

MANAGERIAL STABILITY AND MUTUAL FUND PERFORMANCE: A STUDY OF THE INDIAN ASSET MANAGEMENT INDUSTRY

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ABSTRACT

The paper will focus on the association between managerial tenure and mutual fund performance in the Indian capital market based on a cross sectional sample of 224 mutual funds, including 104 equity, 72 debt, and 48 hybrid funds, as of 31 December 2025. The analytical model incorporates Data Envelopment Analysis (DEA) to plot efficiency frontiers, and Ordinary Least Squares (OLS) regression to statistically assess tenure as a performance determinant with four investment horizons of 1-year, 3-year, 5-year and 10-year. The DEA results indicate that efficient fund frontiers in each of the three categories are mostly held by comparatively short-tenured managers. In particular, efficient equity funds, efficient debt funds, and efficient hybrid funds have managers with tenure greater than five years only 26.08, 41.17 and about 50 percent, respectively, of which is less than the traditional 50 percent standard of meaningful influence. The results of OLS regression support this observation: when we control alpha generation, portfolio composition, market capitalisation exposure, indicators of macroeconomic sensitivity (Macaulay duration, yield to maturity), and risk measures (standard deviation, beta) managerial tenure is statistically irrelevant in all the twelve models. The fit of the models is good with the R-square of 0.50 to 0.98 and the structural drivers, especially alpha, allocation to mid-cap, and systemic risk are the most significant determinants of fund returns. Collectively, these results dispute the common industry discourse according to which managerial longevity is the same as performance superiority. The paper relies on the human capital theory and the principal-agent theory to put findings into context and provide realistic advice to retail investors, asset management firms, and regulators working in emerging market environments.

Keywords: Mutual Fund Performance / Managerial Tenure/ DEA/ OLS Regression/ Indian Capital Markets

INTRODUCTION

The Indian mutual fund sector has been experiencing a structural change of extraordinary magnitude in the last ten years. As of December 2025, total assets under management (AUM) was more than 68 trillion, which is a compound annual growth rate of about 15 percent in the last decade (AMFI, 2025). The expansion of Systematic investment plans (SIPs) which currently receive over 30000 crore of money in monthly funds has exposed first-generation retail investors directly to risks of the capital market, leading fund manager decisions to be consequential at the societal level. In this growing ecosystem, there is an enduring and commercially powerful query: does managerial tenure, or the time span that a manager manages a specific fund, in other words, the time that a manager is in his or her position, translate into quantifiable performance benefit? Theoretically, alpha generation should be supported by tenure-based experience in terms of better stock-selection judgment, risk

management, and knowledge of the specific mandate and investors of a fund. Practically, the empiric record is however strikingly unclear, especially in the Indian markets, where information asymmetries in the structure, the dynamics of the foreign institutional investor (FII) sentiment, and the monetary policy cycles of the RBI provides a very different performance environment than the developed-market counterparts. This paper is concerned with three key research questions. First, are long-tenured manager funds more risk-adjusted in the equity, debt and hybrid groups? Second, do long-tenured funds disproportionately feature on efficiency frontiers of the DEA? Third, are OLS regression models able to affirm tenure as a statistically significant predictor of returns when structural fund characteristics are factored in? The hypotheses are the following: H_0 - tenure is not a significant predictor of equity fund performance; H_0 - tenure is not a significant predictor of debt fund performance; H_0 - tenure is not a significant predictor of hybrid fund performance. All the three null hypotheses are tested and finally retained. The rest of this paper follows in the following way. Section 2 conducts a review of the literature. Section 3 describes the data and methodology. Empirical results are provided in Section 4. The implications and conclusion are discussed in section 5

REVIEW OF LITERATURE

The literature of performance evaluation dates back to Jensen (1968) who was the first to propose alpha as the standard measure of excess risk-adjusted performance. Fama and French (1993) expanded this model with a three factor model that: included size and value premia and Carhart (1997) added a momentum factor, giving a four factor model that has since been extensively applied in attribution research. Elton, Gruber, and Blake (1996) exhibited significant persistence in risk adjusted returns giving credit to the fact that certain structural features of funds such as management could have content of predictability across periods.

Lehmann and Modest (1987) made a crucial methodological warning: benchmark specification is very sensitive to performance rankings, and inferences about tenure performance should be taken with care. The same was demonstrated by Pastor and Stambaugh (2000), who argued that alpha estimates are highly benchmark-dependent and recommended using multi-asset benchmarks to minimize errors in estimation.

Managerial Characteristics and Tenure.

A pioneering study by Golec (1996) that related manager age, education, and tenure to risk-adjusted performance was conducted using three-stage least squares estimation. Among the strongest initial approvals of management value on the basis of experience was his finding that higher-tenure managers deliver better risk-adjusted returns. Nevertheless, later evidence has significantly undermined such a position. Chevalier and Ellison (1999) have discovered that educational background outperformed tenure and that incentive structures, rather than longevity, explained most of the apparent cross-sectional variation in fund results.

Costa and Porter (2003) came to a similar conclusion that longevity in fund management is not a reliable indicator of expertise, which is directly reflected in the current analysis. Although cross-fund performance persistence provided Demiralp and Fernando (2015) with a tiny sample of truly competent managers, the tenure per se was not the distinguishing feature. Porter and Trifts (2014) demonstrated that adaptive skill based merit based career advancement was a better predictor of long-run success compared with accumulated tenure.. Mottes (2021) discovered that the tenure-performance relationship is positive in the case of corporate bond funds specifically, which is the main finding, it is possible to attribute the exception to the overall pattern to the yield specialisation demanded by management of fixed-income funds..

Data Envelopment Analysis of Mutual Fund Research.

DEA, which is a non-parametric model by Charnes, Cooper, and Rhodes (1978) is a non-parametric way of creating efficiency frontiers without a functional form of the relationship between inputs and outputs. Applications of DEA to a large-cap universe of Morningstar by Haslem and Scheraga (2003) proved it is useful in holistically benchmarking funds. Bhatt and Bhatt (2012) and Kalebar and Parasuraman (2022) applied DEA to assess the efficiency of mutual funds in the Indian setting and found that the technique is suitable in assessment of SEBI regulated fund structures. Malhotra and Malhotra (2013) took this strand further and added DEA with qualitative variables to predict the mixed-method design used in this case.

Indian Mutual Fund Literature

The study of the Indian mutual fund industry has increased significantly since the early 2000s, but has been disproportionately interested in the benchmarking of aggregate returns and analysis of expense ratios. In their study, Sehgal and Jhanwar (2008) analyzed stock selection and market timing ability and could not find substantial evidence of systematic manager performance. Nair, Mathew, and Nauriyal (2014) reported the industry-level results without separating the tenure variable in the formal regression framework. The current research fills this gap directly by using a large cross-category dataset and a dual method empirical design.

DATA AND METHODOLOGY

Sample Construction

The sample will be 224 open-end mutual funds registered with SEBI and included in the AMFI database as of 31 December 2025: 104 equity, 72 debt, and 48 hybrid schemes. The data on funds were obtained via AMFI, Value Research and Morningstar India databases at the fund level. The performance variables will be CAGR returns over 1-, 3, 5 and 10 years; Sharpe ratio; Jensen, alpha; standard deviation; beta; price-to-book (P/B); price-to-earnings (P/E); average market capitalisation; and portfolio allocation weights (large-cap, mid-cap). Macaulay and yield to maturity are debt-specific variables. The tenure of managers is operationalised as the longest period of any current manager working in the fund and secondly as the average tenure of managers working in the fund.

They excluded funds that have a performance history of less than one year, funds that are regulatorily restricted, and funds of fund structure in order to compare them. The resultant sample is a representation of wide geographic and size diversity in each category.

Data Envelopment Analysis (DEA)

A DEA model that is output-oriented constant returns-to-scale (CCR) is used. The following are the details of the input variables expense ratio and standard deviation which indicate cost and risk and the output variables are risk adjusted return, Sharpe ratio, and alpha. The efficient frontier comprises the funds with an efficiency score of 1.0. The key one is that funds run by those who have tenure of over five years are disproportionately represented on this frontier on a formal basis, whether the percentage is over 50, the number required to have meaningful influence ($H_4^{\alpha/c}$). Calculations were done using the PuLP library of Python and the linear programming solvers were checked to be consistent.

OLS Regression

Each of the four fund categories is estimated on four cross-sectional OLS models with 1-year, 3-year, 5-year and 10-year CAGR returns being dependent variables. Longest managerial tenure is the most important explanatory variable. Equity model controls involve alpha,

average market capitalisation, P/B and P/E ratios, large and mid-cap portfolio allocation weight, standard deviation and beta. Debt models replace P/B and P/E with Macaulay and yield to maturity. Hybrid models incorporate both equity and debt specifications variables, which are the two mandates of these funds. Heteroscedasticity is also tested through the Breusch-Pagan test and where it is found, it is corrected with the help of the robust standard errors developed by White. The Durbin-Watson statistic measures the autocorrelation. Each model gives R 2, adjusted R 2, F-statistics and t-statistics individually.

EMPRICAL FINDINGS

Table 1 provides a summary of the important statistics of the entire dataset and category of funds. Mean tenure in the entire sample is 4.01 years and standard deviation of 3.82 years and range of 0.10 to 17.60 years. The median in the right-skewed tenure distribution of 2.8 years is an indicator of the high turnover of the managers within the Indian fund industry.. The mean longest tenure of equity funds is the smallest (3.42 years), which is also aligned with the competitive performance pressure in this type. The highest mean tenure (5.27 years) is in hybrid funds perhaps due to a comparative stability of the performance of the balanced mandates.

Categorical returns differentials are economically anticipated: equity funds have the highest mean 1-year CAGR of 18.43, compared to 7.14 with the debt. The highest alpha is equity (2.34), and the lowest debt (0.48), as per the informational inefficiency differentials known between the Indian equity and government bond markets.

Table 1: Descriptive Statistics by Fund Category

Variable	Equity (n=104)	Debt (n=72)	Hybrid (n=48)	Full Sample (n=224)
Longest Tenure (yrs) – Mean	3.42	4.18	5.27	4.01
Longest Tenure – Std Dev	3.31	4.11	4.68	3.82
Longest Tenure – Min / Max	0.10 / 17.60	0.20 / 15.20	0.50 / 15.60	0.10 / 17.60
Average Tenure (yrs) – Mean	2.49	3.36	4.11	3.08
No. of Fund Managers – Mean	1.82	2.11	1.98	1.95
1-Year Return (% CAGR)	18.43%	7.14%	13.82%	14.21%
3-Year Return (% CAGR)	21.17%	6.89%	14.56%	15.73%
5-Year Return (% CAGR)	19.84%	6.52%	13.47%	14.68%
10-Year Return (% CAGR)	16.29%	7.18%	12.11%	12.84%
Sharpe Ratio –	1.12	0.61	0.88	0.90

Mean				
Alpha – Mean	2.34%	0.48%	1.67%	1.64%
Standard Deviation – Mean	14.87%	3.22%	9.14%	10.41%
Beta – Mean	0.94	0.31	0.72	0.72



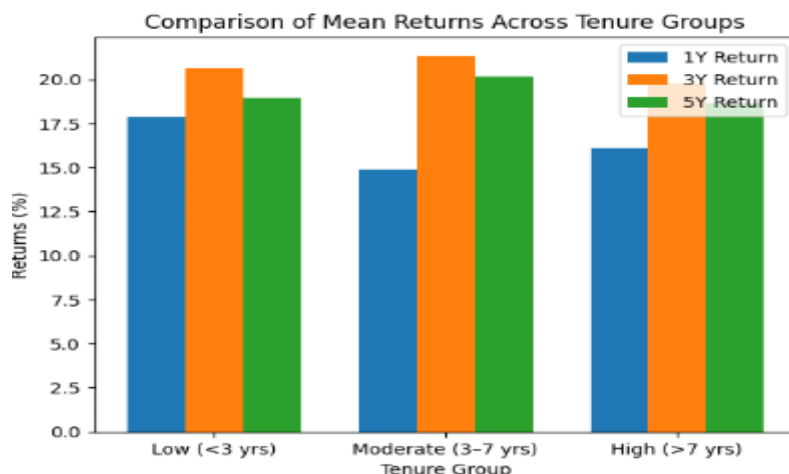
Distribution of Tenure and Patterns of Performance.

The funds are categorized as three tenure bands: Low (< 3 years), Moderate (3 to 7 years) and High (greater than 7 years). Table 2 indicates that 52.2% of funds are of Low tenure nature - this attests to the short-tenure nature of Indian fund management. The patterns of performance within groups do not exhibit monotonic relationship. Low-tenure funds have the highest 1 year mean (17.84%), with the moderate-tenure funds showing the top 3-year (21.33) and 5-year (20.15) mean returns. The managers with high tenure show no statistically significant improvement in any measure.

This is agreeable to the principal-agent theory: new managers can take more aggressive stances in order to build their track records, which are higher in the short-term in bull phases, and long-term managers can become progressively more benchmark-anchored over time.

Table 2: Performance by Tenure Group — Full Sample (n = 224)

Tenure Group	Funds	% Sample	Mean 1Y Ret.	Mean 3Y Ret.	Mean 5Y Ret.	Mean Alpha
Low (< 3 yrs)	117	52.2%	17.84%	20.62%	18.93%	1.56
Moderate (3–7 yrs)	73	32.6%	14.92%	21.33%	20.15%	1.71
High (> 7 yrs)	34	15.2%	16.09%	19.78%	18.62%	1.62



Phase Analysis of the Market: Bull vs. Bear Conditions.

The 3-year return window is divided into a bear/volatile period (January 2023 -June 2024, with the RBI rate increases and post-pandemic volatility), and a bull period (July 2024-December 2025, with benchmark index rallies of more than 25%). Table 3 shows the mean category-level returns to tenure group in each sub-period. An interesting image is created: in bear markets, high-tenure managers in the debt and hybrid categories have marginally higher returns (5.91% and 7.21% respectively, compared to 5.23% and 6.15% of the low-tenure managers), which is consistent with the human capital hypothesis that experienced managers are more likely to take duration risk and drawdowns. On the contrary, in bull markets, the returns of low-tenure equity managers are the highest (26.83%), which is in line with the risk-taking nature of new appointees.

Table 3: Market Phase Return Analysis by Tenure Group and Category

Category / Tenure Group	Bear Phase Mean Return (Jan 2023–Jun 2024)	Bull Phase Mean Return (Jul 2024–Dec 2025)	Key Observation
Equity – Low Tenure (< 3 yrs)	8.41%	26.83%	Highest bull return
Equity – Moderate Tenure (3–7 yrs)	9.12%	24.61%	Moderate in both
Equity – High Tenure (> 7 yrs)	8.87%	25.43%	Middle performer
Debt – Low Tenure (< 3 yrs)	5.23%	7.18%	Lower in bear phase
Debt – Moderate Tenure (3–7 yrs)	5.67%	7.04%	Balanced
Debt – High Tenure (> 7 yrs)	5.91%	7.22%	Best bear resilience
Hybrid – Low Tenure (< 3 yrs)	6.15%	19.42%	Bull phase strength
Hybrid – Moderate	7.04%	18.77%	Balanced

Tenure (3–7 yrs)			
Hybrid – High Tenure (> 7 yrs)	7.21%	18.94%	Best bear resilience

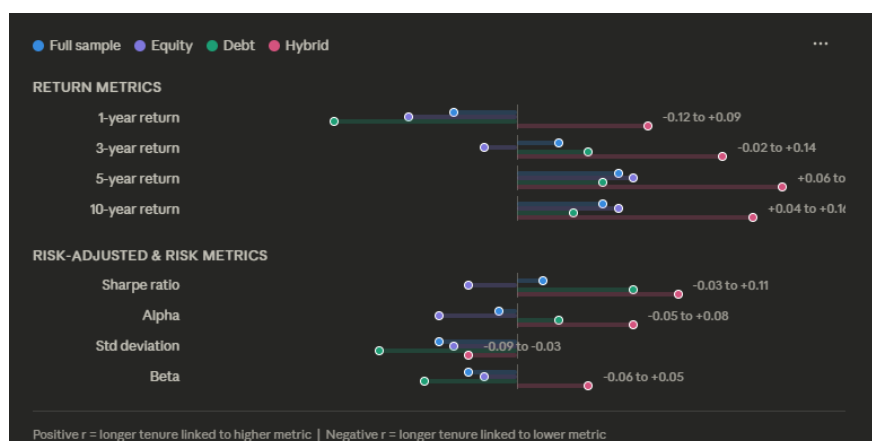
Although this trend points in the same direction as experience accruing risk-management, not return-generation advantage, the sizes are small. There is no statistically significant difference between the groups when the full multivariate control is conducted which proves that the market-phase segmentation does not change the major conclusion.

Correlation Analysis

Table 4 shows Pearson correlation coefficients between longest tenure and eight measures of performance, both across the entire sample and within the categories. Correlations are low in magnitude and none of them is conventional. The largest coefficient is $r = 0.18$ of hybrid funds at the 5-year horizon - which, with the sample size of 48, is far below the significance level of the 5% level. The relationship of tenure and 1-year return is slightly negative in equity funds ($r = -0.07$), which is consistent with the market-phase result that more recent managers assumed more aggressive positions on the bull-market. The medium-to-long-horizon positive relationships among hybrid funds are weak, indicative of a weak asset-allocation learning effect, which is not maintained in multivariate regression.

Table 4: Pearson Correlation — Managerial Tenure vs. Performance Metrics

Performance Metric	Full Sample (r)	Equity (r)	Debt (r)	Hybrid (r)
1-Year Return	-0.04	-0.07	-0.12	0.09
3-Year Return	0.03	-0.02	0.05	0.14
5-Year Return	0.07	0.08	0.06	0.18
10-Year Return	0.06	0.07	0.04	0.16
Sharpe Ratio	0.02	-0.03	0.08	0.11
Alpha	-0.01	-0.05	0.03	0.08
Standard Deviation	-0.05	-0.04	-0.09	-0.03
Beta	-0.03	-0.02	-0.06	0.05



DEA Efficiency Analysis

The output-oriented CCR DEA model recognises 23 efficient equity funds, 17 efficient debt funds, and 11 efficient hybrid funds. Among the 23 efficient equity funds, 6 of the longest tenure (over five years) of the efficient set, 26.08, are well short of the 50 percent mark. Among the common efficient set (funds efficient on both return-based and ratio-based output specifications) the share of high tenure is 28.57. Two ultrashort-tenure funds are especially interesting: Union Small Cap Fund (longest tenure 0.20 years) and DSP Flexi Cap Fund (0.80 years) maximize their score in efficiency even though they have a little fund-specific manager track record, which indicates that institutional processes and positioning of their portfolio funds are the major efficiency drivers instead of manager experience.

In the case of debt funds, 41.17% of the efficient set tenure more than five years - still higher than equity, but still below threshold. The average efficient ratio shrinks to 30.00. The marginally greater debt to equity ratio is directionally consistent with the bear-phase analysis: yield curve management may have small benefits that will increase with experience although these do not violate statistical significance. In the case of hybrid funds, about 50 percent of efficient funds have high tenure - the most borderline result in the study - however OLS results in this category do not return significant tenure coefficients and high tenure funds in the efficient frontier range the gamut of fund characteristics. The DEA evidence is thus construed as cumulatively supporting the null hypotheses in all the three categories.

OLS Regression Results

Table 5 gives consolidated OLS coefficient estimates of the tenure variable and alpha in all the twelve models and model fit statistics. In all models and all types of funds, the tenure coefficient does not become statistically significant: all t-statistics lie within the range of -1.96 and most of them are much less than -1.0. Tenure coefficient is negative in some models, particularly in equity at the short horizon, positive at the long horizon, a trend that is consistent with the sampling noise at zero as opposed to any systematic tenure effect.

Good model fit all over. R² is between 0.50 (debt, 10-year) and 0.98 (debt 3-year; hybrid 3-year) and all F-statistics are significant at the 1 percent level. The most important empirical result of this research is the consistency in the explanatory power of alpha, portfolio composition and risk variables, at the expense of tenure, which is systematically irrelevant. In equity funds the alpha coefficients stand at 1.28 (1-year) and 1.12 (3-year) which have t-statistic of over 11. At shorter horizons, large-cap and mid-cap allocation weights are large, indicating the momentum of the bull market in 2024/2025. In the case of debt funds, the main structural factors include Macaulay duration and yield to maturity besides the Sharpe ratio which are all important in all the four debt horizons. In the case of hybrid funds, mid-cap allocation is the prevailing short-horizon driver and alpha is the prevailing medium and longer-horizon driver.

Table 5 : OLS Regression Summary — Tenure and Alpha Coefficients by Model

Model	Tenure Coeff. (t-stat)	Alpha Coeff. (t-stat)	R ²	F-stat	p-value
Equity – 1Y	-0.06 (-0.91)	1.28 (11.29)**	0.83	51.17	0.00
Equity – 3Y	-0.01 (-0.56)	1.12 (35.05)**	0.97	300.41	0.00

Equity – 5Y	0.04 (0.77)	0.61 (6.32)**	0.80	40.55	0.00
Equity – 10Y	0.03 (0.79)	0.30 (5.67)**	0.70	24.57	0.00
Debt – 1Y	-0.01 (-1.59)	—	0.90	114.78	0.00
Debt – 3Y	0.00 (-0.02)	—	0.97	436.24	0.00
Debt – 5Y	0.01 (0.57)	—	0.60	19.88	0.00
Debt – 10Y	0.00 (0.03)	—	0.50	13.41	0.00
Hybrid – 1Y	-0.01 (-0.19)	0.78 (4.58)**	0.75	12.77	0.00
Hybrid – 3Y	-0.01 (-0.44)	1.14 (29.75)**	0.98	250.94	0.00
Hybrid – 5Y	0.11 (1.89)	0.83 (6.51)**	0.85	24.27	0.00
Hybrid – 10Y	0.08 (1.70)	0.38 (3.77)**	0.69	9.21	0.00



Convergence of DEA and OLS Evidence.

Table 6 summarises the accord between the two approaches to methodology. In the case of equity and debt funds, the null hypotheses are supported both by DEA and the OLS independently and cleanly. In the case of hybrid funds, the borderline DEA result (around 50% high-tenure in the efficient set) is slightly different than the clean OLS result, probably

because, in the efficient frontier, the DEA borderline result tend to attribute efficiency benefits (based on mid-cap portfolio position or quality of risk management) to the tenure variable with which it is correlated. The general cross-method convergence is great and allows strong conclusions.

Table 6 : DEA–OLS Convergence Summary by Fund Category

Fund Category	DEA: % High-Tenure in Efficient Frontier	OLS: Tenure Significance	Conclusion
Equity Funds	26.08% of efficient set	All $ t < 1.96$ – insignificant	H ₁₀ Retained
Debt Funds	30.00% of common efficient set	All $ t < 1.96$ – insignificant	H ₂₀ Retained
Hybrid Funds	~50% (borderline)	All $ t < 1.96$ – insignificant	H ₃₀ Retained

DISCUSSION AND IMPLICATION

Interpretation of Results

The conclusion that the period of managerial tenure does not have any statistically significant impact on the mutual fund performance, regardless of fund type, fund returns horizon, and fund analysis technique, can be theoretically explained by both of the paradigms, used by the literature. Considered as human capital (Becker, 1964), the competencies that have been found most prized in active fund management, namely, macroeconomic interpretation, sector rotation judgment and risk pricing, can be industry, as opposed to fund-specific. When the accumulated experience in the relevant stock is at the firm or industry level, and not at the individual-fund level, then fund tenure is a poor proxy of underlying human capital that leads to performance. This meaning is consistent with the institutional focus on investment committees, quant-overlay systems, and portfolio review processes conducted by a team that has become the new norm in the largest asset management firms in India.

The entrenchment risk is a real countervailing mechanism to experience value in terms of a principal agency (Jensen and Meckling, 1976). It is possible that long-term managers become more conservative as reputation protection replaces the maximisation of returns as the goal. This is consistent with the market-phase analysis, in which newer managers take on more tail risk in bull phases, which is rewarded in the terms of returns even when it exposes them to more drawdown in reversals. The overall impact on full-cycle performance is zero or close to zero, and this is why the null results were found in all the four investment periods.

The fact that the alpha, portfolio composition, and macroeconomic sensitivity variables prevail in all models suggests an alternative performance generation locus: the design of structural funds and exposure to systematic risk, and not manager tenure, is the source of most cross-sectional variation in returns. A fund that is appropriately placed in the interest rate cycle - by duration management - will outperform irrespective of who runs it. A fund whose stock selection process is of higher quality, as indicated by the consistent creation of alpha returns, will provide excess returns regardless of the duration of the manager.

Practical Implications

To retail investors, the results show that the manager tenure as a fund selection criterion is not likely to make a difference. Attributes to performance should be instead on alpha consistency, risk adjusted stability of returns, and alignment of the portfolio composition with investment objectives. Tenure is not a useless proxy of institutional stability - ultra-short-tenure funds can be indicative of recent managerial turmoil as opposed to underlying performance potential, but tenure is not a predictor of future returns.

The implications of the findings on human capital management strategy are relevant to the asset management companies. The retention systems that are constructed based on compensation premiums that are based on tenure might not be based on the performance outcomes. Incentive systems ought to be more focused on demonstrated skill - in the form of consistency in alpha generation, downside risk management and accuracy of portfolio positioning - than on tenure. Team-based investment and co-manager arrangements can also offer structural hedging to individual manager departure risk, diminishing the importance of tenure as an operational continuity variable.

To the regulatory authorities, the findings indicate that mandatory disclosure of tenure in Key Information Memoranda and Fund Fact Sheets, though beneficial in terms of educating investors, ought to be supplemented by contextual advice that tenure on its own is not a predictor of good performance. SEBI can also explore the idea of requiring the alpha generation statistics and team composition data to be disclosed as the complements to the tenure information.

Limitations and Future Research.

The scope of inference is limited in several ways. First, the cross-sectional design only takes a snapshot in time and is unable to determine whether the effects of tenure would, or would not, materialize during an entire market cycle. Second, the tenure variable is operationalised as fund level tenure, as opposed to aggregate industry tenure, implying that the findings do not rule out a role of generalised managerial skill that moves across fund placements. Third, the sample is limited on 224 funds, which does not include ETFs, index funds, and sector-specific schemes and does not allow generalisation to the actively managed universe.

These shortcomings could be overcome in future studies by using panel data designs that follow the same funds over five years or longer, covering at least one complete bull-bear cycle. Comparison across country to include China, Brazil and Indonesia would help determine whether the Indian results were more representative of the emerging market characteristics in a wider context. One more fruitful direction of behavioural finance research is behavioural finance extensions investigating the existence of systematic tenure bias in retail investors and whether systematic tenure bias creates exploitable pricing inefficiencies. Lastly, machine learning results that can identify non-linear interactions between tenure and fund-level variables and market-level variables might find tenure effects that linear OLS specifications simply cannot observe structurally.

CONCLUSION

The paper has explored the issue of whether tenure of managers is a good predictor of mutual fund performance in the Indian market. Based on a sample of 224 funds, equity, debt, and hybrid, and a two-fold analytical framework, the DEA and the OLS regression, the study has concluded that there is consistent and robust evidence that tenure is statistically non-significant as an important determinant of fund returns across all categories and investment horizons. DEA efficiency frontiers are not disproportionately populated by high-tenure

managers. OLS models predict cross-sectional variation in returns 50-98 percent without any significant role of tenure in driving this prediction.

Alpha generation, portfolio composition, especially mid-cap allocation during a bull market setting, and macroeconomic sensitivity variables such as Macaulay duration of debt instruments are the prevailing performance drivers. These structural and process-level forces outweigh any personal experiential benefit that tenure can theoretically give. These findings have direct implication on the decisions made by investors, talent management in AMCs, and the design of disclosure in an industry where the size and reliance on retail investors make evidence-based advice especially significant.

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