

**HUMAN CAPITAL DISCLOSURE: A DETERMINANT OF FIRM GROWTH AND FINANCIAL
PERFORMANCE EMPIRICAL EVIDENCE FROM EUROPEAN LISTED COMPANIES**

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dx.doi.org/10.18374/EJM-14-2.15

ABSTRACT

The contribution of Human Resources to an organization success has been largely acknowledged by the academic and the professional world. The term of Human Capital is taken to include multiple items, such as the employees' knowledge, abilities, skills and experiences, which are not properly represented in traditional economic-financial reporting. Despite its key role in creating enterprise value, Human Capital does not appear in the company's Annual Reports. In response to this gap, the goals of this study are: 1) the analysis of how Human Capital Disclosure features in corporate reports, making a distinction between information disclosed in mandatory reports and information disclosed in voluntary ones; 2) the investigation of the relationship between HC disclosure and specific corporate fields, such as firm growth and financial performance. A Content Analysis is performed on the basis of 71 items inherent to the Human Capital framework on mandatory and voluntary reports drawn up by 80 European listed companies, combined with some bivariate and multivariate statistical analyses. The findings show that Human Capital mandatory disclosure is positively related to firm growth and financial performance.

Keywords: *Human Capital, disclosure, content analysis, firm growth, Europe, financial performance*