# A CASE STUDY OF METROPOLITAN HOLDINGS LIMITED TO ASSESS THE USEFULNESS OF THE GLOBAL BUSINESS COALITION GUIDELINES IN RELATION TO WORKPLACE HIV/AIDS PROGRAMMES AND A BRIEF EXAMINATION OF THE POSSIBLE IMPACT OF THE HIV/AIDS DISCLOSURE REQUIREMENTS, AS RECOMMENDED BY THE KING II REPORT

**CLIVE JOAQUIM FERREIRA**

Assignment presented in partial fulfilment of the requirements for the degree of Master of Philosophy (HIV/AIDS Management) at Stellenbosch University.

Supervisor: **Professor Andre Roux**

April 2005

**DECLARATION**

I, the undersigned, hereby declare that the work contained in this assignment is my own original work and I have not previously in its entirety or part submitted it at any university for a degree.

Signed:

Date:

**ABSTRACT**

Metropolitan Holdings Limited is a life insurance and investment company with a well-recognised brand, operating in a competitive environment. The Metropolitan Doyle model that the company developed in the 1980s was the first of its kind and is used to predict the course and impact of the HIV/AIDS pandemic. Metropolitan has since been actively engaged in developing insurance products, designed to take HIV/AIDS into account. It has, moreover been active in advocating action on a wide range of issue relating to the disease, not least through its RedRibbon website, the publication of the respected journal, AIDS Analysis Africa, and through various community initiatives, particularly involving HIV/AIDS education. The company's external work on the issue of HIV/AIDS is therefore well recognised. Although it has had an internal programme for several years, it has only seriously addressed the HIV/AIDS in the workplace since 2003 and in so doing, has not found the necessity of using any existing models of best practice.

This case study examines the guidelines of a comprehensive HIV/AIDS programme, as set out by the Global Business Coalition on HIV/AIDS, with a view to finding out whether and to what extent a company such as Metropolitan might have implemented its recommendations and what impact it might have in the fight against HIV/AIDS in the workplace.

The case study further examines the likely impact of the King II recommendations relating to the disclosure requirements on HIV/AIDS (in conjunction with the Global Reporting Initiative Guidelines) with a view to assessing whether these can enable a company such as Metropolitan, to have regard to the impact of the disease on the sustainability of their business and the steps that might be taken to mitigate the impact.

**OPSOMMING**

Metropolitan Holdings Beperk is ‘n lewensversekerings – en beleggingsmaatskappy, met ‘n alombekende handelsmerk, wat in ‘n kompeterende omgewing funksioneer. Die Metropolitan-Doyle model wat deur die maatskappy in die 1980’s ontwikkel is, was die eerste in sy soort, en word gebruik om die verloop en impak van die MIV/VIGS pandemie te voorspel.

Metropolitan is sedertdien aktief betrokke in die ontwikkeling van versekeringsprodukte, was spesifiek ook MIV/VIGS as oogmerk het. Die maatskappy is boonop besig om betrokkenheid oor ‘n wye spektrum van uitkomste verwant aan die siekte te propageer, veral deur die RedRibbon-webtuiste, die publikasie van die hoogaangeskrewe joernaal, AIDS Analysis Africa, en deur verskeie gemeenskapsinisiatiewe wat spesifiek die opvoeding aangaande MIV/VIGS insluit. Die maatskappy se eksterne werk op die aangeleentheid van MIV/VIGS word dus wyd erken. Alhoewel dit ook al verskeie jare oor ‘n interne program beskik, is dit eers sedert 2003 dat MIV/VIGS in die werkplek ernstig aangespreek word. Deur dit so te doen, is daar nie die nodigheid gesien om enige bestaande modelle wat die beste werk, te gebruik nie.

Hierdie gevallestudie ondersoek die riglyne van ‘n omvattende MIV/VIGS program, soos uiteengesit deur die *Global Business Coalition* oor MIV/VIGS, met die oogmerk om uit te vind tot watter mate ‘n maatskappy soos Metropolitan sy aanbevelings mag implementeer en watter impak dit mag hê op die bestryding van MIV/VIGS in die werkplek.

Die gevallestudie ondersoek verder die waarskynlike impak van die King II-aanbevelings rakende die openbaarmakende vereistes oor MIV/VIGS (in samehang met die *Global Reporting Initiative* Riglyne) met die oogmerk om te

bepaal of bogenoemde ‘n maatskappy soos Metropolitan in staat kan stel om geleentheid te hê tot die impak van die siekte op die volhoubaarheid van hul besigheid en die stappe wat geneem mag word om die impak te beheer.

**DEDICATION**

To my parents and to Ian Greer.

For making each day of my life so wonderful.

**ACKNOWLEDGEMENTS**

I am indebted to Metropolitan for being so accessible and willing to share information; it is only through the sharing of information between businesses, that organisations will be better able to understand the challenges posed by HIV/AIDS and as a consequence enable workplace programmes to be devised so that they are more effective. I am particularly grateful to Gillian Nur-Samuels, Arelene Georgeson, Dilbahaar Gazgay and Nathea Nicolay at Metropolitan for taking the time and trouble to talk to me over several months. Their enthusiasm and commitment in the fight against HIV/AIDS has been inspirational. I am also indebted to Diane Ritson of People Management and Anchem Pineaar of Careways for their invaluable advice and insight.

This thesis would not have been possible without the steady, unwavering guidance and support of my supervisor, Professor André Roux, along with Professor Jan Du Toit and Professor Johan Augustyn. I cannot adequately thank the staff at the African Centre for HIV/AIDS Management at Stellenbosch University for their helpfulness and encouragement at all times. My particular thanks to Anja Karsten, whose wise counsel is deeply appreciated.

# 1. INTRODUCTION

## 1.1 Introductory Comments

**"In the old days, plastic bags were free**
**and you had to pay for condoms.**
**Now condoms are free**
**and you have to pay for plastic bags."**

The above statement was made by sexologist Dr Bernard Levinson, on the results of Durex's eighth annual online global sex survey and whilst it has an amusing side, it is also a reflection of the times in which we live – and indeed, the ways in which companies have had to adapt and change over the past few years.

Ten years following peaceful political transition in South Africa, companies have had to incorporate new legislation and social policies aimed at narrowing the disparities caused through apartheid. South African companies have also had to cope with the reality of globalisation of the marketplace, which require firms to respond to a new competitive environment. The HIV/AIDS pandemic however probably poses the most formidable challenge for companies.

In seeking to respond in a rational business like manner to HIV/AIDS, companies have had to consider why they should respond the challenges that the disease presents, what their response should be and how they should go about it. This paper primarily seeks to dwell on the latter aspects, namely the "what" and "how" aspects. It looks at what one company, namely Metropolitan Holdings Limited, has undertaken in response to the challenges posed by HIV/AIDS and how it went about doing it. The paper critically examines whether and to what extent the recommendations put forward by the Global

Business Coalition on HIV/AIDS and the King II recommendations on corporate social responsibility, might have been useful.

### 1.2 Why is a workplace response necessary?

There is as yet no cure for Acquired Immune Deficiency Syndrome (AIDS), which is caused by the Human Immunodeficiency Virus (HIV). In Southern Africa it is contracted primarily through heterosexual intercourse. The disease is also spread through unprotected anal intercourse, through blood-to-blood contact (for example by the sharing of injecting equipment amongst drug users or through blood transfusions) and vertically, from mother to baby during the course of pregnancy, birth or breast-feeding. The disease has affected a sizeable proportion of adults in their most productive years. It has affected the developing world particularly acutely. A recent report issued by UNAIDS in advance of the 15th International AIDS Conference in Bangkok (1) estimates that between 34 and 46 million people worldwide are living with HIV/AIDS, of which 26.6 million are estimated to be living with the disease in sub-Saharan Africa. Southern Africa is the region presently hardest hit by AIDS and life expectancy has fallen to 49 years (13 years less than in the absence of AIDS). The average prevalence rate in Southern Africa is about 25%.

The International Monetary Fund (IMF), in their Article IV member country 2003 report for South Africa (2), paints an even more gloomy report of life expectancy. It estimates a 40% drop in life expectancy during the 16-year period between 1994 and 2010. It puts average life expectancy at 37 years, from an average of 64 years previously, commenting that HIV/AIDS is “expected to have an a significant economic impact on South Africa”. It further anticipates between a 0.5% and 2.5% point drop each year in productivity or output growth, thereby affecting the 2.7% growth rate of Gross

Domestic Product (GDP). The report further highlights that South Africa might have to pay a high accumulative price for the loss of breadwinners. It therefore urges greater spending on prevention and treatment, stating that without these interventions, the labour force growth could slow down to zero.

In South Africa, it is estimated that 4.8 million people are living with AIDS. The prevalence rate amongst adults living with HIV/AIDS is estimated to be about 16.5% (ibid (1)).

In a report issued by the International Labour Organisation (ILO) at the 15th International AIDS conference in Bangkok in July 2004 (5), it was estimated that the AIDS pandemic cost the South African economy US$72 billion in the ten years to 2002. The analysis demonstrated that the loss arose mainly through deaths, absenteeism and lower productivity. The report commented:

"HIV/AIDS destroys the capital built up over years and weakens the capacity of workers to produce goods and services for the economy….".

Broadly, the economic effects of the pandemic can be summarised as follows:

i. Owing to a slowdown in the growth of the population and the labour force, production may suffer. Furthermore, the absolute number of consumers can be expected to fall thereby impacting on expenditure;
ii. The direct costs of the pandemic include expanded employee benefit packages to support people with HIV or those who are infected and cannot work because of ill health. Furthermore, group life insurance, pensions, disability and medical benefit coverage will all be affected. The costs of providing these benefits for employees will increase and although companies may shift some or all of these

costs to employees, it could well result in employees either having to increase their own benefit contributions, accepting lower benefits or indeed, opting out of benefits.

iii. Indirect costs to companies will increase if employees are ill or dying. For example, absenteeism due to illness or compassionate leave to allow staff to attend funerals or care for ill family members can be expected to increase. Laubscher (2000) (4) and Quattek (2000) (5), further outline that indirect costs may also increase owing to lower productivity due to illness, stress and lower morale amongst employees because of the illness or deaths of fellow employees, relatives or friends; increased costs owing to occupational health and safety issues and added expenditure on legal fees owing to negotiations between labour and management can also be expected. Loss of experienced staff members, together with loss of skills and increased recruitment and training costs will perhaps be the greatest indirect costs to companies.

HIV/AIDS is therefore clearly a key strategic issue that businesses need to address, as it affects the bottom line. The financial and business case for addressing the issue of HIV/AIDS is clear and provides a cogent case as to why a workplace response is necessary.

### 1.3 What should the workplace response be?

The workplace response to HIV/AIDS has been well developed. In South Africa, legislation and codes of practices have embodied the principles of non-discrimination and equality. The rights and responsibilities of workers and management have also been clearly outlined. (6)

In addition, however, core elements of a workplace response to HIV/AIDS

have been developed and these by and large concentrated on the development of an HIV/AIDS policy and prevention programmes.

There has been much written as to how HIV/AIDS should be managed in a workplace context (7). The Global Business Coalition on HIV/AIDS (GBC) is probably one of the better-known organisations, which comprises a network of 142 companies committed to fighting the AIDS pandemic. The coalition has advocated the following elements of a comprehensive workplace programme (8):

i. A situation analysis
ii. A non-discriminatory policy
iii. Programme development
iv. Prevention, education and awareness
v. Voluntary counselling and testing (VCT)
vi. Care, support and treatment
vii. Monitoring and evaluation

In addition, the Global Reporting Initiative Sustainable Reporting Guidelines (GRI Guidelines) (9) and the King Report on Corporate Governance for South Africa (King II) (10) essentially aim to induce companies to manage the disease by encouraging firms to have regard to the epidemic as it relates to its workforce and surrounding communities, so that they are in a position to mitigate its impact.

The Global Reporting Initiative's Sustainable Reporting Guidelines recommend specific performance indicators that should be reported upon by companies to all stakeholders, namely economic, environmental and social indicators (ibid (9)). Whilst primarily the guidelines are aimed at ensuring sound financial reporting, they also emphasise the provision of non-financial information. Accordingly, amongst the social indicators it advocates is the

provision of information on labour practices (such as employee diversity, health and safety), human rights (such as child labour and compliance issue) and broader social issues affecting consumers, communities and other stakeholders (such as corruption and community relations). It recommends that such information be provided in qualitative, rather than quantative form.

The King II Report (ibid (10)) however, goes a step further. Recognising the need for triple bottom line reporting, it too emphasises the reporting of non-financial information. In what the report terms as "integrated sustainable reporting", it recommends reporting on the nature and extent of the following aspects: social, transformational, ethical, health and safety and environmental management. In other words, corporate social responsibility or corporate citizenship is very much at the heart of the King II recommendations on the reporting of non-financial information.

In relation to HIV/AIDS, the King II report specifically recommends the following for every organisation:

- To take into account all threats to the health of stakeholders, including HIV/AIDS.
- To provide stated measurement targets, objectives and explanations for strategy, plans and policies to address and manage the potential impact of HIV/AIDS on an organisation's activities.

King II recommends that Boards of Directors should:

i. ensure an understanding of the social and economic impact of HIV/AIDS on its business activities;
ii. adopt a strategy, plans and policies to address and manage the impact of the pandemic;
iii. regularly monitor and measure performance using

established indicators; and

iv. report on all of these aspects to stakeholders on a regular basis.

Whilst King II is not binding, the GRI has welcomed its recommendations and indeed, has developed indicators aimed at establishing a standardised approach to the reporting on HIV/AIDS. The Johannesburg Securities Exchange (JSE) has similarly examined ways in which to promote a formalised approach towards reporting on HIV/AIDS and in May 2004, launched the Socially Responsible Investment Index (SRI Index), the purpose of which is to encourage companies to integrate the principles of triple bottom line reporting into their business activities, and to facilitate investment in such companies (11). HIV/AIDS forms part of the social sustainability criteria.

Whilst none of these recommendations/guidelines are binding and although it is acknowledged that disclosure itself cannot prevent the spread of the disease, it is a way of making companies focus on a potential disaster, whilst also acting as a safeguard against a cavalier attitude towards HIV/AIDS.

### 1.4 How should companies respond to the threats posed by HIV/AIDS?

In a sense, the answer to this question depends on the answers that it obtained from the preceding question: the potential impact of HIV/AIDS on a company's core business and its markets should determine its response. Such a response should be conducted in a carefully planned manner, with clear objectives, rather than in a piecemeal fashion.

## 2. A CASE STUDY: METROPOLITAN HOLDINGS LIMITED

### 2.1 The Problem

The objectives of this paper are to examine whether

a. the GBC recommendations on a comprehensive workplace programme can help a company to formulate an effective response to HIV/AIDS; and
b. the King II Report and the GRI Guidelines can engender an understanding of the impact of HIV/AIDS on a company's business and thereby induce a company to manage the disease.

In essence the problem may be stated as follows: Is it necessary to take all the steps advocated by the GBC in workplace programmes or can shortcuts be taken which might be just as effective in combating HIV/AIDS in the workplace? Further, can the recommendations put forward by King II and the GRI induce companies to better appreciate and take steps to mitigate the effects of HIV/AIDS on their business?

The hypotheses are that:

i. An effective manner in which to undertake a workplace programme is by following the recommendations that have been put forward by bodies such as the GBC;
ii. By implementing the recommendations put forward by King II and the GRI, companies will be encouraged to take account of the health of their stakeholders and take steps to manage and mitigate the effect of HIV/AIDS on their business.

## 2.2 The Methodology

The approach that is used in this paper is through a case study, which non-experimental in that it is descriptive or qualitative in nature: it describes the strategy that was adopted by Metropolitan Holdings Limited (Metropolitan) in addressing the issue of HIV/AIDS in the workplace, by using the GBC and King II recommendations as a benchmark. As it is a case study, it is interpretative and therefore has limitations owing to the lack of control on extraneous variables. The purpose of this paper is not so much to look at Metropolitan's programme, as to understand whether and to what extent the recommendations put forward by the GBC and the King II report might be useful in addressing the issue of HIV/AIDS in the workplace.

The collection of data was undertaken through a variety of sources, including interviews with various departments at Metropolitan, including: Human Resources, AIDS Workplace Solutions, AIDS Risk Consulting, Employee Benefits and a peer educator. In addition, interviews were conducted with health consultants, Qualsa (specifically their disease management division, Careways), People Management (HIV/AIDS management consultants) and AIDS Intelligence (demographic analysts). Documentation, including Metropolitan's Annual Report 2003, HIV/AIDS policy and PEP policy was accessed. Attendance was secured at Metropolitan's RedRibbon seminar. The GBC recommendations, together with those of King II and the GRI were also examined in some detail. Through the use of these methods, it is believed that some form of triangulation was achieved.

The interviews were by and large conducted in the field – in other words, largely at Metropolitan's headquarters in Bellville.

## 2.3 Literature Study

The GBC recommendations have evolved through years of experience. Whilst the GBC has some 142 companies that are members of the coalition, there has not been, as far as the writer has been able to ascertain, a critical analysis as to whether or to what extent the programmes that have been implemented by such companies have been successful.

The GBC "case studies" list the programmes that companies in various industries have adopted. However, there has not been a critical examination of these. Member companies of the GBC merely set out their programmes and no analysis is undertaken as to the effectiveness of each component of the programme – or indeed, the totality of it.

The King II recommendations and the indicators that have been developed by the GRI are fairly new and their impact insofar as HIV/AIDS is concerned has yet to be assessed.

## 2.4 The company: Metropolitan Holdings Limited (Metropolitan)

Metropolitan is an insurance and investment company that focuses on lower and middle-income groups (although one of its subsidiary companies, Metropolitan Odyssey Ltd, is geared towards the life insurance of wealthy individuals). It also has subsidiaries in Namibia, Botswana and Lesotho and is looking at opening an office in Kenya. Although MetHealth (which deals with medical aid administration) is part of the Metropolitan group of companies, it operates as a separate entity. Its main competitors are Old Mutual, Sanlam and Liberty.

Metropolitan has a total staff complement of 6834 employees that are

classified as follows: indoor staff: 2549 people; sales staff / field staff: 3390 people; temporary staff (temps): 309 people; independent contractors: 586 people. MetHealth have a total staff complement of 891 employees.

The company's headquarter is in Cape Town (Bellville) but it has branches throughout the country (81 centres) and in all nine of South Africa's provinces. It's work on HIV/AIDS is probably best known through the model that it developed in the late 1980s, namely, the Metropolitan-Doyle model, which is an actuarial tool for measuring the likely extent of the epidemic in demographic terms and the consequent financial and economic impacts that could result. Its work in HIV/AIDS might also be known through a life insurance product that it developed in 1995 tailored for people with previously uninsurable or 'dread' diseases such as diabetes, cancer and HIV, namely, *Inclusive Life* (which was probably the first of its kind in the world). The Doyle model resulted in a process of product development, whereby the company examined ways in which its risk exposure could be limited, whilst pricing the insurance product appropriately. In 2002, the company developed a product known as *AIDSWorkplaceSolution*, which was Metropolitan's answer to the challenge employers faced in providing HIV treatment for infected staff. Given that group death benefit is the largest cost associated with HIV in corporate South Africa, Metropolitan, as a life assurer, discounted premiums where successful treatment was assured – in essence funding treatment via premium savings.

Given Metropolitan's distinguished work in the field of HIV/AIDS it provides an interesting example insofar as its in-house work in this area is concerned, particularly in view of the following factors:

i. Metropolitan is in the insurance business: modelling and projecting the impact of the disease particularly on group life and life

insurance is therefore at the heart of its business. As access to treatment becomes more affordable and with the South African Government's decision to roll-out antiretroviral treatment, those people that are identified as HIV positive can therefore be expected to live substantially longer and herein lies the challenge to life assurers: products have to be developed that reflect the risk of treatment or non-treatment, through the pricing of premiums. As yet however, the insurance industry has not taken into account the underwriting of HIV positive applicants who are undergoing treatment as it is claimed that there is insufficient scientific proof of its effectiveness in the long term. As will be seen in section 3.1.6 below however, there is a need for the insurance industry as a whole, to take into account improvements in life expectancy owing to the increasing availability, accessibility and cost-effectiveness of new therapies.

A further interesting development for the insurance industry is that Life Offices' Association has recommended that insurance companies drop HIV/AIDS exclusion clauses on all new policies. This effectively puts HIV/AIDS on par with any other medical condition and as a consequence, although insurance companies may still require testing, they would no longer be able to deny new applications from those who tested HIV positive (although they will be entitled to load the premiums accordingly). In practice, Metropolitan has, for some time now, not enforced HIV/AIDS exclusion clauses for those of its clients that tested HIV negative when they took out a life insurance policy, but subsequently became infected with HIV and died of an AIDS related disease.

ii. The company's focus is on the lower and middle income earning

population. Dr Anthony Kinghorn argues that although we should we cautious about coming to any conclusions about the scale of the impact amongst such groups, we should take cognisance of the fact that consumers in disadvantaged communities, in the 25-49 age range (which currently represent the largest opportunities for market growth), are likely to be particularly affected by HIV/AIDS, thereby impacting on specific markets (12). As a consequence, households affected by HIV/AIDS are likely to divert expenditure to heath care and funeral expenses. So too, markets may be affected by increased risks: default on payments, including defaulting on insurance premium payments, should therefore be anticipated.

iii. Metropolitan have a large number of sales/field staff and regional managers that travel throughout the country. Such staff total 3390 in number and often travel away from home for a few days per month. The sales employees are a comparatively affluent group in relation to the communities in which they undertake their work. Whilst these factors in themselves do not constitute a risk, it is well documented that mobile and migrant works, when away from home for long periods of time, may use commercial sex workers or local women (for transactional sex) or indeed, set up “parallel families” (13).

iv. The company has a wide geographical spread in areas and indeed countries where HIV/AIDS prevalence is high. The main source of information concerning the HIV epidemic in South Africa is the annual antenatal clinic survey of pregnant women, conducted by the Department of Health (14). The latest survey reveals that 26.5% of women attending public sector clinics were infected with HIV towards the end of 2002 and that HIV prevalence is stabilising.

The prevalence rates for 2002 were estimated as follows:
KwaZulu Natal 36.5% (where Metropolitan has 536 employees);
Gauteng 31.6% (where Metropolitan has 1088 employees);
Free State 28.8% (where Metropolitan has 293 employees);
Mpumalanga 28.6% (where Metropolitan has 273 employees);
North West 26.2% (where Metropolitan has 230 employees);
Eastern Cape 23.6% (where Metropolitan has 723 employees);
Limpopo (formerly Northern Province) 15.6% (where Metropolitan has 586 employees);
Northern Cape 15.1% (where Metropolitan has 103 employees);
Western Cape 12.4% (where Metropolitan has 2258 employees).

Metropolitan also has:
51 employees in Botswana, where it is estimated the HIV/AIDS prevalence is 37.3% (15);
231 employees in Lesotho, where it is estimated that the HIV/AIDS prevalence is 28.9% (ibid (15)); and
428 employees in Namibia, where it is estimated that HIV/AIDS prevalence is 21.3% (ibid (15)).

Interestingly, the company also employs very nearly as many women, as it does men: it has a total of 3212 women employees and 3588 male employees. Women comprise 1486 of its sales staff. The average mean age of female employees is 35.6 years and of men, 37.8 years. From epidemiological trends in sub-Saharan Africa, we know that women bear a disproportionate brunt of the disease. Further the 2002 South African antenatal survey reveals that prevalence amongst women in their twenties stands at 29.1% in the 20—24 age group and 34.5% in the 25-29 age group. Significantly, the number of women who are HIV infected in the 30-

34 age group has risen to 29.5%, whilst prevalence in the 35-39 age band has risen to 19.8%.

A further interesting factor that must be taken into account when looking at Metropolitan is the fact that it mainly employs professional and skilled people (such as mangers, executives, technical staff and clerical, service and sales employees) (as opposed to semi-skilled and unskilled employees). According to an ABT Associates/Metropolitan study semi and unskilled workers are most likely to be affected by HIV/AIDS (16). Nonetheless, given the relatively small pool of highly skilled people in South Africa and should the projection of an 18% infection rate amongst this group materialise, then skilled workers will be more difficult to replace, than an unskilled worker.

## 3. CASE STUDY RESULTS

### 3.1 The Global Business Coalition on HIV/AIDS recommendations on a comprehensive workplace programme

The Global Business Coalition identifies several components of a workplace programme (ibid (8):

#### 3.1.1 Situation Analysis

The GBC advocates a “baseline” assessment of the HIV/AIDS threat to the company and its impact, so that a company is better able to devise programmes and measure the results of its interventions. It therefore recommends interventions such as Knowledge, Awareness and Perception Studies (KAPS), anonymous prevalence testing and analyses of company

human resource records, such as absenteeism and death.

Metropolitan did not embark on a situation analysis. It was felt that through the modelling work that it had already undertaken for other companies and because it had been involved in the sphere of HIV/AIDS for some years, a situation analysis was unnecessary. Through the company's intranet, various booklets that it had produced in relation to HIV/AIDS (such as its "RedRibbon" booklet) and its participation in events such as World AIDS Day, it was assumed that Metropolitan's employees had sufficient knowledge and awareness of the disease. Furthermore, it was felt that whilst an anonymous prevalence study might have been useful for company purposes, it would not have been useful from an employee point of view, as it might have created uncertainty and unnecessary worry. Absenteeism and death records of employees were not examined in any detail either.

Whilst Metropolitan's knowledge and experience is undeniable, a situation analysis might have enabled the company to obtain a more accurate picture of the level of HV/AIDS within the company, as well as a realistic picture of the costs that the company was incurring, prior to undertaking any intervention. It might have also provided a useful benchmark from which to assess the effectiveness of its HIV/AIDS programme.

### 3.1.2 Non-Discriminatory Policy

The GBC describes a non-discriminatory policy as "the cornerstone of any effective HIV workplace programme, underpinning campaigns to promote the take up of voluntary counselling and testing as well as treatment".

Metropolitan first developed its HIV/AIDS workplace policy in 1993, outlining the company's position on HIV/AIDS, the rights of employees with HIV, and

the consequences of any breach of those rights. At about the same time, the first workplace condom distribution commenced (causing some consternation amongst management and staff when it was first introduced!).

In 2003, the Metropolitan's Board of Directors ratified a new workplace policy that was communicated to every person in the organisation through the use of the company's intranet. The policy incorporates all of the legislative requirements relating to HIV/AIDS (ibid (6)), including non-discrimination; prohibition of pre-employment testing; dealing with the issue of victimisation or stigmatisation of HIV-infected people on the part of either management or work colleagues; confidentiality of infected or affected employees; prohibition of linking HIV status and job-status; reasonable accommodation of employees who are infected, in the event that they are unable to continue with their normal duties, owing to illness; sick-leave provisions; grievance procedure etc. Metropolitan's policy also outlines that its staff medical scheme is available to its members and registered dependents, for those infected or affected, and their entitlement to enrol on the company's disease management programme. In addition, it has a separate policy relating to post-exposure prophylaxis (PEP) to prevent HIV sero-conversion in the case of injury at work. Metropolitan's policy therefore clearly provides evidence, at least on paper, of a clear commitment to non-discrimination.

In order to achieve "buy-in", the policy was formulated through an HIV/AIDS forum, which comprised representatives from all constituencies, including all racial groups, men and women, the Employee Equity Consultative Committee, representatives from the Executive Committee of Metropolitan, as well as representatives from the Employee Assistance Programme, the legal, industrial relations and human resources departments. It should be noted that Metropolitan is non-unionised and therefore the inclusion of this potential constituency was obsolete.

There is a case for arguing that senior managers and line-managers in all or most of Metropolitan's regions and centres should have either been actively involved in contributing to the policy formulation process (and most certainly should have been active in promoting it), in order to effectively promote commitment to the terms of the policy, particularly anti-stigmatisation and anti-discrimination provisions and in order to engender a more supportive environment for those of its employees who are infected or affected by HIV/AIDS.

### 3.1.3 Programme Development

The GBC outlines that the process of programme development is to translate institutional policies into actual implementation, so that individual interventions form part of a seamless comprehensive programme.

In September 2003, Metropolitan launched its Aids@Work programme, the purpose of which is aimed at:

- Preventing new infections, as well as disease management for those of its employees (and their dependents) who are HIV positive (including the provision of antiretroviral therapy (ART));
- Managing the cost implications of HIV/AIDS to the company;
- Creating a non-discriminatory environment so that employees feel comfortable with voluntary counselling and testing and accessing disease management, where they are found to be HIV positive.

### 3.1.4 Prevention, Education & Awareness

The GBC strongly advocates prevention and education programmes, stating that it is the “greatest responsibility and opportunity for companies in tackling HIV/AIDS”, given that often, workplace programmes will often be the only accurate source of information available to employees and their dependents and further because education fosters a more supportive environment for those that are infected or affected by the disease.

Metropolitan did not undertake any specific prevention, education and awareness exercises. Owing to its long involvement in AIDS, it assumed that its employees were familiar with the issues. Furthermore, employees received ongoing information from Metropolitan’s research unit, and were in receipt of information on HIV/AIDS through the company’s electronic media (the intranet), as well as various through various printed material, such as posters and leaflets. The company also assumed that owing to its high profile and good employee participation in events such as World AIDS Day, employees were well briefed about the disease and Metropolitan’s stance on the issue.

All of Metropolitan’s educational exercises are conducted in English, this being their official mode of communication. It did not undertake specific training exercises and therefore the issue of separation of sexes or employees grades (e.g. white collar and blue collar staff) to enhance the effectiveness of its messages was not considered.

As stated earlier, Metropolitan’s prevention programme has also included condom distribution for a number of years. The condom dispensers are available in all toilets (both male and female) and importantly, also include advice on condom use. Whilst Metropolitan is aware that women are often

not able to negotiate the use of condoms, the female condom or Femidoms are not available.

Information on safer sex is aimed primarily at people who are HIV antibody negative and who wish to remain that way, by protecting themselves from infection from people with HIV or AIDS. There is however also a case for the promotion of condom use amongst people who have been diagnosed as HIV positive, so that they reduce the risks of HIV transmission to their partners.

This also raises the question of prevention and education on sexually transmitted diseases (STDs), as there is some evidence to suggest that STDs can act as a co-factor in people with HIV and further, that people with a previous history of STDs can go on to develop AIDS more quickly. Furthermore, an untreated STD makes it more likely that HIV will be transmitted to a partner. Although Metropolitan does undertake some education during "STI (Sexually Transmitted Infections) Week" and the in-house clinic is available for treatment and advice of STDs, it does not appear to have integrated this subject with its HIV/AIDS programme.

### 3.1.5 Voluntary Counselling and Testing

The GBC advocates Voluntary Counselling and Testing (VCT) as "the primary entry point for successful prevention and testing programmes."

Between September 2003 and December 2003, Metropolitan conducted a VCT campaign, at its own cost. The process was handled through Metropolitan's Employee Assistance Programme (EAP), which contracted outside service providers, Qualsa, (a health and HIV/AIDS management company) to undertake the exercise. The programme was extended to include the 586 independent contractors and 309 temporary employees who

provide a service to the company (but who are not entitled to employee benefits).

In advance of the VCT drive (and within three months of the launch of the programme), Qualsa was remitted to "fast-track" a campaign to encourage participation by employees, independent contractors and temporary staff in the VCT programme. The publicity drive concentrated on emphasising the benefits of knowing one's HIV/AIDS status, and informing staff of the disease management programme offered by Metropolitan to its staff and their dependents.

The Metropolitan Annual Financial Report for 2003 (published in March 2004) made the following disclosure:

| | |
|---|---|
| Number of employees who participated in the pre-VCT orientation session where the **AIDS@Work** programme, its services and their benefits were outlined | 2430 (out of a possible 6516) |
| Number of employees who underwent VCT | 2400 (out of a possible 6516) |
| % Participation in the VCT campaign | 37% |
| Number of employees who tested positive | 145 |
| Actual HIV prevalence of those who were tested | 6% |
| Estimated HIV prevalence of the entire Metropolitan Group (including those who did not participate in VCT) | 9% |
| Number of employees registered on the Qualsa HIV/AIDS disease management programme | 20 |

It is interesting to note that Metropolitan found that there was a more

enthusiastic response for VCT from those of its staff that are located in provinces that are particularly acutely affected by HIV/AIDS, such as KwaZulu Natal. Perhaps the explanation for this lies in the fact that there is a greater awareness of the disease in such provinces and therefore a sense of urgency in dealing with the problem.

The difference between the actual (6%) and estimated prevalence (9%) can be explained by the following modelling assumptions:

- Employees who were infected and knew of their status at the time of the VCT campaign were unlikely to have participated. It was assumed therefore that had they participated, prevalence would have increased.
- The group that did not participate in the VCT were likely to be at higher risk of HIV infection than those who did participate.

A further reason that might be put forward for the relatively poor take up of VCT may be attributed to the fact that Qualsa is a subsidiary of Metropolitan and there might have been fears about confidentiality issues, despite the fact assurances were given that confidentiality would be maintained. In addition, it should be recognised that a large proportion of the staff at Metropolitan are sales staff: they are therefore reliant upon sales for income and therefore rather than “wasting time” on VCT or attending orientation sessions, they pursued their ordinary course of work.

HIV/AIDS consultants, People Management, also offer another explanation: compulsory training for line management and employees is essential in advance of any VCT programme, as it empowers people to understand why it is important that they know their status, as well as engendering a sense of responsibility for both their health and that of their dependents. Furthermore People Management maintain that training sessions provides a forum through which employees are able to address their concerns and fears and enable

them to discuss sensitive or embarrassing issues that might deter them from taking the test. In advance of any VCT campaign therefore, they strongly recommend that employees are given paid time off in order to attend training sessions and that line managers play a positive and encouraging role in the process.

In order to model the impact, the VCT results were analysed in terms of gender, age bands (in 10-year units), provinces and racial groups (the latter issue had to be handled sensitively but it was made clear that such information was required for modelling purposes only). Details of the results were not made available but it seems clear that they reflected the broad trends that prevail in South Africa, through the antenatal surveys.

### 3.1.6 Care, support and treatment

The GBC recommend that businesses help employees to keep healthy for as long as possible, to enable them to contribute to the business for as long as possible. It further recommends that companies include the provision of ARVs as part of a comprehensive workplace programme.

The pathogenesis of the development of AIDS may be simply summarised as follows (15): once a person has been infected by the HI virus, there is a period of “sero-conversion illness” (termed as primary infection), followed by the development of antibodies to HIV, when the immune system brings HIV under control. This phase is called asymptomatic HIV infection and any damage caused by HIV has no outward effect. This period may last for many months – and in a large proportion of cases, for several years. Therefore, although infected, people may feel completely well during this phase of the disease. However, the immune system gradually gets disrupted as the virus levels rise and HIV escapes the immune cells (CD4 cells or T-helper cells) that normally

control infections. As the immune system becomes more compromised, opportunistic infections and tumours may develop (termed as symptomatic HIV infection).

Without treatment of any sort, at least 50% of people infected with HIV will develop AIDS within 10 years. However, new drugs against HIV and opportunistic infections have become available in the last few years that have had a dramatic effect on the average prognosis of people with HIV. Accordingly, although it is possible to develop an AIDS defining illness such as PCP (*pneumocystis carinii pneumonia*), if the infection is successfully treated, an individual may be just as healthy as they were before developing PCP, but nonetheless will be diagnosed as having AIDS. The dramatic developments in the treatment of HIV since 1995 have substantially reduced death rates amongst HIV positive people in developed countries, where there is ready access to the latest therapies. With the increasing availability of such therapies and with the costs of drugs beginning to fall, it is hoped that the impact will be equally dramatic in the developing world.

Clearly then, it makes sense for companies to offer treatment to their employees: not only from a financial point of view (as the company will save on expenses such as death benefit payments, as well recruitment and training costs), but also because by keeping an employee as healthy as possible, they will continue to be productive and contribute to the business, whilst enabling them to support their dependents.

As has been seen above, Metropolitan recognises this and accordingly, in their AIDS@Work programme, make available to employees enrolment on their disease management programme, which includes nutrition advice, counselling, vitamin supplementation, health monitoring, and anti-retroviral therapy (ART). The programme is also available to employee family

members although such benefits do not extend to include the provision of ART.

Metropolitan's retirement pension pays the premium to fund the programme, which is undertaken by Qualsa, which although a subsidiary of Metropolitan, operates independently. It should however be noted that from January 2005, the provision of ART will be undertaken by the company's medical scheme and will be extended to include spouses.

Given the availability of disease management to employees, it is a matter of both interest and concern that of the 145 Metropolitan employees who knew that they were HIV positive, following the VCT programme in 2003, only 20 enrolled on it (in fact, the figure has risen to 51, as at January 2005).

Metropolitan believes that the low take-up of disease management could be explained as follows:

- Some employees who are HIV positive and who know their status could be accessing disease management elsewhere (e.g. via their spouse's medical aid or private funding of treatment). This however is believed to be unlikely.
- The majority of Metropolitan's HIV infected employees could be contract workers and are therefore ineligible for the HIV benefit (i.e. disease management).
- Stigma may remain a barrier to disclosure of HIV status, despite the assurance of confidentiality. Enrolling on the Qualsa HIV/AIDS disease management programme requires disclosure of one's status to a HIV/AIDS case manager. Whilst Qualsa is committed to ensuring confidentiality, it must be borne in mind that it is a subsidiary of the Metropolitan Group. Infected employees may therefore avoid enrolment on

the disease management programme for fear of a breach of confidentiality; or because a person has yet to come to terms with his or her sero-positive status and commit to managing the disease.

In addition, perhaps it was the failure of the VCT campaign to convince employees that their confidentiality would be preserved and that they would not suffer from discrimination, victimisation or stigmatisation that might also account for the relatively low number of staff taking advantage of the company's HIV services, particularly treatment.

Metropolitan has committed itself to an ongoing VCT programme, encouraging its employees to know their status, by going for counselling and testing. It is also looking to bridge the gap between the number of employees who are HIV positive and their enrolment on the HIV/AIDS disease management programme. However it is questionable whether such a drive will meet with any more success whilst perceptions continue to remain negative.

### 3.1.7 Monitoring and Evaluation

The GBC strongly recommend monitoring and evaluation so that companies are able to assess the effectiveness of any given intervention.

As Metropolitan did not initially conduct a KAPS survey, it is not able to assess whether its various communications on HIV/AIDS, through a variety of media, has been successful. Metropolitan moreover does not keep a record off the numbers of staff accessing its condom distribution service. In fact, condom uptake is monitored in a fairly haphazard fashion; the cleaning staff has the responsibility of replenishing the dispensers and it is thought unlikely that they will monitor uptake. In regions where Metropolitan does not have its

own premises, but rents offices, then the buildings' contractual cleaners have the responsibility for ensuring that condom dispensers are replenished but their effectiveness in doing so has not been monitored. Moreover, they are not remitted to record uptake.

The company has however sought to monitor and evaluate its programme, through figures provided by Qualsa, on the uptake of VCT and enrolment of staff on the disease management programme (obviously without revealing the names of such employees). However, given the numbers that have actually enrolled on the disease management programme, it is questionable whether this alone is sufficient for monitoring and evaluation purposes.

Metropolitan did however conduct a communications review at the end of 2004, which demonstrated that employees, particularly those outside the main cities (excluding Cape Town) felt that they were not kept sufficiently informed. Metropolitan's sales staff too felt that owing to the inherent pressures of their work (selling an intangible product), they did not have time to read communications on various subjects, including HIV/AIDS.

### 3.2 The King II recommendations on disclosure of information relating to HIV/AIDS

The King Report II is primarily concerned with the issue of corporate governance or the balancing of the interests of corporations, individuals and society by recognising that business does not act independently from societies and the environments in which they operate. King II is therefore a strong proponent of triple bottom line reporting, which embraces not only transparent financial reporting, but also reporting on environmental and social aspects of a company's activities. In order to achieve this objective, it recommends, inter alia, the reporting of non-financial information, which

should be governed by the principles of reliability, relevance, clarity, comparability, timelines and verifiability in line with the Global Reporting Initiative (GRI) Guidelines (ibid (10)). King II therefore addresses areas such as social and transformational issues with a view to encouraging companies to address the issues of transforming the inequalities of the past. King II recognises that the sustainability of a company depends on the relationship that it has with stakeholders, its ethical practices and organisational integrity and commitment to address safety, health and environmental issues.

Essentially, the triple bottom line reporting advocated by King II is designed to ensure that that a company has identified and evaluated actual or potential risks so that it takes steps to mitigate them. One of the risks that King II specifically identifies, that faces all South African companies, is the threat posed by HIV/AIDS, which may well impair a company's ability to survive and prosper within the communities in which it operates.

In order to induce companies to take cognisance of all threats to the health of stakeholders, particularly HIV/AIDS, King II recommends that the Board of Directors should take the steps outlined below and these are examined in relation to Metropolitan's response (although it should be said that Metropolitan has also addressed the broader areas outlined by King II, for example, black economic empowerment, recognising that it adds value to its business at both a strategic and operational level):

### 3.2.1 Ensure an understanding of the social and economic impact of HIV/AIDS on its business activities

Metropolitan, as has been seen above, has been actively involved in the issue of HIV/AIDS for a number of years. Through its work on the Metropolitan Doyle model and the development of insurance products it has a unique

understanding of the social and economic impact of HIV/AIDS externally. In predicting the course of the pandemic and in examining how risks might be reduced, it has understandably developed an expertise in the field. Metropolitan's "AIDSworkplacesolution" was developed to take advantage of the opportunities afforded by new treatment therapies, by offering both life insurance and a treatment component. Its "Metropolitan AIDS Solution" service offers actuarial impact assessments, predicting the potential impact of HIV/AIDS within companies. Metropolitan is also actively involved in advocacy, the dissemination of information in relation to HIV/AIDS and in assisting communities that deal directly with HIV/AIDS. The external threat of HIV/AIDS on Metropolitan's business is therefore well understood.

What is surprising however is that Metropolitan really focussed on the issue of HIV/AIDS internally only in 2003. Following the VCT programme that it undertook in 2003, however, it estimates that prevalence is at about 9% and accordingly is in a much stronger position to assess the social and economic impact of the disease in the workplace. It is committed to doing so, in a formal manner during the course of this year (2005).

### 3.2.2 Adopt a strategy, plans and policies to address and manage the impact of the pandemic

Metropolitan's AIDS@Work programme is designed to ensure that those of its employees that are infected and affected by HIV/AIDS have "longer, healthier and productive lives" (18); company costs in relation to HIV/AIDS are contained and managed; and that an "enabling, empowering, safe and prepared environment in the context of HIV/AIDS in the workplace" is fostered.

As has been seen from the discussion in section 3.1 above, Metropolitan does

have a plan and policy to address the impact of the pandemic in the workplace. It acknowledges however that it needs to undertake further work, particularly the following:

- To encourage more of its staff to know their status by enrolling on the VCT service.
- To encourage those of its employees and their dependents who are HIV infected, to enrol on the disease management programme.

In order to allow the company to do this, it is examining whether its communications strategy on HIV/AIDS need to be revised; if it would be helpful to train line mangers on how to deal with HIV/AIDS and whether peer educators might be of help in advancing the programme.

Owing to the relatively poor uptake of VCT and enrolment on the disease management programme, Metropolitan is looking at conducting a further VCT drive in 2005 and acknowledges that the training and confidentiality component aspects of VCT, prior to its launch, will be vital to its success.

### 3.2.3 Regularly monitor and measure performance using established indicators

King II recommends the use of the GRI guidelines in order to make sustainability reporting as credible as financial reporting. In November 2003, the GRI issued a pilot edition “Reporting Guidance on HIV/AIDS”, the use of which is being particularly actively promoted in South Africa (19). The document introduces specific performance indicators in relation to HIV/AIDS.

There is undoubtedly a need for more consistent, complete information on

HIV/AIDS. The impact of HIV/AIDS on companies and stakeholders – employees, consumers, shareholders, suppliers and communities – is considerable and yet the information that is available is not comprehensive. The GRI Resource document therefore provides specific guidance on what data an organisation should report on, thereby enabling reliable benchmarking on HIV/AIDS performance, as well as adding to the credibility of corporate HIV/AIDS reports and streamlining the reporting processes worldwide.

The GRI guidelines would most certainly address the issue of the paucity of data in relation to the assessment of the impact of HIV/AIDS on businesses that has been complained of by many researchers and perhaps most cogently articulated by Barks-Ruggles E (2001) (20).

Metropolitan is committed to reporting on the indicators laid down by the GRI, in the context of the whole sustainability framework, rather than in isolation. It is currently engaged with reporting on the JSE Socially Responsible Investment Index (ibid (11)) and therefore does not envisage difficulties in meeting the criteria outline by King II and the GRI.

The GRI HIV/AIDS indicators were developed through a multi-stakeholder process and are designed to obtain disclosure on a range of matters that might be of public interest, from financial concerns to social issues.

In relation to HIV/AIDS, the indicators comprise the following:

**Good Governance**: In order to assess good governance, companies are required to outline their policy on HIV/AIDS, together with the process that was used in its formulation, strategic planning, risk assessment and management and stakeholder involvement.

From the discussion above, it can be seen that Metropolitan has an HIV/AIDS policy in place and, together with its PEP policy, which is comprehensive in scope. The company's preparedness to replace skills lost and its contingency planning, may however be seen as lacking. With an estimated prevalence rate of 9% perhaps greater steps could be taken to train additional staff, engage in multi-skilling of employees etc. There is as yet no formalised succession-planning, save for its key employees. Perhaps however Metropolitan's approach to succession planning should be understood in terms of its turnover of staff, particularly in the sales area, where employee turnover is fairly high and therefore the replacement of employees is a problem that the company has to confront on a day-by-day basis.

**Measuring, Monitoring and Evaluation**: These indicators are designed to elicit whether a company has assessed the prevalence and incidence of HIV/AIDS, together with the actual or anticipated costs and losses.

Through its VCT programme, Metropolitan has been able to ascertain the prevalence of HIV/AIDS amongst its workforce. Further, through the modelling work that it has undertaken, it has been able to ascertain the likely impact of the disease in the communities in which its workforce operates, as well as amongst its clientele and suppliers. However the company acknowledges that this is an area in which further work is required.

Metropolitan has examined the costs and losses that are anticipated in an informal manner, using past models. That said however, its employee benefits scheme is "re-rated" annually to take into account morbidity and mortality amongst its staff. In 2005, Metropolitan will be formally costing the following: absenteeism, loss of productivity, skills loss, recruitment and training costs, insurance costs, sick leave, disability/ill-health/ early retirement benefit, in-service death benefit, medical aid contributions, post-retirement

liability, reduction in consumer demand, debt repayment losses etc. Through a more detailed examination of these areas, the impact of HIV/AIDS on the company will be able to be more accurately ascertained, along with future HIV/AIDS-associated costs.

**Workplace conditions and HIV/AIDS Management**: The indicators that the GRI outline are designed to examine the programmes and interventions that a company has embarked upon, together with an assessment as to whether these have been undertaken in a manner that protects a person's human and legal rights. The indicators are also designed to elicit the budget that an organisation has allocated to HIV/AIDS programmes.

Metropolitan's programme and interventions incorporate awareness, education and counselling. It emphasises the principles of respect for confidentiality and non-discrimination. It has grievance and disciplinary procedures in place. Apart from other social responsibility expenditures, it has a budget allocated to the fight against HIV/AIDS. Reporting on these indicators, therefore, should not present any difficulties for Metropolitan.

**Depth, Quality and Sustainability of Programmes**: In order to assess this aspect, the GRI indicators examines various aspects of a company's programmes including: VCT; support and counselling; education and training; wellness provisions and benefits and support for employees that are sick, dying or deceased from AIDS-related conditions.

Metropolitan's AIDS@Work programme covers all of these aspects. However in terms of depth of programmes, perhaps more could be achieved by strengthening its communication efforts so as to encourage more of its employees to enrol on VCT. Counselling and support is provided through a subsidiary of Metropolitan, namely, Qualsa and it could be that the take-up on

the service is not as effective as it could be, owing to perceived fears about confidentiality.

It is interesting to note that of the 145 employees at Metropolitan that have been tested HIV positive, not a single one has come forward to disclose their status. It may be that such employees feel that they would be stigmatised or victimised and this is an area that perhaps needs to be urgently addressed, through the specific training of middle management and line managers and through a peer education programme.

The company's education and training programme should also be extended to include information on STDs and tuberculosis (TB).

Further indicators to assess the sustainability of a company's programme, is through an examination of a company's health care and wellness provisions. As seen above, employees can access treatment (including ART) through Metropolitan's medical aid schemes. In the past, employees' spouses on Metropolitan's medical aid scheme could only access disease management, but not ART. Owing to changes in medical schemes however, effective from 1 January 2005, spouses can now also receive ART. Employees disabled through HIV/AIDS related illness are entitled to disability allowance and their dependents (or beneficiaries) have access to death benefit, even where an employee dies of an AIDS related disease. Metropolitan also provides PEP to employees who have been inadvertently exposed to HIV. No benefits are however available or payable to employees or their dependents, once they leave the employ of Metropolitan.

### 3.2.4 Report on all of these aspects to stakeholders on a regular basis

The final recommendation by King II is that companies should report regularly

to stakeholders on its HIV/AIDS programme. From Metropolitan's 2003 Annual Report (ibid (16)), it can be seen that Metropolitan has already embarked upon the reporting process and proposes to continue to do so each year. To the company's credit, it has revealed its HIV prevalence rate and this should be an encouragement to other companies to follow suit.

There is nonetheless a debate about how much ought to be disclosed in relation to HIV/AIDS. Some firms have argued that the information is sensitive and may deter investors. However, the GRI and the Johannesburg Securities Exchange (JSE) have argued that disclosure should be as full as possible, in order to allow all stakeholders to have an objective view of all the threats and risks that a company or organisation may be facing. Nonetheless, the JSE has stopped short of requiring a company to disclose the actual numbers of employees infected with HIV/AIDS, although it was one of its initial recommendations. Metropolitan is however happy to make as full a disclosure as is required.

## 4. CONCLUSION & RECOMMENDATIONS

Action on HIV/AIDS is synonymous with good business management, as it ensures the continuing sustainability and profitability of a company. Once a company has acknowledged this fact then it must manage its risk exposure. One of the ways of doing this is through the use of practices that have been tried and tested. The GBC provides an example of the steps that a company should try to implement as part of its strategy to combat HIV/AIDS in the workplace.

Whilst the case study of Metropolitan did not seek to critically examine its HIV/AIDS programme, per se, it has endeavoured to examine whether all or any of the elements recommended for a comprehensive workplace

programme would be of use to a company. Although the results of this study cannot be generalised or said to have external validity (i.e. be said to apply across different organisations, settings or times), it would seem that the recommendations by the GBC are helpful in enabling a company to devise a workplace programme and further, the following factors should be borne in mind in order to render them more effective:

1. A situation analysis is useful in order to enable a company to devise a targeted programme and in order to measure the success of any interventions. A KAPS survey is of particular value in demonstrating what gaps in knowledge, if any, needed to be addressed through an awareness and education programme. In the author's view, whilst anonymous prevalence testing may assist a company in knowing the scale of the problem that it faces, it may create unnecessary anxiety amongst employees and further, may hinder any VCT programme that might be undertaken. This is perhaps an area in need of further research. In the author's view, it is also doubtful whether an analysis of human resource records, such as absenteeism and deaths would add much to a situation analysis, unless such information also included causes of sick leave and death; it is not known how detailed or indeed, accurate, such human resource records might be. An environmental scan would however be more useful: a company examining the geographical areas in which its staff are located, the risk profiles of the communities with which it is surrounded, the numbers of migrant, casual, seasonal, contract and mobile workers may all enable a more accurate situation analysis to be ascertained.

2. A non-discriminatory and confidentiality policy is key to the effectiveness of any HIV/AIDS programme. To be effective

however, it requires to be actively and visibly endorsed by the Board or Executive Committee Members of such companies (rather than by just one or two individuals). It also requires endorsement by senior and line managers, so that they are seen to be committed to the principle of non-discrimination. Furthermore, it would also seem to be ineffectual to merely rely upon the usual mode of communication to staff (for example through the use of a company's intranet): the policy needs to be highlighted, promulgated and promoted through various sources and events so that employees are aware of it and know of the protection that it affords both themselves and fellow-workers.

3. Programme development entails the involvement of the whole of a company's structures in the implementation of a comprehensive HIV/AIDS workplace programme. In order to achieve this effectively, it requires a Board or Executive Committee Member to be ultimately responsible for its implementation and in order to ensure that the programme has the impetus to move forward. Furthermore, in order to ensure a unified, coordinated approach throughout a company's units, departments, regions, provinces – and indeed the countries in which it operates, it would appear to be necessary (particularly for larger companies) to have one person responsible for overseeing the process. The issue of HIV/AIDS should be included on departmental agendas from time to time, and in order to ensure that these receive due consideration, perhaps progress reports should be filed for the consideration of the Board, thereby emphasising the seriousness with which the issue is regarded.

4. Prevention, education and awareness pay a vital role in the

dissemination of information, as well as in engendering a more supportive workplace environment. The effectiveness of such information and the various media through which it is disseminated however, needs to be re-assessed and re-examined from time to time. Whilst a KAPS study will provide an initial indication as to the areas of knowledge or misconceptions that need to be addressed, research has shown that one-off interventions are not very effective: instead, HIV prevention messages need to be reinforced and developed to achieve an adequate level of exposure amongst a target group (21).

There is also a need to tailor education programmes to meet the specific needs of male and female employees. Indeed, in advance of World AIDS Day 2004, various reports highlighted the fact that women are disproportionately affected by HIV/AIDS (22). Violence against women, their emotional dependence upon men, the risk that women face of being raped, sexually assaulted or coerced into sex, together with their physiology, all contribute to their vulnerability in being infected with HIV. An education programme, it would therefore appear, would be more effective, when it addresses the issues facing men and women separately (or at last providing the opportunity for addressing the issues separately).

Thought should also be given to devising awareness or education programmes that are specific to different communities (it is acknowledged however that in a South African context, this might prove to be difficult, given the country's history and the fact that there is a danger of marginalizing certain communities or reinforcing prejudices). However, in an excellent article on prevention initiatives in San Francisco, USA (albeit amongst the gay

community) (23), it has been demonstrated that prevention strategies that are specific to different communities, work much more effectively. The article concludes, “The melting pot approach to HIV doesn’t work”. The report cites, for example, the African-American community in the USA, where there is a denial about people in the community being gay, about unsafe sex and the fact that needles are used for intravenous drug use. There is also distrust about “white” hospitals and doctors, with the result that African-Americans have only resorted to treatment when they are very sick and HIV is therefore more difficult to treat. This also accounts for the lowest life expectancy amongst African-Americans, compared with all those living with the virus in the USA. The North American experience has demonstrated that there is perhaps therefore a need to address the specific concerns of specific communities, if preventative efforts are to be really effective.

For the reasons outlined in section 3.1.4 above, whilst it is essential to direct prevention messages at those who are HIV negative, it is also important to give thought to a campaign directed at those who are HIV positive, in terms of not only healthy living, but also safer sexual practices.

Research has further demonstrated that “small media” messages (such as leaflets, posters and advertising) are only effective if they have the following characteristics (24):

- Cultural sensitivity to the idioms and styles of target audiences;
- Visual impact;
- Tailored to the educational level of the target audience

- The target audience has repeated exposures to the intervention.

Clearly therefore there is a need to examine very carefully health communication messages, in order to ensure that they continue to remain effective. Further, where such communications are only in one language, e.g. English, consideration ought to be given to the use of other languages in the dissemination of HIV/AIDS information.

HIV/AIDS education campaigns also need to incorporate information on STDs (see section 3.1.4) not only because they are more infectious than HIV, but also because they are treatable. Furthermore STDs are much more damaging to someone with a compromised immune system.

TB is a major contributor to South Africa's burden of disease (the Western Cape has the ninth highest incidence in the world) (25). According to Professor Nulda Beyers (Centre for TB Research & Training, Stellenbosch University) there is a 10% lifetime risk of contracting the active disease once a person becomes infected. However, the 10% lifetime risk becomes a 10% annual risk in cases where a person is HIV infected. Indeed, TB is responsible for a third of all deaths in HIV infected people. This provoked former South African President, Nelson Mandela, at the 15th International Conference on HIV/AIDS (ibid (1)) to state that the battle against AIDS would not be won if the fight against TB were lost. The fact is that TB in HIV patients can be prevented, treated and cured and therefore should form part of any HIV/AIDS awareness and education programme.

Where employees are mobile (such as sales staff), there is also a need to devise a sensitive programme (for the reasons outlined in section 2.4) that will not marginalize this group. Moreover, mobile employees like seasonal employees or migrant groups can be used effectively to spread the message of HIV/AIDS prevention, amongst groups (such as rural communities) who might not otherwise receive such information. In a sense therefore, these categories of employees can be trained to undertake outreach work, whilst at the same time ensuring that they are incorporated fully into the HIV/AIDS awareness, education and prevention programme.

5. Voluntary Counselling and Testing is aimed at enabling employees to know their status and if they are HIV negative, to prevent them from getting infected, and if they are HIV positive, to encourage them to seek treatment.

It would appear that if a VCT programme is to meet with success (by which is meant that a majority of employees opt to be tested), then it is vital for the elements of trust and confidence to be present. Employees need to be confident that employers have put in place procedures that will ensure that any records, which contain an employee's HIV status, will be kept confidential and that disclosure of his or her status will not be made to anyone unless an employee expressly consents to it. HIV/AIDS consultants also emphases the importance of training on two levels: the training of line managers and the training of employees, prior to the launch of any VCT initiative. Line managers need to understand that they need to lead by example and that they may be required to play a supportive role, whilst also being active in stamping out discrimination, victimisation

or stigmatisation of employees that are affected by or infected with HIV. Employees too need to understand why it is important to know their status and the role that they can play in fostering a supportive environment. It would also appear that attendance at the training sessions in advance of VCT needs to be widely publicised and encouraged, perhaps with the visible support of Executive Committee Members, senior and line managers.

6. The case for keeping employees healthy and productive for as long as possible is clear and where care, support and treatment is offered by businesses, the objective must be to endeavour to enrol as many employees as possible who are HIV infected, on disease management programmes. It would seem however, that in order to meet with success, the awareness and education elements of the programme need to address the issue of treatment options. Further, the training programmes and company publicity material need to clearly outline the assistance available to employees and their dependents through in-house clinics and medical insurance schemes, including the treatment of opportunistic infections, access to ART, psycho-social support etc. Both pre-test and post-test counselling sessions need to deal with the issue of confidentiality. In the case of a positive diagnosis, post-test counselling that incorporates treatment options will be crucial. Counsellors therefore have a significant role to play in supporting newly diagnosed people in making decisions about treatment.

   The utilisation of trained peer educators might also be considered as part of the process of encouraging employees who have been diagnosed as HIV positive, to enrol on a company's disease management programme; peer education has been shown to be an

important method of transmitting information. The selection of peer educators must however be undertaken with care, as they need to have the confidence of their peers, have the quality of discretion and require to be properly trained (26).

7. Businesses have often focused on the urgent need to implement programmes, without sufficient regard to the monitoring and evaluating processes and outcomes. It is however important to monitor and evaluate a company's HIV/AIDS programme as it is only by doing so that an intervention's effectiveness can be assessed. Given that most companies have limited funds or defined budgets that are allocated to HIV/AIDS, it is important to understand what preventative initiatives are the most – or indeed, the least - effective. Effectiveness can be measured simply, through outcome measures such as:

- Changes in knowledge and attitudes
- Numbers of persons reached
- Changes in uptake of condoms
- Changes in reports of STDs
- Changes in incidence or prevalence of HIV in the population
- Changes in incidence or prevalence in a cohort or sample

However, all of these simple measures have enormous difficulties in the evaluation of HIV prevention programmes. For example, examining changes in the uptake of condoms could be explained as relating to changes in behaviour. However, it could also be that uptake in condoms has increased because employees are ceasing to obtain condoms from any other source, relying on the company to provide for their condom needs. Further, it cannot automatically

be assumed that increased uptake of condoms translates into increased use of condoms! Similarly, a measure of numbers reached in terms of education, would only be a very basic measure of the success of a programme, as it does not does not automatically mean that that there has been a large measurable effect on behaviour or incidence.

Nonetheless, it is still possible for a company to monitor and evaluate programmes by using an interlinked sequence of measures: for example, by measuring knowledge and awareness (particularly skills acquisition, such as condom use), changes in uptake of condoms and changes in reports of STDs, it would be reasonable to assume that a rise in skills acquisition and condom uptake, and a fall in, for example, gonorrhoea incidence, will influence HIV transmission.

It seems clear therefore that merely embarking on an HIV/AIDS workplace programme will not yield significant results, unless regard is paid to every component of such a programme. Further, careful thought needs to be addressing various factors in the make-up of a workforce, such as gender-specific issues, ages, educational levels etc.

The King II Report is primary designed to encourage companies to adopt good corporate governance standards in all their activities, both in principle and in practice. It advocates an integrated approach to corporate governance by requiring a company to balance performance and compliance, while taking account stakeholder expectations. The King II recommendations cover consideration of economic, environmental and social factors that may impact upon a company. HIV/AIDS, therefore only forms only a part of the whole. Nonetheless, the HIV/AIDS recommendations have been accorded

prominence in the King II report and when read in conjunction with the GRI guidelines and recommendations, it is clear that the disease is an issue to which companies are required to pay serious heed.

By requiring a company to understand the social and economic impact of HIV/AIDS on their business, the GRI indicators outline that a company needs to look at issues such as the replacement of skills and loss of institutional memory, threats to dwindling markets, contingency plans for maintaining supplies as well as any increased internal costs that might be expected, for example, owing to loss of productivity or increases to employee benefits. A recent global survey of 9000 companies by the Global Health Initiative of the World Economic Forum reveals that “Firms act when the epidemic is right in their face … firms are not ahead of the AIDS curve”(27). By adopting the recommendations of King II therefore, it is believed that companies and organisations will be better able to understand the impact on their business. All too often, South African companies, along with companies throughout the world, have been too slow to appreciate the impact of the disease on their business, with the result that they may not be sustainable or viable.

King II further recommends that companies adopt strategies to mitigate the impact of the disease on their companies. Such plans include workplace programmes and interventions, including education and training, VCT, counselling, condom distribution, access to treatment etc. The GBC recommendations, as outlined earlier, clearly illustrate that the implementation of such initiatives can be effective, particularly when undertaken comprehensively.

The information that is currently available regarding action on HIV/AIDS is inconsistent and incomplete and as a consequence, it is difficult to compare and benchmark corporate performance or indeed, verify its accuracy. It is

therefore important to monitor and measure performance, as recommended by King II. Monitoring and evaluation are aspects that companies have all too frequently ignored and the King II recommendations will go some way towards ensuring that companies provide data that is meaningful and which could assist in the planning and management of the epidemic.

Given the effect of the pandemic – on employees, consumers, suppliers and communities – King II finally recommends the reporting of all the above aspects to stakeholders on a regular basis. The GRI indicators provide specific guidance on what data is expected to be provided. By enabling investors to assess the risks that they face and the manner in which a company is managing these risks, more informed decisions would be enabled. Furthermore, it would send a clear message to employees and other stakeholders that a company is a good corporate citizen and that it appreciates that its continuing profitability is dependent on various factors, inter alia, the health of its workforce and the communities in which it operates.

In summary, the effect of the King II recommendations will be to induce companies to seriously consider the issue of HIV/AIDS and its impact on business. It will further assist organisations to take steps to mitigate the effect of HIV/AIDS and thereby ensure the sustainability and survival of such organisations.

The challenges posed by HIV/AIDS are many and varied for individuals, societies and organisations, both nationally and globally. In respect of the workplace however, we have access to recommendations such as those put forward by the GBC and the King II report, which can enable organisations to rise to the challenge and effectively assist in the flight against HIV/AIDS.

## 5. REFERENCES

(1) www.aids2004.org (www.unaids.org/bangkok2004)

(2) Article IV Executive Board Consultation, (1 July 2004), Public Information Notice (PIN) No: 04/67 (www.imf/org/external/cpuntry/ZAF)

(3) International Labour Organisation (2004) "HIV/AIDS and Work, Global Estimates, Impact and Response" (www.ilo.org)

(4) Laubscher P (June 2000) "HIV/AIDS and the South African Economy" Bureau for Economic Research, Research note 8, University of Stellenbosch

(5) Quattek K (April 2000) "Economic Impact of AIDS in South Africa: A Dark Cloud on the Horizon (Welfa SA study, commissioned by ING Baring)

(6) Inter alia, The Constitution of South Africa, Act 108 of 1996, Employment Equity Act No 55 of 1998, Labour Relations Act No66 of 1995, Occupational Health & Safety Act No: 85 of 1993, Compensation for Occupational Injuries and Diseases Act No: 130 of 1993, Code of Good Practice on HIV/AIDS and Employment (Government Gazette 6942, I December 2000); Code of Good Practice on Disabilities

(7) Other examples of best practice include: one produced by UNAIDS (http://www.unaids.org/best practice/index.html) and Michael k (1999), Best Practices: A review of company activity on HIV/AIDS in South Africa, Health Economics and HIV/AIDS Research Directorate (HEARD), University of Natal, Durban

(8) Global Business Coalition on HIV/AIDS (www.businessfightsaids.org)

(9) Global Reporting Initiative (2002) 2002 Sustainable Reporting Guidelines (http://www.globalreporting.org/)

(10) Institute of Directors (March 2002) King Report on Corporate Governance for South Africa

(11) JSE SRI Index (September 2004) www.jse.co.za/sri

(12) Dr Anthony Kinghorn (Feb/March 1999) “The impact of HIV/AIDS on South African Markets”, AIDS Analysis Africa 9(5)

(13) Inter alia: Decosas J Dr (Aug/Sept 1997) “Labour Migration and HIV Epidemics in Africa” AIDS Analysis Africa 8(2); Kerkhoven R (Feb/March 1997) “Where is HIV in Africa heading?”; Hope Sr KR (Dec 1999/Jan 2000), “Mobile Workers and HIV/AIDS in Botswana, AIDS Analysis Africa 10(4)

(14) Department of Health (2002): National HIV and Syphilis Sero-Prevalence Survey of Women Attending Antenatal Clinics in South Africa (http://www.doh.gov.za/)

(15) UNAIDS/WHO Epidemiological Fact Sheets, 2004 Updates (http://www.unaids.org)

(16) Abt Associates/Metropolitan Life (June 2000): “Demographic Impacts of HIV/AIDS in South Africa” (USAID, Mimeo)

(17) Levy JA et al (1993) “Pathogenesis of human immunodeficiency virus infection”, Microbiological reviews: 57:185-286

(18) Metropolitan Holdings Limited (2003) “Annual Report 2003”

(19) Global Reporting Initiative (November 2003), “Reporting Guidance on HIV/AIDS: A GRI Resource Document, Pilot Edition for Public Use and Feedback” (United Nations Environment Programme)

(20) Barks-Ruggles E (May/June 2001), “The Impact of AIDS on Business in South Africa: Problems with Data Collection and Recommendations for Business and Researchers”, AIDS Analysis Africa, 11(6)

(21) Kelly J et al (1989), “Behavioural Interventions to reduce AIDS risk activities” Journal of Consulting and Clinical Psychology, 57:1 p60-67

(22) AIDS Legal Network, 1 December 2004 “ABC of HIV prevention will not turn tide of infection among women, girls” (as reported in the Cape Times)

(23) Sunday Independent (7 November 2004), “Gay identity blooms again

in San Francisco" (report by Kerry Cullinan)

(24) Gold R (March 1996), "AIDS education: has it gone wrong?" National AIDS Bulletin

(25) Cape Argus, (17 November 2004)"'Cape of Bad Coughs' a fertile breeding ground for TB" (report by Di Caelers, Health Writer)

(26) Kelly J et al (1991) "HIV risk behaviour reduction following intervention with key opinion leaders of the population: an experimental analysis", American Journal of Public Health 81, p168-171

(27) Business Report, 21 January 2005, "Business too slow on AIDS, survey says" (report from AFP)