



USAID
FROM THE AMERICAN PEOPLE

HEALTH POLICY
INITIATIVE



MODULE 1

OVERVIEW OF HIV AND AIDS IN THE BUSINESS SECTOR AND

THE BUSINESS CASE FOR ADDRESSING HIV AND AIDS

Prof Geoffrey Setswe

19 July 2008



USAID
FROM THE AMERICAN PEOPLE

**HEALTH POLICY
INITIATIVE**



In this lecture;

- Reasons motivating employers to address HIV and AIDS
- Internal and external impacts of HIV and AIDS on the workplace
- Benefits of interventions to mitigate the impact of HIV/AIDS
- The legal framework for responding to HIV and AIDS
- Challenges to implementation of HIV/AIDS workplace programmes



USAID
FROM THE AMERICAN PEOPLE

HEALTH POLICY
INITIATIVE



Discussion Question

- Is your company responding to the HIV/AIDS epidemic?
- If so, what motivated your company to address HIV/AIDS?

“Companies in South Africa are among the global leaders in addressing HIV and AIDS” (*The Economist*, 2004)



USAID
FROM THE AMERICAN PEOPLE

**HEALTH POLICY
INITIATIVE**



Reasons motivating employers to address HIV and AIDS

- Legal requirements;
- Best practice codes and processes of regulatory reporting;
- The business case for responding,
- Social pressures that are being brought to bear on companies,
- Ethical and corporate social responsibility imperatives

Source: Dickinson and Stevens (2005)



USAID
FROM THE AMERICAN PEOPLE

**HEALTH POLICY
INITIATIVE**



- Demands from investors and consumers for increased productivity, efficiency, and innovation;
- Impact on the quality of products and services; and
- Pressures from stakeholders – workforces, suppliers, communities, governments and the general public – to be responsive.



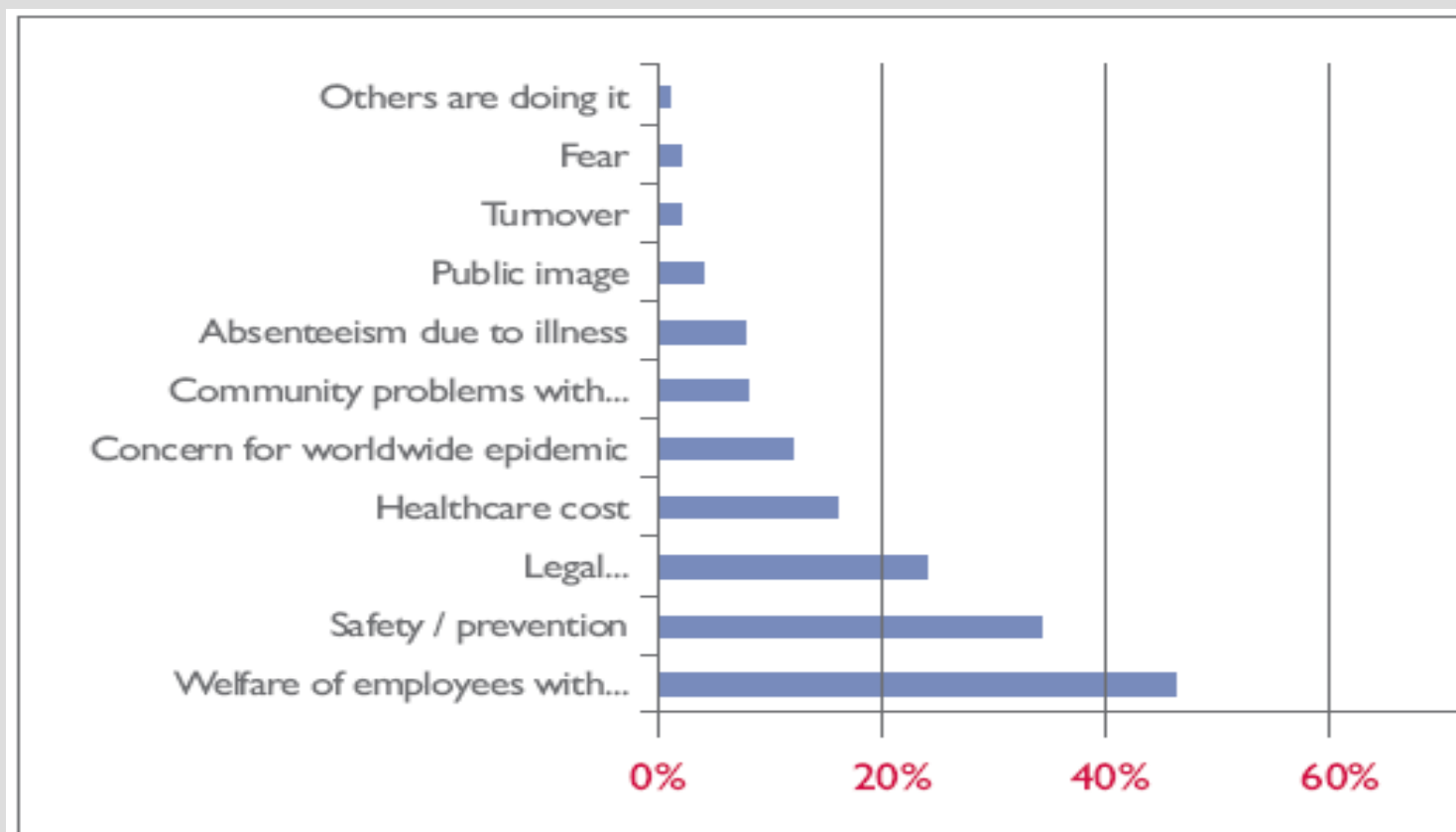
USAID
FROM THE AMERICAN PEOPLE

HEALTH POLICY
INITIATIVE



SOUTH AFRICANS AND AMERICANS
IN PARTNERSHIP TO FIGHT HIV/AIDS

Corporate motives for addressing HIV and AIDS



Source: Adapted from: The Conference Board, Corporate Response to HIV/AIDS, 1997, in UNAIDS. *The Business Response to HIV/AIDS: Impact and Lessons Learned*, 2000, p. 18.



USAID
FROM THE AMERICAN PEOPLE

**HEALTH POLICY
INITIATIVE**



The impact of HIV and AIDS on the workplace

- ILO (2003) estimates that the epidemic could potentially reduce the labour force by as much as 10% to 34% in high prevalence countries within 10 to 15 years.
- Although prevalence varies widely across companies, the average prevalence among 27 large South African companies in 2005 was significant at 16% (Brink, 2005; UNAIDS, 2005)
- Companies hard hit by HIV and AIDS, such as Anglo American and De Beers, reported an average HIV prevalence of 23% and 10% respectively in 2005.



USAID
FROM THE AMERICAN PEOPLE

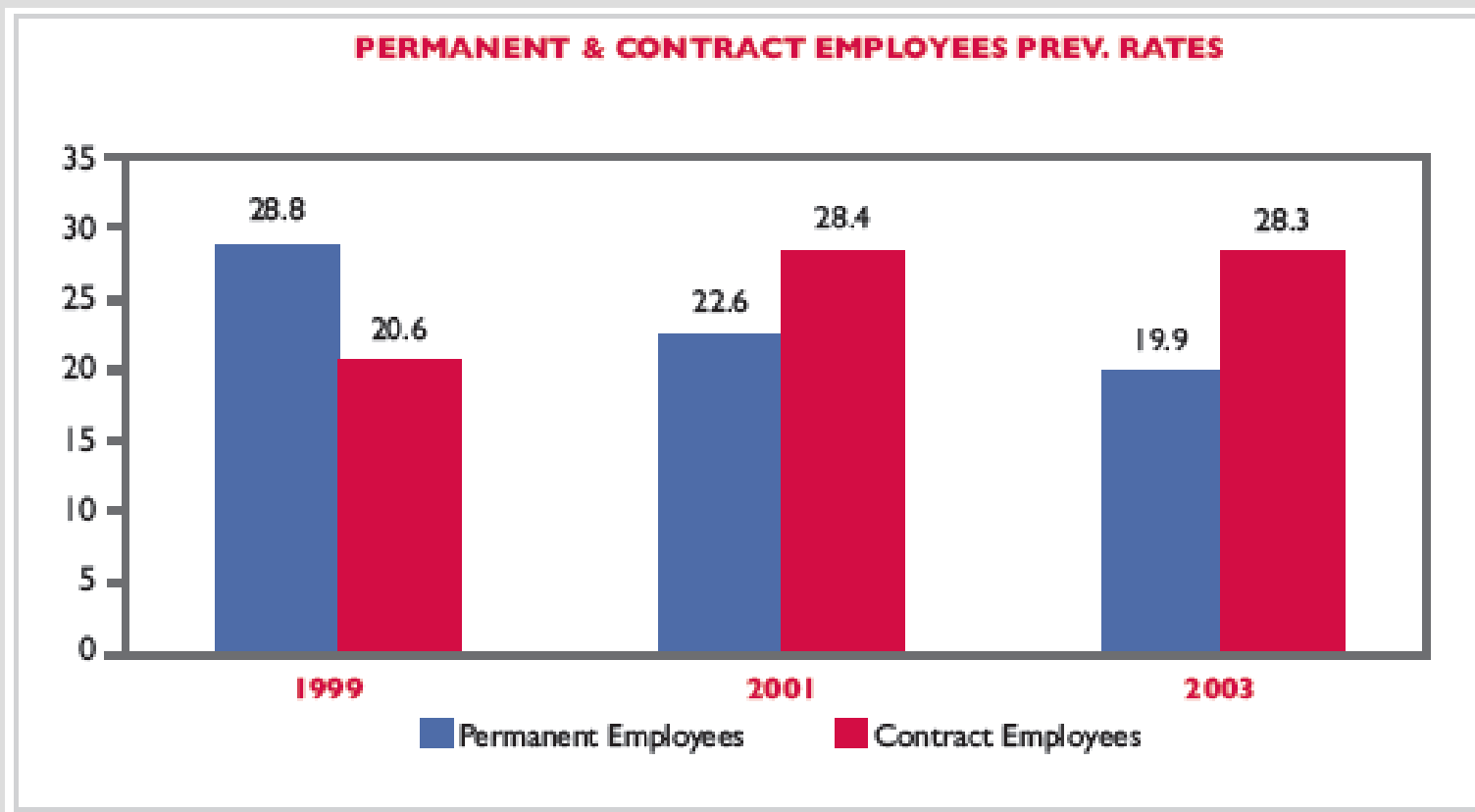
HEALTH POLICY
INITIATIVE



SOUTH AFRICANS AND AMERICANS
IN PARTNERSHIP TO FIGHT HIV/AIDS

The impact of HIV and AIDS on the workplace

Debswana HIV prevalence in permanent and contract employees



Source: Debswana. 2006. *HIV/AIDS Policies, Studies and Strategies*, 31 July 2006.



USAID
FROM THE AMERICAN PEOPLE

**HEALTH POLICY
INITIATIVE**



Internal impact of HIV and AIDS

- High staff turnover and loss of skills;
- Absenteeism and reduced productivity;
- Declining employee morale;
- Increased benefit costs; and
- Increased costs of recruitment and training;



USAID
FROM THE AMERICAN PEOPLE

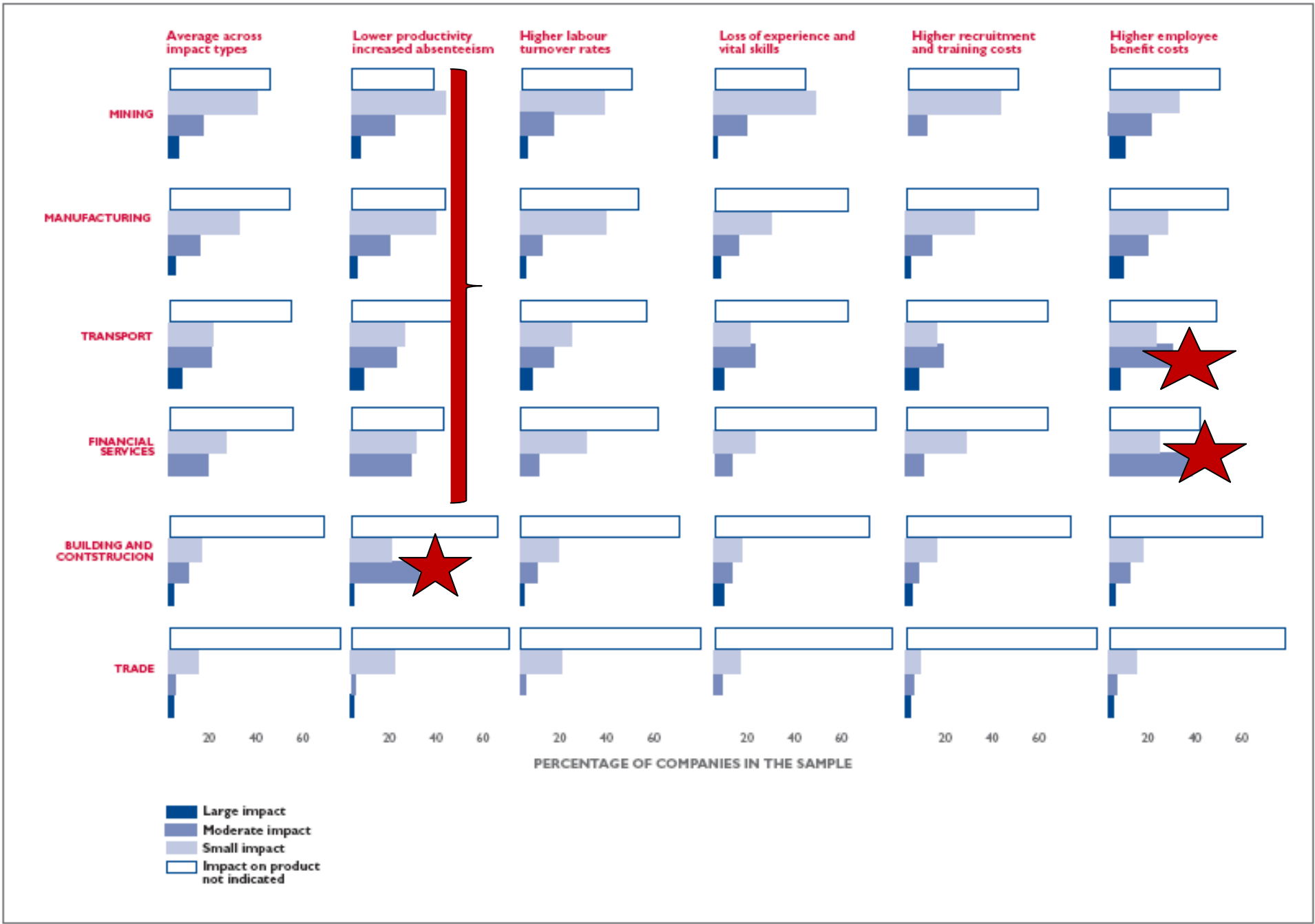
HEALTH POLICY
INITIATIVE



SOUTH AFRICANS AND AMERICANS
IN PARTNERSHIP TO FIGHT HIV/AIDS

Talking points

Given the potential costs, what policies could be adopted to lessen the impact of HIV on your company and its staff?



Impacts of HIV on productivity in various sectors



USAID
FROM THE AMERICAN PEOPLE

**HEALTH POLICY
INITIATIVE**

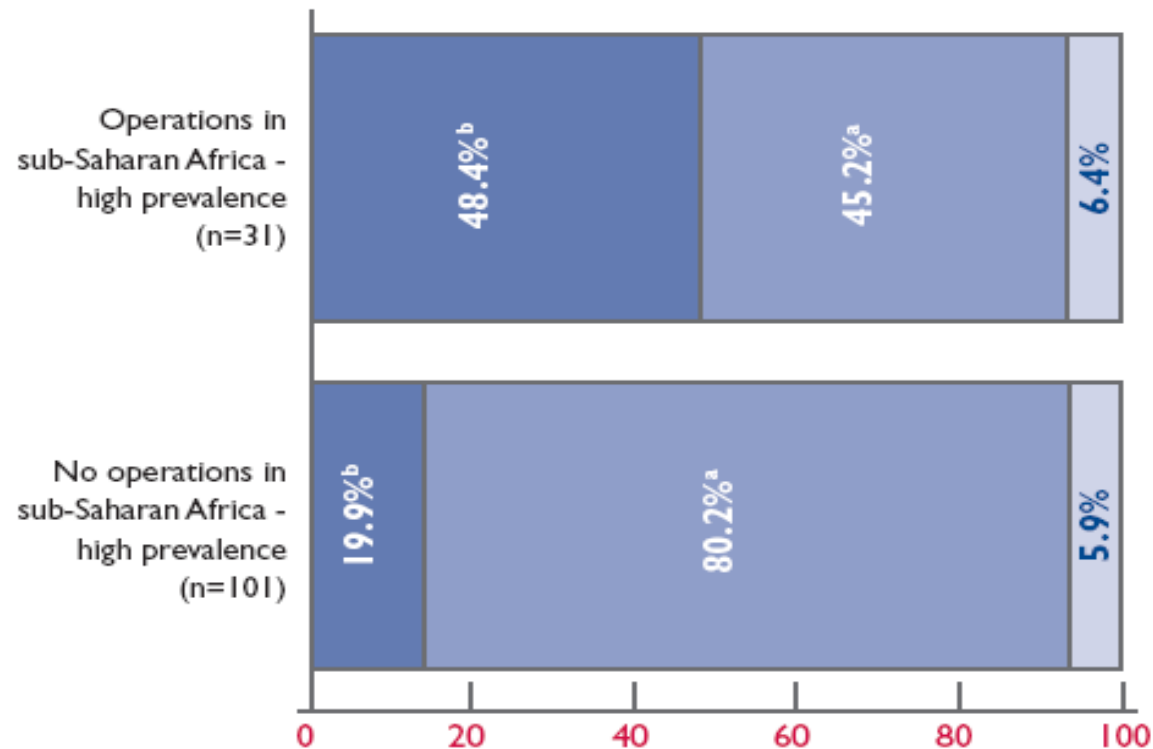


SOUTH AFRICANS AND AMERICANS
IN PARTNERSHIP TO FIGHT HIV/AIDS

A RISING IMPACT OF HIV/AIDS ON CORPORATE OPERATIONS SEEN FOR SUB-SAHARAN AFRICA

SUB-SAHARAN AFRICA - HIGH PREVALENCE
(n=132)

INCREASE **REMAIN THE SAME** **DECREASE**





USAID
FROM THE AMERICAN PEOPLE

HEALTH POLICY
INITIATIVE



External impacts of HIV and AIDS

What are the macro-economic impacts of HIV&AIDS on:

- Gross domestic product (GDP)?
- The labour force at large?
- Consumer markets?
- Currency stability?
- Foreign investment?
- Business opportunities?
- Employment?
- Production?



USAID
FROM THE AMERICAN PEOPLE

**HEALTH POLICY
INITIATIVE**



Talking points

In your view, will HIV negatively affect the labour market in Southern Africa? Why or why not?

If you were the head of a company that is labour intensive, what preventive or protective measures would you take?



USAID
FROM THE AMERICAN PEOPLE

HEALTH POLICY
INITIATIVE



Benefits of interventions to mitigate impact

Possible benefits of three inexpensive basic health interventions:

- Reduction in *management time* spent coping with employee deaths and high turnover rates;
- Reduction in the adverse impact on the *morale and motivation of the workforce* of illness and death of colleagues; and
- Increased time to implement strategies to manage HIV.



SOUTH AFRICANS AND AMERICANS
IN PARTNERSHIP TO FIGHT HIV/AIDS

Debswana – productive time lost to illness





USAID
FROM THE AMERICAN PEOPLE

**HEALTH POLICY
INITIATIVE**



The legal framework for responding to HIV and AIDS

Legal guidelines for the business response to HIV/AIDS include:

- Principles to govern how workplaces should treat employees affected by HIV and AIDS, such as:
 - ensuring non-discrimination,
 - protecting confidentiality, and
 - prohibiting compulsory HIV testing;



USAID
FROM THE AMERICAN PEOPLE

HEALTH POLICY
INITIATIVE



- Recommended programmes to prevent and treat HIV and AIDS within the working environment, include:
 - information and education,
 - providing condoms and other preventive health services, and
 - supplying ART to employees with HIV.



USAID
FROM THE AMERICAN PEOPLE

HEALTH POLICY
INITIATIVE



What are the key challenges to the implementation of HIV/AIDS interventions at your workplace?



USAID
FROM THE AMERICAN PEOPLE

**HEALTH POLICY
INITIATIVE**



SOUTH AFRICANS AND AMERICANS
IN PARTNERSHIP TO FIGHT HIV/AIDS

Challenges to Implementation

CHALLENGES BY REGION SHOW SOME DIFFERENCES

Low-prevalence area (n-108)	Sub-Saharan Africa - high prevalence (n-31)	At-risk Asia less Japan (n-58)
CHALLENGE	CHALLENGE	CHALLENGE
Senior management resistance 9.1%	Senior management resistance 7.1%	Lack of educational materials 6.1%
Middle management resistance 10.2%	Lack of educational materials 7.1%	Lack of leadership training 8.2%
Lack of leadership training 11.4%	Lack of funds 10.7%	Senior management resistance 10.2%
Lack of educational materials 11.4%	Corporate culture 17.9%	Corporate culture 14.3%
Lack of personnel 14.8%	Lack of leadership training 17.9%	Middle management resistance 18.4%
Corporate culture 17.0%	Employee resistance 21.4%	Lack of funds 18.4%
Employee resistance 17.0%	Lack of personnel 21.4%	Lack of personnel 20.4%
Lack of funds 23.9%	Middle management resistance 28.6%	Employee resistance 26.5%



USAID
FROM THE AMERICAN PEOPLE

**HEALTH POLICY
INITIATIVE**



SOUTH AFRICANS AND AMERICANS
IN PARTNERSHIP TO FIGHT HIV/AIDS

Top leaders in championing the HIV/AIDS programmes

TOP LEADERS AS CHAMPIONS HELP DRIVE SUCCESS.

Who are / were the champions in developing these policies, procedures, and / or practices concerning HIV/AIDS? (n=134)

Chief human resources officer	33.6%
Other human resources personnel	23.9%
Health benefits officer	22.4%
Senior management	16.4%
CEO / president	15.7%
Health insurance provider	12.7%
Middle or line management	9.0%
Staff members	8.2%
Board directors	7.5%
Union representatives	6.7%
Director of diversity	5.2%
Other C-suite executives	3.7%



USAID
FROM THE AMERICAN PEOPLE

**HEALTH POLICY
INITIATIVE**



Key Summary Points

- Southern Africa is epicentre of the AIDS epidemic, with an about 60% of all people infected in the world living in Sub-Saharan Africa.
- There is a complex range of context-specific macro, socioeconomic, behavioural, and cultural drivers of HIV infection in Southern Africa, making HIV challenging to manage and control.



USAID
FROM THE AMERICAN PEOPLE

HEALTH POLICY
INITIATIVE



Key Summary Points

- AIDS affects the young and most productive members of society, thus having a disproportionately high impact on the economy through lost productivity.
- HIV and AIDS can be addressed in the workplace through the implementation of policies and programmes, in this way reducing the impact of HIV and AIDS on the bottom line.



USAID
FROM THE AMERICAN PEOPLE

**HEALTH POLICY
INITIATIVE**



Key Summary Points

- Business leaders should act rapidly to address the issue of HIV in the workplace, as inaction is very costly.
- Corporate social responsibility dictates the need for managers to act ethically and respond to HIV and AIDS.