

Determining the Impact of Intellectual and Human Capital on the Firm's Value: A Case of US Banking Sector

By

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Abstract

Background: The US banking sector's evolution underscores the growing importance of intellectual and human capital in determining firm value. Due to technological advancement and regulatory changes, many banks still undervalue these intangible assets.

Aim of the study: This study aims to quantify the impact of intellectual and human capital on firm value within the US banking sector, highlighting their role in enhancing competitive advantage.

Methodology: A quantitative approach was utilised, analysing panel data from US banks through econometric techniques, including fixed and random effects models, to examine correlations and the Hausman test.

Results: The study found that substantial intellectual and human capital investment positively affects firm value by fostering innovation, operational efficiency, and customer satisfaction.

Keywords: Intellectual Capital, Human Capital, Firm Value, US Banking Sector, Quantitative Analysis, Resourced-Based View (RBV), Knowledge-Based View (KBV), Regression and Correlation Analysis.