Does Fund Managers’s Human Capital Add Value for The Fund Performance in Malaysia

Venny Sin-Woon Chong a, Ming-Ming Lai b, Lee-Lee Chong c

a Faculty of Business, Multimedia University, Jalan Ayer Keroh Lama, 75450, Bukit Beruang, Melaka, Malaysia
bc Faculty of Management, Multimedia University, Jalan Multimedia, 63100 Cyberjaya, Selangor, Malaysia

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ABSTRACT

This study examines the integration of fund managers’ human capital characteristics (including education, gender, race, experience, age, team manager) relative to the fund performance model. A few previous empirical studies paid attention to human capital characteristics and mutual fund performances based on developed markets and have obtained mixed result findings. However, very little attention has focused on fund managers’ human capital characteristics in the Malaysian mutual funds industry. Hence, this study attempts to fill this research gap. Based on a sample of Malaysian mutual fund managers, data is sourced from fund management companies, Thomson One database and fund master prospectus, from January 2012 to December 2014. The study employing ordinary least squares (OLS) and three-stage least squares (3SLS) methods to integrate fund performances and human capital characteristics with single and simultaneous equations based on asset pricing models.

Keywords: Human capital, fund manager, fund performance