

Human Capital Investment and Enterprise Performance in IT Startups: A Mixed-Methods Study of Tamil Nadu

G. Nirmalkumar^{*}

*Department of Commerce, Alagappa University
Karaikudi, India*

Surya^{**}

*Thanthai Periyar Government Arts and Science College
Tiruchirapalli, India*

K Priyanka

*Department of Commerce (Banking & Insurance)
Auxilium College (Autonomous), Vellore, India*

R. Parkavi^{***}

*Department of Commerce, Alagappa University
Karaikudi, India*

C. Muthukumar

*Department of Business Administration
Jamal Mohamed College, Tiruchirapalli*

Abstract: While IT start-ups in Tamil Nadu invest heavily in human capital, decision-makers doubt its measurable impact due to poor assessment practices. A mixed-methods study of 274 start-ups and 30 interviews revealed that human capital investments currently do not drive performance across six independent tests, with subjective perception driving 49% of confidence variation. Furthermore, a “conversion gap” caused by insufficient time prevents employees from translating training participation into practical application.

Keywords: Human Capital Investment, IT Startups, Training Transfer, Enterprise Performance, Managerial Perception

JEL Classification Number: J24, M13, M15, L25, R11

^{*} Corresponding author. Doctoral Research Scholar, Department of Commerce, Alagappa University, Karaikudi. Email: nirmalgk02@gmail.com

^{**} and ^{***} Doctoral Research Scholar.

We acknowledge the 274 IT startup owners, HR managers, and team leaders for their valuable time, cooperation, and contribution in providing the necessary information for this study.