

## Study Protocol: Impact of a Sustained Health Promoting Workplace on Stock Price Performance and Beta - A Singapore Case

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**Abstract :** Since 2001, many companies in Singapore have voluntarily participated in the bi-annual Singapore HEALTH Award initiated by the Health Promotion Board of Singapore (HPB). The Singapore HEALTH Award (SHA), is an industry wide award and assessment process. SHA assesses and recognizes employers in Singapore for implementing a comprehensive and sustainable health promotion programme at their workplaces. The rationale for implementing a sustained health promoting workplace and participating in SHA is obvious when company management is convinced that healthier employees, business productivity, and profitability are positively correlated. However, performing research or empirical studies on the impact of a sustained health promoting workplace on stock returns are not likely to yield any interests in the absence of a systematic and independent assessment on the comprehensiveness and sustainability of a health promoting workplace in most developed economies. The principles of diversification and mean-variance efficient portfolio in Modern Portfolio Theory developed by Markowitz (1952) laid the foundation for the works of many financial economists and researchers, and among others, the development of the Capital Asset Pricing Model from the work of Sharpe (1964), Lintner (1965) and Mossin (1966), and the Fama-French Three-Factor Model of Fama and French (1992). This research seeks to support the rationale by studying whether there is a significant relationship or impact of a sustained health promoting workplace on the performance of companies listed on the SGX. The research shall form and test hypotheses pertaining to the impact of a sustained health promoting workplace on company's performances, including stock returns, of companies that participated in the SHA and companies that did not participate in the SHA. In doing so, the research would be able to determine whether corporate and fund manager should consider the significance of a sustained health promoting workplace as a risk factor to explain the stock returns of companies listed on the SGX. With respect to Singapore's stock market, this research will test the significance and relevance of a health promoting workplace using the Singapore Health Award as a proxy for non-diversifiable risk factor to explain stock returns. This study will examine the significance of a health promoting workplace on a company's performance and study its impact on stock price performance and beta and examine if it has higher explanatory power than the traditional single factor asset pricing model CAPM (Capital Asset Pricing Model). To study the significance there are three key questions pertinent to the research study. I) Given a choice, would an investor be better off investing in a listed company with a sustained health promoting workplace i.e. a Singapore Health Award's recipient? II) The Singapore Health Award has four levels of award starting from Bronze, Silver, Gold to Platinum. Would an investor be indifferent to the level of award when investing in a listed company who is a Singapore Health Award's recipient? III) Would an asset pricing model combining FAMA-French Three Factor Model and 'Singapore Health Award' factor be more accurate than single factor Capital Asset Pricing Model and the Three Factor Model itself?

**Keywords :** asset pricing model, company's performance, stock prices, sustained health promoting workplace

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