



THE RESPONSE OF SME MANUFACTURERS TO THE HIV/AIDS CRISIS

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ABSTRACT

The social, demographic and economic consequences of the HIV/AIDS pandemic are disturbing for South Africa, and the implications for business are great. The objective of this research was to establish the impact of HIV/AIDS on small and medium-sized enterprises in the manufacturing industry as the majority of employees within this industry are semi- and unskilled and it is this level of employee who has been most severely affected by the epidemic. In addition, the research attempts to analyse how companies have responded to the epidemic and lastly, to determine what has facilitated and hindered their response.

The research was conducted using structured, face to face interviews with twenty small to medium organisations in central Gauteng employing from 20 to 300 people. The questionnaire addressed the impact of HIV/AIDS on the organisation and the subsequent response to the epidemic.

The findings reveal that SME manufacturing organisations are experiencing the impact of HIV/AIDS, yet there is a disconnect between impact and response. The majority of companies are not proactively taking action to manage the consequences of the epidemic. Factors contributing towards the limited response are: negative implications of stigma, lack of information, perceived cost of response, time required to respond and uncertainty about the role of government. It appears that the long-term economic consequences of the epidemic have not been considered by companies when determining the nature and extent of their response.

DECLARATION

I hereby declare that this research report is my own original work and that all sources have been accurately reported and acknowledged, and that this document has not previously in its entirety or in part been submitted at any university in order to obtain an academic qualification.

Patricia Verity Hawarden

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LIST OF ABBREVIATIONS

ABET	-	adult basic education and training
AICC	-	African Institute of Corporate Citizenship
AIDS	-	acquired immunodeficiency syndrome / acquired immune deficiency syndrome
APEC	-	Asia-Pacific Economic Cooperation
ASSA	-	Actuarial Society of South Africa
BER	-	Bureau for Economic Research
BOP	-	bottom of the pyramid
CEO	-	Chief Executive Officer
CSI	-	corporate social investment
CSR	-	corporate social responsibility
DBSA	-	Development Bank of South Africa
GDP	-	gross domestic product
GRI	-	Global Reporting Initiative
HEARD		Health Economics and HIV/AIDS Research Division
HIV	-	human immunodeficiency virus
HSRC	-	Human Sciences Research Council
KAP	-	knowledge, attitude and practices survey
MD	-	Managing Director
MEIBC	-	Metal and Engineering Industries Bargaining Council
OECD	-	Organisation for Economic Cooperation and Development
SA	-	South Africa
SABCOHA	-	South African Business Coalition on HIV and AIDS
SEIFSA	-	Steel and Engineering Industries Federation of South Africa
SETA	-	Sector Education Training Authority
SM	-	small and medium
SME	-	small and medium-sized enterprise
TB	-	Tuberculosis
VCT	-	voluntary counselling and testing
UNDP	-	United Nations Development Programme
USA	-	United States of America

GLOSSARY

AIDS	<p>This is the second stage of the H.I. virus and is fully referred to as the acquired immunodeficiency syndrome or acquired immune deficiency syndrome.</p> <p><u>Acquired</u>: the virus is not spread through casual or inadvertent contact; a person has to do something which exposes him/her to the virus.</p> <p><u>Immunodeficiency</u>: the virus attacks a person's immune system and makes it less capable of fighting infections.</p> <p><u>Syndrome</u>: AIDS is not a disease. It presents itself as a number of diseases that come about as the immune system fails; hence, a syndrome (Barnett and Whiteside, 2002).</p> <p>NOTE: For ease of use and due to other academic references doing the same, the term 'disease' is used throughout this research report</p>
Anti-retrovirals	<p>The name given to any class of medication which suppress HIV and thereby slow the destruction of a person's immune system (AIDS Law Project, 2005).</p>
Epidemic	<p>A rate of disease that reaches unexpectedly high levels, affecting a large number of people in a relatively short time (Barnett & Whiteside, 2002).</p>
CD4 ⁺ T cells	<p>CD4 cells are vital components of the human immune system. There are two main types of CD4 cells. The first type (which are attacked by HIV) are CD4 positive⁺ T cells which organise the body's overall immune response to foreign bodies and infections. These T helper cells are the prime target of the HI virus, which particles attach themselves to the CD4 cells. Once the virus has penetrated the wall of the CD4 cell it is safe from the immune system because it copies the cell's DNA so cannot be identified and destroyed by the body's defence mechanisms. In a healthy person there are on average 1 200 CD4 cells per microlitre of blood. As infection progresses, the number will fall. When the CD4</p>



	<p>cell count falls below 200, opportunistic infections begin to occur and a person is said to have AIDS (Barnett and Whiteside, 2002).</p>
HIV	<p>Refers to an epidemic know as the human immunodeficiency virus and is a cause of the syndrome known as AIDS. HIV attacks a particular set of cells in the human immune system known as CD4 cells.</p> <p>HIV can only be transmitted through contaminated body fluids in sufficient quantities. The main modes of contamination are: unsafe sex; transmission from infected mother to child; use of infected blood or blood products; intravenous drug use with contaminated needles; other blood transmission modes (bleeding wounds) (Barnett and Whiteside, 2002).</p>
Interviewee / Respondent	<p>Person who answered the questions posed in the research questionnaire</p>
KAP survey	<p>Knowledge, attitude and practices survey: for over two decades KAP surveys have been used in developing countries to gain insights into people's (usually women's) perceptions on fertility and birth control. These research techniques are now being used to understand people's knowledge, attitude and practices relating to another largely sexually-related matter, HIV/AIDS (Health Economics and HIV/AIDS Research Division (HEARD), 2005).</p>
Pandemic	<p>Epidemic of world-wide proportion (Barnett and Whiteside, 2002).</p>
Triple bottom-line	<p>The idea that companies can simultaneously service social and environmental goals as well as earn profits (Davis, 2005).</p>

Chapter 1: INTRODUCTION TO THE RESEARCH PROBLEM

1.1. INTRODUCTION

“The global epidemic of HIV/AIDS is rapidly becoming the worst infectious-disease catastrophe in recorded history” (Rosen, Simon, Vincent, MacLeod, Fox and Thea, 2003, p.81). South Africa is one of the most severely affected countries worldwide and the potential economic consequences are disturbing due to the fact that over 5 million South Africans are infected by the HI virus (Bureau for Economic Research (BER), 2005). The Human Sciences Research Council (HSRC) (2005) reports that the overall HIV prevalence statistic in South Africa in 2005 was 10.8%. South African companies face high risks to both direct and indirect costs as AIDS kills mainly young and middle-aged adults in their most productive years, whether as employees or customers. In terms of age distribution of all deaths in the country, the most prevalent at 36% is the category of 25 to 44 year olds in the year 2004 (BER, 2005). This was not the case seven years previously, when the most prevalent death rate was in the 65+ age category, which illustrates the impact that HIV/AIDS is having on the younger population.

In addition, the country’s skills base is being depleted as more children are dropping out of school, either to care for HIV infected parents / family members or to head child households after the death from AIDS of parental support structures (Rosen *et al*, 2003). Concomitant with this finding, Sachs (2005) states that capital is the vehicle which creates wealth but HIV/AIDS is evolving to be the destruction of both capital and human capital; in this instance, the diminishing time

being invested in child or business, in terms of future availability of skills, can only be detrimental.

Small and medium sized enterprises (SMEs) have a valuable role to play for South Africa in providing employment and economic growth opportunities (Fraser, Grant, Mwanza and Naidoo, 2002). SMEs, particularly in the manufacturing, distribution and agricultural sectors, are more labour-intensive and have minimal foreign investment, thus providing more local work prospects (The Economic Intelligence Unit Limited, 2004). This, in turn, injects income into the poorer communities, which contributes towards more positive economic growth.

However, the increasing prevalence of HIV/AIDS in South Africa presents an escalating threat to the growth of SMEs and South African society. In South Africa, HIV-positive workers appear to be concentrated in the lower skill bands (Natrass, 2004), which level of worker is extremely prevalent in the manufacturing industry. Natrass' findings are supported by the BER (2005) survey which states that companies employing mainly semi- and unskilled workers have been more severely affected by the epidemic than those employing higher skilled workers.

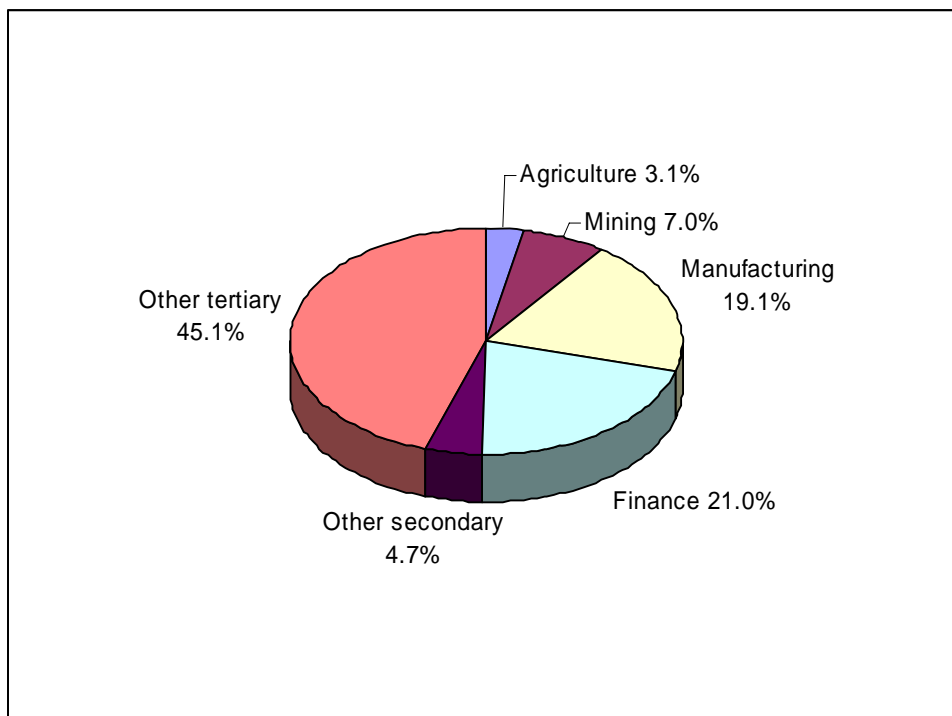
Research by Connelly (2006) has indicated that very few SMEs have implemented HIV/AIDS policies, nor initiated HIV/AIDS awareness campaigns. Implementing HIV/AIDS policies take time and money which are not freely available in small organisations (The Economist, 2005).

The above literature ve at companies operating in the SME manufacturing industry are vulnerable to the effects of the HIV/AIDS epidemic. However, the research further demonstrates that these same companies appear not to be responding to the crisis. There is clearly a need to establish the reason/s why SMEs are reacting or failing to react to the crisis as the lack of response may ultimately have a marked impact on the South African economy.

1.2. CONTEXT OF THE RESEARCH

According to statistics gleaned from Tempest (2006) and as illustrated graphically in Figure 1, the manufacturing sector contributes 19.1% to the country's gross domestic product, making it the third highest contributor towards economic activity in South Africa.

Figure 1: Structure of GDP in South Africa 2004



Source: Statistics South Africa (2005a)

In addition, the manufacturing sector is the largest sector providing employment in South Africa, contributing towards 14% of employment in the country. Table 1 reflects employment figures per industry sector.

Table 1: Employment by Industry - in thousands

Industry sector	Quantity	Percent
Trade	3,024	24.6%
Services	2,192	17.8%
Manufacturing	1,706	13.9%
Finance	1,296	10.5%
Private households	1,067	8.7%
Construction	935	7.6%
Agriculture	925	7.5%
Transport	616	5.0%
Mining	411	3.3%
Utilities	100	0.8%
Unspecified	29	0.2%
	12,301	100%

Source: Statistics South Africa (2005a)

The BER (2005) survey established that HIV/AIDS has reduced labour productivity and has increased absenteeism in the manufacturing industry. The economic effect has been noticed in terms of an increase in indirect costs to the manufacturing industry: higher labour turnover rates, loss of experience and skills, and increased recruitment and training costs. Thirty eight percent of manufacturers surveyed acknowledge that profitability has been negatively affected by HIV/AIDS. However, the survey results established that the majority of small to medium

organisations believe an impact on company's bottom-line.

These findings relating specifically to SMEs are substantiated by recent research undertaken by Connelly and Rosen (2005a). When looking at the economic impact of HIV/AIDS on households and the business sector, they established that SMEs believe they are not affected by the pandemic. The authors determined that demand for HIV services was low from SMEs due to management ignorance, lack of information and a lack of willingness to pay for such services. Connelly and Rosen (2005b) established that the effects of HIV/AIDS ranked ninth out of ten in terms of importance for business owners.

Research that has been conducted on HIV/AIDS has historically focused more on large organisations and industry-specific sectors. When SMEs were analysed, several industry sectors were examined; no emphasis was placed on a particular industry. While Natrass (2004) has determined that HIV/AIDS is more prevalent in lower-skilled workers it has not been established why there has been a limited response to the HIV/AIDS crisis in particular industries. As the majority of employees in the manufacturing industry are semi-skilled, which infers higher prevalence, this has provided a context to establish how SME manufacturers are responding to the HIV/AIDS epidemic and the factors influencing their response. If the outcomes corroborate previous research which has identified a limited response, a further need would arise to establish the reasons for the limited response by the SME manufacturing industry to the HIV/AIDS pandemic.

1.3. THE RESEARCH

The research seeks to establish whether the HIV/AIDS epidemic has made an impact on SME manufacturing firms in central Gauteng. In addition, it aims to identify how these organisations are responding and what factors are causing SME manufacturing firms to either respond or not respond to the HIV/AIDS epidemic.

Thus the study will analyse management's response to determine:

1. The impact of HIV/AIDS on SME manufacturing firms in central Gauteng
2. How SME manufacturing firms are responding to the HIV/AIDS epidemic
3. The reasons facilitating or hindering SME manufacturing firms' response to the HIV/AIDS epidemic

The expected outcome will be to disseminate the research findings on the impact of and response to HIV/AIDS in the manufacturing industry. The possibility exists that the results can be used to influence how SME manufacturing firms in Gauteng respond in future to the epidemic.

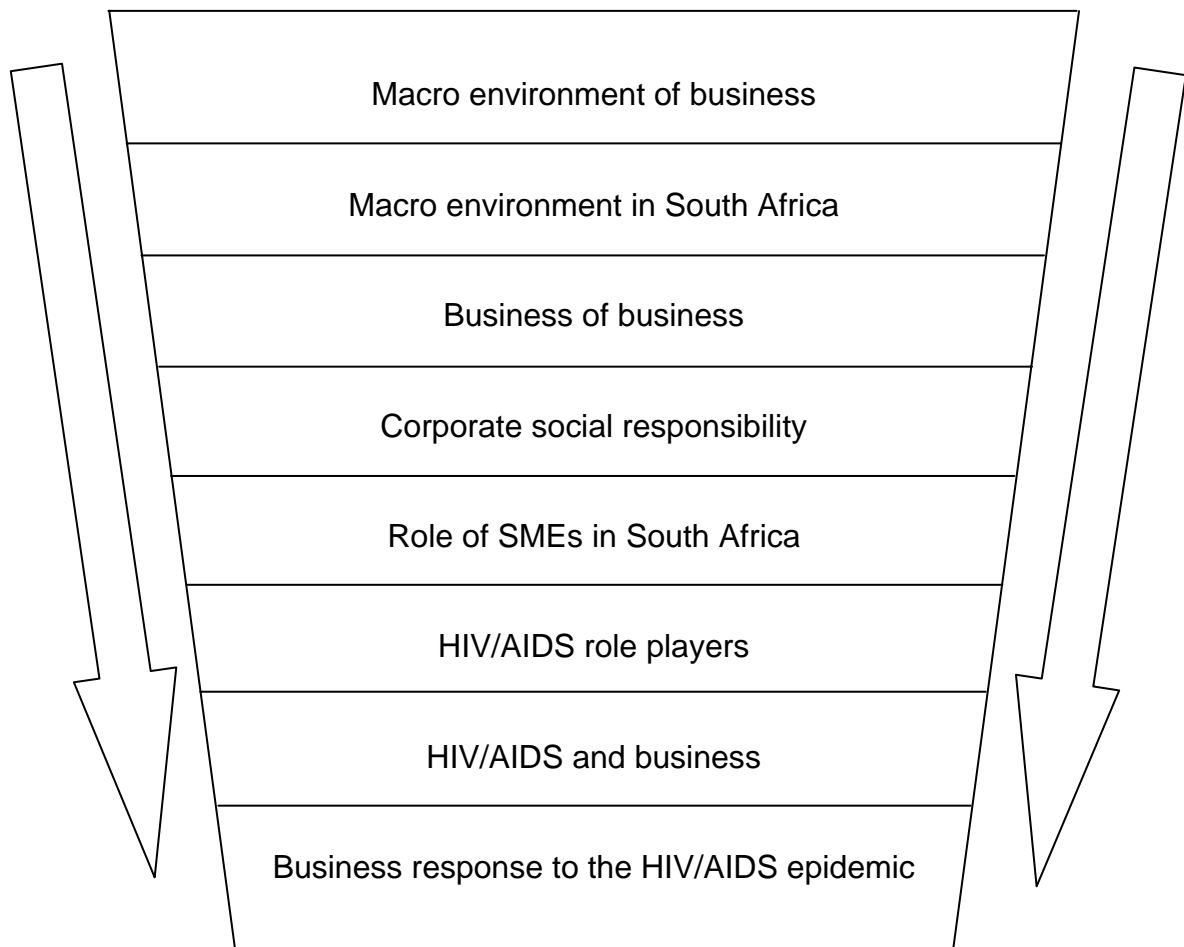
Chapter 2: THEORY AND LITERATURE REVIEW

2.1. INTRODUCTION

In order to assist in better comprehending the response of business to the HIV/AIDS epidemic, the literature has been structured in a pipeline format as illustrated in Figure 2. The analysis starts from a broad overview of the general macro environment of business and then moves on to a study of the macro environment within the South African economy. However, the literary outcomes of the macro environment are not sufficient on their own – it is necessary to expand on the learning by establishing what role business has to play in society. For instance, is business purely about creating shareholder value or are there wider social ramifications which need to be considered? The subsequent conclusions illustrate that the importance of social responsibility within a business environment cannot be overlooked due to ever tightening legislation in some instances and increasing pressure from the entire supply chain in others.

As the research report is focused specifically on SMEs in the manufacturing industry, the review then progresses to an analysis of the function of SMEs in South African business, the contribution they make towards economic growth and their role in a broader social context as well. The literature next tackles the issue of HIV/AIDS, touching on the different role players and examining the effect that the epidemic has had on business. Lastly, the subsequent response of business is addressed and here the themes of impact, awareness, policy, stigma, government response, communication and education are addressed.

Figure 2: Pipeline of analysis to determine business response to the HIV/AIDS epidemic



2.2. MACRO ENVIRONMENT OF BUSINESS

Drucker (2001) states that the first responsibility for an organisation's leaders is the ability to answer the question 'what is our business?'. Successful businesses are able to answer this question both thoughtfully and thoroughly by addressing the following factors:

- the purpose and mission
- the customer and the consumer

- analysis of the business trends, products, services and effective distribution channels
- what potential opportunities may arise and an understanding of competitors

Clarifying these objectives then enables the key resources of people, finance and facilities to be identified. A business is only successfully managed when the above goals, needs and resources are balanced. If they are not balanced the business can potentially become vulnerable and lose its competitive edge (Drucker, 2001).

The macro environment of business is further confronted by the following external challenges: infrastructure, climate, policies, culture, regional disparities, wealth and distribution (Loevinsohn and Gillespie, 2003). These challenges aid the organisation with identifying the basics of the business, they allow an opportunity to prioritise functions, and again, to ensure a balance of the key resources.

In addition, the organisation needs to consider its role in the global economy. Globalisation is distinguished by economic, social, political, environmental, cultural and religious factors; it is primarily being driven by political and technological change (Australian APEC Study Centre, 2002). International trade is increasing, cross-continent capital flow is now relatively seamless and improved communication tools have enabled a greater sharing of knowledge. Desai (2000) believes that globalisation has allowed for an increased mobility of both investment and labour. While these aspects may be beneficial from a macro economic point of view, certain critics of globalisation believe that more focus should be placed on

alleviating poverty as  kes it difficult for poorer countries to build domestic industries.

In addition, merging trade, as a result of globalisation, places greater strain on employment opportunities, particularly in developing nations. And it is the developing world that has been most affected by HIV/AIDS: at the end of 2002, there were over 42 million people living with HIV/AIDS of whom over 95 percent were from low and middle-income countries (World Bank, 2003). In terms of Drucker's factors used to identify the key resources of the business, there can be no doubt that when performing such analysis on businesses from developing nations, company management needs to take cognisance of the impact of HIV/AIDS on both the organisation's internal as well as external environment.

2.3. MACRO ENVIRONMENT IN SOUTH AFRICA

The South African macro environment is characterised by a strong government and a generally stable macro economy (Malala, 2005). However, the issues of slow economic growth, unemployment and poverty remain key concerns.

2.3.1. Economic growth in South Africa

Economic growth is the assurance that a government delivers to the population that each individual will have a secure standard of living and that the country will continue to develop and grow. In the 1960's the South African economy grew at an average of 6% per annum; in the 1990's it has been averaging around 1.3% (Lewis, 2002). The decline in growth has been due to the following reasons:

- falling investment
- unfavourable savings behaviour
- declining employment creation
- balance of payments constraints (May, 1998)

Economic activity needs to be supported by an enabling macro environment, namely, that government responds to the economic challenge by considering certain policy reforms which will address the above constraints. In addition, the need for individuals to be able to access health care, education and basic facilities must be prioritised.

2.3.2. Unemployment in South Africa

As at March 2005, the official unemployment rate in South Africa was 26.7% (Statistics South Africa, 2005b). Historically, structural unemployment in South Africa was caused by the government's deliberate policy to under-educate black people who were then forced into low labour pools, an example being mine workers in the shrinking gold mine sector (Mohr, Fourie and associates, 2004). The skills these workers have acquired ensures they are only qualified to work in the mining sector. As the industry declines, so workers are left without employment and unable to perform in any other industry. Pan African Advisory Board CEO Iraj Abedian is reported as stating that there is a skills mismatch in the South African economy (Ensor, 2005).

Traditionally, South Africa has been categorised racially, with whites being the highest paid and blacks the lowest. More recently, the disparity has started to even out, however the divergence of income within the black population has increased. This is due mainly to increased unemployment, the impact of the black economic empowerment charter on the rate of salary increases in the formal sector and increased poverty in the rural areas (Mohr, Fourie and associates, 2004).

The phenomenon of jobless growth is prevalent in many countries worldwide. This term refers to increasing unemployment due to machinery replacing people (particularly in the manufacturing industry) resulting in increased production and decreased employment (Mohr, Fourie and associates, 2004). Jobless growth is a factor which is not unique to South Africa and which is an ever-present problem in the economy. The government has attempted to tackle the above problem of advanced technology forcing labour out of work by the implementation of public works programmes, in particular the Expanded Public Works Programme, which concentrates on labour-intensive projects (Phillips, 2004).

The official definition of unemployment does not include those people who have been discouraged from seeking work, which, if included in the definition, increases the figure to 40.5% (Marais, 2005). The unemployed includes men and women, youths and prime-aged adults, and urban and rural dwellers. Thirty four percent of the officially unemployed have completed Matric yet job creation and employment for unskilled and semi-skilled labour has declined over the last three decades

(Lewis, 2002). This is contributing to an inflexible labour market in which companies prefer using organic employment methods.

One of the contributing factors of the limited strategic responses by South African SMEs to the HIV/AIDS epidemic could be as a result of SMEs knowledge of the unemployment statistics in South Africa. There is a large pool of available unskilled replacement workers for any company experiencing labour turnover due to the impact of HIV/AIDS. However, South Africa is experiencing a labour shortage at the skilled and highly skilled level (Quattek, 2000). The question is whether employers feel morally obligated to address the HIV/AIDS crisis before it affects their costs and turnover or whether they are turning a blind eye because of knowledge of the size of the available employment pool?

2.3.3. Poverty in South Africa

May (1998) defines poverty as the inability to attain a minimal standard of living, measured in terms of basic consumption needs or the income required to satisfy them. South Africa is perceived as an upper middle income country in terms of per capita income. Yet the majority of the population live in poverty or are extremely vulnerable to being poor. The distribution of income is very unequal and this affects poverty-stricken people's access to basic facilities, healthcare and education. The subsequent effects on political stability and social development influence the pace of economic growth (May, 1998).

The increasing incidence of HIV/AIDS in South Africa poses a fundamental challenge to poverty reduction in the country. Primary family wage earners are mostly affected and once they are no longer able to provide an income, the poverty trap looms even larger. HIV/AIDS is no longer simply a health issue but is now a development issue with social, political and economic dimensions (Lewis, 2002).

Without real economic growth in the country, the issues of unemployment and poverty cannot be effectively addressed. Without robust economic growth, the country may not be equipped to embrace the broader global opportunities on offer.

2.4. THE BUSINESS OF BUSINESS

Davis (2005) questions the role of business in society. Is the main objective simply to create shareholder value or should businesses be incorporating social issues into their corporate strategy and thus be reporting on a triple bottom-line basis (sometimes referred to as corporate sustainability reporting)? In a world where environmental, health, social and corporate trust issues are gaining relevance in the business domain, social issues are becoming fundamental to organisational strategy and many examples exist to substantiate the long-term business impact that the above factors imprint on business. Davis asserts that not only are increased social responses necessitated due to toughened regulatory environments, but companies are experiencing a greater awareness of value creation opportunities that arise from addressing social needs: for instance,

previously unmet social needs and references are identified, greater customer trust is gained and innovative growth prospects are emerging.

If, according to economist Milton Friedman, the “business of business is business” (Davis, 2005, p.104) then a key factor to increase profitability would be to improve market growth. Prahalad (2006) alleges that more than 4 billion people worldwide live at the bottom of the pyramid (BOP) on less than \$2 per day. The market potential is vast but this illustrates the crucial role of private sector involvement in contributing towards poverty alleviation and thus facilitating the purchasing power of the BOP market.

With the already dramatic impact of HIV/AIDS on the South African demographics and economy, it begs the argument as to whether those businesses whose sole objective is to create shareholder value will be sustainable in the long-term? The macro economic impact of HIV/AIDS on business will be felt as a result of the following factors: a lower supply of labour, lower labour productivity through absenteeism and illness, cost pressures for companies through higher benefit payments and replacement costs, and a lower customer base as the purchasing population decreases (Quattek, 2000). The impact of these factors on business will ensure a growing challenge for management to create shareholder value should they not be taking certain social issues into account.

2.5. CORPORATE SOCIAL RESPONSIBILITY

Kotler and Lee (2005) define corporate social responsibility (CSR) as a commitment to improving community well-being through discretionary business practices and contributions of corporate resources. Increasingly more companies from Europe, the USA and Australia are publicly stating their commitment to CSR projects (Owen, 2005). However, it is believed that for some organisations this may be solely a reputation-building exercise in response to increasing global corporate scandals.

CSR in Europe is becoming more interlinked with international development and the associated goals of poverty alleviation and sustainability. In Britain, CSR has been defined in a more negative light, that is, as a “means to protect workers and the environment from the undesired consequences of the otherwise desirable fostering of international trade” (Blowfield, 2005, p.515).

The World Bank has subsequently portrayed CSR more positively by referring to it as a commitment of business to contribute towards sustainable economic development and the society at large so that that both business and the macro environment benefit (Blowfield, 2005). The drivers perceived to be the reason for the growth of CSR are documented as changing business imperatives and increasing social demands (Moon, 2004).

In South Africa many large organisations are publicly supporting CSR initiatives although, in some instances, this may be for marketing and public relations purposes only. The driver for the implementation of CSR projects in South Africa

appears to focus r  empowering previously disadvantaged groups (Media Tenor International, 2005). However, the value that these initiatives present can only be utilized if they are embedded into the organisation's core culture. In addition, CSR investments can only be sustainable if they have a long-term positive effect for the communities on which they are focused. The Johannesburg Stock Exchange's Socially Responsible Investment Index is enabling corporate social investment (CSI) activities to become differentiators and encouraging companies to report performance on a triple bottom-line basis (Finance Week, 2006). The obstacle with this index is that it only applies to listed companies and does not reach SMEs.

The Global Reporting Initiative (GRI) is a body which was established in 1997 in order to encourage reporting on organisations' environmental and social involvement. Within the initiative a set of guidelines on HIV/AIDS was drawn up by sourcing input from business, unions, investment institutions and HIV/AIDS advocacy groups from South Africa (Dickinson and Fakier, 2004). The GRI has facilitated companies with a tool to report on their HIV/AIDS activities and is a further endorsement of the growing need for corporate social issues to be addressed in the workplace.

Dickinson (2004) states that companies are held accountable by public opinion; they want to be viewed as responsible corporate citizens making a positive impact in the community. Whiteside and Sunter (2000) declare that business can no longer distance itself from society; the extent to which a company is socially responsible is crucial for a positive public evaluation. When the authors relate this

to the issue of HIV/AIDS. A possible solution would be an HIV/AIDS programme which includes the community in its response.

There is limited information available about CSR initiatives being implemented by SMEs in South Africa. This may, in all likelihood, be due to the fact that there have been minimal interventions to date by SMEs. However, it is stated that corporate social investment in South Africa will remain a vital ingredient for communities, business and the economy. Focus has previously been towards investing in education; it is now being placed on the impact of unemployment on communities (Finance Week, 2006). As SMEs play an important role in providing employment for all skill levels within South Africa, it seems unlikely that they can avoid the issue for much longer. While the King II Report requires that every company should report at least annually on the nature and extent of its social, transformation, ethical, safety, health and environmental management policies, adoption of the convention is not mandatory (African Institute of Corporate Citizenship, 2005). Nevertheless, this requirement illustrates that a developing feature of CSR is that it sets out what responsible behaviour organisations, regardless of size, should be inculcating into their corporate mindset. In the case of SMEs, should they be financially unable to extend their involvement to external CSR initiatives, a significant starting point would be to investigate implementing internal social and transformation policies.



2.6. THE ROLE OF S

There are various definitions offered for SMEs in South Africa; no particular definition being universally applicable. SMEs are usually defined according to employee number, annual turnover and gross asset value. Two available definitions against the criterion of employee number are as follows:

1. SMEs are firms employing fewer than 500 employees (Organisation for Economic Cooperation and Development (OECD), 2000).
2. Small business: a separate and distinct business entity including cooperative enterprises and non-governmental organisations, managed by one or more owners (National Small Business Act, 1996). Table 2 illustrates the definition of SMEs by employee number and relating specifically to the manufacturing industry as defined by the National Small Business Act (1996).

Table 2: Definition of small business enterprise by employee number

Sector in accordance with Standard Industrial Classification	Size of Class	Total full-time equivalent of paid employees
MANUFACTURING	SMALL	50
	MEDIUM	200

Source: National Small Business Act (1996)

The definition used for this study is guided by the explanation as provided by the OECD, that is, with employee numbers less than 500.

According to a World Bank report (Cronje, Du Toit and Motlatla, 2003), SMEs are characterised by the following features in developing countries:

- SMEs are generally more labour intensive than large organisations

- SMEs generate more value per unit of invested capital
- SMEs contribute toward the economy's competitiveness
- SMEs create social stability, stimulate personal savings, increase prosperity in rural areas and improve economic participation by the entire population
- SMEs prosper from providing services to small and restricted markets on which larger organisations do not concentrate

The above characteristics illustrate the important role that SMEs play in facilitating growth in terms of economic development, employment opportunities, empowering rural communities and supplying the informal market.

SMEs rely on either self-financing, debt finance or venture capital as they initiate and expand operations. Due to limited access to monetary support from large financial institutions and restrictive foreign exchange strategies, SMEs thus often supply the lower end of the market. Historically, according to Lewis (2002), SMEs have contributed towards increasing industrialisation in developing nations and generally contribute greatly to growth, employment and competitiveness. However, in South Africa, this segment of business is relatively under developed due to sanctions having closed export markets and domestic regulations hampering expansion of informal markets.

The South African economy has a complex mix of both large corporate organisations and smaller entrepreneurial establishments. As previously indicated by Fraser, Grant, Mwanza and Naidoo (2002), smaller companies contribute value towards the general economy as they have the ability to reach the less skilled populace in order to provide employment opportunities. They also have greater

access to the full sup| as well as globally, thus ensuring greater economic growth opportunities for South Africa. The value that SMEs can bring to the South African macro environment in terms of employment opportunities is reinforced by the Industrial Development Corporation's intention to spend a large portion of its designated five billion rand budget on development projects in SMEs, the aim of which was to create 26 000 jobs in the 2005/06 financial year (Tempest, 2006).

However, it has been established by Van Eeden, Viviers and Venter (2001) that the following barriers exist for South African SMEs and these negatively influence the success of SMEs:

- macro environmental factors
- management issues
- functional matters

The challenges which SMEs in general face within these barriers are indicated below in Table 3.

Table 3: Barriers influencing South African SMEs

Macro environment	Management	Functional
Macro environment	Skills/attitudes	Marketing
Market/competitive environment	Actions/behaviour	Human resources

Source: Van Eeden *et al* (2001)

Van Eeden *et al* (2001) go on to say that the environmental barriers are mainly due to economic, legislative, technological, product and competitive challenges and are difficult for SME management to control. Management challenges generally derive from managerial incompetence, and functional weaknesses

develop from a misund...ctive employee utilisation and an efficient organisational structure. But the authors assert that the chances of success are increased if SMEs are conscious of the above factors as potential problems in order that they are able to immediately address them as they arise.

The value of SMEs in the South African economy should not be underestimated. The literature has established that SMEs have the ability to expand the country's economic growth potential. For this reason, the impact that HIV/AIDS has on individual businesses could have an influence on the overall status of the macro economy and unemployment in South Africa.

2.7. HIV/AIDS ROLE PLAYERS

There are many stakeholders engaged in responding to the disease. As HIV/AIDS has acquired pandemic status, it is not a problem which can be solely addressed by government or the public sector. Private sector involvement is necessitated due to the economic impact being experienced. The impact that HIV/AIDS is having on the economy is illustrated in Figure 3 which indicates the range of factors and the possible channels of impact.

Figure 3: Channels at the economy

For firms:	
insurance / benefits up	→ affects costs, profits, savings
disruption / absenteeism	→ affects overall productivity
worker experience down / morbidity	→ affects labour productivity
For government:	
AIDS spending up	→ affects other spending, deficit
production structure shifts	→ affects VAT revenue, trade taxes
household incomes, spending shift	→ affects income tax receipts, transfers
For households:	
loss of income / orphans	→ vulnerable households require transfers
caring for HIV/AIDS	→ changed expenditure patterns, reduced savings, lower investment in human capital
For the macro economy:	
lower physical & human investment	→ reduced growth trajectory
class biased impacts	→ uneven welfare effects

Source: Arndt and Lewis (2000)

Currently all role players, namely, government, public sector, private sector, communities, health care professionals, peer educators, trade unions, aid organisations, funding bodies, and individuals appear to have different priorities: prevention messages differ, stigma and discrimination are still very prevalent and approaches to treatment vary. The HSRC (2005) established that, while South Africans do believe that government is committed to controlling HIV/AIDS, they do not believe that government is providing sufficient funding for the epidemic.

The above mixed reactions may all be as a result of the South African government's initial unclear perspective on the causes of HIV and the most

effective treatment messages and the action in encouraging national accessibility to anti-retroviral treatment. The two most effective responses to the disease are prevention and treatment but controversy exists around effective prevention and treatment because of the external stigma associated with the disease. This, in turn, is further compounded by a government in South Africa whose prevention and treatment messages are still not decisive (Cameron, 2006). The HSRC (2005) reports in their annual survey that a systematic and coordinated strategy of communication regarding prevention, treatment, care, support and rights needs to be initiated in a national campaign.

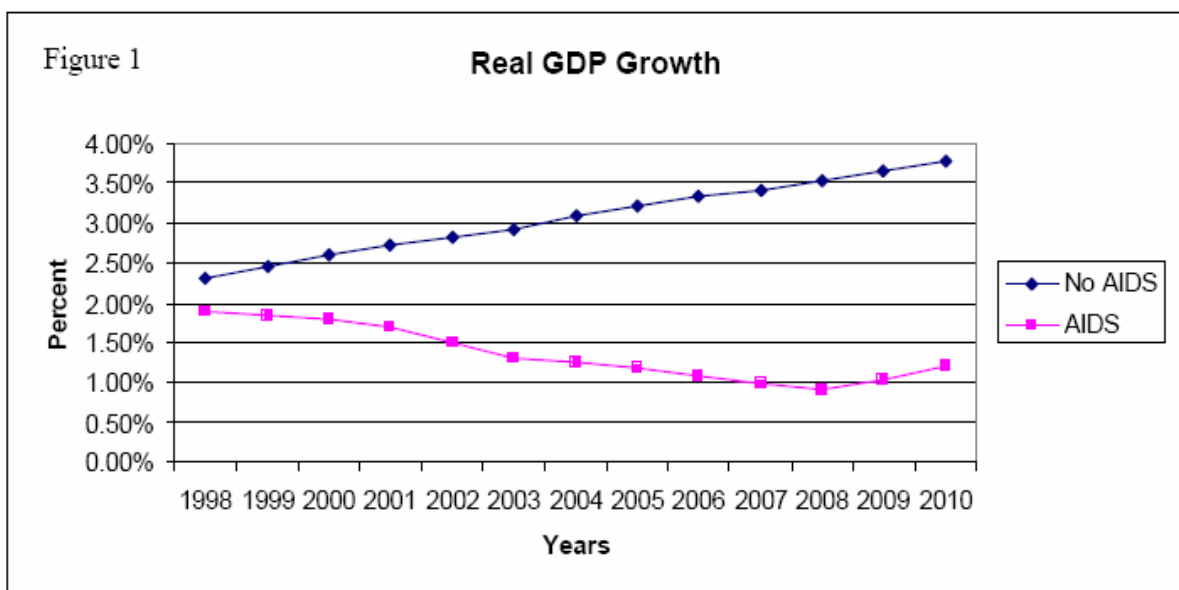
2.8. HIV/AIDS AND BUSINESS

It is not known when and how the AIDS pandemic began (Janse van Rensburg, 2000) but the impact already felt on life expectancy and the South African economy is profound. Current estimates suggest that by 2010, South African life expectancy will drop to only 42 years and the epidemic will have had a marked impact on firms costs, productivity and demand for products; the economic costs will be substantial (Lewis, 2004).

In order for South Africa as a nation to be able to increase employment opportunities, reduce the effects of poverty and raise government revenue to improve the general welfare of most of the populace, the country requires economic growth. Gross domestic product (GDP) is one economic indicator which enables a measurement of economic output. In a United Nations General Assembly Special Session on HIV/AIDS held in New York in 2001 (United Nations,

2001) it was acknowledged that the impact of the epidemic is much worse than was initially expected and the demographic, social and economic consequences will have a dramatic macro economic impact. Two valid impact studies undertaken in South Africa by Quattek and Arndt and Lewis in 2000 looked at the effect on real GDP in an economy with AIDS and in one without AIDS (Barnett and Whiteside, 2002). The research conducted by Arndt and Lewis (2000) discovered that the South African GDP level in 2010 will be 17% lower in an AIDS scenario.

Figure 4: Real GDP Growth 1998 – 2010



Source: Arndt and Lewis (2000)

The above figure illustrates that real GDP growth in South Africa could be 3.5% by 2010 if AIDS did not exist. However, in reality, it is expected to only be around 1.25%.

The HSRC (2005) reported HIV as 10.8% in 2005. A study undertaken by Quattek (2000) has established that the HIV infection rate among the economically active population in South Africa peaks at about 25.5% which is much higher than the 16.7% peak for the total global population. Njobe and Smith (2004b) established that there is a higher prevalence among semi-skilled workers. In conjunction with these findings, the Actuarial Society of South Africa (ASSA) (2003) AIDS model, when examining infection rates by skills group, has determined that the HIV positive rate of semi- and unskilled labour is over three times as high as that of highly skilled workers. This statistic is similar for AIDS deaths, which indicates how South Africa's current skills shortage is being further challenged.

The rising prevalence of the epidemic has an impact on operational efficiency and costs, subsequently reducing organisational profitability and productivity. The organisation's demand-side is affected; for instance the impact of HIV/AIDS on the organisation's consumer market threatens long-term sustainability. A study undertaken by Deutsche Securities established that HIV/AIDS among younger consumers could potentially cause a reduction in market volume of 12.5% over the ten year period, 2000 to 2010 (Njobe and Smith, 2004a). Over and above this are the supply-side costs which incorporate human resource costs, health care costs and HIV programme costs. Rosen *et al* (2003) declare that companies potentially incur the following types of supply-side costs due to HIV/AIDS and related illnesses:



Table 4: The costs of

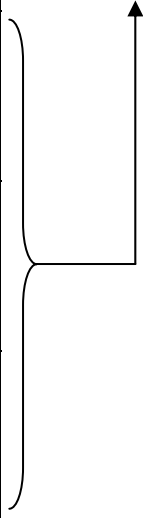
	DIRECT COSTS	INDIRECT COSTS
<i>Individual costs</i>	Benefit claims & pension payments	Reduced on-the-job productivity
	Burial fees	Reduced productivity due to absenteeism
	Medical care	Time off to attend funerals/ training courses
	Training and recruitment	Increased labour turnover
<i>Organisational costs</i>	Insurance premiums	Supervisor's time in dealing with productivity losses
	Accidents due to ill workers & inexperienced replacements	Senior management time
	Costs of litigation over benefits and other issues	Production disruptions
		Depressed morale
	Loss of experienced workers	
	Deterioration of labour relations	

Source: Rosen *et al* (2003)

Njobe and Smith (2004b) report that the 1996 Family Health International HIV/AIDS business cost model identifies absenteeism as the largest HIV/AIDS cost driver and they assert that this is corroborated by the perceptions of respondents in the BER survey.

Certain indirect costs are difficult to measure yet they have a dramatic impact on the organisation. A further complexity for business is that the costs of the epidemic on the company may not be immediately apparent as there is a lengthy dormant period from infection to symptom visibility. The timing at which the company experiences the costs of AIDS is illustrated most effectively by Rosen *et al* (2003) in Table 5.

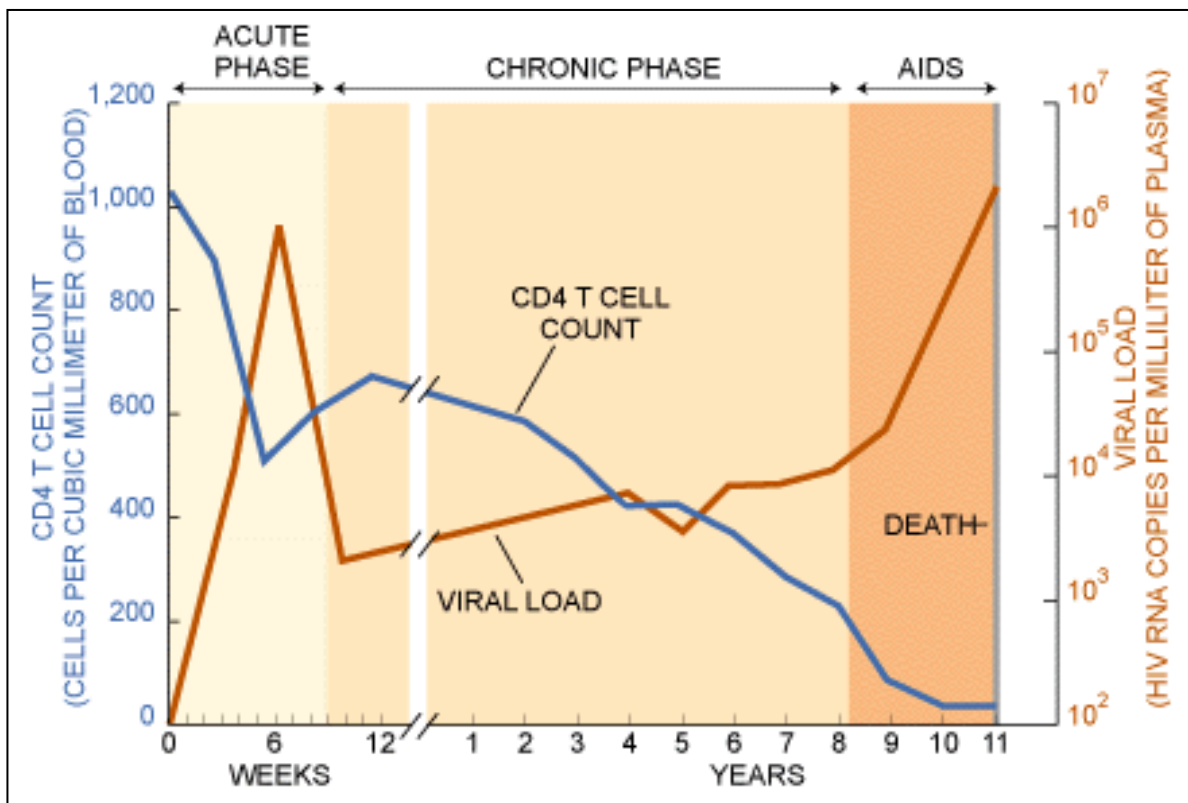
Table 5: The timing of

Time frame (typical)	Progression of HIV/AIDS in the workforce	Current cost to company	Liability acquired by company
Year 0	Employee becomes infected with HIV	Company incurs no cost at this stage	Discounted sum of all costs from years 0 through to 10+ 
Years 0-7	Employee feels healthy and is fully productive	Company incurs no cost at this stage	
Years 7-9	Illness begins. Employee may die in first few years or remain free of illness for years	Sickness-related costs are incurred (leave and absenteeism, productivity loss, supervisory time, medical care, accidents)	
Years 9-10	Employee dies or leaves workforce due to disability	End-of-service costs are incurred (benefits payments, funeral expenses, management time, depressed morale)	
Years 10+	Company hires replacement employee	Turnover costs are incurred (vacancy, recruitment training, reduced productivity while replacement learns job)	

Source: Rosen *et al* (2003)

The timing of AIDS costs is graphically illustrated by Brink (2005) in Figure 5 below. When an infected person's CD4 cell count drops to an approximate measure of 300 (around year seven) illness sets in and the sickness-related costs for business start being incurred.

Figure 5: Lifecycle of



Source: Brink (2005)

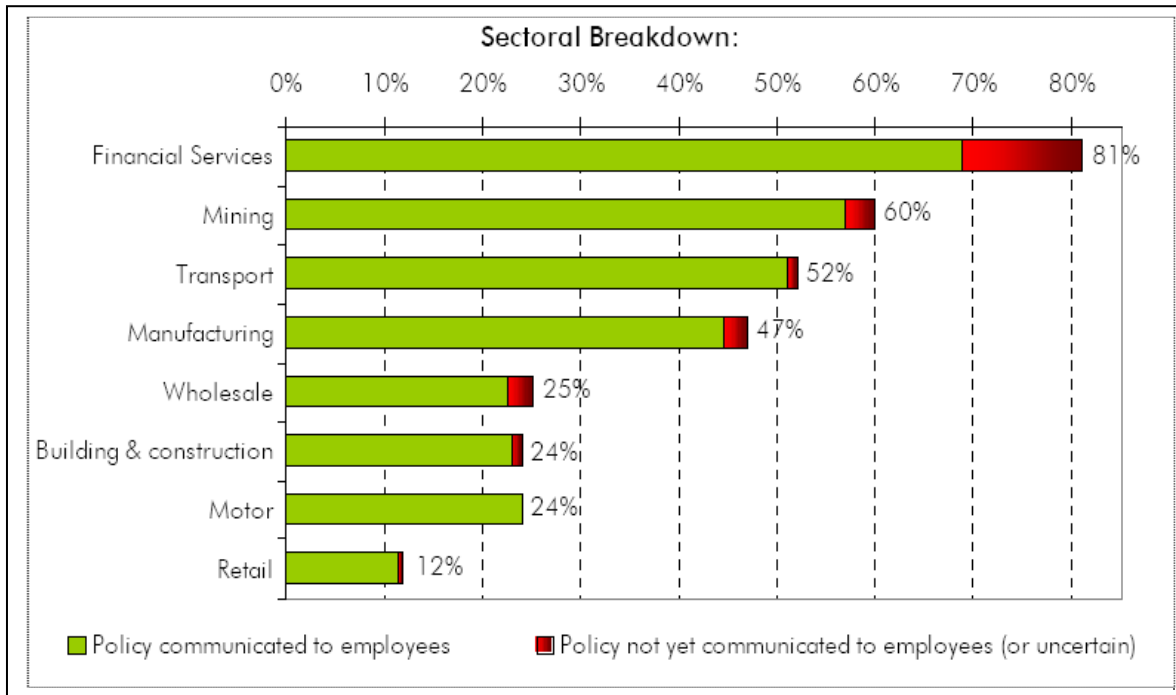
In addition to the costs referred to by Rosen *et al* in Table 5, company's growth rates are slowed and competitive advantage is compromised, the demand for goods and services is reduced due to the decreasing size of the purchasing public, children are being forced to drop out of school to care for sick parents or orphaned younger siblings thus depleting the country's skills base, and the two foundations of globalisation – cheap labour and fast-growing markets – are being eroded (Rosen *et al*, 2003). This has a negative impact on the company's profitability and future investment potential and illustrates that HIV/AIDS is having a direct impact on the business' bottom-line.

2.9. BUSINESS RESILIENCE AND BUSINESS CONTINUITY MANAGEMENT (MIC)

The business response to HIV/AIDS in South Africa is unsatisfactory considering the scale of the epidemic. An HIV/AIDS policy is a thorough document that outlines an organisation's attitude towards the epidemic and covers issues of awareness, prevention and treatment action plans (BER, 2005). In order to effectively combat the effect that the epidemic is having on business, companies should implement a sustainable and broadly communicated policy which will assist in addressing the impact that the epidemic will ultimately have on their profitability and productivity.

The statistics reflected in Figure 6 from the BER survey (2005) illustrate how many organisations per sector have implemented an HIV/AIDS policy. The survey states that a policy is only effective if it is widely disseminated to all employees. In all sectors there is a percentage of employees to whom the contents of the policy or even the existence of a policy have not been communicated. This defeats the purpose of the policy and undermines the success thereof.

Figure 6: Percentage of respondents who have implemented an HIV/AIDS policy



Source: BER (2005)

Many respondents in the BER (2005) survey conveyed that stigma and/or discrimination have definitely had an impact on the effectiveness of their HIV/AIDS programmes. “Our biggest challenge seems to be that there is no buy-in from our staff. Employees fear that they will lose their jobs once their status becomes known” (BER, 2005, p.34). Further research has reinforced this opinion: stigma and discrimination impact on the effectiveness of HIV prevention policies as well as on the provision of treatment, care and support (HSRC, 2005).

Dickinson (2005) states the stigma and discrimination impact on the workplace in the following ways:

- lowers workforce morale
- undermines the effectiveness of the HIV/AIDS programme

– re-radicalises the i:

Skinner and Mfecane (2004) declare that stigma drives HIV out of the public domain which impacts on the response to the epidemic and minimises behaviour change; for instance the use of condoms could be interpreted as announcing one's HIV-positive status thus usage is not overt. Stigma further discourages a need to know one's status which delays the commencement of treatment.

On a more macro level, the study undertaken by Dickinson (2004) established that senior management did not initially grasp (or rather, they denied) that their companies were vulnerable: that the disease could affect all level of employee, not only the low-skilled black workers. The study also found that low-skilled workers were easily replaced due to the enormous unemployment pool in the country: replacement costs were perceived as being cheaper than the costs of responding to the epidemic. However, in reality, impact studies undertaken by Morris *et al*, Rosen *et al*, and Booysen and Molelekoa determined that the cost of response did result in savings for the company; for instance, the average savings to firms of extending the productive life per worker by one year ranged between R4 412 to R5 491 (Nattrass, 2004).

Dickinson (2004) believes that four tensions within the South African context may contribute towards the slow corporate response, namely, political, moral, industrial relations and socio-economic. In the South African macro environment, which faces issues of slowed economic growth, vast unemployment and extensive poverty, and considering South Africa's legacy of apartheid and the years of healing required to recover from such history, these may not be inaccurate.

Nevertheless, business' functioning priorities also need to be considered. Limited response to the epidemic may simply have been due to operational constraints which do not enable an effective response. With trade barriers and tax legislation being relaxed, the pressures of globalisation on business may have become more urgent priorities, particularly as the costs of the epidemic are not immediately felt (Rosen *et al*, 2003) whereas increasing competition and pressure on profitability as a result of trading in a global world have an immediate effect on business' bottom-line.

The response of government and external parties to the HIV/AIDS epidemic may be a further factor which is hindering business response. South African government has been very slow to provide a decisive response to the epidemic. Moreover, Arndt and Lewis (2000) advise that there is limited communication between possible government involvement to slow the multiplication of AIDS and the demographic and economic course of the pandemic. Whilst government places considerable pressure on organisations to tackle the HIV/AIDS epidemic (Rosen *et al*, 2003), there appears to be little direct support from government.

Government is concerned that forcing companies to invest more in HIV/AIDS activities will cause them to adjust their capital/labour ratio which will impact negatively on employment and societal benefits (Rosen *et al*, 2006). In addition, less than 40% of South Africans think that there are sufficient community-based organisations to address HIV/AIDS issues (HSRC, 2005).

Another feature which response by business may be the role of public information and communication in addressing the HIV/AIDS crisis. While HIV/AIDS communication is relayed through a wide variety of sources (HSRC, 2005), the relationship between information and the steps to follow thereafter have not been effectively managed. There is limited available information on the implications of AIDS for overall factor productivity growth rates (Lewis, 2000) and on the returns of prevention programmes (Rosen *et al*, 2003) which surely discourages organisations from attempting to address the crisis. Possibly, guidance tools and implementation procedures are inaccessible for small business. Connelly and Rosen (2005b) determined that information about HIV/AIDS is scarce and many SMEs do not know where to find information or contract services.

A Deutsche Securities report (Njobe and Smith, 2004b) states that business would benefit by implementing intervention programmes to combat HIV/AIDS in their workforce. By mitigating the effects of the disease, they would minimise disruptions to the production process and assist in reaching the greater community through knowledge awareness and prevention programmes to their employees. The muscle from private sector involvement would aid the effectiveness of the national response from government and assist in lessening the broader economic impacts which will be experienced in the long term.

2.10. CONCLUSION

HIV/AIDS is a potentially disastrous epidemic and presents enormous challenges for all stakeholders in South Africa. Until successful interventions are conceived, all role players (government, public sector, private sector, health care professionals, communities, individual adults and youth) need to work together to ensure that factors within the macro environment, the macro economy, and social and developmental concerns amalgamate in one force to manage the disease more effectively and to ensure that a sustainable public information strategy which de-stigmatises the disease is successfully implemented.

In addition, the literature has reinforced the valuable role that SMEs play in South Africa. In 2003, small business employed 4.6 million people out of 11.6 million, which is 40% of the working population (Tempest, 2006), illustrating the significant contribution SMEs make towards employment and the upliftment of poverty. Furthermore, SMEs could prove to be important players in enhancing the country's communication and education campaign, reaching not only their direct employment pool but the greater community as well.

While considerable research has been conducted on the topic of HIV/AIDS in South Africa, it is apparent that it has been largely focused towards larger organisations. Not many studies have concentrated on small to medium organisations. The results of studies on SMEs have generally established that the response by these organisations has been far less reactive than the large corporations. No research appears to have focused on the SME manufacturing industry in particular, which is what this research project attempts to undertake.

Chapter 3: RESEARCH QUESTIONS

The following questions will be examined to establish if there has been an impact of HIV/AIDS on SME manufacturers' business and, in addition, what factors are facilitating and hindering SME manufacturers' responses to the HIV/AIDS epidemic:

Research Question 1: What is the impact of HIV/AIDS on SME manufacturing firms in central Gauteng?

Research Question 2: How are SME manufacturing firms responding to the HIV/AIDS epidemic?

Research Question 3: Why are SME manufacturing firms responding or not responding to the HIV/AIDS epidemic?

Chapter 4: RESEARCH METHODOLOGY

4.1. INTRODUCTION

This chapter covers the methodology used to undertake the study. The research problem was formulated after a background study had been completed. A comprehensive literature review was undertaken to assist in confirming that the research questions had not been previously tested on the particular population. The literature further assisted with the structure and content of the research instrument. A questionnaire was then developed to collect the data from the sample of twenty SMEs which were obtained by various communication methods. Face-to-face interviews were conducted on a one-to-one basis. Written correspondence was emailed on the day following the interviews to thank the participants. The closed-ended data was captured using Microsoft Excel software and demographic information was analysed statistically. The open-ended questions were analysed using a qualitative method. Analysis of the results will be discussed in Chapter 5.

4.2. RESEARCH DESIGN

The majority of the research was conducted qualitatively as White (2002) states that this method of research is a primary type of research of the social sciences and is useful when studying the way organisations, groups and individuals behave and interact. Leedy and Ormrod (2001, p.148) further assert that qualitative research “enables a researcher to (a) gain insights about the nature of a particular phenomenon, (b) develop new concepts or theoretical perspectives about the

phenomenon, and/or (within the phenomenon”.

A quantitative approach was used to identify basic statistics on workplace demographics in terms of number of employees, gender and race distribution, age and skill distribution, and education level.

As part of the research problem seeks to understand why SME manufacturing firms are responding as they are, face-to-face interviews were held with the senior management of each company. The benefit of this type of interview is that any misunderstandings about either the questions or the responses could be cleared up immediately (White, 2002). Survey questionnaires were designed as per guidance from Welman and Kruger (2001) who recommend this technique if the information to be probed relates to biographical particulars, opinions and attitudes.

4.3. POPULATION OF REFERENCE

Connelly and Rosen (2005a) have established that, in general, all SMEs are relatively unconcerned about the impact of HIV/AIDS on their business. The research undertaken in this report focused in particular on SMEs in the manufacturing industry. The objective was to further Connelly and Rosen’s findings by establishing if the epidemic may, a year later, be perceived as a more important business issue and to understand if the reasons for non-response by SME manufacturers are still due to a perception that the epidemic is not a threat to the business.

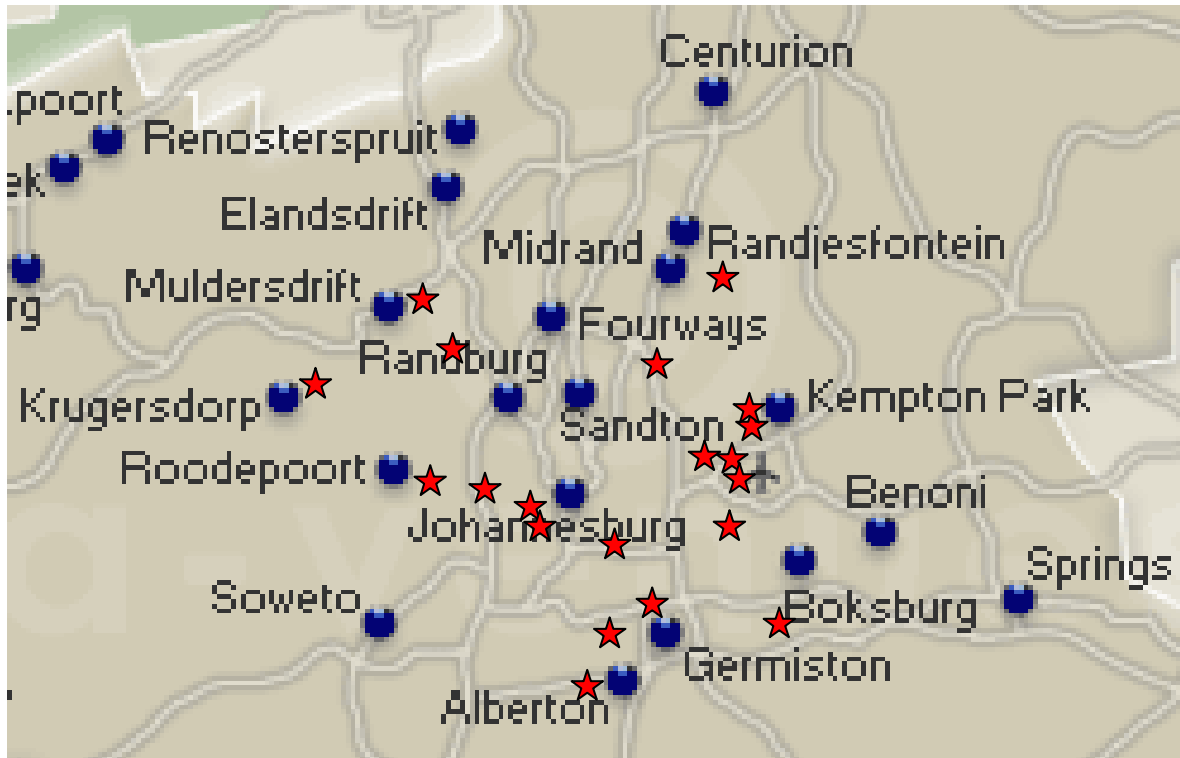
The population of reference manufacturing companies in central Gauteng. Manufacturing is defined as the “processing or making of a product from a raw material especially as a large-scale operation using machinery; or the production of goods especially by industrial processes” (McLeod, 1988, p.610). The manufacturing sector was selected for this research for two reasons, firstly, a need was identified in terms of limited previous research having been undertaken and, secondly, due to perceived accessibility to SMEs in the sector as a result of a close connection with a CEO of a medium size manufacturing company based in Industria, Johannesburg.

The criteria to be met in order for the firm to be selected were that the company had to:

- employ between 20 to 300 people in order to be classified as an SME
- be a manufacturing concern (as guided by McLeod’s definition above)
- be located in central Gauteng (within a 100km radius of the Johannesburg central business district)

Details of the respondents are provided in appendix 2. Figure 7 shows a diagrammatic representation of each manufacturing company’s location, represented by a star.

Figure 7: Location of



Source: South Africa Explored (2006)

The population size of central Gauteng SMEs is difficult to ascertain as no truly reliable data exists to quantify the number of SMEs operating in the central Gauteng area.

4.4. SAMPLING

The nature of the research did not allow hypothesis testing; therefore non-probability convenience sampling was used. Welman and Kruger (2001) state that some members have no chance of being included in the sample when non-probability sampling is used. In convenience sampling, the units of analysis are not randomly selected but chosen due to their convenience.

The research in this i g face-to-face interviews with senior management from twenty SME manufacturing firms. Welman and Kruger (2001) refer to Huysamen who states that, as a general rule, a sample of less than fifteen units of analysis should not be used. The interviews were mostly conducted with the company's managing director (MD) or chief executive officer (CEO). However, in some of the twenty companies, the MD or CEO felt that he/she would not supply the most informed information and thus recommended that other senior personnel were interviewed. A functional breakdown of interviewees is provided in Table 6.

Table 6: Number of interviewees according to position in organisation

Position	Number interviewed
Managing Director / CEO	14
Non-executive Director	1
Operations Director	2
Operations Manager	1
Human Resources Manager	2

Access to the companies which agreed to partake in the research was achieved through third party introductions as well as email shots to both direct email addresses as well as generic company email addresses.

4.5. INSTRUMENT DEVELOPMENT

The data was collected by means of a two-phase interviewing process.

4.5.1. Phase One

The first phase was conducted through telephonic interviews and meetings. The objective of the first phase research was to gain some guidance as to what content and constructs the questionnaire should contain to ensure validity and reliability thereof. Content validity is required to make certain that the instrument contains sufficient coverage of the subject, and construct validity checks how closely the results from the instrument measurements correspond with the theory on which the instrument is based (Cooper and Schindler, 2001).

The first phase interviews assisted in obtaining insight from people who are involved in working with HIV/AIDS-related topics on a daily basis. The question asked of the industry specialists requested input on any particular key themes believed to be important when determining the impact of and response to the epidemic. The contacts who supplied the input are reflected in Table 7.

Table 7: First phase interviewee names, positions and means of communication

Interviewee	Point of Reference	Means of Communication
Brad Mears	CEO of SABCOHA	Meeting
David Dickinson	Associate Professor: Industrial Relations & HIV/Aids at Wits Business School	Meeting
Edwin Cameron	Judge & HIV Activist	Telephone
Sydney Rosen	Associate Professor: Health & Development at Boston University	Email correspondence

The information received gained from a research questionnaire which she designed for her own particular research on HIV/AIDS and which she supplied by email to assist with the instrument development of this research project.

The outcome of these discussions and which factors were used in the research questionnaire are reported in Table 8.

Table 8: First phase suggested questionnaire constructs

	Absenteeism	Access to Info	Bus. Strategy	Capacity & Time	Costs & Benefits	Policy	Ranking	Stigma
Brad Mears			X		X	X	X	X
David Dickinson	X	X		X				
Edwin Cameron			X		X			X
Sydney Rosen	X	X	X		X		X	
Used in Questionnaire	X	X	X	X	X	X	X	X

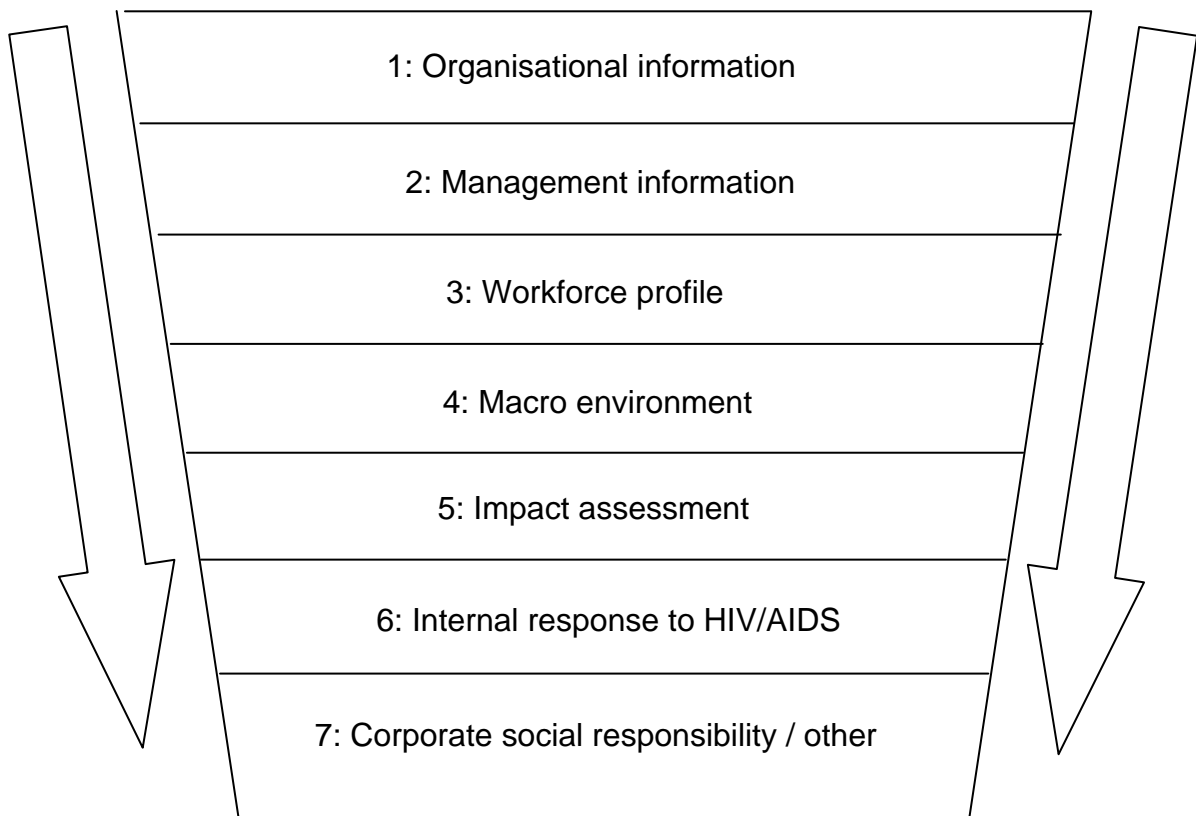
The above eight factors were incorporated into the questionnaire according to the logical flow of the instrument design.

4.5.2. Phase Two

The questionnaire was structured into seven sections as illustrated in Figure 8 and was modified four times after pre-testing until the final version was deemed suitably effective.



Figure 8: Outline of re



Sections 1 to 3 established the company's contact information and the workforce demographics. Sections 4 to 7 obtained information focusing on certain themes which contributed towards addressing the research questions, namely:

1. The impact of HIV/AIDS on SME manufacturing firms in central Gauteng
2. How SME manufacturing firms are responding to the HIV/AIDS epidemic
3. The factors facilitating and hindering SME manufacturing firms response to the HIV/AIDS epidemic

The questions were structured as either open-ended or closed-ended (multiple choice varieties) and also as either direct or indirect.

For example:

Direct:

Question 37

What approximate percentage of your workforce do you think has HIV/AIDS?

Indirect:

Question 35

In your view, is HIV/AIDS affecting the following aspects of the company?

Several propositions were then offered against which the respondent had to reply in either the positive or negative. This question was posed to identify what direct and indirect costs may be experienced by the company. The question was determined by theory relating to the different costs as identified by the definitions from Rosen *et al* (2003) and Whiteside and Sunter (2000).

In the open-ended questions, respondents had to formulate the answers for themselves. The multiple choice questions allowed a selection of pre-determined answers from which respondents could choose. Certain questions requested respondents to rate their answers while others requested a ranking of responses according to categories of high, medium and low. Several levels of measurement were used in the instrument. Welman and Kruger (2001) define the applicable levels of measurement as detailed below; examples from the research instrument are also indicated:

Nominal measurement: the number assigned to an individual distinguishes him/her in terms of the attribute being measured.

For example:

Question 11 – gender distribution

1 = male 2 = female

Ordinal measurement: the number assigned not only reflects differences among individuals but also rank order

For example:

Question 15 – skill level of employees

1 = semi-skilled 2 = skilled 3 = highly skilled

Table 9 indicates the literary source from where certain questions in the instrument were derived.

Table 9: Source of theory for research instrument

SECTION		Q #	QUESTION	LITERATURE REVIEW
4	Macro environment	17	Rank either high, medium or low the following threats to your bottom-line?	Van Eeden <i>et al</i> (2001)
5	Impact assessment	18	Rank either high, medium or low the following causes of sickness or disability among your employees?	Rosen (2004)
5	Impact assessment	23	How would you rate the current impact of HIV/AIDS on your company in the last TWO years?	Rosen (2004)
6	Internal response to HIV/AIDS	26	Has your company taken any of the following measures to respond to HIV/Aids internally?	Rosen (2004)
6	Internal response to HIV/AIDS	28	Do you think stigma and/or discrimination have undermined the effectiveness of these programmes	BER (2005) Dickinson (2005) HSRC (2005) Skinner & Mfecane (2004)

SECTION		Q #	QUESTION	LITERATURE REVIEW
6	Internal response to HIV/AIDS	33	Have you ever considered entering into an agreement with a local clinic or GP to provide medical services to your employees?	Rosen (2004)
6	Internal response to HIV/AIDS	36	<p>If your company does not have an HIV/Aids Policy and/or Programme, please select the reasons why not as per the factors below?</p> <ul style="list-style-type: none"> - Cost too much - Took too much time for management to arrange - Not an employer's responsibility - Cheaper to replace labour than implement policy - Didn't know where to find the service 	<p>BER (2005) Rosen (2003)</p> <p>Connelly & Rosen (2005b)</p> <p>Arndt & Lewis (2000) BER (2005) HSRC (2005) Marais (2005) Rosen (2006)</p> <p>Dickinson (2004) Connelly & Rosen (2005b) Marais (2005)</p> <p>Arndt & Lewis (2000) BER (2005) HSRC (2005)</p>
6	Internal response to HIV/AIDS	37	What approximate percentage of your workforce do you think that HIV/AIDS	HSRC (2005)

A copy of the blank questionnaire is provided in appendix 1.



4.6. DATA COLLECT

Cooper and Schindler (2001) discuss the two methods used to collect primary data, specifically, by observation or by communication. The appropriateness of either method is determined by the purpose of the research. It was considered that the communication method would be more suitable for this research report.

The second-phase interviewing process was conducted by holding one-on-one semi-structured interviews with senior management of the selected SME manufacturing firms; the duration of interviews ranging from thirty to seventy five minutes. Welman and Kruger (2001) advise that semi-structured interviews are used when the topic is of a sensitive nature, as is the case with HIV/AIDS. Moreover, there may be instances where additional information may be imparted for which there is not a specific question in the interview. White (2002) states that too prescribed an approach when interviewing can be counter-productive and fails to acknowledge that qualitative interviewing is a descriptive process.

4.7. RESPONSE RATE

Table 10 illustrates the techniques that were used to approach manufacturing companies to gain interviews and the success rate of the different methods.

Table 10: Techniques to gain interviews and success rate of methods

Manner of approach	Number of requests	Number of interviews granted	Success rate
Internet email shots	70	3	4%
Industry connection	12	0	0%
Business/friend connection	17	17	100%

Approximately seventy emails were sent out to random manufacturing companies whose details were obtained from databases off the internet. Of these seventy, five acknowledged receipt of the correspondence but advised that they would be unable to assist. Three respondents offered to take part in the research and meetings were duly arranged. The balance of sixty two recipients failed to respond. A further twelve emails were sent to direct individuals whose details had been supplied by contacts from within the manufacturing industry. The majority of these individuals responded but, due to size constraints or being located outside of the required radius, none of their companies were able to assist. The remaining seventeen respondents were identified by contacting friends and business associates and requesting specific names and contact details of senior management in SME manufacturing companies. All appeals for interviews were successful due to the ability to make reference to the relationship between the researcher and the friend/business connection.

4.8. DATA ANALYSIS

Data obtained from the interviews was assessed using both quantitative measurement techniques as well as content analysis in order to categorise the results according to themes.

Content analysis as referred to by Leedy and Ormrod (2001) allows a detailed and systematic assessment of the contents of the research so as to aid with identifying patterns, themes and/or biases. It is focused on any verbal, visual or behavioural


form of communication to accomplish when the material has been codified in terms of pre-determined and precisely defined characteristics (Leedy and Ormrod, 2001) as was structured in certain of the closed-ended/multiple choice questions.

Additionally, the constant comparative method (subsequently renamed to 'grounded theory') was used. Grounded theory is a method used to categorise empirically collected data to build a general theory to fit the data (Strauss and Corbin, 1990). It focuses on human actions and interactions, and how they result from and influence each other. This method was used to reinforce results obtained using content analysis.

4.9. INFLUENCING FACTORS AND LIMITATIONS OF THE RESEARCH

The following research limitations were taken into account:

1. As a qualitative interviewing process was undertaken, a risk existed that the results could have been distorted by both interviewer and interviewee opinion and bias. In addition, the interviewer needed to be conscious of avoiding contrast error whereby "raters exaggerate the difference between themselves and the ratees in respect of the attributes in question" (Welman and Kruger, 2001, p.156) as the means of communicating answers and opinions may have differed widely.
2. Interviews were conducted with senior management only. Employee feedback might have yielded different results which were not determined in this report.

3. In addition, the fact  managing directors or chief executive officers may have been different from the views of human resources or operations personnel, whose focus is more limited in the organisation.
4. While the interviewer was very familiar with the contents of the questionnaire, Welman and Kruger (2001) advise that interviewers should be trained properly; in this instance, the interviewer had not received training in interview techniques.
5. A quantitative study to measure the actual impact of HIV/AIDS on the organisation was not undertaken, thus the results of impact are not statistically accurate; they are based on interviewee perception.
6. Three of the interviews were not conducted at the company's premises which may have provided a distraction and thus have impacted on the accuracy of the response.
7. Twenty respondents is a small sample and, because of non-probability sampling, it is not known how accurately the responses represent all SME manufacturers' attitudes.
8. The research was conducted in central Gauteng; once again, the outcomes may not be fully representative of responses in other South African provinces.

Chapter 5: RESULTS

5.1. INTRODUCTION

Chapter 5 reports the responses of interviewees to questions posed to them in the research questionnaire. A collation of the responses can be found in appendix 3.

Face to face semi-structured interviews were conducted with senior management of twenty SME manufacturing firms in central Gauteng employing between 20 to 300 people. The questionnaire was arranged into seven separate sections and the questions were structured as either open-ended or closed-ended.

The results are reported firstly by demographics and then conveyed so as to address each of the three research questions stated in chapter 3.

5.2. WORKFORCE PROFILE

Section 3 of the questionnaire analysed the demographic structure of each organisation.

Table 11: Number of employees in the business

	Mean	Minimum	Maximum
Number of employees in the business	112	23	237

Table 12: Gender dist

	Males	Females
Mean percentage of employees by gender	75%	25%

In August 2006, Statistics South Africa (2006) reported the South African population gender split as 49% Male and 51% Female.

Table 13: Race distribution of employees

	African	Coloured	Indian	White
Mean percentage of employees by race	67%	5%	3%	25%

Statistics South Africa (2006) reported the South African population racial split as 79.5% African, 8.9% Coloured, 2.5% Indian and 9.2% White.

Table 14: Full-time / Part-time distribution of employees

Mean percentage of full-time employees	98%
Mean percentage of part-time employees	2%

Casual and part-time workers are used very infrequently because of two factors, being skill requirements and South African labour laws. The Basic Conditions of Employment Act stipulates mandatory employment contracts for anyone working more than 24 hours per month (Department of Labour, 1997).

Table 15: Age distribution of employees

	< 30 years	30-45 yrs	> 45 years
Mean percentage of employees by age	18%	57%	25%

The above results were re-confirmed when many of the interviewees added that the majority of their employees were more mature and had long tenure at their organisations. These age categories were selected for the questionnaire due to the fact that previous research has determined that the incidence of HIV/AIDS is more prevalent in the younger generation (BER, 2005).

Table 16: Skill level of employees

	Semi-skilled	Skilled	Highly-skilled
Mean percentage of employees by skill level	63%	27%	10%

When this question was posed, the three skill levels were classified as follows:

- Semi-skilled: workers on the factory-floor (including unskilled)
- Skilled: office worker, sales representative or artisan
- Highly skilled: management

Table 17: Education level of employees

	Mean	Minimum	Maximum
Percentage of employees with tertiary degree	5%	0%	15%

The mean figure at 5% is due to the fact that some of the skilled and highly skilled employees have more technical tertiary qualifications and diplomas due to the nature of the sector. These qualifications were not included in the above result as the question specifically requested information around a university degree. The results from Table 16, which report only 10% of employees as being highly skilled,

may be supported by 1 present a limited number of university qualifications.

Section 4 of the questionnaire addressed the impact of the macro environment on organisations in the manufacturing industry. Section 5 of the questionnaire then analysed the degree to which SME manufacturing companies may be feeling the impact of HIV/AIDS on their organisations. Finally, Section 6 of the questionnaire addressed how organisations in the manufacturing industry may or may not be responding to the HIV/AIDS epidemic. The results to the above sections are reported in a format whereby they correspond with the three research questions under analysis, namely:

- Research Question 1: What is the impact of HIV/AIDS on SME manufacturing firms in central Gauteng?
- Research Question 2: How are SME manufacturing firms responding to the HIV/AIDS epidemic?
- Research Question 3: Why are SME manufacturing firms responding or not responding to the HIV/AIDS epidemic?

5.3. RESEARCH QUESTION 1: WHAT IS THE IMPACT OF HIV/AIDS ON SME MANUFACTURING FIRMS IN CENTRAL GAUTENG?

The impact of HIV/AIDS on the organisation was initially approached from a broader perspective, firstly, addressing macro environmental factors, secondly, narrowing the analysis towards the issues of sickness, disability, absenteeism,

attrition rates, medical responsibility, and finally, concentrating on both the perceived and experienced effects of HIV and AIDS.

Table 18: Threats to the organisation’s bottom-line

The following results are reported in rank order by the most frequent number of **high** responses.

Threats to the organisation’s bottom-line	High	Medium	Low
Threat of cheaper international imports	11	4	5
Increasing product competition	10	9	1
Availability of skills	8	10	2
Current macro economic conditions	8	9	3
Threat of HIV/AIDS on skill base	6	8	6
Declining / changing customer demand	6	5	9
Strict labour laws	5	8	7

It is interesting to note that a theme does not emerge in terms of the ranking of either operational or human resource threats being clustered together.

In addition, other threats were offered by the interviewees as reported in Table 19. The right hand column of the table is ranked in order of most frequently cited response. This format will be used throughout the remainder of chapter 5, unless a tabular heading specifies otherwise.



Table 19: Additional t **om-line**

Price fluctuation of raw materials	4
No growth / market development in the manufacturing industry	1
Broad-based black economic empowerment	1
Turnover of staff to competitor organisations	1
New competitor introducing the same product but better branded	1
Fluctuating electricity supply; limited gas availability	1
Environmental costs	1
Increasing interest rates	1
Low barriers to entry	1
No other reasons supplied	8

The additional comments volunteered by the interviewees focus only on operational issues.

Table 20: Causes of sickness or disability among employees

The following results are reported in rank order by the most frequent number of **high** responses.

Causes of sickness or disability	High	Medium	Low
Respiratory problems (colds, flu, pneumonia, TB)	3	13	4
HIV/AIDS	2	6	12
Stress-related illnesses	1	6	13
Alcohol or drug abuse	0	3	17
Accidents / injury	0	1	19

In addition, other causes of sickness or disability were explained as follows in Table 21:



Table 21: Additional reasons for absenteeism among employees

Chronic back pain	2
Cancer	1
General violence	1
Personal accidents	1
Hypochondria	1
Seasonal illnesses	1
Far from home, inadequate care at residence	1
Diabetes	1
No other reasons supplied	11

The levels of absenteeism were then queried to assess if there had been a noticeable increase over the last two years, which could be useful in trying to establish if this fluctuation could be ascribed to the impact of HIV and AIDS.

Table 22: Levels of absenteeism among employees now compared with the previous two years

Much higher	4
A little higher	6
About the same	8
A little lower	2
Much lower	0
Don't know	0

Where the two responses to **a little lower** were given, both respondents advised that this was due to more disciplined and effective management of the factory floor.

Interviewees believe 3, which are ranked by frequency of response, may contribute towards the changing levels of absenteeism:

Table 23: Reasons for changing levels of absenteeism

Employees caring for ill family members & attending funerals / increased personal stress due to family commitments	4
Employees abuse sick leave allowance as per labour legislation	3
Probably HIV/AIDS	2
More vulnerable to colds, flu, aches, pains	1
Seven day work-week	1
Financial: no money for transport	1
Longer duration of sick leave	1
Social circumstances: living conditions	1
No known reasons supplied	7

Some respondents gave more than one reason for their understanding of the changing levels of absenteeism.

As AIDS is diagnosed by the medical fraternity as a chronic disease, the number of chronically ill employees was determined to attempt to establish if the possibility of either stigma, denial of the virus or fear of dismissal could be causing employees to feign other causes of chronic illness.

Table 24: Quantity of employees with any life-threatening disease in the last two years

	Mean	Minimum	Maximum
Number of employees chronically ill	3	0	10

The total number of employees in all twenty companies with a chronic illness in the last two years was 50. The following causes of chronic illness, ranked by frequency of response, were provided by the interviewees:

Table 25: Causes of chronic illness of employees

HIV/AIDS	31
TB	4
Diabetes	4
Respiratory	2
Heart problems	2
Cancer	1
Pneumonia	1
Tumour on spine	1
Parkinson's disease	1
Emphysema	1
Old age	1
Unknown	1

The number of employees per company who were retired on medical grounds is shown in the following table:

Table 26: Quantity of grounds or ill-health in the last two years

	Mean	Minimum	Maximum
Number of employees retired for ill-health	1	0	4

The total number of employees in all twenty companies retired on medical or ill-health grounds was 23. The following reasons for ill-health retirement, ranked by frequency of response, were provided by the interviewees:

Table 27: Reasons for ill-health retirement

No longer able to work	6
HIV/AIDS	5
Diabetes	2
TB	2
Chronic illness	2
Back ache	1
Epilepsy	1
Pressure on brain	1
Parkinson's disease	1
Mental health	1
Old age	1

The respondents whose employees were unable to continue working were not given a medical diagnosis by the retirees.

Table 28 reports the number of employee deaths per company:



Table 28: Quantity of employees who died in service in the last two years

	Mean	Minimum	Maximum
Number of employees who died in service	3	0	8

The total number of employees in all twenty companies who died in service was 59. The following reasons for deaths in the last two years, ranked by frequency of response, were provided by the interviewees:

Table 29: Reasons for employee deaths in service

HIV/AIDS-related	21
Pneumonia	10
TB	9
Accidents outside of workplace	8
Sudden sickness	5
Murdered outside of workplace	3
Vascular disease	1
Respiratory	1
Heart attack	1

The interviewees were unable to infer whether TB, pneumonia and sudden sickness deaths could have been AIDS-related or not.

The research was then narrowed and the impact of HIV/AIDS was examined. It is important to note that the assorted interviewees from varying company sizes may have interpreted the Likert scale options differently. However, the additional reasons given to corroborate their responses do assist in gauging how significant the impact has actually been.

Table 30: Rating of the company in the last two years

This question was structured as a Likert scale as detailed in the table below and the reasons for the responses have been ranked by frequency of response.

	Little or no impact	Moderate impact	Severe impact	Don't Know
Impact of HIV/AIDS	6	13	0	1

The justifications of why the different options were selected are reported by frequency of response in Table 31 and Table 32.

Table 31: Reasons for *LITTLE OR NO IMPACT* answers (6)

Not aware of HIV/AIDS illnesses	4
Stable work-force; family culture	1
Older work-force	1

Table 32: Reasons for *MODERATE IMPACT* answers (13)

Absenteeism in critical positions	2
5-10% death rate which is escalating; high absenteeism	2
Not aware of HIV/AIDS illnesses	1
Stable work-force; family culture	1
Older work-force	1
Outside deaths – assume HIV	1
Weight loss visible; friends in community are dying	1
Death of close family members	1
Suddenly number of deaths have increased this year	1
Lethargy & absenteeism	1
Infected employees are not in specialised positions	1

The one *DON'T KNOW* company management did not know if illnesses at work are HIV/AIDS related or not and thus cannot accurately determine the current impact of HIV/AIDS on the company.

In addition to the above question which determines the impact of the epidemic on the organisation, the research aimed to establish management awareness and knowledge about the virus by revealing if management knew the closest location of the nearest HIV/AIDS clinic. Forty percent of interviewees could inform the interviewer of the clinic location.

Furthermore, the actual HIV/AIDS infection rates of employees as both known and perceived by management were as follows:

Table 33: Number of HIV and AIDS cases

	Mean	Minimum	Maximum
Percentage of workforce thought to have HIV/AIDS	9%	0%	20%
Confirmed number of HIV/AIDS cases	5	1	10
Speculated number of HIV/AIDS cases	7	0	30
Confirmed number of AIDS-related deaths	2	0	6
Speculated number of AIDS-related deaths	2	0	5

A fairly conclusive method of measuring the possible impact of HIV/AIDS on an organisation is to apply the national HIV prevalence statistics to the workforce. Only 15% of the companies who were interviewed have applied this formula to their own organisation.

The research then a extent HIV/AIDS may be impacting on the direct and indirect costs of the organisation. The question was not posed by solely looking at the financial impact on the business as indirect costs can be defined in terms of human resource implications as well.

Table 34: The impact of HIV/AIDS on direct and indirect costs

The following results are reported in rank order by the most frequent number of **yes** responses.

	Yes	No
Time off to attend funerals	14	6
Funeral costs and burial fees	12	8
Increased absenteeism due to illness	10	10
Salary and wage costs (eg. sick leave)	10	10
Loss of knowledge	9	11
Declining productivity	9	11
Increased staff turnover	8	12
Loss of skills	8	12
Training of new employees	8	12
Declining morale	8	12
Impact on customers & sales	6	14
HIV/Aids testing & counselling	5	15
Pension and retirement funds	5	15
Health and safety costs	4	16
Impact on supply chain	3	17
Threatening your competitiveness	3	17
Recruitment costs	2	18

The research next attempted to ascertain how the companies are responding to the epidemic, which forms the content of the second research question.



5.4. RESEARCH QUI **FACTURING FIRMS** **RESPONDING TO THE HIV/AIDS EPIDEMIC?**

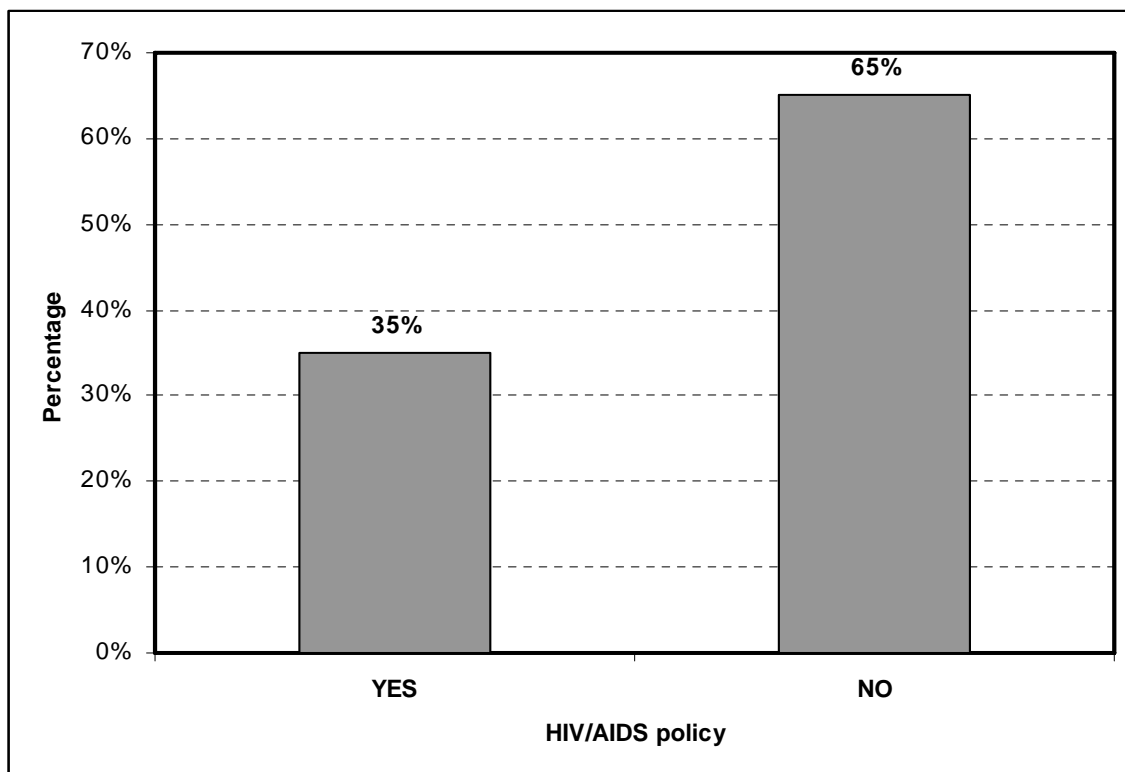
A starting point to ascertain how the twenty organisations interviewed are responding to the epidemic was to establish how many companies had implemented HIV/AIDS policies and programmes.

Table 35: Number of companies with an HIV/AIDS policy

	Yes	No
HIV/AIDS policy in place in the organisation	7	13

Figure 9 illustrates the above statistic graphically:

Figure 9: Number of companies with HIV/AIDS policy by percentage



Of the seven organi: DS policy in place, all companies have communicated the policy to their employees whether by formal training sessions or by reference in the Company Policy and Procedures manual.

The degree to which all twenty companies have responded is revealed in Table 36 which documents various actions and the extent to which companies have become involved in responding to the epidemic.

Table 36: Measures taken by companies to respond to HIV/AIDS internally

	Yes	No
Display of educational materials (posters, brochures)	11	9
Arranging HIV/AIDS training/educational sessions	10	10
Supply of condoms	7	13
Facilitate access to or pay for treatment for HIV/AIDS-related illnesses	7	13
Knowledge, attitude and practices survey	6	14
Voluntary counselling and testing (results conveyed)	4	16
Facilitate access to or pay for treatment for HIV/AIDS treatment (antiretroviral treatment)	3	17
Monitor and evaluate the effectiveness of the HIV/AIDS programmes	3	4
Pre-testing (eg. anonymous 'spit' test)	2	18
Provide services or support to families of HIV-positive employees	2	18
Cost impact analysis	1	19

Although only seven companies have implemented HIV/AIDS programmes, it is interesting to note from the above table that more than seven have arranged for training sessions and the display of educational materials. However, as one moves further down the table it is noticeable that the seven companies have not all

responded to the same survey. The survey informed a KAP survey on employees. While four companies have initiated a VCT campaign, only two advised that they have put the campaign into operation. In the one company the uptake has been about 15%. In the second the uptake for voluntary counselling and testing is much higher at 44%.

While HIV/AIDS arises from social, political and demographic circumstances, it ultimately becomes a medical condition. For this reason, interviewees were asked to expand on what, if any, medical aid and medical support policies they have implemented in the organisation.

Table 37: Quantity of companies providing medical aid membership for employees

	Yes	No
Medical aid membership is provided by the company	70%	30%

Of the fourteen companies that do provide medical aid membership for their employees, it was established that 70% of the medical aids have an HIV/AIDS disease management programme. It was also requested that further information be supplied in terms of membership levels. The results were that in 29% of these companies, medical aid membership is compulsory for all employees. For the 71% of companies which do not require compulsory membership, the approximate uptake for membership of their medical aid schemes is as follows:



Table 38: Employee uptake of medical aid membership not compulsory

	Mean	Minimum	Maximum
If not compulsory, percentage uptake by employee	49%	10%	90%

Certain companies that offer memberships to medical aid organisations specify that memberships are restricted by skill level of employment.

Table 39: Medical aid membership determined by skill level of employee

	Yes	No
Medical aid membership is determined by skill level	71%	29%

The ten companies who do base membership criteria on skill level offered the following explanations for this decision, ranked by frequency of response:

Table 40: Reasons for membership based on skill level

SEIFSA / MEIBC cover certain medical claims for factory floor workers, therefore company does not offer medical aid membership at this level	4
Contribution worked on a cost to company basis; lower skilled employees would prefer to take cash value	3
Perk for more senior levels of employment: factory and non-key employees don't qualify	2
Unionised members not covered	1

Lastly, the research attempted to ascertain to what extent SME manufacturing companies are involved in and committed to corporate social responsibility initiatives. By establishing if any of the CSR initiatives focus on HIV/AIDS projects, it may provide broader insight into the degree of response by the manufacturing organisations under review. Forty five percent of companies advised that they did

have some form of corporate social responsibility in place. However, 10% of respondents clarified that these were more internal measures, rather than social commitments and contributions external to the company’s core business. A further 15% acknowledged that their contributions were more donations made on an ad-hoc basis to different charities.

Of the nine respondents who did allude to social responsibility projects, the input to the question on whether the projects focused on HIV/AIDS issues was as follows:

Table 41: Corporate social responsibility initiatives which focus on HIV/AIDS

	Yes	No	Don’t know
Do any CSR initiatives focus on HIV/AIDS?	4	4	1

Finally, the research attempted to ascertain why the companies may or may not be responding to the epidemic, which forms the content of the third research question.

5.5. RESEARCH QUESTION 3: WHY ARE SME MANUFACTURING FIRMS RESPONDING OR NOT RESPONDING TO THE HIV/AIDS EPIDEMIC?

Of the seven companies who have implemented AIDS policies, the motives were inferred as follows in Table 42. Several respondents gave more than one reason and the results are reported in rank order by frequency of response.



Table 42: Reasons for implementing HIV/AIDS programmes

Moral obligation	6
Financial impact	4
Commercial/operational impact	4
Legal requirement	1

Other reasons over and above the options provided in the questionnaire were proffered and are detailed in Table 43.

Table 43: Additional reasons for implementing HIV/AIDS programmes

National social responsibility in South Africa	2
Motivated by management committee	1
To assist the company's employees	1
Concern about damage to company and employees	1

The thirteen organisations without an HIV/AIDS policy selected the following reasons for not having implemented a policy:

Table 44: Reasons for not implementing HIV/AIDS policies

Too much stigma around HIV/AIDS	7
Not a legal requirement	6
Key employees are not affected by HIV/AIDS	5
Took too much time for management to arrange	5
Took too much time for employees to participate	3
Cost too much	3
Cheaper to replace labour than implement policy	3
Didn't know where to find the service	3
Not an employer's responsibility	2

In addition, the respor any other reasons which may be a contributing factor to not having an HIV/AIDS policy in place.

Table 45: Additional reasons for not implementing HIV/AIDS policies

No employee appears infected at this stage	2
Employees not interested	2
Employees are not admitting that they may be infected	1
Government responsibility	1
Haven't thought about it	1
No reward in involvement	1

The issue of stigma was also acknowledged by the seven companies who have implemented HIV/AIDS programmes. All respondents agreed that stigma was having an impact on the effectiveness of the initiative.

Their responses were further expanded by providing the following interpretations:

1. Workers only come forward in a situation of crisis. They have a fear of others' reactions. In addition, the factory staff are merciless towards others' infirmities.
2. Very conservative office / administrative staff who are offended by the sexual connotation of the epidemic. Furthermore, racial issues taint the understanding of the epidemic.
3. When government stopped its pre-testing campaign, HIV/AIDS became covert.
4. Stigma has hugely impacted on the effectiveness. Employees have a fear of the testing process as well as the results. In addition, they feel shame and a fear of communicating their results to the community.

5. The company has r r assistance because the employees are embarrassed about the HIV/AIDS epidemic.

5.6. General feedback

The final section of the research instrument requested any additional comments about HIV/AIDS and employee health in general. Statements which were deemed pertinent to the study have been reported below while those observations which were not valid for the study have been omitted. The comments have been structured according to the following interpretations, which categories evolved from the nature of the feedback:

- government and macro environmental issues
- company response
- operational implications
- employee reactions

5.6.1. Government and macro environmental issues:

- government has not helped to dispel the stigma around the epidemic
- government is too far removed; they are morally not on track
- but HIV/AIDS is not solely government's responsibility, there should be a joint responsibility with business thus a mindset shift is required
- social distrust in South Africa is a great barrier and is not helping with HIV/AIDS efforts

5.6.2. Company respo

- responding to the crisis should be a moral obligation; it should be integrated into the organisational culture
- response would be more effective if the company looked at the epidemic from a total wellness concept, not just at treatment costs
- one of the challenges is to treat infected employees as normal
- HIV/AIDS is a sensitive subject and is thus perceived as an accusation when management tries to initiate a response

5.6.3. Operational implications:

- social responsibility efforts and responses to the HIV/AIDS epidemic are governed by cost
- there is little incentive to respond because HIV/AIDS is not currently affecting the company's competitiveness
- responding to HIV/AIDS would have a negative effect on company's competitiveness in terms of increased cost and use of management time
- there is no clear benefit to responding; it may reduce the quantity of sick leave taken but this is doubtful because sick leave is being abused

5.6.4. Employee reactions:

- employees fear loss of jobs if they disclose their status; employees are thus declining to be tested
- some employees are poorly educated / informed about HIV/AIDS; older staff members are more ignorant

- in some instance to condoms which is discouraging the use thereof
- traditional healers are the preferred method of medical assistance which is a hurdle for HIV/AIDS policy investigation and treatment options
- employees do not want money to be spent on HIV/AIDS training; they would prefer the funds to be spent on education for their children
- employees are not interested in company interventions, partly due to denial about the epidemic

All the results reported above in chapter 5 are discussed in depth in the following chapter.

Chapter 6: DISCUSSION OF RESULTS

This chapter is introduced with a summation of the demographics of the companies which were interviewed. The analysis of results as tabled in chapter 5 is then addressed according to the structure of the three research questions as stated in chapter 3 and in light of the literature reviewed in chapter 2.

6.1. Summation of demographics

In summing up the general findings of the sample under review, there are a few observations to be conveyed. It was established that three quarters of the employees are male, as reported in Table 12. This statistic does not mirror the national population demographics of which fractionally less than half of the population are male (Statistics S.A, 2006). However, this result can be accounted for by an understanding of the nature of physical work required.

The results according to race distribution in Table 13 and skill level in Table 16 support each other in terms of the majority of African employees being more semi-skilled due to previous inaccessibility to satisfactory education facilities due to apartheid legislation. This is reinforced by May (1998) who states that the distribution of income in South Africa is very unequal and this has affected people's access to basic facilities, healthcare and education.

The Bureau for Economic Research (2005) reports that Aids deaths in 2004 were most prevalent in the category of 25 to 44 year olds. As Table 15 indicates that

75% of employees in t
er than 45 years old, this leads to an expectation of higher HIV/AIDS prevalence rates in the sample. While the average infection rate at the companies in question was determined at about 9%, the research did not establish what age of employee was infected. Thus the data does not provide sufficient information to support or contradict the BER's findings of age-related prevalence rates.

The first research question attempted to determine if SME manufacturing firms in central Gauteng are feeling an impact of HIV/AIDS and in what ways the impact is being experienced.

6.2. RESEARCH QUESTION 1: WHAT IS THE IMPACT OF HIV/AIDS ON SME MANUFACTURING FIRMS IN CENTRAL GAUTENG?

Table 18 and Table 19 report management's interpretation of threats to the organisation's bottom-line. Seven factors were proposed in the questionnaire and the threat of HIV/AIDS on the skills base was ranked as the fifth most serious threat to the company's bottom-line. In research conducted by Connelly and Rosen (2005b) it was established that the effects of HIV/AIDS ranked ninth out of ten in terms of importance for business owners. While the question posed in the research interview was not relating specifically to importance for business owners, the result could convey that the epidemic is starting to have a more noticeable impact on the company bottom-line which may result in Rosen's results being ranked differently now if she were to revisit the question with her sample. However, in both research studies it is clear that operational issues are of greater interest to business management.

The results for the causes of sickness or disability among employees (Table 20) indicate a prevalence of respiratory problems and HIV/AIDS. Concomitant with this result, Marais (2005) reports that on average 75% of adult AIDS-related deaths are attributable to TB and lower respiratory infections thus concluding that while the impact of HIV/AIDS may not be overt, the prevalence of AIDS-related illnesses confirms that there is an impact of HIV/AIDS on the SME manufacturing firms under review.

Changing levels of absenteeism were investigated and results were reported in Table 22. Research by Connelly and Rosen (2005b) on predominantly manufacturing companies in Wynberg established the following results on changing absenteeism levels over the previous year:

Table 46: Comparison of research on absenteeism levels

	Connelly and Rosen (2005b)	This research report (2006)
Much higher	12%	20%
A little higher	24%	30%
About the same	64%	40%
A little lower	N/A	10%

This research report looked at absenteeism over a two year period while Connelly and Rosen's questions referred to changes over the previous year. It is interesting to note the levels of increase between their research and this study but it is difficult to determine if this is due simply to the different time periods being investigated. However, the results as to the reasons for changing levels of absenteeism as

provided in Table 23 c. sion that, while HIV/AIDS may not have a direct impact on fluctuating absenteeism levels due to infected employees, it is impacting in terms of affected employees. More leave is being taken by employees to care for ailing family members, to attend funerals or due to personal family commitments. While it is uncertain whether this could be attributable to HIV/AIDS, the majority of interviewees inferred that this was the case. This is further supported by Njobe and Smith (2004b) who attribute increased absenteeism and funeral costs to HIV/AIDS.

Table 26 and Table 28 indicate the attrition rates of employees at the twenty companies under review. Of all the companies surveyed, the total number of people employed was 2,242. Of this total, 82 employees have left the companies in the last two years, either due to medical grounds / ill-health retirement or death in service. Management advised that 25, or 1.1%, known cases were due to HIV/AIDS. A further 22 cases were due to TB, pneumonia and respiratory problems. As all these illnesses are closely linked with HIV/AIDS (Marais, 2005) and due to the stigma surrounding HIV/AIDS (thus AIDS is not often stated as a cause of death on death certificates) the accuracy of the statistic of 1.1% must be questioned. Were the additional 22 retirements / deaths related to HIV/AIDS, this would increase the attrition statistic to 2.1%. Causes for an additional five deaths were due to sudden sickness. Should these be included in the statistics, the attrition rate would increase to 2.3%.

With regard to attrition rates, the companies lastly advised of 50 employees affected with chronic illnesses in the last two years (some of whom have

subsequently left the (h statistics are included above). But the figures provided of chronic illness in Table 24 and Table 25, namely, 31 HIV/AIDS cases and a further five TB / pneumonia-related cases, give an indication of possible future attrition rates. Connelly and Rosen (2005b) established that their surveyed companies had experienced a 1.5% attrition rate due solely to HIV/AIDS. The authors experienced similar problems as to whether cause of death was directly related to HIV/AIDS or not and thus their figures have been based on interviewees' judgement and perception. Nevertheless, it can in all likelihood be concluded that the attrition rate due to HIV/AIDS appears to have increased (2.3% vs 1.5%) since the date of Connelly and Rosen's study and appears to be rising all the time, illustrating the impact that the epidemic is having on the organisations.

It is useful to understand the significance of the impact of HIV/AIDS on each company as interpreted by the interviewees (data from Table 30) and compare the results with those reported by Connelly and Rosen (2005b). Comparative results are reported in Table 47.

Table 47: Comparison of rating of impact of HIV/AIDS

	Connelly and Rosen (2005b)	This research report (2006)
Little or no impact	85%	30%
Moderate impact	15%	65%
Severe impact	N/A	0%
Don't know	N/A	5%

The result of 65% more respondents who experienced little or no impact and Rosen's 15% indicates that SME manufacturers are certainly experiencing the effects of the epidemic on their organisations. Respondents who experienced little or no impact (Table 31) justified their responses by saying they were not aware of the epidemic and they employed a more mature, stable workforce. These two assertions are substantiated by reports from Rosen *et al* (2003) and the Bureau for Economic Research (2005). In Table 5 in chapter 2 Rosen *et al* advise that for the first seven years of the infection the employee feels healthy and is fully productive. The company incurs no cost during this period. Moreover, the BER survey reports that senior management are not aware that all employees are at risk, regardless of skill level or age.

Where respondents implied that they are experiencing a moderate impact of the epidemic (Table 32), the impact of HIV/AIDS on the organisation is further confirmed by the additional comments that were proffered by the interviewees; increasing death rates and higher absenteeism being the most noticeable effects. This inference is further supported by a report of ING Barings S.A. Ltd (1999) which estimates that a typical employee in South Africa will use approximately 250 days of leave from employment over the course of the HIV/AIDS illness.

Furthermore, when establishing the impact of HIV/AIDS on direct and indirect costs to the organisation, the main responses in Table 34 again allude to increasing levels of absenteeism. The ranking of responses indicates that the factors affecting indirect costs as defined by Rosen *et al* (2003) in the right-hand column of Table 4 in chapter 2 are currently impacting more on the organisations

than those factors defined in the questionnaire. No factor in the research questionnaire was omitted by any respondent, it confirms that the data supports the Rosen *et al* literature about the impact of costs on the organisation.

Eight of the twenty (40%) respondents could identify the location of the nearest HIV/AIDS clinic to obtain HIV/AIDS services (refer page 63). When comparing this result with Connelly and Rosen (2005b), who reported an 18% awareness of location of services, it can be concluded that growing awareness results from the increasing impact of HIV/AIDS on SME organisations.

In attempting to further establish the impact of HIV/AIDS on SME manufacturing firms in central Gauteng, the respondents were requested to provide both confirmed as well as speculated numbers of HIV/AIDS cases and related deaths (as reported in Table 33). It was determined that only 15% of respondents had applied the national HIV prevalence statistic to their organisation in order to assist in determining the possible impact of the epidemic on their company. But management's belief that the mean infection rate is 9% is comparatively close to the national prevalence statistic of 10.8% (HSRC, 2005) which indicates that management is aware that HIV/AIDS is having an impact on their organisation.

Eighty percent of the management interviewed acknowledged that they currently did have HIV-positive employees in their organisations, compared with Connelly and Rosen's (2005b) results that only 35% of respondents conceded to having HIV-positive employees in their workforce at the time of the researchers' survey. The data confirms the findings in the literature that management are aware of HIV-

positive employees in an increased statistic, which indicates a higher prevalence, illustrates that the impact of HIV/AIDS on organisations is steadily increasing.

In conclusion, the above findings confirm that the data obtained validates the literature from several sources which asserts that organisations do feel the impact of HIV/AIDS. SME manufacturers in central Gauteng are experiencing the impact of the epidemic in the following ways:

- an increase in the number of AIDS-related sicknesses and disabilities
- an increase in absenteeism levels and attrition rates
- indirect and to a lesser degree direct costs are being experienced
- growing awareness by management of HIV infection rates

The results for the first research question can therefore be displayed in a table illustrating two key themes which have emerged from the research question:

- the factors which have a direct link with the epidemic
- management's perceptions of the impact of the illness on the organisation

Table 48: Key themes illustrating the impact and awareness of HIV/AIDS

Factors linking with HIV/AIDS	Management perceptions
Increased sicknesses and disabilities	HIV/AIDS not major threat to bottom-line
Increased absenteeism	Moderate impact of illness on company
Higher attrition rate	Awareness of HIV/AIDS clinic locations
Increased indirect costs	

The above visual brea comes of the research in terms of what the impact of HIV/AIDS has been on SME manufacturing organisations.

The second research question attempted to determine how SME manufacturers are responding to HIV/AIDS and if their responses are comparable with other organisational responses as confirmed by the literature.

6.3. RESEARCH QUESTION 2: HOW ARE SME MANUFACTURING FIRMS RESPONDING TO THE HIV/AIDS EPIDEMIC?

This research established that only 35% of SME manufacturers have responded to the epidemic by implementing HIV/AIDS policies in their companies (Figure 9). The Bureau for Economic Research (2005) established that 47% of manufacturers have implemented policies. The data in this research supports the BER findings that an HIV/AIDS policy is crucial to assist in addressing the impact of the epidemic but the decreased level of response may be due to the different sizes of organisation under review.

Connelly and Rosen (2005b) determined that 47% of companies surveyed at the time of their research provided some HIV/AIDS services to their employees. The data gleaned from this report established that 100% of companies are providing some form of service. Moreover, the data reports in Table 36 that over 50% of companies are focusing on educational materials and sessions. These findings support Connelly and Rosen who ascertained in their research that services being provided were usually limited to education and awareness.

The provision of employee benefits is another area which illustrates how firms are responding to the HIV/AIDS epidemic. Table 37 reports that 70% of companies are providing medical aid membership for employees; a result which supports Connelly and Rosen's finding of 79%. However, not all employees assume membership as certain companies have membership criteria based on skill level. The results as reported in Table 39 and Table 40 illustrate that the provision of medical services by SME manufacturers is not influenced by a need to respond to the HIV/AIDS epidemic as the perk appears to be focused towards more senior employees. Thus the provision of medical benefits in this instance is not a conclusive tool to determine how SME manufacturers are responding to the epidemic.

Lewis (2002) asserts that HIV/AIDS has now become a development issue with social, political and economic dimensions. Thus another channel through which SME manufacturers could respond to the HIV/AIDS epidemic is by initiating corporate social responsibility projects which focus on the epidemic. Whiteside and Sunter (2000) discuss the value of an HIV/AIDS programme which should include the community in its response. The data obtained in this research established that 20% of organisations concur that their CSR projects focus on HIV/AIDS (Table 41). However, with further probing it was established that these projects are not community-based initiatives but are more financial donations to HIV/AIDS-related organisations or charities. Thus it can be concluded that the actions of SME manufacturers do not mirror those views as expressed by Lewis,

Whiteside and Sunter the companies are not realising value in responding to the HIV/AIDS epidemic.

The above discussion around the second research question has thus confirmed that SME manufacturing companies are responding to the epidemic by providing some form of HIV/AIDS service to their employees, yet not all organisations have implemented formal policies. However, two areas in which their activities are not in response to the epidemic are those of medical benefits and corporate social responsibility initiatives.

The third research question attempted to determine why some SME manufacturing firms have responded to HIV/AIDS and what has hindered other SMEs from responding.

6.4. RESEARCH QUESTION 3: WHY ARE SME MANUFACTURING FIRMS RESPONDING OR NOT RESPONDING TO THE HIV/AIDS EPIDEMIC?

Table 42 and Table 43 report that the majority of companies which have implemented HIV/AIDS policies have done so because of a moral obligation and a sense of social responsibility. These companies are not yet considering financial and operational costs to be the key drivers for their programmes. This is an interesting outcome as so much of the literature, for instance Quattek (2000) and Rosen *et al* (2003), discusses the financial impact of the epidemic on business. The finding that the response stems from moral and not economic obligation may tie back to the Rosen *et al* timing of AIDS costs in Table 5 which reports that

companies only start after seven years of an employee first becoming infected.

Table 44 reports the response of companies which have not implemented HIV/AIDS policies. The table ranks the reasons why 65% of the organisations under review have not implemented HIV/AIDS policies. More than half the respondents ranked stigma as the biggest detractor in responding formally to the epidemic. Stigma was also identified by those 35% of companies who do have HIV/AIDS policies in place as definitely having an impact of the effectiveness of their programmes. The key theme coming out of additional reasons offered by respondents for not implementing policies was that of denial (Table 45) which links back to stigma. The negative ramifications of stigma and denial as felt by the respondents support the literature by Dickinson (2005), BER (2005), the HSRC (2005) and Skinner and Mfecane (2004).

A further reason given by several respondents for not implementing policies was that they believe key employees are not affected by the disease (Table 44). Dickinson (2004) supports this finding as his research established that senior management's ignorance about the disease indicated their belief about only low-skilled black workers being vulnerable. Njobe and Smith's (2004b) findings reveal a higher prevalence among semi-skilled workers and they assert that the loss of semi-skilled workers disrupts the continuity of business operations. This finding thus contradicts the respondents' inference that should key employees be infected or affected it would not have an impact on the organisation and therefore a response is not required.

In addition, close to 40% of respondents indicated that the implementation of HIV/AIDS policies was not done due to the time required by management to be involved. The time needed for employees to participate was also given as a discouraging factor. This finding is confirmed by Connelly and Rosen (2005b) who identified a lack of administrative and labour capacity as the greatest constraint to businesses offering HIV/AIDS services. They determined that managers will not or cannot invest any time in the programmes.

Connelly and Rosen's findings, as well as those by Dickinson (2004), further support the results in Table 44 whereby over 20% of the respondents who have not instigated policies indicate that it is cheaper to replace labour than to implement a policy. The above authors established that the cost of replacing employees lost to AIDS is modest and it is in fact cheaper to replace labour than to respond to the epidemic.

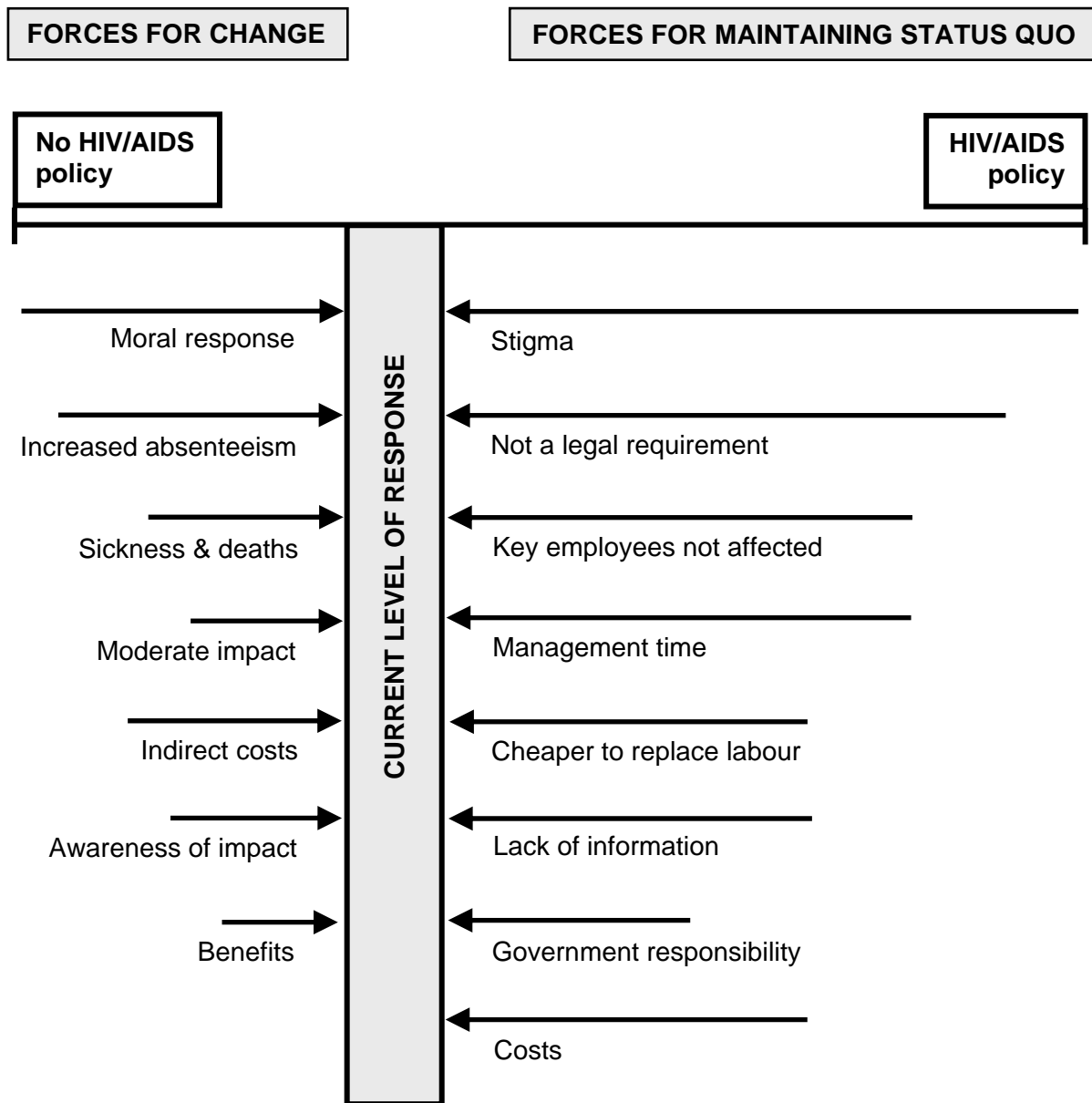
Table 44 also reports that some respondents did not know where to find the service to aid in implementing an HIV/AIDS policy. Connelly and Rosen (2005b) confirm this finding in their research on SMEs. In addition, Connelly and Rosen established that companies did not appreciate the potential benefits of policy implementation. This point may indicate that there is a possibility that respondents have not attempted to find information services because of doubting the benefits of doing so. However, this is not a conclusive point as an understanding by the respondents of the benefits of policy implementation was not interrogated in this research report.

A final theme emerging which accounts for respondents' not implementing policies is the role of government. Over 20% of respondents believe that it is government's responsibility to respond to the epidemic. In addition, it was stated that government's slow response has contributed towards the stigmatisation of the disease. Cameron (2006) agrees that government is not sending decisive messages about its standpoint on the epidemic, Rosen *et al* (2003) state that there appears to have been little support from government and Lewis (2000) declares that government has been slow to involve itself.

To conclude, the key themes emerging from the third research question as to why SME manufacturing companies may or may not have responded to the epidemic, and incorporating these with the impacts as determined in the first research question, are summarised in a force-field analysis diagram in Figure 10 as derived from Kurt Lewin (Cummings and Worley, 2005). The diagram arranges the forces for change and those resisting change, as identified in this study, around the current situation; that is, the current level of response. The arrows represent the forces and the length of the arrows corresponds to the strength of the forces.



Figure 10: Force-field **change & status quo**



Source: Cummings and Worley (2005)

The arrows on the left-hand side of the current level of response refer to those drivers which are promoting change and which are thus trying to move away from having no HIV/AIDS policy. The arrows on the right-hand side indicate those

drivers which are resis the implementation of an HIV/AIDS policy. The forces on the right-hand side, which are pushing away from an HIV/AIDS policy, are stronger than the left-hand forces which are encouraging change. The stronger forces are keeping the current level of response closer to a situation of fewer HIV/AIDS policies in operation. The force-field analysis diagram is useful in that it reveals, currently, the forces for maintaining the status quo are more powerful than those forces which are promoting change and which are supporting the implementation of HIV/AIDS policies in SME organisations.

Chapter 7: CONCLUSION

Chapter 7 integrates the findings of the research, offers recommendations for the stakeholders involved in the research and then suggests future research ideas which have evolved from the current undertaking.

7.1. Integration

When examining the findings of each of the three research questions and then addressing them as a whole by pulling all the themes together, it becomes clear that there is a disconnect between impact and response. There appears to be little synchronicity between SME managements' perception of the impact of HIV/AIDS on their organisations, the actual impact experienced by the organisations and how they are responding to the epidemic.

While the majority of respondents stated that the epidemic is not a great threat to their bottom-line, the levels of absenteeism have increased which no doubt affects productivity and output. The research has shown that the increased absenteeism can, in fact, be attributed to the impact of HIV/AIDS (causes of sickness and chronic illness have both been linked to the epidemic). In addition, even as companies are feeling the indirect implications of the epidemic, they are denying the problem because indirect costs are difficult to quantify and do not affect financial reporting.

On the whole, responding to the epidemic has had a moderate impact on their organisation. However, there has been minimal response to the epidemic and, in cases where companies have responded, the response has been basic; limited mostly to provision of educational materials and training programmes.

In order to try and understand the above disconnects it may be useful to apply the principles of rational versus reasonable response as referred to by Nattrass (2004). While it makes rational sense for all organisations which are being affected by the HIV/AIDS epidemic to respond to the consequences, it does not necessarily make reasonable sense as the company's first and foremost objective is to remain in business. As Drucker (2001) points out, the first responsibility for management is to examine the question 'what is our business?'. Thus the economic significance of responding to the epidemic must be recognized. Many SMEs simply do not have the financial muscle to extend their fiscal commitments beyond their day to day operations. Moreover, they have a responsibility to all stake holders to ensure reasonable decisions are made regarding allocation of expenditure, thus ensuring the sustainability of the operation. In this way, by guaranteeing employment, the company is looking out for all employees instead of directing funds elsewhere to address the health needs of some employees.

7.2. Recommendations

The recommendations proffered refer mainly to SME manufacturing organisations as this was the focus of the research. However, the role of government and the private sector in general should not be overlooked.

7.2.1. Recommendations for government

It is imperative that government synchronises its response and creates an environment which promotes open conversation about the virus and which assists in de-stigmatizing the epidemic. The importance of anti-retroviral treatment needs to be publicly acknowledged and the supply of ART drugs must be readily available for all levels of the population countrywide. Government must ensure that 'know your status' becomes a commonplace motto in South Africa, one which instils pride into every individual. Fears around the epidemic must be confronted; government must assist in conveying the message that HIV/AIDS is a chronic illness which can be treated and effectively managed.

7.2.2. Recommendations for the private sector

The private sector should no longer assume that government will take on all responsibility; it is simply not possible or will simply take too long. In order for business to take control of the epidemic in the areas on which it impacts their organisations, they need to respond themselves. But the private sector can aid government by rallying together to promote public awareness and support government's attempts at response. In addition, the private sector can be a powerful ally to government as it is better able to permeate the surrounding community due to its employment demographics. Thus it is able to make both an internal and external impact on the response to the HIV/AIDS epidemic.



7.2.3. Recommendations

Insights gained from the study in question aid in proposing that SME organisations consider the following recommendations:

Internal considerations

- ensure that they have a sustainable, aggressive HIV/AIDS communication campaign in their organisations
- when implementing an HIV/AIDS policy, rather implement a holistic Wellness programme; this would assist in overcoming the hurdle of stigma and help in the treatment of the epidemic due to the focus on good health in general
- Natrass (2004) advises that AIDS treatment and prevention programmes are more effective when people are well-nourished: thus, canteen facilities which provide nutritious, balanced meals at discounted prices could be established
- consider the domino effect that the company response could have on the surrounding community: encourage discussion about the epidemic at home, acquire HIV/AIDS information booklets for each employee which could be taken home to spouse and family, or consider including spouses in training programmes
- publish HIV/AIDS fact sheets about countrywide statistics which are displayed throughout the organisation and which are regularly updated
- while it is simply not financially feasible for SME organisations to consider implementing external corporate social responsibility initiatives, internal measures could be investigated. For example, offering adult basic education training (ABET) solutions which may contribute towards employees later becoming more receptive to HIV/AIDS training

- encourage overt discussions of HIV/AIDS on their business and attempt to incorporate the indirect costs into their financial reporting structures (triple bottom-line reporting)

External considerations

- coordinate trade union / shop steward buy-in to support the company's HIV/AIDS campaign so that there is a mutual commitment to managing the epidemic
- coordinate with the relevant industry federation to pay a nominal monthly fee in order to share the costs of response (eg. sharing the cost of a service provider when preparing and implementing an HIV/AIDS policy or programme)
- coordinate with a central mobile clinic in order to share costs for monthly visits; for VCT, provision of ART, other general health check ups and treatments. Investigate whether this could be done in conjunction with legislated occupational health and safety requirements in order to minimise costs
- confirm with the industry sector education training authority (SETA) that HIV/AIDS training programmes will contribute towards the requirements for the annual grant repayment
- establish with the SETA if they will finance a learnership training programme for HIV/AIDS educators

Finally, a key objective for SMEs is to ensure a sustainable business operation and to focus on their own. They can do this by prioritising skill retention and managing their human resources, productivity and output. But attending to the issue of HIV/AIDS will have to become part of the business.

7.3. Future research ideas

A major factor emerging from this research is that, while companies are experiencing the indirect impacts of the epidemic, they are not able to compare these costs with the costs of response, which is thus stalling their response. While models have been designed to assess the cost of response, they have focused more on direct costs which are tangible. A possible future research option would be to design a model which could look at the measurement of the cost of response versus the indirect costs of the epidemic for SMEs.

A second possible research option would be to identify the components of a cost / benefit analysis so that SME organisations can determine if there is value to responding or not.

Finally, a third option would be to analyse and write case studies of best practice around South African SMEs response to the HIV/AIDS crisis.

7.4. Conclusion

In closing, the research undertaken with the twenty SME manufacturing companies in Central Gauteng has contributed to the knowledge base on the impact of HIV/AIDS on SME organisations by reinforcing previous findings about the effect of the epidemic and confirming the limited response to the epidemic. Moreover, the research has established the grounds for the varied levels of response and has revealed that SME management, notwithstanding their

awareness of the impact of the epidemic on their financial consequences the epidemic could have on their competitiveness and ultimately their bottom-line. <knowledging the potential

In addition to contributing to previous research findings, it is hoped that this research can provide some value for SMEs by increasing general knowledge and awareness of the consequences of the HIV/AIDS epidemic on business.

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APPENDICES

Appendix 1: Research questionnaire

Appendix 2: Details of respondents

Appendix 3: Summary of results

APPENDIX 1: RESEARCH QUESTIONNAIRE

All information herein will remain strictly confidential.

Date of interview:

All replies and the source of the information will not be published or quoted.

SME MANUFACTURERS' RESPONSE TO THE HIV/AIDS CRISIS

SECTION 1: ORGANISATIONAL INFORMATION

1	Registered Name of Company/Organisation	<input type="text"/>
2	Nature of Business	<input type="text"/>
3	For approximately how many years has the business been in operation?	<input type="text"/>
4	Postal Address	<input type="text"/>
5	Telephone Number	<input type="text"/>

SECTION 2: MANAGEMENT INFORMATION

6	First Name & Surname of CEO / MD	<input type="text"/>
7	Title (Mr/Ms/Mrs/Prof/Dr)	<input type="text"/>
8	Telephone Number	<input type="text"/>
9	Email address	<input type="text"/>

SECTION 3: WORKFORCE PROFILE

10	What is the approximate number of employees in the business?	<input type="text"/>												
11	Gender distribution Approximate percentage of employees by gender	<table border="1"> <thead> <tr> <th>Males</th> <th>Females</th> </tr> </thead> <tbody> <tr> <td><input type="text"/></td> <td><input type="text"/></td> </tr> </tbody> </table>	Males	Females	<input type="text"/>	<input type="text"/>								
Males	Females													
<input type="text"/>	<input type="text"/>													
12	Race distribution Approximate percentage of employees by race	<table border="1"> <thead> <tr> <th>African</th> <th>Coloured</th> <th>Indian</th> <th>White</th> </tr> </thead> <tbody> <tr> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> </tbody> </table>	African	Coloured	Indian	White	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>				
African	Coloured	Indian	White											
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>											
13	Full-time / Part-time distribution Full-time permanent employees Part-time casual/temporary employees	<table border="1"> <thead> <tr> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td><input type="text"/></td> </tr> <tr> <td><input type="text"/></td> </tr> </tbody> </table>	Percentage	<input type="text"/>	<input type="text"/>									
Percentage														
<input type="text"/>														
<input type="text"/>														
14	Age distribution Approximate percentage of employees by age	<table border="1"> <thead> <tr> <th>< 30 years</th> <th>30 - 45 years</th> <th>> 45 years</th> </tr> </thead> <tbody> <tr> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Factory-floor</th> <th>Office worker / Artisan</th> <th>Management</th> </tr> </thead> <tbody> <tr> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> </tbody> </table>	< 30 years	30 - 45 years	> 45 years	<input type="text"/>	<input type="text"/>	<input type="text"/>	Factory-floor	Office worker / Artisan	Management	<input type="text"/>	<input type="text"/>	<input type="text"/>
< 30 years	30 - 45 years	> 45 years												
<input type="text"/>	<input type="text"/>	<input type="text"/>												
Factory-floor	Office worker / Artisan	Management												
<input type="text"/>	<input type="text"/>	<input type="text"/>												
15	Skill level of employees Approximate percentage	<table border="1"> <thead> <tr> <th>Semi-skilled</th> <th>Skilled</th> <th>Highly skilled</th> </tr> </thead> <tbody> <tr> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> </tbody> </table>	Semi-skilled	Skilled	Highly skilled	<input type="text"/>	<input type="text"/>	<input type="text"/>						
Semi-skilled	Skilled	Highly skilled												
<input type="text"/>	<input type="text"/>	<input type="text"/>												
16	Education level of employees Approximate percentage with Tertiary Degree	<table border="1"> <thead> <tr> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td><input type="text"/></td> </tr> </tbody> </table>	Percentage	<input type="text"/>										
Percentage														
<input type="text"/>														

SECTION 4: MACRO-ENVIRONMENT

17	Rank either high, medium or low the following threats to your bottom-line?		
	HIGH MEDIUM LOW	H M L	H M L
	Threat of cheaper international imports	<input type="text"/>	Strict labour laws
	Increasing product competition	<input type="text"/>	Threat of HIV/Aids on skill base
	Current macro economic conditions (inflation, higher interest rates, exchange rate fluctuations)	<input type="text"/>	Declining/changing customer demand
	Availability of skills	<input type="text"/>	Other? _____

SECTION 5: IMPACT ASSESS

18 Rank either high, medium or low the following causes of sickness or disability among your employees?

HIGH	MEDIUM	LOW	H	M	L	H	M	L
Accidents / Injury						Alcohol or drug abuse		
Respiratory problems (colds, flu, pneumonia, TB)						Stress-related illnesses		
HIV/AIDS						Other (specify) _____		

19 Compared to 2 years ago, is the level of absenteeism among your employees now?

Much higher		A little lower	
A little higher		Much lower	
About the same		Don't know	

If *Much Higher* or *Much Lower*, what do you think the cause could be?

20 Approximately how many employees have been chronically ill with any life-threatening disease in the last 2 years?
What have been causes of illnesses?

21 Approximately how many employees were retired on medical grounds or due to ill-health in the last 2 years?
What have been causes of ill-health retirement?

22 Approximately how many employees have died in service in the last 2 years?
What have been causes of death?

23 How would you rate the current impact of HIV/AIDS on your company in the last TWO years?

Little or No impact	Moderate impact	Severe impact	Don't Know

Reasons for above response?

SECTION 6: INTERNAL RESPONSE to HIV/AIDS

24 Does your company have an HIV/Aids Policy? If NO, go to question 26; then 30
If YES, Q25-35; omit question 36

25 If YES, has the Policy been communicated to all employees?

26 Has your company taken any of the following measures to respond to HIV/Aids internally?

	YES or NO
Knowledge, attitude and practices survey	
Pretesting (eg. anonymous 'spit' test)	
Voluntary counselling and testing (results conveyed)	
Supply of condoms	
Display of educational materials (posters, brochures)	
Arranging HIV/Aids training/educational sessions	
Facilitate access to or pay for treatment for HIV/Aids-related illnesses	
Facilitate access to or pay for AIDS treatment (antiretroviral therapy)	
Cost impact analysis	
Monitoring & evaluating the effectiveness of the HIV/Aids programmes	
Provide services or support to families of HIV-positive employees	

27 If your business has implemented HIV/AIDS programmes, why did you implement them?

	X
Moral obligation	
Legal requirement	
Financial impact	
Commerical/operational impact	
Other	<input type="text"/>



28 Do you think stigma and/or discrimination (eg. participation and take-up rates)?

If YES, please explain further

29 What has the percentage uptake for your VCT campaign been?

30 Have you applied the national HIV prevalence statistics to your workforce to measure the possible impact on your company?

31 Do you provide medical aid membership for your employees?

If YES, is membership compulsory for all employees?

If NOT compulsory, do you have an idea of the approximate % take-up by employee?

If YES, is membership determined by skill level? **EXPLAIN?**

32 Does the Medical Aid provide an HIV/Aids disease-management programme?

33 Have you ever considered entering into an agreement with a local clinic or GP to provide medical services to your employees?

If YES, please explain further

34 Where is the nearest HIV/Aids clinic to your business?

35 In your view, is HIV/AIDS affecting the following aspects in your company?

	YES or NO		YES or NO
Salary and wage costs (eg. sick leave)	<input type="text"/>	HIV/Aids Testing & counselling	<input type="text"/>
Health and safety costs	<input type="text"/>	Recruitment costs	<input type="text"/>
Pension and retirement funds	<input type="text"/>	Training of new employees	<input type="text"/>
Increased absenteeism due to illness	<input type="text"/>	Declining morale	<input type="text"/>
Increased staff turnover	<input type="text"/>	Declining productivity	<input type="text"/>
Time off to attend funerals	<input type="text"/>	Impact on Supply Chain	<input type="text"/>
Funeral costs and burial fees	<input type="text"/>	Impact on Customers & sales	<input type="text"/>
Loss of skills	<input type="text"/>	Threatening your competitiveness	<input type="text"/>
Loss of knowledge	<input type="text"/>		

36 If your company does **not** have an HIV/Aids Policy and/or Programme, please select the reasons why not as per the factors below?

	X
Cost too much	<input type="text"/>
Took too much time for management to arrange	<input type="text"/>
Took too much time for employees' to participate	<input type="text"/>
Not an employer's responsibility	<input type="text"/>
Too much stigma around HIV/AIDS	<input type="text"/>
Cheaper to replace labour than implement policy	<input type="text"/>
Didn't know where to find the service	<input type="text"/>
Not a legal requirement	<input type="text"/>
Key employees are not affected by HIV/Aids	<input type="text"/>
Other (specify)	<input type="text"/>

37 What approximate percentage of your workforce do you think has HIV/Aids?

38 Are you aware of the number of suspected HIV/Aids cases in the company?
If YES, please provide an indication thereof If NO, could you speculate?

39 Are you aware of the approximate number of AIDS-related deaths in the company?
If YES, please provide an indication thereof If NO, could you speculate?

SECTION 7: CONCLUSION

40 Do you have any type of Corporate Social Responsibility initiatives in place in your company?

41 If YES, do any of them focus on HIV/Aids issues?

42 Is there anything else you would like to tell me about HIV/AIDS or employee health in general and in your company?

APPENDIX 2: DETAILS OF RESPONDENTS

Company Name	Interviewee	Position	Location
Ampol (Pty) Ltd	Gregg Christiane	MD	Ferndale
Barrier Angelucci (Pty) Ltd	Anton Pieterse	MD	Spartan
BCG Cable Manufacturers SA (Pty) Ltd trading as Walro Flex	Alan Houghton	MD	Alberton
Boltonia Meat Processing (Pty) Ltd	Günter Schlosser	NonExecutive Director	Boltonia
East Rand Plastic Repairs	Karl Gratz	MD	Jet Park
Geo Cloud (Pty) Ltd	Neil Cloud	MD	Benrose
H. Birkenmayer (Pty) Ltd	Monika Howarth	MD	Spartan
Hellermann Tyton (Pty) Ltd	Rod Dewing	General Manager Operations	Linbro Park
Henkel S.A. (Pty) Ltd	Osborne Molatudi	Human Resources Manager	Alrode
Interroll S.A. (Pty) Ltd	Peet du Plessis	Operations Manager	Isando
Krost Shelving	Uri Krost	Director	Heriotdale
Pennyware Distributors (Pty) Ltd	James Trubshaw	CEO	Industria
Probe Corporation (Pty) Ltd	Richard Rovelli	Operations Director	Meadowdale
Rebuff (Pty) Ltd	Bruce Sutherland	MD	Isando
Rely Precision Casting: Division of Allied Production Industries (Pty) Ltd	Graham Knight	MD	Boksburg
Satellite Manufacturing	Ryan Grebe	MD	Stormill
Skybright Skylights	Clive Fenton	MD	Sandspruit
Stoncor Africa	Penny Chanee	Human Resources Manager	Midrand
Uniplate Group (Pty) Ltd	Nizoo Chagan	MD	Industria
Vac Air Technology (Pty) Ltd	Charel Viljoen	CEO	Robertville



APPENDIX 3: SUMMARY

(Each company is randomly positioned and not in alphabetical order as per list in Appendix 2)

COMPANY NUMBER	1	2	3	4
SECTION 3: WORKFORCE PROFILE				
10 What is the approximate number of employees in the business?	23	183	115	174
11 Gender distribution Approximate percentage of employees by gender	Males 91%	Males 90%	Males 80%	Males 70%
	Females 9%	Females 10%	Females 20%	Females 30%
12 Race distribution Approximate percentage of employees by race	African 70%	African 44%	African 80%	African 70%
	Coloured 0%	Coloured 5%	Coloured 8%	Coloured 10%
	Indian 0%	Indian 7%	Indian 8%	Indian 5%
	White 30%	White 44%	White 4%	White 15%
13 Full-time / Part-time distribution Full-time permanent employees Part-time casual/temporary employees	Percentage 100%	Percentage 100%	Percentage 100%	Percentage 80%
	0%	0%	0%	20%
14 Age distribution Approximate percentage of employees by age	< 30 years 0%	< 30 years 15%	< 30 years 25%	< 30 years 10%
	30-45 years 83%	30-45 years 60%	30-45 years 50%	30-45 years 60%
	> 45 years 17%	> 45 years 25%	> 45 years 25%	> 45 years 30%
15 Skill level of employees Approximate percentage	Semi-skilled 61%	Semi-skilled 44%	Semi-skilled 80%	Semi-skilled 80%
	Skilled 30%	Skilled 45%	Skilled 15%	Skilled 10%
	Highly skilled 9%	Highly skilled 11%	Highly skilled 5%	Highly skilled 10%
16 Education level of employees Approximate percentage with Tertiary Degree	Percentage 9%	Percentage 5%	Percentage 5%	Percentage 5%
SECTION 4: MACRO-ENVIRONMENT				
17 Rank either high, medium or low the following threats to your bottom-line? HIGH MEDIUM LOW Threat of cheaper international imports Increasing product competition Macro economic conditions (inflation, interest rates, exchange rate fluctuations) Availability of skills Strict labour laws Threat of HIV/Aids on skill base Declining/changing customer demand Other? _____	High 1	Medium 2	Low 3	
	1	1	2	3
	1	1	2	1
	2	1	2	2
	2	1	2	1
	2	2	3	3
	1	2	1	1
	3	2	2	1
	Bond rates increasing = people stop spending on homes	BEE	None	Steel price fluctuation
SECTION 5: IMPACT ASSESSMENT				
18 Rank either high, medium or low the following causes of sickness or disability among employees? HIGH MEDIUM LOW Accidents / Injury Respiratory problems (colds, flu, pneumonia, TB) HIV/AIDS Alcohol or drug abuse Stress-related illnesses Other (specify) _____	High 1	Medium 2	Low 3	
	2	3	3	3
	2	1	2	2
	3	3	1	2
	2	3	3	3
	1	2	3	3
	Diabetes	None	Personal accidents	General violence
19 Compared to 2 years ago, is the level of absenteeism among your employees now? Much higher A little higher About the same A little lower Much lower Don't know If much higher or much lower, what do you think the cause could be?		1	1	
	1			1
	Increased stress/illness/age/families aging	Abuse of sick leave allowance	Financial (money for transport), sickness, family deaths & funerals	



COMPANY NUMBER

2	3	4
---	---	---

20 Approximately how many employees have been chronically ill with any life-threatening disease in the last 2 years?

What have been causes of illnesses?

2	2	5	10
Diabetes, possible emohvsema	Respiratory	Majority HIV	Aids related diseases

21 Approximately how many employees were retired on medical grounds or due to ill-health the last 2 years?

What have been causes of ill-health retirement?

0	1	0	4
	Respiratory/ chronic backache		Not able to work anymore

22 Approximately how many employees have died in service in the last 2 years?

What have been causes of death?

1	1	5	6
TB/pneumonia (AIDS?)	Respiratory	2 HIV-related; 3 out of work accidents	Pneumonia

23 How would you rate the current impact of HIV/AIDS on your company in the last TWO years?

Reasons for above response?

Little or No impact	Little or No impact	Little or No impact	Little or No impact
1	1	1	1
Moderate impact	Moderate impact	Moderate impact	Moderate impact
1	1	1	1
Severe impact	Severe impact	Severe impact	Severe impact
Don't Know	Don't Know	Don't Know	Don't Know
More awareness now, employee sister's death	One case; not confirmed - assumed	High absenteeism; high skill level so difficult to replace	5% death rate; think will escalate

SECTION 6: INTERNAL RESPONSE to HIV/AIDS

24 Does your company have an HIV/AIDS Policy?

25 If YES, has the Policy been communicated to all employees?

26 Has your company taken any of the following measures to respond to HIV/AIDS internally?

- Knowledge, attitude and practices survey
- Pretesting (eg. anonymous 'spit' test)
- Voluntary counselling and testing (results conveyed)
- Supply of condoms
- Display of educational materials (posters, brochures)
- Arranging HIV/AIDS training/educational sessions
- Facilitate access to or pay for treatment for HIV/AIDS-related illnesses
- Facilitate access to or pay for AIDS treatment (antiretroviral therapy)
- Cost impact analysis
- Monitoring & evaluating the effectiveness of the HIV/AIDS programmes
- Provide services or support to families of HIV-positive employees

27 If your business has implemented HIV/AIDS programmes, why did you implement them?

- Moral obligation
- Legal requirement
- Financial impact
- Commercial/operational impact
- Other

28 Do you think stigma and/or discrimination have undermined the effectiveness of these programmes (eg. participation and take-up rates)?

If YES, please explain further

29 What has the percentage uptake for your VCT campaign been?

30 Have you applied the national HIV prevalence statistics to your workforce to measure possible impact on your company?

31 Do you provide medical aid membership for your employees?

If YES, is membership compulsory for all employees?

If NOT compulsory, do you have an idea of the approx % take-up by employee?

Yes	1			
No	2			
N/A	3			
2	1	1	2	

3	1	1	3
---	---	---	---

Yes	1		
No	2		
N/A	3		

YES or NO	YES or NO	YES or NO	YES or NO
2	2	2	2
2	2	1	2
1	2	1	2
2	1	1	1
2	1	1	1
2	1	1	1
1	2	1	2
1	2	1	2
2	2	2	2
3	2	1	3
2	2	1	2

X	X	X	X
	1	1	
			1
	1	To help the staff	Social responsibility
	Committee motivation		

	Yes	Yes	
--	-----	-----	--

	Conservative staff; racial issues	Workers only come forward in crisis; fear of others reaction. Factory staff merciless	
--	-----------------------------------	---	--

	N/A	15-20%	
--	-----	--------	--

2	2	2	2
---	---	---	---

2	2	1	2
---	---	---	---

3	3	2	3
---	---	---	---

		50%	
--	--	-----	--



COMPANY NUMBER

- If YES, is membership determined by skill level?
EXPLAIN?
- 32 Does the Medical Aid provide an HIV/Aids disease-management programme?
- 33 Have you ever considered entering into an agreement with a local clinic or GP to provide medical services to your employees?

If YES, please explain further

	2	3	4
3	3	2	3
	Bargaining Council sick fund	Company pays full membership fee for all	

Yes 1
No 2
N/A 3
Don't know 4

3	1	1	3
1	2	1	2

Employees go to mgt private doc; pvt doc did all HIV testing for death cover	Provide annual TB/eye/hearing tests as per OHSA	Already doing it	Part of HIV plan
--	---	------------------	------------------

Yes 1
Don't know 4

4	4	1	4
---	---	---	---

- 34 Where is the nearest HIV/Aids clinic to your business?
- 35 In your view, is HIV/AIDS affecting the following aspects in your company?

- Salary and wage costs (eg. sick leave)
- Health and safety costs
- Pension and retirement funds
- Increased absenteeism due to illness
- Increased staff turnover
- Time off to attend funerals
- Funeral costs and burial fees
- Loss of skills
- Loss of knowledge
- HIV/Aids Testing & counselling
- Recruitment costs
- Training of new employees
- Declining morale
- Declining productivity
- Impact on Supply Chain
- Impact on Customers & sales
- Threatening your competitiveness

YES or NO	YES or NO	YES or NO	YES or NO
1	1	1	1
2	1	2	2
1	2	2	2
2	1	1	1
2	2	1	1
1	2	1	1
1	2	1	1
1	2	1	1
1	2	1	2
2	2	2	2
2	2	1	1
1	1	1	1
2	1	1	1
2	2	2	2
2	2	2	1
2	2	2	1

- 36 If your company does not have an HIV/Aids Policy and/or Programme, please select the reasons why not as per the factors below?

- Cost too much
- Took too much time for management to arrange
- Took too much time for employees' to participate
- Not an employer's responsibility
- Too much stigma around HIV/AIDS
- Cheaper to replace labour than implement policy
- Didn't know where to find the service
- Not a legal requirement
- Key employees are not affected by HIV/Aids

X	X	X	X
1			
1			
1			
			1
1			
1			1
1			
Time restraint			Employees are not admitting infection

- 37 What approximate percentage of your workforce do you think has HIV/Aids?

12%	10%	15%	6%
-----	-----	-----	----

- 38 Are you aware of the number of suspected HIV/Aids cases in the company?
If YES, please provide an indication thereof
If NO, could you speculate?

2	2	2	1
3	5	30	10

- 39 Are you aware of the approximate number of AIDS-related deaths in the company?
If YES, please provide an indication thereof
If NO, could you speculate?

1	1	1	1
1	3	1	6

SECTION 7: CONCLUSION

- 40 Do you have any type of Corporate Social Responsibility initiatives in place in your company?

1	2	1	1
---	---	---	---

- 41 If YES, do any of them focus on HIV/Aids issues?

1	3	1	2
---	---	---	---



COLLATION OF RESEARCH RES

COMPANY NUMBER

5	6	7	8
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SECTION 3: WORKFORCE PROFILE

10 What is the approximate number of employees in the business?

237	48	130	37
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11 Gender distribution

Approximate percentage of employees by gender

Males	Males	Males	Males
60%	80%	84%	81%
Females	Females	Females	Females
40%	20%	16%	19%

12 Race distribution

Approximate percentage of employees by race

African	African	African	African
55%		70%	46%
Coloured	Coloured	Coloured	Coloured
2%		9%	0%
Indian	Indian	Indian	Indian
3%		3%	2%
White	White	White	White
40%	10%	18%	52%

13 Full-time / Part-time distribution

Full-time permanent employees
Part-time casual/temporary employees

Percentage	Percentage	Percentage	Percentage
92%	100%	100%	100%
8%	0%	0%	0%

14 Age distribution

Approximate percentage of employees by age

< 30 years	< 30 years	< 30 years	< 30 years
14%	13%	15%	90%
30-45 years	30-45 years	30-45 years	30-45 years
60%	81%	45%	6%
> 45 years	> 45 years	> 45 years	> 45 years
16%	6%	40%	4%

15 Skill level of employees

Approximate percentage

Semi-skilled	Semi-skilled	Semi-skilled	Semi-skilled
40%	17%	65%	43%
Skilled	Skilled	Skilled	Skilled
35%	70%	30%	43%
Highly skilled	Highly skilled	Highly skilled	Highly skilled
35%	13%	5%	14%

16 Education level of employees

Approximate percentage with Tertiary Degree

Percentage	Percentage	Percentage	Percentage
15%	4%	3%	5%

SECTION 4: MACRO-ENVIRONMENT

17 Rank either high, medium or low the following threats to your bottom-line?

HIGH MEDIUM LOW

Threat of cheaper international imports
Increasing product competition

Macro economic conditions (inflation, interest rates, exchange rate fluctuations)
Availability of skills
Strict labour laws
Threat of HIV/Aids on skill base
Declining/changing customer demand

Other? _____

3	1	1	2
2	1	3	2
1	2	1	1
1	3	1	2
2	1	3	3
2	3	2	3
3	2	3	2
High turnover of skilled employees to competitors	Cost of raw material (steel)	Chinese exploitation of labour, availability of raw material	New competitor, same product but well-known brand

SECTION 5: IMPACT ASSESSMENT

18 Rank either high, medium or low the following causes of sickness or disability among employees?

HIGH MEDIUM LOW

Accidents / Injury
Respiratory problems (colds, flu, pneumonia, TB)
HIV/AIDS
Alcohol or drug abuse
Stress-related illnesses

Other (specify) _____

3	3	3	3
2	2	2	2
2	3	2	3
3	3	3	3
3	2	2	2
Chronic back pain / chemical exposure	Employees are far from their homes		None

19 Compared to 2 years ago, is the level of absenteeism among your employees now?

Much higher
A little higher
About the same
A little lower
Much lower
Don't know

	1		
		1	
			1
1			

If much higher or much lower, what do you think the cause could be?

More strict factory management	More vulnerable to illnesses (cold, flu, aches, pains); family problems	Social circumstances, colds/flu, stress, HIV	
--------------------------------	---	--	--



COMPANY NUMBER

6	7	8
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20	Approximately how many employees have been chronically ill with any life-threatening disease in the last 2 years?	2	0	8	0
	What have been causes of illnesses?	HIV rumours & Old age frailty		AIDS, HIV, Diabetes, heart	
21	Approximately how many employees were retired on medical grounds or due to ill-health the last 2 years?	1	0	3	0
	What have been causes of ill-health retirement?	Old age frailty		Chronic illness, AIDS, leg immobility	
22	Approximately how many employees have died in service in the last 2 years?	1	2	6	0
	What have been causes of death?	AIDS	Murder, ingested poison	AIDS	
23	How would you rate the current impact of HIV/AIDS on your company in the last TWO years?	Little or No impact	Little or No impact	Little or No impact	Little or No impact
		Moderate impact	Moderate impact	Moderate impact	Moderate impact
		1	1	1	1
		Severe impact	Severe impact	Severe impact	Severe impact
		Don't Know	Don't Know	Don't Know	Don't Know
			1		
	Reasons for above response?	Age profile of workforce	Don't know if illnesses are HIV/AIDS related	Infected are mainly semi-skilled not highly specialised	Tenure; no talk/issues about HIV/AIDS

SECTION 6: INTERNAL RESPONSE to HIV/AIDS

24	Does your company have an HIV/Aids Policy?	1	2	2	2
25	If YES, has the Policy been communicated to all employees?	1	3	3	3
26	Has your company taken any of the following measures to respond to HIV/Aids internally?	YES or NO	YES or NO	YES or NO	YES or NO
	Knowledge, attitude and practices survey	1	1	1	2
	Pretesting (eg. anonymous 'spit' test)	2	2	2	2
	Voluntary counselling and testing (results conveyed)	1	2	1	2
	Supply of condoms	1	2	2	2
	Display of educational materials (posters, brochures)	1	2	1	2
	Arranging HIV/Aids training/educational sessions	1	2	1	2
	Facilitate access to or pay for treatment for HIV/Aids-related illnesses	1	2	1	2
	Facilitate access to or pay for AIDS treatment (antiretroviral therapy)	2	2	2	2
	Cost impact analysis	2	2	2	2
	Monitoring & evaluating the effectiveness of the HIV/Aids programmes	1	3	3	3
	Provide services or support to families of HIV-positive employees	2	2	2	2
27	If your business has implemented HIV/Aids programmes, why did you implement them?	X	X	X	X
	Moral obligation	1			
	Legal requirement				
	Financial impact				
	Commercial/operational impact				
	Other	National epidemic - social responsibility		Social responsibility	
28	Do you think stigma and/or discrimination have undermined the effectiveness of these programmes (eg. participation and take-up rates)?	Yes			
	If YES, please explain further	Fear of result of testing; community shame			
29	What has the percentage uptake for your VCT campaign been?	44%			
30	Have you applied the national HIV prevalence statistics to your workforce to measure possible impact on your company?	2	1	2	2
31	Do you provide medical aid membership for your employees?	1	2	1	1
	If YES, is membership compulsory for all employees?	1	3	1	2
	If NOT compulsory, do you have an idea of the approx % take-up by employees?	75%			65%



COMPANY NUMBER

6	7	8
---	---	---

If YES, is membership determined by skill level?

2	3	1	2
Choice of Discovery & Sizwe		Unionised members not covered	

EXPLAIN?

32 Does the Medical Aid provide an HIV/Aids disease-management programme?

1	3	4	1
---	---	---	---

33 Have you ever considered entering into an agreement with a local clinic or GP to provide medical services to your employees?

2	2	1	2
---	---	---	---

If YES, please explain further

	Never thought of it. Sometimes send sick staff to own private doctor	Had one over 3 years ago but employees resisted - wanted own doctor	
--	--	---	--

34 Where is the nearest HIV/Aids clinic to your business?

1	4	1	4
---	---	---	---

35 In your view, is HIV/AIDS affecting the following aspects in your company?

- Salary and wage costs (eg. sick leave)
- Health and safety costs
- Pension and retirement funds
- Increased absenteeism due to illness
- Increased staff turnover
- Time off to attend funerals
- Funeral costs and burial fees
- Loss of skills
- Loss of knowledge
- HIV/Aids Testing & counselling
- Recruitment costs
- Training of new employees
- Declining morale
- Declining productivity
- Impact on Supply Chain
- Impact on Customers & sales
- Threatening your competitiveness

	YES or NO	YES or NO	YES or NO	YES or NO
Salary and wage costs (eg. sick leave)	2	2	1	2
Health and safety costs	2	2	2	2
Pension and retirement funds	1	2	1	2
Increased absenteeism due to illness	2	1	1	2
Increased staff turnover	2	2	1	2
Time off to attend funerals	2	1	1	2
Funeral costs and burial fees	2	1	1	2
Loss of skills	2	2	1	2
Loss of knowledge	2	2	1	2
HIV/Aids Testing & counselling	1	2	1	2
Recruitment costs	2	2	2	2
Training of new employees	2	2	1	2
Declining morale	2	1	2	2
Declining productivity	2	1	1	2
Impact on Supply Chain	2	2	2	2
Impact on Customers & sales	2	2	2	2
Threatening your competitiveness	2	2	2	2

36 If your company does not have an HIV/Aids Policy and/or Programme, please select the reasons why not as per the factors below?

- Cost too much
- Took too much time for management to arrange
- Took too much time for employees' to participate
- Not an employer's responsibility
- Too much stigma around HIV/AIDS
- Cheaper to replace labour than implement policy
- Didn't know where to find the service
- Not a legal requirement
- Key employees are not affected by HIV/Aids

	X	X	X	X
Cost too much			1	
Took too much time for management to arrange				
Took too much time for employees' to participate				
Not an employer's responsibility				
Too much stigma around HIV/AIDS		1		
Cheaper to replace labour than implement policy		1		
Didn't know where to find the service				1
Not a legal requirement		1		1
Key employees are not affected by HIV/Aids				
Other (specify)				No employees yet affected (that aware of)

37 What approximate percentage of your workforce do you think has HIV/Aids?

10%	10%	5%	0%
-----	-----	----	----

38 Are you aware of the number of suspected HIV/Aids cases in the company?

If YES, please provide an indication thereof
If NO, could you speculate?

1	2	1	2
8		1	
	5	3	0

39 Are you aware of the approximate number of AIDS-related deaths in the company?

If YES, please provide an indication thereof
If NO, could you speculate?

1	2	1	2
1		6	
	0		0

SECTION 7: CONCLUSION

40 Do you have any type of Corporate Social Responsibility initiatives in place in your company?

1	2	1	2
---	---	---	---

41 If YES, do any of them focus on HIV/Aids issues?

1	3	1	3
---	---	---	---



COLLATION OF RESEARCH RE

COMPANY NUMBER

9	10	11	12
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SECTION 3: WORKFORCE PROFILE

10 What is the approximate number of employees in the business?

48	130	74	40
----	-----	----	----

11 Gender distribution

Approximate percentage of employees by gender

Males	Males	Males	Males
50%	70%	81%	78%
Females	Females	Females	Females
50%	30%	19%	22%

12 Race distribution

Approximate percentage of employees by race

African	African	African	African
80%	87%	65%	88%
Coloured	Coloured	Coloured	Coloured
0%	3%	5%	0%
Indian	Indian	Indian	Indian
0%	1%	0%	0%
White	White	White	White
20%	9%	30%	12%

13 Full-time / Part-time distribution

Full-time permanent employees
Part-time casual/temporary employees

Percentage	Percentage	Percentage	Percentage
100%	93%	96%	100%
0%	7%	4%	0%

14 Age distribution

Approximate percentage of employees by age

< 30 years	< 30 years	< 30 years	< 30 years
17%	12%	31%	20%
30-45 years	30-45 years	30-45 years	30-45 years
50%	49%	54%	75%
> 45 years	> 45 years	> 45 years	> 45 years
33%	39%	15%	5%

15 Skill level of employees

Approximate percentage

Semi-skilled	Semi-skilled	Semi-skilled	Semi-skilled
84%	85%	57%	88%
Skilled	Skilled	Skilled	Skilled
10%	13%	28%	8%
Highly skilled	Highly skilled	Highly skilled	Highly skilled
6%	2%	15%	5%

16 Education level of employees

Approximate percentage with Tertiary Degree

Percentage	Percentage	Percentage	Percentage
2%	2%	15%	2%

SECTION 4: MACRO-ENVIRONMENT

17 Rank either high, medium or low the following threats to your bottom-line?

HIGH MEDIUM LOW

Threat of cheaper international imports
Increasing product competition

Macro economic conditions (inflation, interest rates, exchange rate fluctuations)
Availability of skills
Strict labour laws
Threat of HIV/Aids on skill base
Declining/changing customer demand

Other? _____

3	3	1	1
2	1	2	2
2	1	2	2
2	2	1	2
2	2	3	1
3	1	3	2
3	3	3	1
Fluctuating prices		China	International oil price

SECTION 5: IMPACT ASSESSMENT

18 Rank either high, medium or low the following causes of sickness or disability among employees?

HIGH MEDIUM LOW

Accidents / Injury
Respiratory problems (colds, flu, pneumonia, TB)
HIV/AIDS
Alcohol or drug abuse
Stress-related illnesses

Other (specify) _____

3	3	3	3
2	1	2	1
3	2	3	3
3	2	3	3
3	3	2	3
Seasonal			None

19 Compared to 2 years ago, is the level of absenteeism among your employees now?

Much higher
A little higher
About the same
A little lower
Much lower
Don't know

	1		
1		1	

If much higher or much lower, what do you think the cause could be?

	HIV, bogus sick notes	Bad flu epidemic now	
--	-----------------------	----------------------	--



COMPANY NUMBER

10	11	12
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20	Approximately how many employees have been chronically ill with any life-threatening disease in the last 2 years? What have been causes of illnesses?	1 AIDS	4 AIDS	0	2 Pneumonia & TB																																
21	Approximately how many employees were retired on medical grounds or due to ill-health the last 2 years? What have been causes of ill-health retirement?	0	0	0	0																																
22	Approximately how many employees have died in service in the last 2 years? What have been causes of death?	1 AIDS - had just left company	3 AIDS x 2, accident	0	2 Pneumonia & TB																																
23	How would you rate the current impact of HIV/AIDS on your company in the last TWO years? Reasons for above response?	<table border="1"> <tr><td>Little or No impact</td></tr> <tr><td>1</td></tr> <tr><td>Moderate impact</td></tr> <tr><td>1</td></tr> <tr><td>Severe impact</td></tr> <tr><td>1</td></tr> <tr><td>Don't Know</td></tr> <tr><td></td></tr> </table>	Little or No impact	1	Moderate impact	1	Severe impact	1	Don't Know		<table border="1"> <tr><td>Little or No impact</td></tr> <tr><td>1</td></tr> <tr><td>Moderate impact</td></tr> <tr><td>1</td></tr> <tr><td>Severe impact</td></tr> <tr><td>1</td></tr> <tr><td>Don't Know</td></tr> <tr><td></td></tr> </table>	Little or No impact	1	Moderate impact	1	Severe impact	1	Don't Know		<table border="1"> <tr><td>Little or No impact</td></tr> <tr><td>1</td></tr> <tr><td>Moderate impact</td></tr> <tr><td>1</td></tr> <tr><td>Severe impact</td></tr> <tr><td>1</td></tr> <tr><td>Don't Know</td></tr> <tr><td></td></tr> </table>	Little or No impact	1	Moderate impact	1	Severe impact	1	Don't Know		<table border="1"> <tr><td>Little or No impact</td></tr> <tr><td>1</td></tr> <tr><td>Moderate impact</td></tr> <tr><td>1</td></tr> <tr><td>Severe impact</td></tr> <tr><td>1</td></tr> <tr><td>Don't Know</td></tr> <tr><td></td></tr> </table>	Little or No impact	1	Moderate impact	1	Severe impact	1	Don't Know	
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Moderate impact																																					
1																																					
Severe impact																																					
1																																					
Don't Know																																					
	Reasons for above response?	Stable workforce; family environment	Flu is rife; not aware of all HIV infections	No knowledge of it	8% death rate; but absenteeism high																																

SECTION 6: INTERNAL RESPONSE to HIV/AIDS

24	Does your company have an HIV/Aids Policy?	2	1	1	2																																																
25	If YES, has the Policy been communicated to all employees?	3	1	1	3																																																
26	Has your company taken any of the following measures to respond to HIV/Aids interns?	<table border="1"> <tr><th>YES or NO</th><th>YES or NO</th><th>YES or NO</th><th>YES or NO</th></tr> <tr><td>2</td><td>1</td><td>2</td><td>2</td></tr> <tr><td>2</td><td>2</td><td>2</td><td>2</td></tr> <tr><td>2</td><td>2</td><td>2</td><td>2</td></tr> <tr><td>2</td><td>2</td><td>2</td><td>2</td></tr> <tr><td>1</td><td>1</td><td>1</td><td>2</td></tr> <tr><td>2</td><td>2</td><td>1</td><td>2</td></tr> <tr><td>2</td><td>1</td><td>1</td><td>2</td></tr> <tr><td>1</td><td>2</td><td>2</td><td>2</td></tr> <tr><td>2</td><td>1</td><td>2</td><td>2</td></tr> <tr><td>3</td><td>2</td><td>2</td><td>3</td></tr> <tr><td>2</td><td>2</td><td>1</td><td>2</td></tr> </table>	YES or NO	YES or NO	YES or NO	YES or NO	2	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	1	1	1	2	2	2	1	2	2	1	1	2	1	2	2	2	2	1	2	2	3	2	2	3	2	2	1	2			
YES or NO	YES or NO	YES or NO	YES or NO																																																		
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1	2	2	2																																																		
2	1	2	2																																																		
3	2	2	3																																																		
2	2	1	2																																																		
27	If your business has implemented HIV/Aids programmes, why did you implement them?	<table border="1"> <tr><th>X</th><th>X</th><th>X</th><th>X</th></tr> <tr><td></td><td>1</td><td>1</td><td></td></tr> <tr><td></td><td>1</td><td>1</td><td></td></tr> <tr><td></td><td>1</td><td></td><td></td></tr> <tr><td></td><td>Personal responsibility to South Africa</td><td>Effect in SA</td><td></td></tr> </table>	X	X	X	X		1	1			1	1			1				Personal responsibility to South Africa	Effect in SA																																
X	X	X	X																																																		
	1	1																																																			
	1	1																																																			
	1																																																				
	Personal responsibility to South Africa	Effect in SA																																																			
28	Do you think stigma and/or discrimination have undermined the effectiveness of these programmes (e.g. participation and take-up rates)? If YES, please explain further	Yes	Yes																																																		
	If YES, please explain further	Employees declined the offer of testing, etc	Haven't been approached by any one - employees embarrassed																																																		
29	What has the percentage uptake for your VCT campaign been?	N/A	N/A																																																		
30	Have you applied the national HIV prevalence statistics to your workforce to measure possible impact on your company?	2	2	2	2																																																
31	Do you provide medical aid membership for your employees? If YES, is membership compulsory for all employees? If NOT compulsory, do you have an idea of the approx % take-up by employees?	2 3	1 2	1 2	2 3																																																
	If NOT compulsory, do you have an idea of the approx % take-up by employees?		10%	25%																																																	



COMPANY NUMBER

10	11	12
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If YES, is membership determined by skill level?

3	1	1	3
	Factory & non-key employees don't qualify	MEIBC	

EXPLAIN?

32 Does the Medical Aid provide an HIV/Aids disease-management programme?

3	1	1	3
---	---	---	---

33 Have you ever considered entering into an agreement with a local clinic or GP to provide medical services to your employees?

1	2	2	2
---	---	---	---

If YES, please explain further

Ad hoc referrals & payment		No need	
----------------------------	--	---------	--

34 Where is the nearest HIV/Aids clinic to your business?

4	1	4	4
---	---	---	---

35 In your view, is HIV/AIDS affecting the following aspects in your company?

- Salary and wage costs (eg. sick leave)
- Health and safety costs
- Pension and retirement funds
- Increased absenteeism due to illness
- Increased staff turnover
- Time off to attend funerals
- Funeral costs and burial fees
- Loss of skills
- Loss of knowledge
- HIV/Aids Testing & counselling
- Recruitment costs
- Training of new employees
- Declining morale
- Declining productivity
- Impact on Supply Chain
- Impact on Customers & sales
- Threatening your competitiveness

YES or NO	YES or NO	YES or NO	YES or NO
2	1	2	1
2	1	2	1
2	2	2	2
2	1	2	1
2	1	2	1
1	1	1	1
2	1	1	1
2	2	2	1
2	1	2	1
2	2	2	2
2	2	2	2
2	1	2	1
2	1	2	1
2	1	2	1
2	2	1	2
2	2	1	2
2	2	2	1

36 If your company does not have an HIV/Aids Policy and/or Programme, please select the reasons why not as per the factors below?

- Cost too much
- Took too much time for management to arrange
- Took too much time for employees' to participate
- Not an employer's responsibility
- Too much stigma around HIV/AIDS
- Cheaper to replace labour than implement policy
- Didn't know where to find the service
- Not a legal requirement
- Key employees are not affected by HIV/Aids

Other (specify)

X	X	X	X
			1
			1
1			1
1			
			1
1			
Not yet affected at this stage	Employees not interested		

37 What approximate percentage of your workforce do you think has HIV/Aids?

4%	20%	0%	15%
----	-----	----	-----

38 Are you aware of the number of suspected HIV/Aids cases in the company?

If YES, please provide an indication thereof
If NO, could you speculate?

2	2	2	2
2	2	0	6

39 Are you aware of the approximate number of AIDS-related deaths in the company?

If YES, please provide an indication thereof
If NO, could you speculate?

1	2	2	1
1			2
	2	1	

SECTION 7: CONCLUSION

40 Do you have any type of Corporate Social Responsibility initiatives in place in your company?

1	2	2	2
---	---	---	---

41 If YES, do any of them focus on HIV/Aids issues?

2	3	3	3
---	---	---	---



COLLATION OF RESEARCH RE:

COMPANY NUMBER

13	14	15	16
----	----	----	----

SECTION 3: WORKFORCE PROFILE

10 What is the approximate number of employees in the business?

70	165	164	184
----	-----	-----	-----

11 Gender distribution

Approximate percentage of employees by gender

Males	Males	Males	Males
80%	77%	40%	74%
Females	Females	Females	Females
20%	23%	60%	26%

12 Race distribution

Approximate percentage of employees by race

African	African	African	African
60%	53%	90%	76%
Coloured	Coloured	Coloured	Coloured
9%	5%	0%	2%
Indian	Indian	Indian	Indian
4%	3%	0%	4%
White	White	White	White
27%	39%	10%	18%

13 Full-time / Part-time distribution

Full-time permanent employees
Part-time casual/temporary employees

Percentage	Percentage	Percentage	Percentage
100%	100%	100%	100%
0%	0%	0%	0%

14 Age distribution

Approximate percentage of employees by age

< 30 years	< 30 years	< 30 years	< 30 years
20%	20%	5%	22%
30-45 years	30-45 years	30-45 years	30-45 years
50%	60%	85%	36%
> 45 years	> 45 years	> 45 years	> 45 years
30%	40%	10%	42%

15 Skill level of employees

Approximate percentage

Semi-skilled	Semi-skilled	Semi-skilled	Semi-skilled
54%	65%	60%	82%
Skilled	Skilled	Skilled	Skilled
33%	22%	30%	16%
Highly skilled	Highly skilled	Highly skilled	Highly skilled
13%	13%	10%	2%

16 Education level of employees

Approximate percentage with Tertiary Degree

Percentage	Percentage	Percentage	Percentage
3%	15%	5%	1%

SECTION 4: MACRO-ENVIRONMENT

17 Rank either high, medium or low the following threats to your bottom-line?

HIGH MEDIUM LOW

Threat of cheaper international imports
Increasing product competition

Macro economic conditions (inflation, interest rates, exchange rate fluctuations)
Availability of skills
Strict labour laws
Threat of HIV/Aids on skill base
Declining/changing customer demand

Other? _____

1	3	1	1
1	2	2	1
3	2	3	3
2	2	1	2
2	3	3	1
3	2	2	2
1	3	1	3
No market development/ growth in manufacturing industry			

SECTION 5: IMPACT ASSESSMENT

18 Rank either high, medium or low the following causes of sickness or disability among employees?

HIGH MEDIUM LOW

Accidents / Injury
Respiratory problems (colds, flu, pneumonia, TB)
HIV/AIDS
Alcohol or drug abuse
Stress-related illnesses

Other (specify) _____

3	3	3	3
2	3	3	2
3	3	2	1
3	3	3	3
3	3	3	3
Cancer	TB		

19 Compared to 2 years ago, is the level of absenteeism among your employees now?

Much higher
A little higher
About the same
A little lower
Much lower
Don't know

	1		1
1		1	

If much higher or much lower, what do you think the cause could be?

Different reasons: now more control	Duration of sick leave has increased; move from GP to traditional medicine		Probably HIV
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COMPANY NUMBER

14	15	16
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20	Approximately how many employees have been chronically ill with any life-threatening disease in the last 2 years? What have been causes of illnesses?	3 Aids; cancer; unknown	1 HIV/TB	0	3 HIV
21	Approximately how many employees were retired on medical grounds or due to ill-health the last 2 years? What have been causes of ill-health retirement?	0	4 Backache, mental health, TB, foot pain	0	4 HIV, diabetes
22	Approximately how many employees have died in service in the last 2 years? What have been causes of death?	1 AIDS	6 TB, heart attack, pneumonia, chicken pox	5 Sudden sickness	7 2 x shooting, 1 x car accident, rest were natural causes (TB)
23	How would you rate the current impact of HIV/AIDS on your company in the last TWO years? Reasons for above response?	Little or No impact Moderate impact 1 Severe impact Don't Know	Little or No impact Moderate impact 1 Severe impact Don't Know	1 Moderate impact Severe impact Don't Know	Little or No impact Moderate impact 1 Severe impact Don't Know
		Absenteeism in jobs where cover is needed	Suddenly worsening since May (3 deaths)	Very mature staff; live at home	Outside deaths think from HIV (don't know)

SECTION 6: INTERNAL RESPONSE to HIV/AIDS

24	Does your company have an HIV/AIDS Policy?	2	1	1	2
25	If YES, has the Policy been communicated to all employees?	3	1	1	3
26	Has your company taken any of the following measures to respond to HIV/AIDS internally?	YES or NO	YES or NO	YES or NO	YES or NO
	Knowledge, attitude and practices survey	2	1	2	2
	Pretesting (eg. anonymous 'spit' test)	2	2	1	2
	Voluntary counselling and testing (results conveyed)	2	2	2	2
	Supply of condoms	2	1	1	2
	Display of educational materials (posters, brochures)	2	2	1	2
	Arranging HIV/AIDS training/educational sessions	1	2	2	2
	Facilitate access to or pay for treatment for HIV/AIDS-related illnesses	1	2	2	2
	Facilitate access to or pay for AIDS treatment (antiretroviral therapy)	2	2	2	2
	Cost impact analysis	2	2	2	2
	Monitoring & evaluating the effectiveness of the HIV/AIDS programmes	3	1	2	3
	Provide services or support to families of HIV-positive employees	2	2	2	2
27	If your business has implemented HIV/AIDS programmes, why did you implement them?	X	X	X	X
	Moral obligation	1			
	Legal requirement		1		
	Financial impact		1		
	Commercial/operational impact		1		1
	Other				
	Social responsibility			Concerned about damage to company & staff	IDC enforcing it
28	Do you think stigma and/or discrimination have undermined the effectiveness of these programmes (eg. participation and take-up rates)? If YES, please explain further		Yes	Yes	
			Hugely. Fear of testing/results. Fear of communicating results to community	When gov stopped pre-testing, HIV became covert.	
29	What has the percentage uptake for your VCT campaign been?		N/A	N/A	
30	Have you applied the national HIV prevalence statistics to your workforce to measure possible impact on your company?	2	1	2	2
31	Do you provide medical aid membership for your employees? If YES, is membership compulsory for all employees? If NOT compulsory, do you have an idea of the approx % take-up by employees?	1 1	1 2	1 2	1 2
		98%	40%		70%



COMPANY NUMBER

14	15	16
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If YES, is membership determined by skill level?

1	2	1	1
Definitive that only certain upper level		Available to all but few blacks use it	Worked on cost to company

EXPLAIN?

32 Does the Medical Aid provide an HIV/Aids disease-management programme?

1	1	2	1
---	---	---	---

33 Have you ever considered entering into an agreement with a local clinic or GP to provide medical services to your employees?

1	1	1	1
---	---	---	---

If YES, please explain further

Haven't acted because of cost. Have sent 1 employee to private GP	Not yet contacted: would like weekly doctor visits on site	Yes, but gave up too much effort	So employees don't take a full day off for a doctor's appointment
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34 Where is the nearest HIV/Aids clinic to your business?

4	1	4	1
---	---	---	---

35 In your view, is HIV/AIDS affecting the following aspects in your company?

- Salary and wage costs (eg. sick leave)
- Health and safety costs
- Pension and retirement funds
- Increased absenteeism due to illness
- Increased staff turnover
- Time off to attend funerals
- Funeral costs and burial fees
- Loss of skills
- Loss of knowledge
- HIV/Aids Testing & counselling
- Recruitment costs
- Training of new employees
- Declining morale
- Declining productivity
- Impact on Supply Chain
- Impact on Customers & sales
- Threatening your competitiveness

YES or NO	YES or NO	YES or NO	YES or NO
2	1	2	1
2	2	2	2
1	1	2	2
2	1	2	1
2	1	2	1
2	1	2	2
2	2	2	2
2	1	1	2
2	1	2	1
2	2	2	2
2	1	2	2
2	1	2	1
2	2	2	2
2	2	2	2
2	2	2	2
2	2	2	2
2	2	2	2

36 If your company does not have an HIV/Aids Policy and/or Programme, please select the reasons why not as per the factors below?

- Cost too much
- Took too much time for management to arrange
- Took too much time for employees' to participate
- Not an employer's responsibility
- Too much stigma around HIV/AIDS
- Cheaper to replace labour than implement policy
- Didn't know where to find the service
- Not a legal requirement
- Key employees are not affected by HIV/Aids

X	X	X	X
1			1
			1
		1	1
			1
Moral obligation		No reward in involvement; go stigma = blacks don't take seriously	Government responsibility

Other (specify)

37 What approximate percentage of your workforce do you think has HIV/Aids?

10%	15%	13%	
-----	-----	-----	--

38 Are you aware of the number of suspected HIV/Aids cases in the company?

2	2	2	2
---	---	---	---

If YES, please provide an indication thereof
If NO, could you speculate?

1		15	10
---	--	----	----

39 Are you aware of the approximate number of AIDS-related deaths in the company?

1	1	1	2
---	---	---	---

If YES, please provide an indication thereof
If NO, could you speculate?

3	1	4	
	2		

SECTION 7: CONCLUSION

40 Do you have any type of Corporate Social Responsibility initiatives in place in your company?

2	1	1	2
---	---	---	---

41 If YES, do any of them focus on HIV/Aids issues?

3	2	2	3
---	---	---	---



COLLATION OF RESEARCH RES

COMPANY NUMBER	17	18	19	20
SECTION 3: WORKFORCE PROFILE				
10 What is the approximate number of employees in the business?	189	65	56	110
11 Gender distribution Approximate percentage of employees by gender	Males 67%	Males 85%	Males 89%	Males 83%
	Females 33%	Females 15%	Females 11%	Females 17%
12 Race distribution Approximate percentage of employees by race	African 55%	African 60%	African 54%	African 70%
	Coloured 15%	Coloured 1%	Coloured 2%	Coloured 9%
	Indian 12%	Indian 2%	Indian 0%	Indian 0%
	White 18%	White 37%	White 44%	White 21%
13 Full-time / Part-time distribution Full-time permanent employees Part-time casual/temporary employees	Percentage 100%	Percentage 99%	Percentage 98%	Percentage 98%
	0%	1%	2%	2%
14 Age distribution Approximate percentage of employees by age	< 30 years 14%	< 30 years 1%	< 30 years 13%	< 30 years 13%
	30-45 years 60%	30-45 years 98%	30-45 years 42%	30-45 years 42%
	> 45 years 26%	> 45 years 1%	> 45 years 45%	> 45 years 45%
15 Skill level of employees Approximate percentage	Semi-skilled 62%	Semi-skilled 60%	Semi-skilled 52%	Semi-skilled 76%
	Skilled 33%	Skilled 20%	Skilled 24%	Skilled 19%
	Highly skilled 5%	Highly skilled 20%	Highly skilled 24%	Highly skilled 6%
16 Education level of employees Approximate percentage with Tertiary Degree	Percentage 0%	Percentage 3%	Percentage 9%	Percentage 2%
SECTION 4: MACRO-ENVIRONMENT				
17 Rank either high, medium or low the following threats to your bottom-line? HIGH MEDIUM LOW Threat of cheaper international imports Increasing product competition Macro economic conditions (inflation, interest rates, exchange rate fluctuations) Availability of skills Strict labour laws Threat of HIV/Aids on skill base Declining/changing customer demand Other? _____	1	2	2	1
	1	1	2	1
	1	1	2	1
	3	2	1	1
	1	2	2	1
	1	1	3	2
	2	1	3	1
	New entrants, low barriers to entry	Fuel price; gas availability; electricity supply	None	Environmental costs
SECTION 5: IMPACT ASSESSMENT				
18 Rank either high, medium or low the following causes of sickness or disability among employees? HIGH MEDIUM LOW Accidents / Injury Respiratory problems (colds, flu, pneumonia, TB) HIV/AIDS Alcohol or drug abuse Stress-related illnesses Other (specify) _____	3	3	3	3
	3	2	2	3
	3	2	3	3
	2	3	3	3
	3	2	3	3
		Backache	Hyperchondria	
19 Compared to 2 years ago, is the level of absenteeism among your employees now? Much higher A little higher About the same A little lower Much lower Don't know		1		
			1	1
	1			
If much higher or much lower, what do you think the cause could be?	New factory manager a disciplinarian			



COMPANY NUMBER

18	19	20
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20	Approximately how many employees have been chronically ill with any life-threatening disease in the last 2 years?	0	2	2	3
	What have been causes of illnesses?		HIV, tumor on spine	TB (not AIDS related)	Parkinsons, Heart, diabetes
21	Approximately how many employees were retired on medical grounds or due to ill-health the last 2 years?	0	3	1	2
	What have been causes of ill-health retirement?		AIDS, Epilepsy, pressure on brain	TB	Parkinsons, diabetes
22	Approximately how many employees have died in service in the last 2 years?	1	1	2	8
	What have been causes of death?	Run over by truck	AIDS	TB & Vascular disease	Suspect HIV
23	How would you rate the current impact of HIV/AIDS on your company in the last TWO years?	Little or No impact	Little or No impact	Little or No impact	Little or No impact
		Moderate impact	Moderate impact	Moderate impact	Moderate impact
		1	1	1	1
		Severe impact	Severe impact	Severe impact	Severe impact
		Don't Know	Don't Know	Don't Know	Don't Know
	Reasons for above response?	More time off, very lethargic, v thin, no zest - when v ill		Not aware of any AIDS-related illnesses	Awareness of weight loss; friends in community

SECTION 6: INTERNAL RESPONSE to HIV/AIDS

24	Does your company have an HIV/Aids Policy?	2	2	2	2
25	If YES, has the Policy been communicated to all employees?	3	3	3	3
26	Has your company taken any of the following measures to respond to HIV/Aids internally?	YES or NO	YES or NO	YES or NO	YES or NO
	Knowledge, attitude and practices survey	2	2	2	1
	Pretesting (eg. anonymous 'spit' test)	2	2	2	2
	Voluntary counselling and testing (results conveyed)	2	2	2	2
	Supply of condoms	2	2	1	2
	Display of educational materials (posters, brochures)	2	2	1	1
	Arranging HIV/Aids training/educational sessions	2	1	1	1
	Facilitate access to or pay for treatment for HIV/Aids-related illnesses	2	2	2	2
	Facilitate access to or pay for AIDS treatment (antiretroviral therapy)	2	2	2	2
	Cost impact analysis	2	2	2	2
	Monitoring & evaluating the effectiveness of the HIV/Aids programmes	3	3	3	3
	Provide services or support to families of HIV-positive employees	2	2	2	2
27	If your business has implemented HIV/Aids programmes, why did you implement them?	X	X	X	X
	Moral obligation				
	Legal requirement				
	Financial impact				
	Commercial/operational impact				
	Other				
28	Do you think stigma and/or discrimination have undermined the effectiveness of these programmes (ed. participation and take-up rates)?				
	If YES, please explain further				
29	What has the percentage uptake for your VCT campaign been?				
30	Have you applied the national HIV prevalence statistics to your workforce to measure possible impact on your company?	2	2	2	1
31	Do you provide medical aid membership for your employees?	1	1	1	1
	If YES, is membership compulsory for all employees?	2	2	2	1
	If NOT compulsory, do you have an idea of the approx % take-up by employees?	90%		40%	



COMPANY NUMBER

18	19	20
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If YES, is membership determined by skill level?

1	1	1	1
Weekly earners covered by SEIFSA	Semi-skilled may apply if they want it	SEIFSA cover for factory-floor	Wage earners covered by Meta Industries

EXPLAIN?

32 Does the Medical Aid provide an HIV/Aids disease-management programme?

2	4	1	1
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33 Have you ever considered entering into an agreement with a local clinic or GP to provide medical services to your employees?

1	2	1	1
---	---	---	---

If YES, please explain further

Have investigated - doctor around the corner		Have only thought about it; not yet actioned	Consensus reached that employees do not want - prefer own doctor
--	--	--	--

34 Where is the nearest HIV/Aids clinic to your business?

1	4	4	1
---	---	---	---

35 In your view, is HIV/AIDS affecting the following aspects in your company?

- Salary and wage costs (eg. sick leave)
- Health and safety costs
- Pension and retirement funds
- Increased absenteeism due to illness
- Increased staff turnover
- Time off to attend funerals
- Funeral costs and burial fees
- Loss of skills
- Loss of knowledge
- HIV/Aids Testing & counselling
- Recruitment costs
- Training of new employees
- Declining morale
- Declining productivity
- Impact on Supply Chain
- Impact on Customers & sales
- Threatening your competitiveness

YES or NO	YES or NO	YES or NO	YES or NO
2	2	2	1
2	2	2	1
2	2	2	2
2	2	2	1
2	2	2	1
1	1	1	1
1	1	1	1
2	2	2	1
2	2	2	1
2	1	2	2
2	2	2	1
2	2	2	1
1	2	2	2
1	2	2	1
1	2	2	1
1	1	1	1
1	2	2	2

36 If your company does not have an HIV/Aids Policy and/or Programme, please select the reasons why not as per the factors below?

- Cost too much
- Took too much time for management to arrange
- Took too much time for employees' to participate
- Not an employer's responsibility
- Too much stigma around HIV/AIDS
- Cheaper to replace labour than implement policy
- Didn't know where to find the service
- Not a legal requirement
- Key employees are not affected by HIV/AIDS
- Other (specify)

X	X	X	X
1			
1			
1			
1			
1		1	
1			
		1	
Staff not forthcoming	Haven't thought about it		

37 What approximate percentage of your workforce do you think has HIV/Aids?

7%	3%	1%	18%
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38 Are you aware of the number of suspected HIV/Aids cases in the company?

If YES, please provide an indication thereof
If NO, could you speculate?

2	1	2	2
	2		
10			7

39 Are you aware of the approximate number of AIDS-related deaths in the company?

If YES, please provide an indication thereof
If NO, could you speculate?

1	1	1	2
3	1	0	
			5

SECTION 7: CONCLUSION

40 Do you have any type of Corporate Social Responsibility initiatives in place in your company?

2	1	2	2
---	---	---	---

41 If YES, do any of them focus on HIV/Aids issues?

3	4	3	3
---	---	---	---