provides a competitive edge that distinguishes firms in dynamic markets. However, traditional financial systems often fail to capture its true value, treating investments in training and development as costs rather than strategic assets. Grounded in the Resource-Based View (RBV) and Human Capital Theory, this study investigates how Human Capital Investment, Disclosure, and Organizational Controls influence the perceived valuation of firms. While past literature affirms the role of human capital in enhancing productivity, its direct relationship with firm valuation remains ambiguous and context-specific. Scholars argue that disclosure transparency and structured HR governance significantly moderate this relationship. To explore this further, the study surveyed 40 mid- to senior-level HR and managerial professionals using a structured 25-item questionnaire based on a 5-point Likert scale. The data, analysed using SPSS, demonstrated strong internal consistency (Cronbach's alpha = 0.861) and a robust

regression model (R^2 = 0.668), confirming the predictive strength of the proposed variables. The findings reveal that all three dimensions Human Capital Investment, Human Capital Disclosure, and Organizational Controls have a significant and positive impact on perceived firm valuation. Among these, Organizational Controls were the most influential (β = 0.432), followed by Disclosure (β = 0.308) and Investment (β = 0.247). These results substantiate that human capital adds maximum value when it is strategically governed and transparently communicated. This research contributes to both theory and practice by offering an empirically validated model and highlighting the need for integrated human capital strategies. It underscores the importance of treating human capital not just as an operational function but as a value-generating driver embedded within broader organizational and financial systems.

LITERATURE REVIEW

Human capital has long been recognized as a critical determinant of organizational success and firm valuation. Drawing from the Resource-Based View and Human Capital Theory, scholars have examined how employee

knowledge, skills, and capabilities drive productivity, innovation, and long-term performance. However, the translation of human capital into measurable firm value remains complex and context-specific. This literature review synthesizes past studies under key themes, including the impact of human capital on productivity, valuation, disclosure practices, strategic alignment, and market-based assessments.

Theme 1: Human Capital and Firm Productivity

Empirical research consistently affirms the positive link between human capital and firm productivity. Bassey and Tapang (2012) found that capitalized HR acquisition and development costs significantly enhance productivity, with adjusted R^2 values over 80%. Seong-O and Patterson (2013) demonstrated that training investments boost job satisfaction, productivity, and citizenship behaviour. Andries and Inge (2005) observed that targeted training in Dutch pharmacies improved productivity, though evaluation interviews mainly affected wage negotiation. These studies validate Human Capital Theory, emphasizing that skills, knowledge, and development initiatives enhance internal performance, even if their impact is not immediately reflected in market valuation.

Theme 2: Human Capital and Market Valuation

The relationship between human capital and firm valuation is complex and context-dependent. Ida et al. (2018), using the VAIC™ model, found that human capital efficiency (HCE) alone did not significantly impact firm value in Indonesia, while intellectual capital disclosure and ROA did. Conversely, Martin et al. (2010) observed that HCE and capital employed efficiency positively influenced ROA and ROE in Australian firms. Shad et al. (2016) argued that firm-specific human capital serves as a signal of general value, enhancing employee value capture. Stefania and Antonella (2012) noted that human capital indirectly influences valuation through structural capital, underscoring resource complementarity.

Theme 3: Human Capital Disclosure and Information Asymmetry

An expanding body of research highlights the importance of disclosure quality in linking human capital to firm valuation. Antonio et al. (2020) showed that integrated reporting of intellectual capital components human, structural, and relational positively influences firm value, particularly when disclosures are forward-looking and detailed. Kaouthar and Zeghal (2006) found that transparent human capital disclosures led to higher abnormal stock returns, supporting signaling theory. Abdolreza and Yusof (2014) confirmed that voluntary intellectual capital disclosure improved Tobin's Q. Lynn et al. (2007) identified gaps between investor expectations and executive priorities, emphasizing the need to align HR disclosures with market-relevant indicators.

Theme 4: Human Capital as a Strategic Resource

The Resource-Based View (RBV) emphasizes human capital as a key source of sustained competitive advantage. Russell et al. (2011), through a meta-analysis of 66 studies, found a stronger link between firm-specific human capital

and performance (r = 0.30) compared to general capital (r = 0.17). Subhash and Indra (2008) argued that HR systems are often misclassified under structural capital, minimizing the strategic value of human capital. Anne and Hermann (2010) noted that GAAP's treatment of HR investments as expenses overlooks their long-term value. Livia et al. (2020) positioned human capital as a strategic force shaped by global labor dynamics.

Theme 5: Human Capital, Value Appropriation, and Labor Markets

The extent to which firms can capture the value generated by human capital is closely tied to labor market dynamics. Janice and Barney (2015) noted that in competitive labor markets, employees often retain more of the value derived from general and discretionary firm-specific skills. In contrast, firms in less competitive markets can appropriate a greater share of this value. Adding a psychological lens, Joseph and Coff (2016) found that employees' perceptions of their skill specificity are often biased, impacting their turnover behavior and investment in firm-specific roles. These findings highlight the importance of designing organizational systems that not only develop talent but also encourage value retention through effective job design and reward mechanisms.

While literature confirms human capital's critical role in firm performance and value, this relationship is shaped by moderating factors such as disclosure quality, market competitiveness, and resource complementarities. Given these complexities, further empirical research such as this study is essential to model these dynamics using robust firm-level regression analysis.
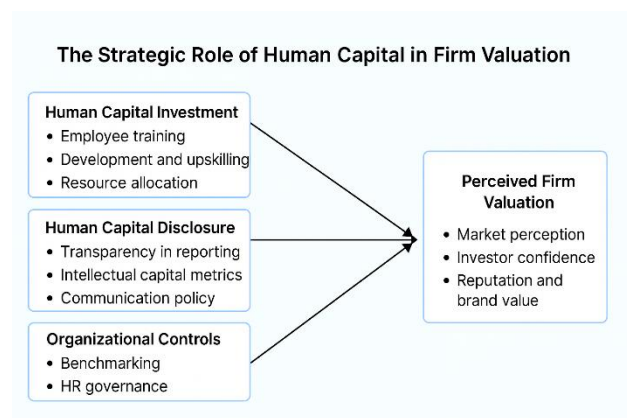

Figure1: Conceptual Framework

The conceptual framework illustrates the relationship between Human Capital Investment, Disclosure, and Organizational Controls as independent variables influencing Perceived Firm Valuation. Rooted in Human Capital Theory, Signaling Theory, and RBV, it emphasizes that strategic workforce practices, when well-governed and transparently disclosed, significantly enhance a firm's perceived value and competitive advantage.

Research Objectives

1. To examine the impact of Human Capital Investment in training and development on perceived firm valuation.

2. To assess the influence of Human Capital Disclosure practices on stakeholder perceptions of firm value.
3. To evaluate the role of Organizational Controls in strengthening the relationship between human capital and firm valuation.
4. To determine the combined effect of Human Capital Investment, Disclosure, and Organizational Controls on the perceived valuation of firms.

Hypotheses of the Study:

This study formulates hypotheses to examine how human capital investment, disclosure practices, and organizational controls influence perceived firm valuation. Grounded in Human Capital Theory and the Resource-Based View, the hypotheses are developed based on literature insights and validated through regression analysis using data collected from 40 organizational respondents.

H1: Human Capital Investment in training and development has a significant and positive impact on the perceived valuation of firms.

H2: Human Capital Disclosure practices significantly and positively influence the perceived valuation of firms.

H3: Organizational Controls related to human capital management significantly and positively affect the perceived valuation of firms.

RESEARCH METHODOLOGY:

This research adopts a quantitative and explanatory design aimed at empirically investigating the influence of human capital on perceived firm valuation. Drawing from robust theoretical foundations, including the Resource-Based View (RBV), Human Capital Theory, and Signaling Theory, the methodology is structured to examine how three critical dimensions Human Capital Investment, Human Capital Disclosure, and Organizational Controls contribute to the valuation of firms. These constructs are tested through the application of multiple linear regression analysis, allowing for the quantification of relationships and the validation of conceptual hypotheses.

Research Design and Approach

The study follows a cross-sectional survey design, which enables the collection of data from a defined sample at a single point in time. The rationale behind selecting this approach is its suitability for identifying patterns, testing hypotheses, and determining associations among variables without manipulating the environment. Given that the purpose is to evaluate the strength and direction of the relationship between human capital practices and firm valuation, the explanatory approach is appropriate for drawing cause-effect inferences from the observed data.

The study aligns with the positivist paradigm, emphasizing objectivity, generalizability, and statistical validation. It provides insights into whether strategic human capital practices translate into perceived firm value, thus contributing to the empirical validation of theoretical models.

Sampling Method and Respondent Profile:

A non-probability purposive sampling technique was employed to select participants who possess relevant knowledge and decision-making authority regarding human capital and strategic value within their organizations. The sample includes professionals from managerial, HR, and leadership positions across diverse industry sectors. This sampling method is particularly effective when the research focuses on individuals who can offer expert and informed perspectives on the research constructs.

Data was collected from 40 respondents, which, while modest, is sufficient for regression analysis in exploratory research involving limited constructs. Respondents were selected based on their ability to understand human capital investment, performance measurement, and strategic disclosure practices. Their positions ranged from HR managers and general managers to directors and senior executives, ensuring that the responses reflect meaningful organizational insights.

Instrumentation:

The study utilized a structured questionnaire designed based on validated constructs adapted from previous literature. The instrument consisted of 25 items, grouped under four primary sections:

- Human Capital Investment (5 items): Focused on the firm's commitment to employee training, development, upskilling, and strategic alignment of learning initiatives.
- Human Capital Disclosure (5 items): Assessed the extent and quality of reporting on human capital metrics, transparency, and compliance with disclosure frameworks.
- Organizational Controls (5 items): Measured governance mechanisms such as benchmarking, performance-based rewards, KPI alignment, and leadership engagement in HR strategy.
- Perceived Impact on Firm Valuation (5 items): Captured respondents' perceptions of how human capital practices influence market value, investor confidence, and overall business performance.

All items were measured on a 5-point Likert scale, ranging from 1 ("Strongly Disagree") to 5 ("Strongly Agree"), enabling a nuanced understanding of respondent perceptions.

Reliability and Validity

To ensure that the measurement instrument was both consistent and robust, reliability analysis was conducted using Cronbach's Alpha. The overall reliability score was 0.861, indicating a high level of internal consistency among the items. This score exceeds the recommended minimum threshold of 0.70 for social science research (Nunnally, 1978), confirming that the scale items measure their respective constructs coherently.

Content validity was ensured by basing the items on prior research studies that have been empirically tested and published in peer-reviewed journals. In addition, the

questionnaire was reviewed by academic experts and pilot-tested for clarity and relevance before full-scale administration.

Data Collection Procedure:
Data collection was conducted over a defined period through both online (Google Forms) and offline (physical questionnaire) modes. Participants were approached through professional networks, HR forums, and email invitations. Each respondent was provided with a briefing about the study's purpose, along with assurances of confidentiality and voluntary participation. The dual-mode approach facilitated higher response rates and helped overcome accessibility constraints.

The collected responses were manually screened for completeness and accuracy before being coded and entered into SPSS for analysis. No duplicate or incomplete entries were included in the final dataset.

Data Analysis Techniques
The analysis began with descriptive statistics to explore the distribution, central tendencies, and variability of responses across the constructs. This was followed by reliability testing to confirm the scale's consistency.

The core analytical method used was Multiple Linear Regression, which was employed to determine the predictive power of the independent variables Human Capital Investment, Human Capital Disclosure, and Organizational Controls on the dependent variable, Perceived Impact on Firm Valuation. The regression model was tested for key assumptions including:

The model showed strong explanatory power with an R^2

value of 0.668, indicating that 66.8% of the variance in perceived firm valuation was explained by the three human capital dimensions.

Ethical Considerations:
This study adhered to ethical standards applicable to academic and organizational research. All participants were informed of the voluntary nature of their involvement and were assured of anonymity and confidentiality. Informed consent was obtained prior to participation, and respondents were given the freedom to withdraw from the study at any point without penalty. The data was stored securely and used exclusively for research purposes. No personal identifiers were collected, and all findings were reported in aggregate to protect individual privacy. The study complies with the ethical guidelines set forth by the institution and broader social science research protocols.

Data Analysis
This chapter presents the statistical analysis results examining the relationship between human capital dimensions and perceived firm valuation. Data was collected using a structured 25-item questionnaire rated on a 5-point Likert scale, targeting variables such as Human Capital Investment, Disclosure, and Organizational Controls. The analysis began with reliability testing using Cronbach's Alpha, followed by descriptive statistics to assess data distribution. Multiple linear regression was then applied to evaluate how well the independent variables predicted the Perceived Impact on Firm Valuation. Conducted using SPSS, the analysis provides meaningful insights aligned with the study's objectives and theoretical framework.

Reliability Statistics:

Reliability Statistics	
Cronbach's Alpha	N of Items
0.861	20

To assess the internal consistency of the instrument used in this study, Cronbach's Alpha was calculated for all 20 items comprising the independent and dependent constructs: Human Capital Investment (Training & Development), Human Capital Disclosure, Organizational Controls, and Perceived Impact on Firm Valuation. The reliability analysis yielded a Cronbach's Alpha coefficient of 0.861, indicating a high level of internal consistency across the scale (see Table 5.1).

According to the thresholds established by Nunnally (1978) and George and Mallery (2003), a Cronbach's Alpha value above 0.80 reflects "very good" reliability, suggesting that the items reliably measure their underlying constructs. With 20 items included in the calculation, the scale demonstrated adequate cohesiveness, supporting its suitability for further statistical analysis, including composite score generation and regression modeling. This result confirms that the survey instrument is psychometrically sound, and the items are sufficiently correlated to be treated as measuring a common set of constructs. Therefore, subsequent analyses based on these variables such as multiple regression can be interpreted with greater confidence in the measurement validity of the data collected.

Regression:
To evaluate the influence of human capital factors on the perceived impact on firm valuation, a multiple linear regression analysis was conducted. The regression model was designed to test the predictive power of three independent variables Human Capital Investment (Training and Development), Human Capital Disclosure, and Organizational Controls on the dependent variable, namely the Perceived Impact on Firm Valuation.

Regression analysis is a robust statistical technique commonly used in behavioral and management research to determine the extent to which one or more independent variables explain variance in a dependent variable. In this study, the objective was to

assess not only whether these dimensions of human capital exert a significant effect on valuation perception but also to quantify the relative strength of each predictor within the model. Composite scores for each construct were computed by averaging the respective Likert-scale items, following the establishment of internal consistency through reliability testing. The assumptions of linearity, independence of errors, normality, and homoscedasticity were tested prior to analysis to ensure the validity of the regression model. The model was analyzed using Ordinary Least Squares (OLS) estimation in SPSS, and the results are presented through standardized regression coefficients, significance levels, and confidence intervals. The following section details the regression outcomes, highlighting which dimensions of human capital significantly influence firm valuation and providing insights into the strategic implications for organizations aiming to enhance market perceptions through human capital management.

Model Summary:

Model Summary									
					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
Regression	.817	.668	.640	.60923	.668	24.153	3	36	.000	2.322

Interpretation:

The multiple regression model was evaluated to determine how effectively the independent variables Human Capital Investment (Training and Development), Human Capital Disclosure, and Organizational Controls explain variations in the Perceived Impact on Firm Valuation. The results from the model summary are presented in Table. The correlation coefficient (R) for the model is 0.817, which indicates a strong positive relationship between the set of predictor variables and the dependent variable. More importantly, the coefficient of determination (R^2) is 0.668, meaning that approximately 66.8% of the variance in perceived firm valuation is explained by the combined effect of the three independent variables. This suggests a high level of explanatory power for the model. After adjusting for the number of predictors and sample size, the Adjusted R^2 value is 0.640, which still reflects a substantial proportion of explained variance, confirming the model's robustness even after accounting for potential overfitting.

The standard error of the estimate is 0.60923, which represents the typical deviation of the observed firm valuation scores from the predicted scores. A lower standard error implies greater precision in predictions made by the model. The F-statistic for the model is 24.153, with degrees of freedom df1 = 3 (number of predictors) and df2 = 36 (residual degrees of freedom). The associated significance value (p = .000) indicates that the regression model is statistically significant at the 0.01 level. This confirms that the collective influence of the independent variables on the dependent variable is not due to random chance. The Durbin-Watson statistic is 2.322, which lies within the acceptable range of 1.5 to 2.5, suggesting that there is no evidence of autocorrelation among the residuals. This satisfies one of the key assumptions of linear regression, namely the independence of errors.

ANOVA:

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	26.894	3	8.965	24.153	.000
Residual	13.362	36	.371		
Total	40.256	39			

Interpretation:

To assess the overall significance of the regression model, an Analysis of Variance (ANOVA) was performed. The ANOVA results indicate that the model is statistically significant, meaning that the independent variables Human Capital Investment, Human Capital Disclosure, and Organizational Controls collectively explain a significant proportion of the variance in the dependent variable, Perceived Impact on Firm Valuation.

The regression sum of squares reflects the amount of variation in the dependent variable that is explained by the model, while the residual sum of squares represents the unexplained variance. The ratio of the mean square regression to the mean square residual yields an F-statistic with a value of 24.153. This high F-value, accompanied by a significance level (p < 0.001), confirms that the regression model provides a better fit to the data than a model with no predictors. In other words, the variation in firm valuation perceptions is not due to random chance but is meaningfully influenced by the set of independent variables included in the model. This reinforces the conclusion that human capital practices, as operationalized in this study, are significantly associated with how firms perceive their valuation in the context of strategic HR management.

Coefficients:

Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics

	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.558	.495		-1.128	.267		
Human Capital Investment	.300	.140	.247	2.143	.039	.694	1.442
Human Capital Disclosure	.450	.175	.308	2.573	.014	.644	1.553
Organizational Controls	.450	.127	.432	3.551	.001	.623	1.606
Dependent Variable: Perceived Impact on Firm Valuation							

Interpretation:

The coefficients table provides detailed insights into the individual contribution of each independent variable Human Capital Investment, Human Capital Disclosure, and Organizational Controls to the prediction of the dependent variable, Perceived Impact on Firm Valuation. Among the predictors, Organizational Controls emerged as the most influential variable, with a standardized beta coefficient of 0.432 and a statistically significant t-value ($p = 0.001$). This indicates that organizations with strong HR governance mechanisms, such as benchmarking, performance-linked rewards, cross-functional adaptability, and integration of human capital into key performance indicators, are more likely to perceive higher firm valuation benefits from their human capital initiatives. Human Capital Disclosure also demonstrated a significant and positive effect on perceived firm valuation ($\beta = 0.308$, $p = 0.014$). This suggests that transparent and structured disclosure of human capital practices, such as public reporting of training metrics and adherence to recognized reporting frameworks, enhances the perceived value of the firm in the eyes of internal and external stakeholders. Human Capital Investment in Training and Development contributed significantly as well ($\beta = 0.247$, $p = 0.039$), though to a slightly lesser degree than the other two predictors. This indicates that consistent allocation of resources toward employee development, alignment of training with strategic goals, and focus on upskilling contribute meaningfully to valuation perceptions. The constant term was not statistically significant ($p = 0.267$), indicating that in the absence of the predictor variables, the model does not reliably estimate the dependent variable, which is expected in models driven by latent constructs. Regarding multicollinearity diagnostics, all Variance Inflation Factor (VIF) values were below 2, and Tolerance values were well above 0.2, indicating that multicollinearity is not a concern. Thus, the estimates of regression coefficients are stable and reliable.

Findings and Implications:

Key Findings:

The primary objective of this study was to investigate how strategically managed human capital influences the perceived valuation of firms. The data collected from 40 managerial-level respondents and analyzed using multiple linear regression revealed several important findings:

1. All three independent variables Human Capital Investment, Human Capital Disclosure, and Organizational Controls were found to have a statistically significant and positive impact on the perceived valuation of firms.

2. Organizational Controls emerged as the strongest predictor ($\beta = 0.432$, $p = 0.001$), indicating that structured governance mechanisms such as HR benchmarking, performance-linked rewards, and leadership involvement in human capital strategy play

a critical role in linking human capital practices to firm valuation.

3. Human Capital Disclosure also had a substantial impact ($\beta = 0.308$, $p = 0.014$), reinforcing the idea that transparency in employee-related reporting enhances investor confidence and reduces information asymmetry supporting the principles of Signaling Theory.

4. Human Capital Investment, while slightly lower in influence compared to the other two variables, still demonstrated a significant positive relationship with firm valuation ($\beta = 0.247$, $p = 0.039$). This confirms that regular training, development, and upskilling initiatives contribute meaningfully to value creation when aligned with strategic goals.

5. The model as a whole was statistically robust, with an R^2 value of 0.668, suggesting that the three predictors jointly explain 66.8% of the variance in perceived firm valuation. The Durbin-Watson statistic of 2.322 confirmed that there were no issues of autocorrelation, validating the reliability of the regression results.

These findings affirm the theoretical foundations laid out by the Resource-Based View (RBV), Human Capital Theory, and Signaling Theory, demonstrating that intangible human capital when properly managed, disclosed, and governed translates into tangible valuation benefits.

Managerial Implications:

The empirical results offer several actionable insights for corporate decision-makers, HR leaders, and policymakers:

1. Invest in Structured Human Capital Systems Organizations must move beyond ad hoc training and invest in continuous, strategically aligned development programs. Training effectiveness evaluations and upskilling to match evolving industry needs directly contribute to firm competitiveness and perceived value.

2. Enhance Transparency through Human Capital Disclosure
Firms should adopt standardized human capital reporting frameworks that include key metrics such as employee turnover, training hours, tenure, and competency mapping. Transparent disclosure sends strong market signals, increases investor trust, and aligns internal performance with external valuation metrics.

3. Institutionalize HR Governance and Strategic Controls The strongest predictor of firm valuation was the presence of formal organizational controls over human capital practices. This includes benchmarking HR practices, aligning KPIs with human capital metrics, integrating leadership in HR decision-making, and fostering a performance-linked reward culture.

4. Shift Mindset from Cost to Asset
   Human capital should be recognized and treated as an asset rather than an expense. Internal financial systems and performance reviews should reflect this shift by incorporating human capital indicators in strategic dashboards and annual reviews.
5. Use Human Capital as a Strategic Differentiator in the Market
   Companies that treat human capital as part of their value proposition are better positioned to attract investment, retain talent, and remain resilient in competitive and uncertain environments. This approach not only benefits internal productivity but also strengthens the firm's public image and market valuation.

Theoretical Contributions:

This study makes several contributions to the academic literature:

- It empirically validates the intersection of RBV, Human Capital Theory, and Signaling Theory by demonstrating that human capital practices influence firm valuation both directly and through complementary mechanisms.
- It integrates organizational controls as a distinct dimension, offering a more holistic view of how internal governance structures enhance the value of intangible assets.
- It provides evidence from a developing market context, addressing a noted gap in existing literature where most studies are centered in developed economies.

CONCLUSION:

This study examined how Human Capital Investment, Disclosure, and Organizational Controls influence perceived firm valuation, using data from 40 managerial respondents. Guided by the Resource-Based View, Human Capital Theory, and Signaling Theory, the findings confirm that all three dimensions significantly and positively impact firm valuation, with Organizational Controls being the strongest predictor. The study highlights the importance of strategic alignment, transparent reporting, and governance in leveraging human capital as a value-generating asset. It offers practical insights for organizations to integrate human capital into valuation frameworks and encourages future research on intangible asset management in dynamic market environments.

Limitations and Future Scope

This study offers valuable insights into the impact of human capital on firm valuation but is subject to certain limitations. The sample size of 40 respondents, though sufficient for exploratory analysis, limits broader generalizability. Future studies should consider larger and more diverse samples across industries and geographies. The use of self-reported Likert-scale data may also introduce subjectivity; integrating objective financial metrics like ROA or Tobin's Q could strengthen future validations. The study focused on three dimensions investment, disclosure, and controls excluding other relevant factors such as organizational culture or innovation. The dependent variable, perceived firm valuation, reflects managerial perspective but not actual market performance. Future research can adopt longitudinal or mixed-method approaches to assess both internal and external impacts over time. Despite these limitations, this study lays a strong foundation and encourages further empirical exploration of human capital's strategic role in enhancing firm value in dynamic and knowledge-based economies.

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