

# **THE SOCIAL RESPONSIBILITY OF THE SOUTH AFRICAN MINING COMPANIES DEALING WITH HIV/AIDS EMPLOYEES**

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*Soli deo gloria*

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*To my husband Bennie*

## Summary

Organisations play a major and increasingly important role in the lives of us all, especially with the growth of large-scale business and the divorce of ownership from management.

The decisions and actions of management in organisations have an increasing impact on individuals, other organisations and the community. The power and influence which many business now exercise should be tempered, therefore, by an attitude of responsibility by management.

The importance of the exercise of social responsibility can no longer be based on the assumption that the self-interest of the owner of the property will lead to the public good, or that self-interest and public good can be kept apart and considered to have nothing to do with each other. On the contrary, it requires of the manager that he assume responsibility for the public good, that he subordinate his actions to an ethical standard of conduct, and that he restrain his self-interest and his authority wherever their exercise would infringe upon the common weal and upon the freedom of the individual.

South Africa is one of the countries with the fastest growing incidents of HIV/AIDS in the world. More people are living with HIV/AIDS in South Africa than in any other country in the world. Just in the past decade, the life expectancy in South Africa has dropped from 67 to 43 years. The social and economic impact of the disease is hard to overstate.

HIV/AIDS affect companies through its impact on costs, on productivity, and on the demand for products. Competitiveness can be directly and adversely affected as companies are obliged to increase worker-related expenses for health benefits or insurance that are utilised more as result of the epidemic. Even without monetary outlays, the economic costs can be substantial. Absenteeism rises both directly, as workers begin to show HIV/AIDS symptoms and require more sick leave, and indirectly, as HIV/AIDS deaths increase and co-workers take leave to attend increasingly frequent funerals. In the medium term, company productivity will be hit, as the death of so many workers means that companies must constantly hire replacements, which raises training

costs and lowers the average work experience – and hence productivity – of the labour force.

The objective of this study is to determine the social responsibility of the South African mining companies dealing with HIV/AIDS employees and included the following aims:

- ◆ To develop a comprehensive HIV/AIDS intervention strategy to manage HIV/AIDS at the workplace.
- ◆ To guide the employer in implementing the anti-HIV/AIDS programme in the workplace.
- ◆ To support the employer in addressing the HIV/AIDS-related health, living, safety and working conditions of employees.

The most important conclusions that could be drawn from this study are:

- ◆ Resistance to change is found even when the goals of change are highly desirable.
- ◆ The change process involves learning something new, as well as discontinuing current attitudes, behaviours, or organisational practices.
- ◆ The recognition of the importance of the social responsibility can be gauged in part by the extent of government action and legislation on such matters as, for example, employment protection, equal opportunities, companies acts, consumer law, product liability, health, and safeguarding the environment.
- ◆ More information is needed on the social, political, and economical costs of HIV/AIDS epidemic. Many managers fear that if information about HIV prevalence, and programmes are made public, their company's image will suffer.
- ◆ The impact of HIV/AIDS on the workforce especially on productivity, absenteeism, health, safety, working conditions and intervention programmes.

**Descriptors:** *social responsibility, HIV/AIDS, employees, employers, health, safety, labour relations, human rights, intervention programmes, impact, macro-economic, mining companies.*

## Opsomming

Organisasies speel 'n baie groot en toenemende belangrike rol in die lewe van almal van ons, veral met die groei van grootskaalse ondernemings en die skeiding van eienaarskap van bestuur.

Besluite en aksies van die bestuur van ondernemings het 'n toenemende impak op individue, ander ondernemings en die gemeenskap. Die mag en invloed wat meeste ondernemings nou uitoefen moet getemper word deur die houdings en verantwoordelikhede van die bestuur van die ondernemings.

Die belangrikheid van die beoefening van sosiale verantwoordelikheid kan nie meer langer gebaseer word op die veronderstelling dat die eiebelang van die eienaar van die eiendom sal lei tot publieke diens, of dat eiebelang en publieke diens apart gehou kan word en beskou word dat beide niks met mekaar te doen het nie. Inteendeel, dit vereis van die bestuurder aanvaarding van die verantwoordelikheid van die publieke diens, dat hy sy aksies ondergeskik maak aan etiese standaarde en dat hy sy eiebelange intoom hou en sy gesag waar ook al uitoefen nie inbreuk sal maak op die vryheid van die individu nie.

Suid-Afrika is een van die lande met die vinnig groeiende insidente van MIV/Vigs in die wêreld. Baie meer mense met MIV/Vigs lewe in Suid-Afrika as in enige ander land in die wêreld. Net in die afgelope dekade het die lewensverwagting in Suid-Afrika verlaag van 67 na 43 jaar. Die gevolge hiervan op die sosiale en ekonomiese is moeilik om oor te beklemtoon.

MIV/Vigs het 'n invloed op ondernemings deur die impak van onkoste, op produktiwiteit en op die aanvraag na goedere. Mededinging kan direk en nadelig geaffekteer word wanneer ondernemings verplig word om werknemer verwante uitgawes vir gesondheidsdienste of versekering te verhoog as gevolg van die uitwerking van die epidemie. Selfs sonder geldelike hulp kan die ekonomiese koste aansienlik wees. Afwesigheid neem sowel direk toe, as werknemers simptome van MIV/Vigs begin toon

en meer siekteverlof vereis, en indirek toe as MIV/Vigs sterftes verhoog en medewerkers verlof neem om die toenemende begrafnisse by te woon. In die medium termyn, sal die onderneming se produktiwiteit 'n knou kry as die dood van baie werknemers beteken dat ondernemings gedurig deur plaasvervangers moet huur wat op sy beurt veroorsaak dat opleidingskoste verhoog en die werkservaring, dus produktiwiteit, van die arbeidsmag verlaag.

Die doel van die studie is om die sosiale verantwoordelikheid van die Suid-Afrikaanse mynmaatskappye met betrekking tot hulle MIV/Vigs werknemers te bepaal. Dit sluit ook die volgende doelstellings in:

- ◆ Om 'n uitgebreide MIV/Vigs ondersteuningstrategie te ontwikkel om MIV/Vigs in die onderneming te bestuur.
- ◆ Om die werkgewer te lei in die implementering van teen MIV/Vigs programme in die onderneming.
- ◆ Om die werkgewer te ondersteun in die aanspreek van MIV/Vigs-verwante gesondheid, lewenswyse, veiligheid en werksomstandighede van die werknemers.

Die belangrikste gevolgtrekkings wat uit hierdie studie voortvloei is:

- ◆ Weerstand teen verandering word gevind selfs wanneer doelstellings van verandering hoogs aanvaarbaar is.
- ◆ Die veranderingsproses sluit die leer van iets nuuts in sowel as die diskontinuiteit van hedendaagse houdings, gedrag of organisatoriese praktyke.
- ◆ Die erkenning van die belangrikheid van sosiale verantwoordelikheid word gedeeltelik bepaal deur regeringsaksies en wetgewing op sekere sake, soos byvoorbeeld beskerming van werknemers, gelyke geleenthede, maatskappywette, verbruikerswetgewing, produk gehalte, gesondheid en die beskerming van die omgewing.
- ◆ Meer inligting is nodig oor die sosiale, politieke en ekonomiese onkoste van MIV/Vigs epidemie. Baie bestuurders is bekommerd indien inligting oor MIV/Vigs voorkoming

en programme bekend gemaak word aan die publiek, dit skade sal berokken aan hulle maatskappy se beeld.

- ◆ Die invloed van MIV/Vigs in die werkplek, veral op produktiwiteit, afwesigheid, gesondheid, veiligheid, werksomstandighede en ondersteuningsprogramme

***Sleutelwoorde:*** *sosiale verantwoordelikheid, MIV/Vigs, werknemers, werkgewers, gesondheid, veiligheid, arbeidsverhoudinge, mense regte, ondersteuningsprogramme, makro-ekonomie, myn maatskappye.*

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## Glossary

<b>Advocacy</b>	Process to bring about change in the attitudes, practices, policies and laws of influential individuals, groups and institutions, carried out by people proposing improvements on behalf of themselves or others
<b>AIDS</b>	Acquired Immune Deficiency Syndrome – a syndrome (collection of diseases) that results from infection with HIV
<b>Asymptomatic</b>	Infected by a disease agent but exhibiting no medical symptoms
<b>Care</b>	A broad term referring to the steps taken to promote a person's well-being through medical, psychosocial, spiritual and other means
<b>Confidentiality</b>	The right of every person, employee or job applicant to have their medical information, including HIV status, kept private
<b>Counselling</b>	A confidential dialogue between an employee and a trained counsellor aimed at enabling the employee to cope with stress and take personal decisions related to HIV/AIDS
<b>Epidemic</b>	A disease, usually infectious, that spreads quickly through a population
<b>Epidemiology</b>	The study of the distribution and determinants of disease in human populations
<b>Evaluation</b>	Is a collection of activities designed to determine the value or worth of a specific programme, intervention or project
<b>HIV</b>	Human immunodeficiency virus – the name of the virus that undermines the immune system and leads to AIDS
<b>HIV testing</b>	Any form of testing designed to identify the HIV status of a person, including blood tests, saliva tests or medical questionnaires
<b>Incidence of HIV</b>	The number of new cases of HIV in a given time period, often expressed as a percentage of the susceptible population

<b>Monitoring</b>	The systematic and continuous assessment of a programme over a period of time
<b>Pandemic</b>	An epidemic occurring simultaneously in many countries
<b>Partnerships</b>	Relationships are built with other organisations to support existing initiatives within the workplace and the community
<b>Policy</b>	A document setting out an organisation's position on a particular issue (for example, a policy setting out the steps to be taken following occupational exposure to HIV)
<b>Prevalence of HIV</b>	The number of people with HIV at a point in time, often expressed as a percentage of the total population
<b>Prevention</b>	Process aimed at minimising and eliminating the impact of conditions that may lead to social malfunctioning
<b>Prevention programme</b>	A programme designed to prevent HIV transmission, including components such as awareness, education and training, condom distribution, treatment of sexually transmitted infections, occupational infection control
<b>Risk assessments</b>	Identify factors that may make a particular workforce, workplace or surrounding communities more vulnerable to infection with HIV
<b>Support</b>	Services and assistance that could be provided to help a person deal with difficult situations and challenges
<b>Treatment</b>	A medical term describing the steps being taken to care for and manage an illness
<b>Unfair discrimination</b>	Occurs when an employee is treated differently to their real or perceived HIV status, in a way that impairs their fundamental dignity. Discrimination is not unfair if it is based on the inherent requirements of a job
<b>Vulnerability</b>	External factors that place a person at risk of HIV infection. Vulnerability factors include for example, age, gender and income level

- Wellness programme** A programme designed to promote the physical and mental health as well as the well-being of employees, including components such as counselling, support groups, nutritional supplements, provision of treatment for opportunistic infections, provision of anti-retroviral therapy
- Workplace programme** An intervention to address a specific issue within the workplace (for example, providing staff access to a voluntary HIV counselling and testing programme)

## List of acronyms

AHI	Afrikaanse Handelsinstituut
ART	Anti-retroviral therapy
DALY	Disability-adjusted life years
DOH	Department of Health
HCW	Health care worker
NEDLAC	National Economic Development and Labour Council
PEP	Post-exposure prophylaxis
PLWHA	People living with HIV/AIDS
SRH	Sexual and reproductive health
STD	Sexually transmitted disease
STI	Sexually transmitted infection
TB	Tuberculosis
UNAIDS	Joint United Nations Programme on HIV/AIDS
VCT	Voluntary counselling and testing
WHO	World Health Organisation

# CHAPTER 1

## *INTRODUCTION AND PROBLEM STATEMENT*

### 1.1 INTRODUCTION

According to the International Labour Organisation (ILO) (2002:1) HIV/AIDS has a profound impact on workers and their families, enterprises and national economies. It has become a workplace issue and a development challenge.

The battle against HIV/AIDS cannot merely be left to pressure groups that take action from a specific perspective. HIV/AIDS affects everybody, either directly through infection, or indirectly through its social and economic consequences that apply to the country and its people as a whole (Barker, 2003:55; Solidarity, 2003:3).

Booyesen and Molelekoa (2001:28) are of the opinion that the epidemic has the potential to erode economic gains made in past decades. As AIDS takes its toll on the economically active population, employers will incur considerable costs due to increased absenteeism, medical costs, increased labour turnover, decreased productivity and employee benefits payable to employees living with and dying from HIV/AIDS (Whiteside & Sunter, 2000:101; Department of Labour, 2002:3).

From a business perspective, the AIDS crisis in South Africa raises fundamental and important questions that are critical to changing views on corporate responsibility (Anglo Gold, 2002; Gillies, 2004:15/5). Although debate has continued to examine corporate goals of profitability and maximised shareholder wealth, perhaps no other global event has centralised these issues more than the African AIDS crisis (UNAIDS, 2003). The stark contrast between what are viewed as the concerns of protecting intellectual property rights and the devastation of a continent has initiated global debate on the responsibility of corporations. This will not disappear and may very well fundamentally alter the social context of corporate operations (Arndt & Lewis, 2000:856-887; Betton, 2002:68).

The private sector is in a unique position to respond to the epidemic, as it has contacts with employees and the wider business community, as well as the wealth of experience and skills at its disposal (BER, 2003:2). The fact is that no business is immune from HIV/AIDS. Business cannot afford to ignore the reality of a disease that has the potential to destroy the very foundations it was built on, namely human capital (UNAIDS, 2000:40).

Because of the social and organisational ramifications of AIDS, a proactive organisational policy addressing the rights of AIDS victims and the training of co-workers is necessary (ILO, 2003). Some companies, however, are reluctant to come to grips with the AIDS issue because of the fear and anxiety AIDS provokes (BER, 2003:1; Grobler *et al.*, 2003:465).

## **1.2 PROBLEM STATEMENT**

In some countries, according to Jennings (2002:1) the proportion of the mining workforce that is HIV-positive is considerably bigger than that of the population as a whole. Depending on the degree of labour intensity, HIV/AIDS has been estimated to add four to five per cent to a mining company's labour costs. In spite of the costs and complexity of coping with such a problem, the mining industry in Southern Africa has been at the forefront in recognising and tackling HIV/AIDS including by providing treatment to infected workers and their dependants (Jennings, 2002:1).

The vast majority of workers employed particularly in the mining industry, but also across the board are not in a financial position to acquire treatment individually, and medical aids often do not cater for the R700 to R1 000 required on a monthly basis for effective treatment. Public health services lack the resources to provide the employed and the unemployed fully with anti-retroviral treatment, and state social security systems are overwhelmed by the increase in orphans and destitute families who have lost their only breadwinner (Fedusa, 2002).

The issue of AIDS in South Africa has raised enormous questions for the 21<sup>st</sup> Century. Employers in particular will be confronted with difficult moral, legal and financial questions, such as: Should prospective employees be subjected to pre-employment testing for HIV/AIDS? May an infected individual be dismissed? What is

an employer's duty towards other employees? What is an employer's duty regarding confidentiality of the HIV/AIDS status of employees? (Swanepoel *et al.*, 2001:611).

It is clear that for business to have a meaningful impact on the AIDS epidemic, internal and external HIV/AIDS strategies need to be harmonised, i.e., business must understand and manage business specific and market driven threats and opportunities. The time is due for business in South Africa to have a strategy for responding to the potential impact of AIDS (BER, 2003:1).

Considering the above the following question arises: ***How can the mining companies in South Africa manage the impact of their HIV/AIDS employees in a social, responsible way?***

### **1.3 GOALS AND OBJECTIVES**

Given the challenges faced by the mining companies in South Africa as stated above, the primary goal of this study is to give guidelines on how to manage the social responsibility of the mining companies in South Africa dealing with HIV/AIDS employees.

Four objectives can be identified, namely:

- to develop a comprehensive HIV/AIDS intervention strategy in order to manage HIV/AIDS at the workplace;
- to guide the employer in implementing the anti-HIV/AIDS programme in the workplace;
- to support the employer in addressing the HIV/AIDS-related health, living, safety and working conditions of employees;
- to reflect the results of the empirical research in order to determine the social responsibility of the mining companies in South Africa dealing with HIV/AIDS employees.

## **1.4 RESEARCH METHODS**

### **1.4.1 Literature study**

The literature study is based on the research and integration of literature, which already exists on HIV/AIDS in the workplace, as well as the social responsibility of organisations. The researcher has used recent and relevant literature – national and international, as well as information on the Internet. Through the incorporation of figures and tables the researcher will strive to get greater clearance about HIV/AIDS in the workplace and the social responsibility of an organisation.

Sources have been obtained from the following data: Nexus, RSAT, Business periodicals index, ABI/Inform, ERIC, and various library catalogues.

According to Balsley and Clover (1979:76-77) and De Wet *et al.* (1981:39) the literature study consists of three distinctive phases, namely:

- the gathering of useful references;
- the research of these references; and
- the studying of these references.

### **1.4.2 Empirical research**

The empirical research was conducted during April-September 2004. The following research instruments were used to conduct the research:

#### **1.4.2.1 Population**

In order to achieve the primary and secondary goals a research group that is representative of the mining companies of South Africa will be part of the research.

The research group therefore will be a sample compiled by the Human Resource Managers or HIV/AIDS Consultants of the mining companies situated in South Africa which consists of 350 operating mines, quarries and mineral processing plants (Department of Minerals and Energy, 2003).

### **1.4.2.2 Measuring instruments**

The research was done by means of a questionnaire that was mailed to the Human Resource Managers or HIV/AIDS Consultants of the mining companies situated in South Africa (Department of Minerals and Energy, 2003).

The questionnaire was compiled in consultation with the North-West University's Statistical Services as well as questionnaires already used by previous researchers, e.g. Bracks (1994), Metropolitan and BER.

The questionnaire has four sections, namely:

- Section A - Biographical information
- Section B - Social change
- Section C - Social responsibility
- Section D - HIV/AIDS

The reasons for the choice of a structured questionnaire as the research method (see also 6.3.1) were as follows (Churton, 2000:198):

- A large number of organisations could be reached more easily.
- Questionnaires are quick, easy and effective with regard to data collection.
- Focus group discussions would have taken up more time.
- The anonymity of respondents is guaranteed.
- Respondents are more willing to answer sensitive questions in this way.

### **1.4.2.3 Statistical technique**

In conjunction with the North-West University's Statistical Consultation Services, appropriate techniques were decided upon for data analysis. The data was statistically analysed by means of the SAS®-programme (SAS Institute Inc., 2001). The programme was used to determine the following:

- The Alpha Cronbach interitem correlation coefficients will be used to assess the reliability of the measuring instruments (Clark & Watson, 1995:309-319).

- Descriptive statistics (e.g. means and standard deviation) of items in Section B, Section C and Section D.
- Effect sizes will be used to determine if practical significant percentages of the same exists for different groups. The effect size  $d = \frac{|\bar{x}_1 - \bar{x}_2|}{s_{\max}}$  where a cut-off point of 0,5 (medium effect, Cohen, 1988:224) will be set for a possible practical significance between means and large effects  $d \geq 0.8$  as practically significant.
- Two-way frequency tables and correspondence analysis are used to determine if relationships between variables exists. The practical significance of these relationships are given by the effect size  $w = \sqrt{\frac{\chi^2}{n}}$ , where a cut-off point of 0,5 (medium effect, Cohen, 1988:224) will be set for a possible practical significance between means and large effects  $w \geq 0.5$  as practically significant.

## 1.5 LIMITATIONS OF THE STUDY

The following limitations were experienced:

- Questionnaires were mailed to the mining companies on the list of the Department of Minerals and Energy (2003), but it seemed that some of the addresses were incorrect or outdated.
- Furthermore, some of the operating mines, quarries and mineral plants were not in production any more.
- The questionnaires had to be followed up by fax or e-mail.
- Quarries and mineral plants with less than ten staff members did not see the use in completing the questionnaire because there was no HIV/AIDS programme.

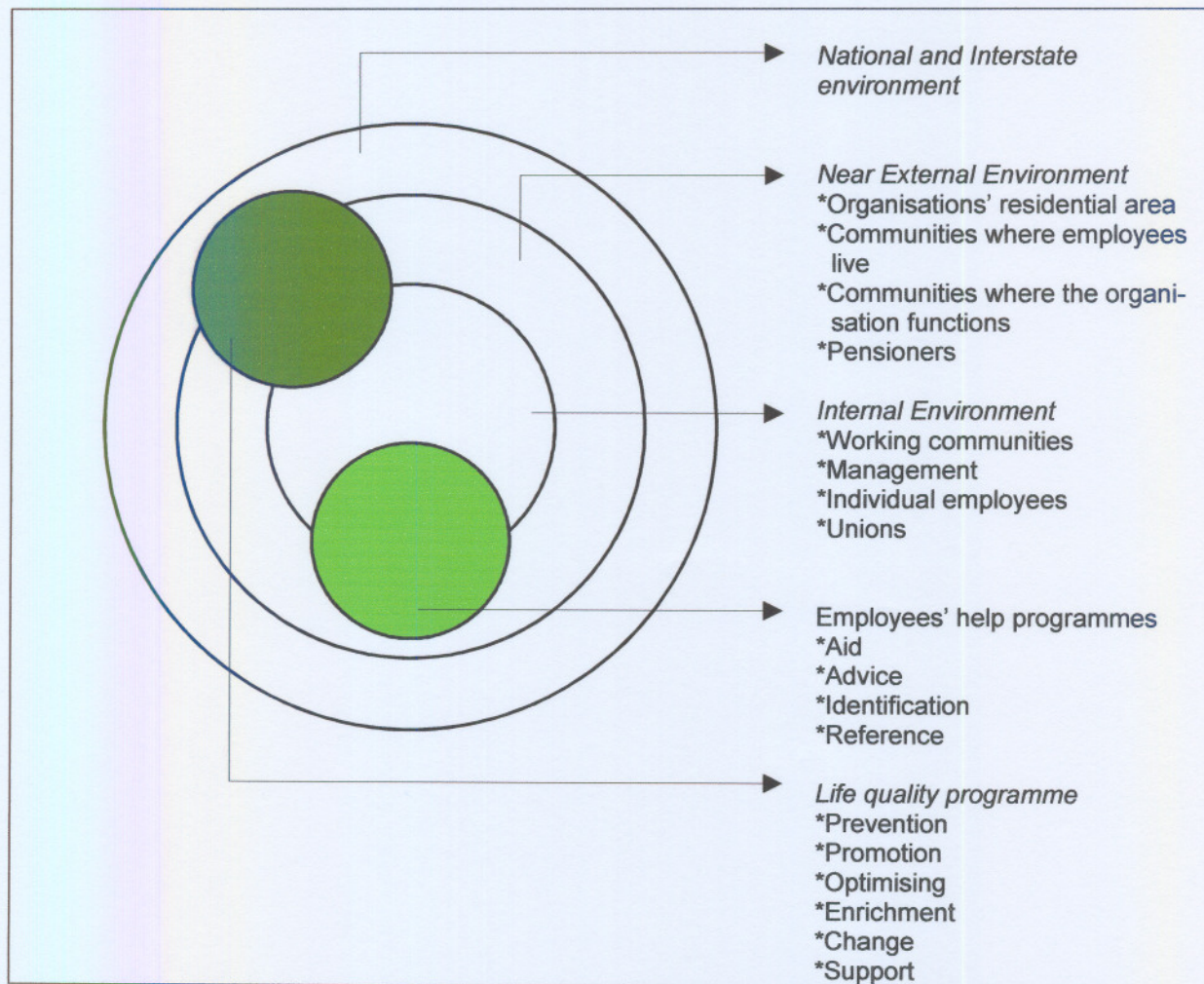
## 1.6 CONCEPT CLARIFICATION

### 1.6.1 Social responsibility

Social responsibility implies that a manager, in the process of serving his own business' interests, is obliged to take actions that also protect and enhance society's

interests. The overall effect is to improve the quality of life in the broadest possible sense, regardless of how quality of life is defined by society (Smit & Cronjé, 1997:501). Figure 1.1 presents the social responsibility model.

**FIGURE 1.1: Social responsibility model**



Source: Van der Walt (1990:113)

### 1.6.2 Organisation

According to Kreitner and Kinicki (1998:561) an organisation is “a system of consciously co-ordinated activities or forces of two or more persons for the achievement of some common, explicit purpose or goal, through division of labour and function and through a hierarchy of authority and responsibility”.

### 1.6.3 Interest groups

De Klerk and Kruger (Kroon, 1995:103) describe interest groups as those institutions and persons who have direct or indirect interest in the existence and survival of the business. They can be divided into two categories, namely *internal* and *external* interest groups.

#### ◆ Internal interest groups

Shareholders: As the suppliers of capital they are interested in dividends, the growth of the business and the value of their shares.

Employees: Employees are the business' greatest asset. Their interests include good conditions of services, pleasant working conditions, a fair and just remuneration policy, development, training, and sound labour relations.

#### ◆ External interest groups

Suppliers: They supply raw materials and equipment as well as financial and labour inputs. Suppliers are interested in the financial well-being of the business that ensures prompt payment.

Customers: Customers demand a product of good quality at the right time and at a reasonable price.

Competitors: The actions of existing and potential competitors must be taken into account.

The government: Central, regional and local governments are important to the business in terms of tax collection, service levies, establishment and rights of use of land. The total infrastructure is the result of government action.

General public: Churches, schools, hospitals and other institutions can exert pressure on the business.

#### **1.6.4 Change**

Lewins (as cited by Cummings & Worley, 2001:22) defines change as a modification or alteration of forces keeping the behaviour of a system stable. A system in this case can be an organisation or a person.

Smit and Cronjé (1997:260) define change as a process in which an organisation or a person takes on new ideas to become different. The necessity to change may be brought on by factors in the external environment of the organisation or person, or within the organisation or person.

#### **1.6.5 HIV**

HIV is the abbreviation for *the human immune-deficiency virus* (Tabifor, 2002:116). The HI-virus "...enters the body and destroys important cells which control and support the immune system". This virus was found to be the cause of AIDS and various other immune system diseases and opportunistic infections (Evian, 2000:7).

#### **1.6.6 AIDS**

Gifford *et al.* (2000:5) and Tabifor (2002:115) describe AIDS as the acronym for Acquired Immune Deficiency Syndrome and define it by explaining each word of the acronym:

- This disease is acquired because it is not a disease that is inherited. It is caused by a virus (the human immune-deficiency virus) that enters the body from outside.
- Immunity refers to the body's natural inherent ability to defend itself against infection and disease.
- Deficiency refers to the fact that the body's immune system has been weakened so that it can no longer defend itself against passing infections.
- A syndrome is a medical term that refers to a set of or collection of specific signs and symptoms that occur together and that are characteristic of a particular pathological condition.

### **1.6.7 Mining companies**

Mining (HEARD, 2004:1) is defined as the extraction, dressing and treatment of naturally occurring minerals which are solids such as coal and ores, liquids such as crude petroleum, and natural gases.

The mining sector covers underground and surface mines, quarries and oil and gas as well as all supplemental activities such as crushing, screening, washing, cleaning, grading, milling, flotation, melting, pelleting, topping and any other activities required to render the minerals marketable (HEARD, 2004:1).

A company (Van Dyk & Herholdt, 2003) does not exist simply to make money. A company is a community made up of a group of people who join together to accomplish something collectively that they could not accomplish separately. They contribute to society to provide a purpose for their lives.

For the purpose of this study the mining companies include all operating mines, quarries and mineral plants operating or are in production within the borders of South Africa.

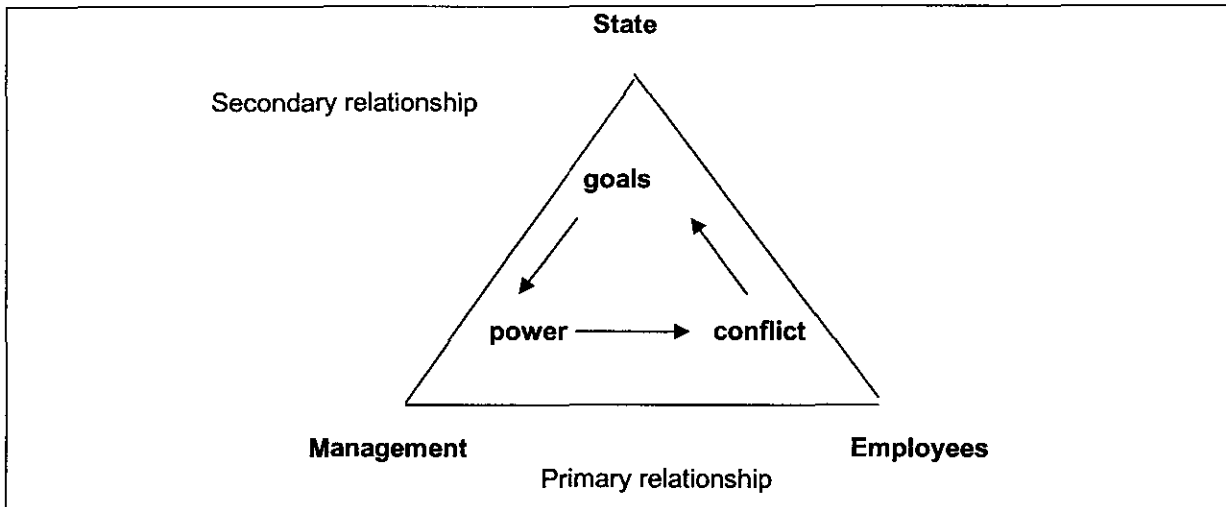
### **1.6.8 Labour relations**

Bendix (2001:3) refers to 'labour relations' as the relationships between people who work and those for whom they work. This relationship is often done on a collective basis dealing with a relationship, on both an individual and a group basis, and that the nature of the rules and regulations, even the manner in which they are made, will largely depend on nature of the relationship itself.

The same author described labour relations as an encompassing study of: relationships, the work situation and working man; the problems and issues of modern industrialised and post-industrial society and of certain processes, structures, institutions and regulations, all of which are placed or occur within a specific social, political, economic and historical context.

Figure 1.2 gives a graphical outline of the relationship among employer, employee and the state.

**FIGURE 1.2: The parties to the labour relationship**



Source: Bendix (2001:11)

As seen in Figure 1.2 the labour relationship can best be described as a relationship between an employer and an employee or employers and employees as the main partners, with the state, to a greater or lesser extent, playing a regulatory and protectionistic role (Bendix, 2001:10).

**TABLE 1.1: What labour relations are and what not**

Labour relations are	Labour relations are not
<ul style="list-style-type: none"> <li>• people orientated</li> <li>• work orientated</li> <li>• dependable on effectiveness</li> <li>• useable on all levels of the organisation</li> <li>• a process of participation</li> </ul>	<ul style="list-style-type: none"> <li>• directed on exploitation of employees</li> <li>• an attempt to manipulate employees</li> <li>• an overflow of management power</li> <li>• a “throw away syndrome” as a result of the organisation’s survival</li> </ul>

Source: Slabbert (1994:7)

## **1.7 STRUCTURE OF RESEARCH**

Chapter 1 gives an orientation regarding the way in which the research is arranged and Chapter 2 supplies detail on social change, different theories on social change as well as resistance to change.

Chapter 3 focuses on social responsibility in general, arguments in favour of and against social responsibility, responsibility towards employees, customers, shareholders, society and government.

In Chapter 4 background information on HIV/AIDS is given as well as the impact of HIV/AIDS in the workplace, managing HIV/AIDS in the workplace and implementing a policy and guidelines on promoting a safe workplace.

The implication of labour legislation, human rights and prevention programmes regarding HIV/AIDS employees are described in Chapter 5.

Chapter 6 is the empirical research, that contains the results and analysis of the data gathered from the questionnaire while conclusions and recommendations are made in Chapter 7.

## **CHAPTER 2**

### ***SOCIAL CHANGE***

#### **2.1 INTRODUCTION**

The international and national business environments are continually exposed to change. Since the earliest time the human and its environment in which its work originated, has been open to change.

Organisations change (Human & Horwitz, 1992:58) and have to change in order to survive as a result of changes in the environment and expected future changes. It is clear that an attitude to change is essentially concerned with and informed by an external and futuristic orientation.

Change in its broadest sense, is a planned or unplanned response to pressures and forces. Hence, there is nothing new about change or the need for it. Technological, economic, social, regulatory, political, and competitive forces have caused organisations to modify for decades – if not for centuries. Change is such a potent issue these days, however, because simultaneous, unpredictable and turbulent pressures have become the norm. Competition intensifies, more complex relations with other firms are established, strategic choices increase, and adaptation is needed for survival (Jick, 1993:1).

Those responsible for designing organisations therefore have to create conditions in which change is a fact of life. These consist of fostering attitudes of flexibility, dynamism and responsiveness; seeking structures and cultures that are positive and organic; and developing the human resource to its maximum capacity. These conditions also include providing space and resources for creative and high-quality individuals and groups to pursue projects and other developments, and to continually develop and improve skills, knowledge, qualities, processes and practices. Innovation, development and change have to be accepted and valued in the future, just as order and steadiness were in the past (Pettinger & Frith, 2000:227).

Gerber *et al.* (1998:386) believes an organisation must be able to adapt to changing circumstances in order to survive and thrive. Its survival will be threatened if it persists with time-consuming and complicated processes in a highly competitive marketing environment while better and more effective production equipment is available. The organisation is therefore constantly forced to adapt, which may be to its own advantage as well as that of the employees (see 6.4.2).

To understand a business and how it operates, knowledge of the social system and the business operates in the social system, is needed. In this way a better understanding of why a business has to take part in social responsibility becomes apparent.

## **2.2 THE TERM “SOCIAL CHANGE”**

### **2.2.1 Social**

Appelbaum (1970:2) has regarded the term “social” as residing principally in the individual, in the interaction between individuals, as an emergent property of large groups, and in the symbols that characterise human interaction.

In the Advanced Learner’s Dictionary (Hornby *et al.*, 1970:953) “social” is described as “...living in groups, not separately; people living in communities; relations between person and communities”.

### **2.2.2 Change**

Change is an organisational reality. Handling change is an integral part of every manager’s job. Change is an alteration in people, structure or technology (Robbins & Coulter, 1996:420).

Black’s Law Dictionary (1979:210) describes change as: “...an alteration; a modification or addition; substitution of one thing for another”.

Change according to Appelbaum (1970:7) is the process through which entities are changed. Various distinctions are useful, namely:

- The magnitude of change will reflect a number of characteristics of the units affected, the size and centrality (or strategic character) of the units affected; the proportion of affected units in the system; the susceptibility of the affected unit to change (its degree of resistance to change); the degree of alteration involved by change; and the suddenness of the onset of the impetus to change.
- Time span of change. Long term vs short term change. The length of the period over which change occurs is clearly an important distinction.
- Effect on the changing unit: Process vs structural change – distinguishes between those processes that serve to maintain a system and those that cause structural changes in it.

The way to treat everyone the same to accepting and valuing differences (Ansari & Jackson, 1995:35) requires a process of individual and organisational change. This change is viewed either as an adjustment to external and internal pressures or as an initiative anticipating future developments, but the main objective is still to increase the effectiveness and competitiveness of the organisation. The change is not only required in the cultural environment of the organisation but also in:

- individual values, attitudes and behaviour,
- an increase in individual awareness and knowledge,
- development of individual skills to communicate effectively in a culturally diverse team.

### **2.2.3 Social change as a process**

Comte (Wallace & Wallace, 1989:523) believed that through social change humans changed from ignorant savages to educated beings, and that those things that we learned or developed along the way were part of God's plan for the progress of humankind.

Social change refers to a change in the social structure or social organisation of a society. It is concerned with change as it affects a significantly larger number of individuals in a given society (Cohen & Orbuch, 1990:143).

Smelser (1995:418) defined social change as the alteration of the way societies are organised.

The sociologist Wilbert Moore (Schaeffer & Lamm, 1998:599) described social change as a significant alteration over time in behaviour patterns and culture.

Thompson and Hickey (1994:511) describe social change as a process through which patterns of social behaviour, social relationships, social institutions, and systems of stratification are altered over time.

Vago (1999:9) defines social change as follows: *social change* is conceptualised as the process of planned or unplanned qualitative or quantitative alterations in social phenomena that can be analysed in terms of five interrelated components. These components are called identity, level, duration, magnitude, and rate of change.

The above author described these components as follows:

- identity of change refers to a specific social phenomenon undergoing transformation such as a definite practice, behaviour, attitude, interaction pattern, authority structure, productivity rate, voting pattern, prestige, and stratification system;
- level of change delineates the location in a social system where a particular change takes place. Several levels may be designated such as individual, group, organisation, institution, and society;
- duration refers to the question of how long a particular change form endures after it has been accepted. It may refer to the life span of long term or short term (transitory) change phenomena;
- magnitude may be based on the three-part scheme of incremental or marginal, comprehensive, and revolutionary changes; and
- rate of change may be based on any arbitrary scale such as fast or slow, continuous or spasmodic, orderly or erratic.

According to above-mentioned definitions social change can be described as an omnipresent, constant phenomenon or process that brings about change in the structure of individuals, groups and communities and in the normative behaviour

patterns of those that are influenced. Individuals are exposed to new situations to which they must react.

## **2.3 THE DIMENSIONS OF SOCIAL CHANGE**

In the study of social change, there are a number of considerations which, for the purpose of the study, shall be designated as dimensions of the problem of change. These include (Edari, 1976:3-4):

### **2.3.1 Isolation of units of analysis**

The first of these and perhaps the most important consideration is the isolation of units of analysis. These units represent the social entities to establish generalisations taking into account the dynamic properties and relationships within and between them over time. The units may be more concrete, as in the case of families, or more abstract, as in the case of societies. Generally speaking, the more abstract the social entities, the greater the problem of establishing generalisations about them empirically.

### **2.3.2 Specification of determinate relationships**

Having isolated the units of reference, we want to know how and why these units and their relations change over time. This involves the specification of determinate relationships. Some of these relationships may be casual and some merely statements of associations or tendencies. Statements of association constitute the bulk of generalisations that have been made about social change. However, a number of these generalisations often contain an implied direction of causality, or incorporate causality in the process of interpretation of observed regularities between social phenomena. In the effort to unravel the causal agents of change social thinkers have isolated a variety of "causes" such as geography, technology, religion, and division of labour. Others have abdicated the search for causes by resorting to the notion of "immanent change". This perspective instructs us to look for causes of family change within the family itself rather than tracing causes to external forces such as technological change.

### **2.3.3 Magnitude and intensity of change**

The magnitude of change refers to the size and number of social entities affected, while the intensity of change refers to the degree to which previous social arrangements have been altered. Social change may be said to be drastic to the extent that it results in a profound alteration of social arrangements over a short interval of time. Such situations are observed after disasters and revolutions.

### **2.3.4 Time**

The study of social change must take a time factor into account, for it is by ordering social phenomena with respect to time that we can find out whether something has changed.

Two uses of time in studying social change can be isolated:

- the use of time to establish points of reference within which certain social events are presumed to have taken place, which in turn gives us an idea of what has happened; and
- the use of time to communicate about the movement of social phenomena, as when we speak of rates of change or types of trends.

### **2.3.5 Direction and trajectory of change**

Direction refers to some future position of the entity relative to its initial position, while trajectory describes some hypothetical path obtained by joining the successive points of the entity at different times.

### **2.3.6 Planned and unplanned aspects of change**

A good deal of contemporary social change is planned, in the sense that it is a result of conscious deliberation. All over the world people aspire to the "good life", both materially and socially. To that extent, they participate in planned programmes which result in profound changes in their material conditions of life and social relationships.

The unanticipated (or unplanned) aspects of these programmes of action are social structural changes such as the change in the system of social stratification.

## **2.4 CHARACTERISTICS OF CHANGE**

Change (Moore, 1974:2) may be summarised by a set of generalisations:

- For any given society or culture rapid change occurs frequently or "constantly".
- Changes are neither temporally nor spatially isolated – that is changes occur in sequential chains rather than as "temporary" crises followed by quiet periods of reconstruction, and the consequences tend to reverberate through entire regions or virtually the entire world.
- Thus, because change is probable "everywhere" and its consequences may be significant "everywhere" it has a dual basis.
- The proportion of change that is either planned or issues from the secondary consequences of deliberate innovations is much higher than in formerly.
- Accordingly, the range of material technology and social strategies is expanding rapidly and the net effect is additive or cumulative despite the relatively rapid obsolescence of some procedures.
- The normal occurrence of change affects a wider range of individual experience and functional aspects of societies in the modern world – not because such societies are in all respects more "integrated" but because virtually no feature of life is exempted from the expectation or normality of change.

## **2.5 ELEMENTS OF SOCIAL CHANGE**

Change may take on a variety of forms. Change may simply be an idea or concept that may or may not lead to a different practice and may or may not manifest itself in a physical product or service. Furthermore, a change may be radical or routine, and it may be an ultimate goal or simply a mechanism or instrument to achieve some other specified change (Zaltman & Duncan, 1977:13-15). Change has many elements irrespective of whether its being routine or radical, instrumental or ultimate, and conceptual only or physical manifested. Some of these elements are the following:

- Relative advantage refers to the unique benefit the change provides compared to other ideas, practices, or “things” that do not provide at all or as well. This element is important in the interest and evaluation stages of the adoption decision process. It is necessary for the change agent to diagnose what improvement the target system needs and wants, incorporate this improvement in the change, and make the target system aware that the needed improvement is inherent in the change.
- Many changes may have a persuasive impact on social relationships within the target system and those between the target system and persons and groups in the outside environment. An organisational development programme may create entirely new relationships and alter communication patterns within a group.
- Divisibility refers to the extent to which change can be implemented on a limited scale. Divisibility is important at the trial stage of adoption. It greatly facilitates the trial use of a change.
- Reversibility is closely related to divisibility. It refers to the ease with which the status quo can be established if a change is introduced but is later rejected. It is an important element at the adoption stage.
- Complexity: the greater the degree of difficulty in using and understanding change, the less the likelihood that it will be adopted voluntarily. This element is important at the evaluation and use stages.
- Compatibility: the “goodness of fit” a change has with the situation in which it is to be used is very important. This situation includes psychological, sociological, and cultural factors.
- The ease with which information about a change can be disseminated is another critical element. Communicability is important at the awareness and interest decision-making stages.
- The speed with which a change is introduced is an important element. It is necessary to think in terms of optimal time. The most appropriate rate of change may not correspond to the maximum rate of change possible. Change can be introduced too quickly or too slowly.

## 2.6 CAUSES OF SOCIAL CHANGE

Most sociological explanations of the origins and causes of change may be categorised in terms of whether (1) change is inherent in the given organisation of society, or (2) change is seen as a consequence of external impacts (Strasser & Randall, 1981:33). In Table 2.1 the causes of social change are surveyed.

**TABLE 2.1: Causes of social change**

1. <u>Location of change</u>	<u>Exogenous</u>	<u>Endogenous</u>
	↓	↓
	Disturbances ( <i>Criterion: delineation of system boundaries</i> )	Differentiation/conflict ( <i>Criterion: efforts to stabilise and to change lead to endogenously produced adaptations / alterations</i> )
2. <u>Specification of the cause</u>	<u>One factor</u>	<u>More factors</u>
	↓	↓
	Technological innovation Economic antagonisms / Elite interests	Personality Politics Economy Religion Education

Source: Strasser and Randall (1981:33)

Wallace and Wallace (1989:525-527) and Vago (1999:10-36) identify several factors that generate changes in society, and that an understanding of the different factors relevant to any change is required to be able to initiate and manage them (see 6.4.2). The ones considered important, are: Technology, demographic influences, ideology, individuals as agents for change, competition, conflict, polity and economical factors.

### 2.6.1 Technology

The influence of technology reverberates in the lives of individuals in society, in social values, in the structure and functions of social institutions, and in the political organisations in society. Technology creates not only new alternatives and opportunities but also new problems for humans (Vago, 1999:11).

Technological change occurs in three basic ways (Johnson, 1996:409). A discovery is an instance of finding out about something that already exists (such as gravity or the effects of cocaine on the brain), whereas an invention is something created newly from things that already exist (such as a plough or the computer chip). Although discovery and invention obviously have been crucial sources of innovation in the world as a whole, the introduction of new technology in most societies has occurred through the process of diffusion, which is the borrowing of knowledge from other societies.

Technological change affects all organisation factors (Gerber *et al.*, 1998:504), but particularly organisations for profit. New technology enables organisations to maintain higher productivity standards, which enables them to market their products at lower prices. Organisations in the same industry that do not have such technology experience are not stronger competition because they cannot market their products at lower prices because of the cost.

Technological progress, therefore, affects the organisation as a whole, including its products, life-cycle, material supply, production processes and even managerial approach, but affects more especially the employee who has to use such technology.

## **2.6.2 Demographic influences**

Ongoing demographic processes, too, sometimes bring about social change. For instance, when the crime rate increased during the late 1960s and early 1970s, the United States had a surplus of young adult males born during the post war baby boom; because most crime is committed by young adult males, more crime was committed during this period. College enrolment during this period was also near an all-time high. What may seem to be a permanent social trend then, such as more crime or increasing college enrolment, may actually be due to a passing change in the population structure of the society (Wallace & Wallace, 1989:526; Cohen & Orbuch, 1990:148; Curry *et al.*, 1997:51).

### **2.6.3 Ideology**

The functions of ideology are the legitimisation and rationalisation of behaviour and social relationships; the provision of a basis for solidarity in a group or society; and the motivation of individuals for certain types of action (Popenoe *et al.*, 1998:34). Furthermore, in social change, the role of ideology can be analysed in different ways. It can promote stability and support the status quo, or it can contribute to change. It may be either a dependent or independent variable in calculating any process of stability or change.

A basic ideology, which is a complex set of beliefs and values, is present in every society. Ideologies may help maintain the status quo or they may stimulate change if the beliefs and values are no longer compatible with the needs of the society (Cohen & Orburch, 1990:148). According to Wallace and Wallace (1989:526) ideologies are explanations of the social, moral, religious, political, and economic institutions of a group. Max Weber (Wallace & Wallace, 1989:527) believed Protestantism was a major cause of the development of capitalist economics.

Marxist sociologists are particularly interested in the study of ideology, since they hold the view that everyone (and every group) prefers to believe ideas that bolster their claims to advantages and privileges. Hence, every group that has a common set of interests may also cherish a common set of beliefs – an ideology – that they can summon up in arguments with rival groups (Spencer, 1985:58).

### **2.6.4 Individuals as agents for change**

To Wallace and Wallace (1989:527) individual human beings may be significant agents of social change. Many historical figures have had profound influence on societies, including Hitler, Napoleon and Nelson Mandela.

Although great people influence world events, sociologists generally prefer other explanations of change. Instead of creating social change, they argue, great people direct change along the lines already established by the social forces embedded in society (Curry *et al.*, 1997:52).

### **2.6.5 Competition**

Competition is a kind of co-operative conflict governed by rules that make the goal being sought more important than the defeat of one's opponent (Popenoe *et al.*, 1998:73). Competition is an endemic aspect of society. It contributes to social change in both ecological and organisational context. It stimulates innovation and has been effectively used as a motivating force for social change in development programmes. Karl Marx and the socialistic philosophers condemned competition – in particular, capitalistic competition – as means for exploiting the worker.

Vago (1999:19) is of the opinion that competition is present in a number of social arrangements. Competition between business firms for markets and profits is an inherent part of capitalism. The concept of competition was used to justify reduced hours of work, business opposition to unions, wage increases, paid vacations, health and safety regulations and anti-pollution laws. Thus, competition can force an organisation to change its character to become more complex and more dynamic, thereby influencing the internal structure of organisations.

### **2.6.6 Conflict**

Conflict is omnipresent in human societies. The inevitability of conflict derives from mankind's innumerable and changing needs: if starvation is ended, men will fight for prestige; if one power system is destroyed, another emerges; if authority is eradicated, men will compete for precedence. There will always be a scarcity of 'commodities' – whether it be money, prestige, power, love – that will continue to set man against man. Therefore, all men will experience some form of conflict during their lifetime, as cited by McCord and McCord (Vago, 1999:20).

Conflict may occur among individuals in organisations, in institutions, in communities, in societies, or among nations. It is considered to be endemic to all social relations.

## **2.6.7 Polity and economical factors**

### **◆ Political factors**

The polity has traditionally played (Vago, 1999:37) a role in social change through its activities of distribution, regulation, and redistribution. Government is expected to “do something”, and the result is often change at the various levels within society as well as within other societies.

### **◆ Economical factors**

An important aspect of the economy is the division of labour. One’s occupation, particularly in the middle class, is decisive, for it provides the person with a certain level of monetary reward, power and prestige. Economic factors thus condition the distribution of rewards and the allocation of status and prestige. They also contribute to the differentiation between the haves and have-nots (that is inequality) both within and between societies (Vago, 1999:29).

## **2.7 DIFFERENT THEORIES ON SOCIAL CHANGE**

It is clear that tendencies to change (Visagie, 1997:277) are inherent in all human societies, because they face basic problems for which no overall continuous solutions exist. These problems include uncertainties of socialisation, perennial scarcity of resources relative to individuals’ aspirations. It also includes different contrasting types of social orientation or principles of social organisations (e.g. Tönnies’ *Gemeinschaft und Gesellschaft* theory) within the society.

### **2.7.1 Appelbaum’s categories of social change**

Appelbaum (1970:9) identified four broad categories:

- the evolutionary theories, characterised primarily by assumptions of smooth, cumulative change, often in a linear fashion, and always in the direction of increasing complexity and adaptability;

- the equilibrium theory, characterised by the concept of homeostasis, and focusing on conditions tending towards stability as a consequence;
- the conflict theory, characterised by the assumption that change is endemic to all social organisms, and focusing on conditions that tend towards instability as a consequence; and
- the “rise and fall” theories characterised by the assumption that societies, cultures, or civilisations regress as well as grow – that all societies do not move in the same direction.

### **2.7.2 Edari’s categories of social change**

Edari (1976:8) describes categories of social change as follows:

- the evolutionary theories with Darwin, Comte, Morgan, Spencer and Durkheim as representatives;
- the rise and fall theories of Toynbee and Sorokin;
- the structural-functionalist of equilibrium theory of Parsons and Fallding;
- the conflict theory as classified in the Marxist and Neo-Marxist theory. The ideas of Marx and Lenin as part of the Marxist theory and Dahrendorf as representative of the Neo-Marxist theory; and
- the modernisation theories of McClelland, Hagen and Frank.

A review of the different theories of social change is given in the subsequent paragraphs.

## **2.8 EVOLUTIONARY THEORISTS**

### **2.8.1 Background**

The classical evolutionary theories of the nineteenth century can, according to Edari (1976:8) be distinguished by their:

- characterisation of stages of evolution
- description of the trajectories of evolution, and

- isolation of the causal agents of change.

At a more abstract level, these theories had according to Edari (1976:8) three common features:

- firstly, they tended to be unilinear in that they isolated a single path of evolution that all societies were supposed to pass through;
- secondly, the stages were regarded as universal in that the unilinear path began from a similar primeval past and ended with the same destination;
- thirdly, the theories tended to emphasise a single generalised causal agency, which accounted for the evolution of all societies.

Strongly influenced by Darwin's (1809-1882) work in biological evolution, theorists often sought a sociological analogue to living organisms. Darwinian evolution, according to Appelbaum (1970:16) is reducible to a few key propositions:

- tremendous variability exist among species;
- the population of any given species tends to increase beyond its means of subsistence;
- as a result, there is a struggle for existence within and among species; and
- in this struggle, the strongest or most fit – the best adapted – survives in the long run; the weaker perishes.

### **2.8.2 The 'logic' of evolutionism**

There are seven main assumptions (Smith, 1976:27) which most evolutionists subscribed:

- Holism: the object of the study is the whole unit, not its parts. Since any given unit is also a part of a yet larger whole, the primary object of investigation is civilisation, culture or mankind itself; the subunits of these largest of entities must be analysed in the broadest of possible contexts, however abstract it may be.
- Universal: change is universal and natural. This is true of civilisation as a whole, and also of its constituent cultures. Change is perpetual and ubiquitous, and

requires no explanation. It is social order that requires an account: how this ceaseless flux can be arrested, diverted or temporarily frozen.

- Potentiality: change is endogenous. It is inherent in the unit undergoing change. Change is a process of realising the social potentialities of a given unit, and arises out of the very nature of that unit, requiring little help from outside.
- Directionality: immanent change follows a single common route to the unit's goal. It is not random or cyclical, but progressive. The goal is the actualisation of social potential through maximum differentiation and effectiveness, and hence it is possible to mark off the 'stages' of progress towards that goal, even if the end-state itself is barely discernible from the analyst's historical standpoint.
- Determinism: change is inevitable for all units. It is also irreversible, in the long run. Civilisation goes through a determinate sequence of stages, each more complex than the last.
- Gradualism: in nature there is no discontinuity, only continuous, cumulative growth.
- Reductionism: the forces of currents, which edge nature and civilisation along their course, are everywhere and at all times identical. It is always possible to discover a multiplicity of causes for particular transitions from one stage to the next, and for specific units.

### **2.8.3 Proponents of the evolutionary theory**

#### **2.8.3.1 Auguste Comte (1798-1857)**

The road to perfect society involved the human intellect passing through three historical phases of sophistication: the theological, the metaphysical, and the positive (Strasser & Randall, 1981:54). Comte's description of each of the three stages is as follows:

- in the theological stage, people think inanimate objects are alive. This general view itself goes through three phases: animism or fetishism, which views each object as having its own will; polytheism, which believes that many divine wills

impose themselves on objects; and monotheism, which conceives the will of one God imposing itself on objects;

- the metaphysical stage is a period in which causality is explained in terms of abstract forces; causes and forces replace desires, and one great entity – nature – prevails; and
- the positive stage is the scientific period in which people develop explanations in terms of natural processes and scientific laws.

The law of the three stages means, according to Timasheff and Theodorson (1967:19), first of all, that each field of knowledge passes through three periods of growth: theological, metaphysical, and positive. But the individual sciences do not move simultaneously; the higher a science stands in the hierarchy, the later it shifts from one stage to another.

It is clear that in his theory of the world Comte focussed on intellectual factors. Indeed, he argued that intellectual disorder was the cause of social disorder. The disorder stemmed from earlier idea systems (theological and metaphysical) that continued to exist in the positive (scientific) age. Only when positivism gained total control would social upheavals cease. Because this was an evolutionary process there was no need to foment social upheaval and revolution. Positivism would come, although perhaps not so quickly as some would like (Ritzer, 1996:16).

Comte's evolutionary theory has much to teach us a sort of third way between revolutionary and reactionary perspectives, even if few now have time for positivism. His theory shares many characteristics with other, better theories and besides the sweep of his ideas, his sense of being at the beginning of a new era and his belief in the critical role of sociology in the transition has many resonances when we come to consider the aspiration of present-day social theorists (Noble, 2000:48).

### **2.8.3.2 Herbert Spencer (1820-1903)**

Spencer developed an evolutionary theory of social change based on the premise that society functions like a biological organism. Spencer viewed the relation of various institutions to society as similar to the relation of the various organs to a living organism (Ritzer, 1996:41).

Central to Spencer's evolutionary theory is the analogy between society and an organism. From his evolutionary point of view, they were both characterised by growth, increasing complexity, differentiation of structures and functions, and specialisation. To Spencer, organisms and societies were both subject to the same natural laws of evolution, and hence their similarity was more than a mere analogy (Edari, 1976:10).

Spencer handled social statics by means of the organic analogy. He proposed an evolutionary theory of historical development, one that depicted the world as growing progressively better (Vander Zanden, 1993:9).

Spencer noted several similarities (Sorokin, 1928:202; Bogardus, 1957:293; Timasheff & Theodorson, 1967:37) between biological and social organisms:

- Both society and organisms are distinguished from inorganic matter by visible growth during the greater part of their existence.
- As both societies and organisms grow in size they also increase in complexity of structure.
- In societies and in organisms progressive differentiation of structure is accompanied by progressive differentiation of functions.
- Evolution establishes for both societies and organisms differences in structure and function that make both possible.
- In organisms and society the life of the aggregate may be destroyed, but the units will continue to live for at least a while.

But there are ways in which society and an organism are unlike. These are analysed by Spencer and determined to be merely superficial differences. There are four main differences (Bogardus, 1955:294; Martindale, 1981:83):

- Unlike organisms, societies have no specific outward appearance, such as a physical body with limbs or a face.
- The elements of society do not form a continuous whole, as in the case of an animal. The living units composing society are free, and not in contact, being more or less dispersed.

- The parts of society are not stationary and fixed in their positions relative to the whole.
- In an organism consciousness is concentrated in a small part of the aggregate, while in society consciousness is diffused.

According to Ritzer (1996:41) it is possible to identify at least two major evolutionary perspectives in Spencer's work. The first of these theories relates primarily to the increasing *size* of society. Society grows through both the multiplication of individuals and the union of groups (compounding). The increase in size of society brings with it larger and more differentiated social structures, as well as increased differentiation of the functions they perform. In addition to their growth in terms of size, societies evolve through compounding, that is, by unifying more and more adjoining groups. Thus, Spencer talks of the evolutionary movement from simple to compound, doubly-compound, and trebly-compound societies.

Spencer also offers a theory of evolution from *militant* to *industrial* societies. While Spencer was critical of warfare, he felt that in an earlier stage it was functional in bringing societies together (for example, through military conquest) and in creating the larger aggregates of people necessary for the development of industrial society. Industrial society is based on friendship, altruism, elaborated specialisation, recognition of achievements rather than the characteristics one is born with, and voluntary co-operation among highly disciplined individuals. Such a society is held together by voluntary contractual relations, and more important, by a strong common morality. The government's role is restricted and focuses only on what people ought not to do (Martindale, 1981:84; Ritzer, 1996:42).

## **2.9 STRUCTURAL-FUNCTIONALISM THEORISTS**

### **2.9.1 Background**

Society tends towards a condition of equilibrium. Structural-functionalists use their stance to explain both how society will change and how it will remain the same (Wallace & Wallace, 1989:524).

Structural-functionalism is the most influential theoretical perspective. It is a theoretical orientation emphasising the functions or contributions made to society by existing social structures (Phillips, 1979:109).

Harper (1993:90) states that structural functionalism assumes that a society is a system of interrelated parts and subsystems that 'function' in ways that promote the survival of the whole system. The initial focus of much functional thinking is to define activities that are necessary for the survival of the entire system.

Appelbaum (1970:54) is of the opinion that the principal link between evolutionism and functionalism is the concept of "differentiation", by which is meant the development of functionally specialised social structures.

To account for social change in a structural-functional context, Vago (1999:60) maintains the following principal tenets of this approach:

- societies must be analysed "holistically as systems of interrelated parts";
- cause and effect relations are "multiple and reciprocal";
- social systems are in a state of "dynamic equilibrium" in such a way that adjustment to forces affecting the system is made with minimal change within the system;
- perfect integration is never attained so that every social system has strains and deviations, but the latter tend to be neutralised through institutionalisation;
- change is fundamentally a slow, adaptive process, rather than a revolutionary shift;
- change is the consequence of the adjustment of changes outside the system, growth by differentiation, and internal innovations; and
- the system is integrated through shared values.

### **2.9.2 Talcott Parsons (1902–1979) and the structural-functionalist theory**

Parsons viewed society as naturally being in a state of equilibrium. By "equilibrium" he meant that society tends towards a state of stability or balance. According to his equilibrium model, as changes occur in one part of society, there must be

adjustments in other parts. If this does not take place, the society's equilibrium will be threatened and strains will occur (Schaefer & Lamm, 1998:369).

Parsons suggests change is introduced from two major sources: the environment and internal strains of the society. An innovation might be introduced to cope with a change in physical environment or to cope with a change due to contact with another culture (Wallace & Wallace, 1989:525).

Furthermore, to Parsons (Churton, 2000:27; Ritzer, 2000:97) a function is a complex of activities directed towards meeting a need or needs of the system. Using this definition, he believes that there are four functional imperatives that are necessary for (characteristics of) all systems. In order to survive, a system must perform these four functions. The basic functions are:

- Adaptation (A): A system must cope with external situational exigencies. It must adapt to its environment and adjust the environment to its needs.
- Goal attainment (G): A system must define and achieve its primary goals.
- Integration (I): A system must regulate the interrelationship of its component parts. It must also manage the relationship among the other three functional imperatives (A, G, L).
- Latency (L): A system must furnish, maintain, and renew both the motivation of individuals and the cultural patterns that create and sustain the motivation (Harper, 1993:90; Ritzer, 2000:97).

Parsons designed the AGIL scheme (Churton, 2000:27) to be used at all levels in his theoretical system:

- The biological organism is the action system that handles the adaptation (A) function by adjusting to and transforming the external world.
- The personality system performs the goal-attainment (G) function by defining system goals and mobilising resources to attain them.
- The social system copes with the integration (I) function by controlling its component parts.

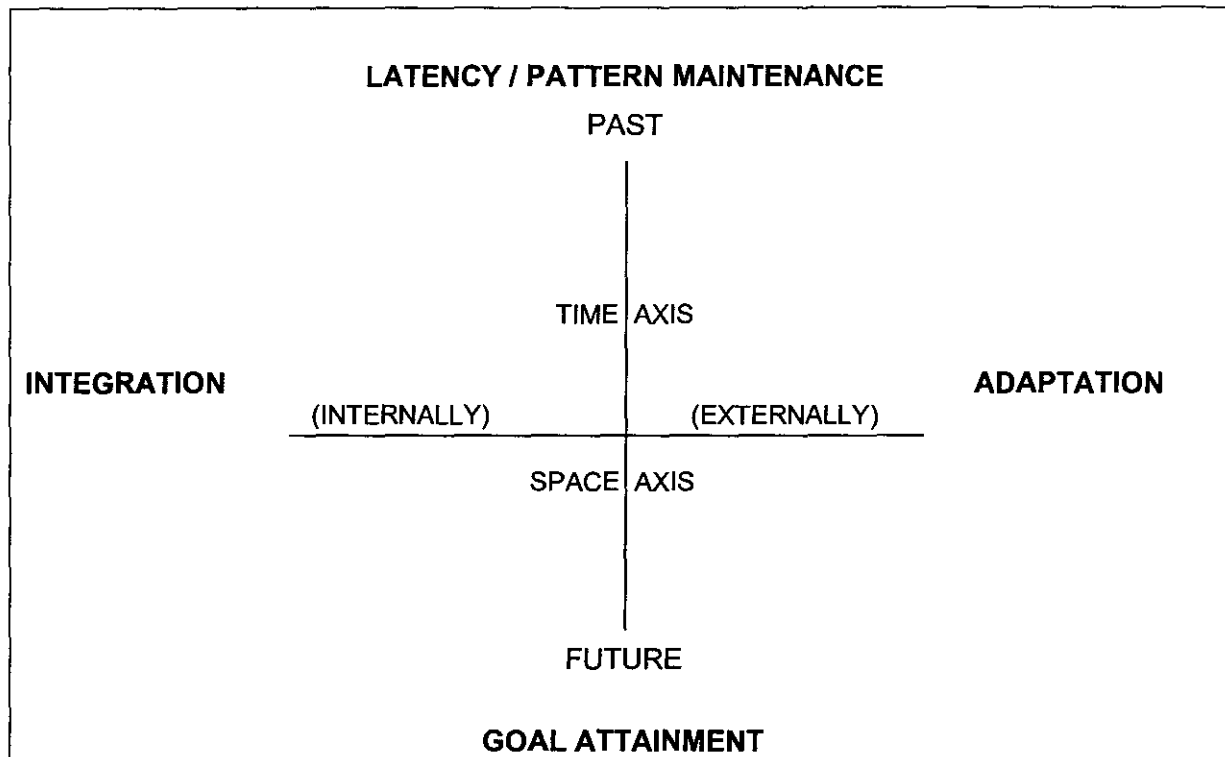
- Finally, the cultural system performs the latency (L) function by providing actors with the norms and values that motivate them for action.

According to Ritzer (1996:102) Parsons found his answer to the problem of order in structural functionalism, which operates in his view by the following set of assumptions:

- Systems have the property of order and independence of parts.
- Systems tend toward self-maintaining order, or equilibrium.
- The system may be static or involved in an ordered process of change.
- The nature of one part of the system has an impact on the form that the other parts can take on.
- Systems maintain boundaries with their environments.
- Allocation and integration are two fundamental processes necessary for a given state of equilibrium of a system.
- Systems tend towards self-maintenance involving the maintenance of boundaries and of the relationships of parts to the whole, control of environmental variations, and control of tendencies to change the system from within.

If the social structure fails to solve these problems to a certain extent, it will cease to exist as an independent entity. Steyn and Uys (1998:372) provide the following sketch to explain the four functions (Figure 2.1).

**FIGURE 2.1: Functions of social systems**



Source: Steyn and Uys (1998:372)

Social action takes place in certain time and space dimensions: past vs future (time) or internally vs externally (space).

- Past: members bring certain expectations, needs, goals, ideals and personality traits to the group. This is where the first problem, namely pattern maintenance comes in. Stress resulting from these expectations should be managed in order to maintain the collective norms. The actors should make compromises and should be motivated to live according to the norms of the groups.
- Future: it focuses on the goals to be reached – the reasons for the group's existence as well as the group's needs and the required resources.
- Internal: this means the effective organisation and integration of contributions in the group itself.
- External: groups must determine which resources they need for goal attainment. These resources come from their external environment. This is the fourth and final function adaptation.

The next section will focus on the conflict theory and their proponents.

## **2.10 CONFLICT THEORISTS**

### **2.10.1 Background**

Conflict theory, according to Visagie (1997:280), assumes that social behaviour can best be understood in terms of tension and conflict between groups and individuals. It suggests that society is an arena in which struggles over scarce commodities take place. Conflict considers change, rather than order, as the essential element of social life. Change is viewed as an intrinsic process in society, not merely the outcome of some improper functioning or imbalance part of the social system.

Vago (1999:53) argues that conflict theory assumes that social behaviour can best be understood in terms of tension and conflict between groups and individuals. It suggests that society is an arena in which struggles over scarce commodities take place.

Edari (1976:28) argues that a necessary condition for conflict is taken to be the hierarchical arrangement of social positions or roles into strata, constituting the different levels of life chances, material affluence, status and power.

Conflict theorists, like functionalists, focus their attention on society as a whole, studying its institutions and structural arrangements (Vander Zanden, 1993:55). Yet the two perspectives are at odds on a good many matters:

- where functionalists depict society in relatively static terms, conflict theorists emphasise the processes of change that continually transform social life;
- where functionalists stress the order and stability to be found in society, conflict theorists emphasise disorder and instability;
- where functionalists see the common interests shared by the members of a society, conflict theorists focus upon the interests that divide;
- where functionalists view consensus as the basis of social unity, conflict theorists insist that social unity is an illusion resting on coercion;
- and where functionalists often view existing social arrangements as necessary and justified by the requirements of group life, conflict theorists see many of the arrangements as neither necessary or justified.

The conflict theories are categorised in two groups namely, Marxism and Neo-Marxism with Karl Marx as one of the most important proponents of the Marxism theory and Ralf Dahrendorf of the Neo-Marxism theory.

### **2.10.2 Karl Marx (1818-1893) as proponent of the Marxist theories**

The Marxist theories of social change begin with the assumption that matter in motion is the basis for social existence. Thus, social existence represents ultimately the continuation of natural history, which has resulted in the ascendance of man from more primitive forms of organic life (Edari, 1976:28).

According to Appelbaum (1970:82) for Marx the key to understanding structure and conflict in any period lies in the mode of production, i.e. the state of technology, for this determines the relations to production (the organisation of production), and together they constitute the substructure of society. Everything else, social institutions, values and beliefs, is superstructure.

Marx identified (Popenoe *et al.*, 1998:55) two principal classes: the industrial working class, or *proletariat*, and the owners of the means of production, or *bourgeoisie*. Marx predicted that the conflict between these two classes would eventually lead to the revolutionary overthrow of capitalist societies, with a classless society as the final outcome.

The relationship between the two classes is an exploitative one. The bourgeoisie control the production process and the proletariat exchanges their productive rights for wages. By carefully controlling the productive process to keep costs low and profits high, the bourgeoisie are able to exploit the proletariat. The proletariat are unable to withdraw their labour because they depend on the capitalist wage to support their families in a consumer society where goods are exchanged for capital (Churton, 2000:7).

Marx (Wallace & Wallace, 1989:525) believed social change occurred largely with changes in the means of production or with technological change that challenged the existing order. He believed that as the world became industrialised and workers' conditions worsened, workers would develop a "class consciousness", recognise the seriousness of the situation and their common plight, and organise to overthrow their

oppressors in a violent revolution. They would then form a new state to monopolise the productive resources of the society in the name of, and for the sake of the masses.

Marx's materialism is founded (Ray, 1999:64) on the claim that production involves co-operation, in the course of which emerge class relations, of ownership and non-ownership of the means of production. Several consequences follow from this: non-owners work for others; their livelihoods depend on their relations with superiors; dominant classes have direct rights over the economic product; owners extract a surplus from the process; the class system is inscribed into political, cultural and legal forms.

Marx's theory (Bendix, 2001:36) is based on the payment of 'maintenance level' wages and does not take into account the possibility of increased wages by competition, government interference or the moral conviction of employers. His theory of surplus value is often supported from the employee side and is reflected in demands for a greater share of the total profit: that is, wage rates, related not to market factors but to the profitability of the enterprise and based on concepts of fairness.

### **2.10.3 Ralf Dahrendorf (1929-) as proponent of the Neo-Marxism theory**

Dahrendorf rejects the Marxian notion of social class as determined by the relations to the means of production and defines it in terms of the unequal distribution of authority (Vago, 1999:57). Dahrendorf saw all groups in society as divided into those who have authority and those who do not. Dahrendorf maintains that social conflict has a structural origin and is to be understood as a conflict about the legitimacy of relations of authority.

Dahrendorf sees authority as crucial (Churton, 2000:20), for the mere existence of authority is enough to create conflict. He looks at sources of authority and the impact that such authorities have upon individuals and the social structure, and finds that power and authority are divisible as those in power seek to maintain their position and those without power seek to gain it.

Furthermore, Dahrendorf regards authority as arising from the occupation of certain social positions, rather than stemming from individuals themselves. Thus authority is transient and is defined in each social situation by the positions that are occupied. Potentially, an individual could wield authority in one social situation but not in another. However the position and the individual cannot be separated and it is quite possible for an individual to experience conflict between interests inherent in their role and their personal interests (Churton, 2000:20)

Within every organisation, those in dominant positions seek to maintain the status quo while those in subordinate positions seek change (Ritzer, 1996:130).

According to Ritzer (1996:130) and Churton (2000:21) Dahrendorf distinguished three broad types of groups:

- The “quasi”-group or aggregates of incumbents of positions with identical role interests.
- These are the recruiting grounds for the “interest group”. Dahrendorf described the two groups:
  - Common modes of behaviour are characteristic of interest groups recruited from larger quasi-groups.
  - Interest groups are groups in the strict sense of the sociological term; and they are real agents of group conflict. They have a structure, a form of organisation, a programme or goal, and a personnel of members.
- Out of all the many interest groups emerge conflict groups, or those that actually engage in group conflict.

Harper (1993:98) maintains the thought that Dahrendorf shares a number of assumptions about society and change with Marx:

- Conflict and “malintegration” are viewed by both as pervasive and as normal conditions within society (in contrast with the functionalist’s assumption about the normality of “equilibrium” and social integration).
- Such conflict is presumed by both to be caused by opposing “interests” that inevitably occur in the structure of society.

- Opposing interests are viewed by both as “reflections” of differences in the distribution of power among dominant and subjugated groups.
- For both, interests tend to polarise into two conflict groups.
- Both thinkers view conflict as dialectical, so that the resolution of one conflict creates a new set of opposed interests, which, under certain conditions, will generate further conflict.
- Social change is seen by both as a pervasive feature of social systems, resulting from the dialectic of conflict between various “interest groupings” within any system.

Dahrendorf provides a link between conflict groups and social change. He argues that intense conflict leads to radical change. If violence is involved, this change will be sudden. The potential for social change is omnipresent because the legitimacy of authority is precarious (Churton, 2000:21).

## **2.11 CYCLICAL THEORISTS**

### **2.11.1 Background**

In contrast to the evolutionary theorists, who see change as continuous progress, there are the cyclical theorists, who view change as an enormous circle (Wallace & Wallace, 1989:523).

Strasser and Randall (1981:60) suggest that the cyclical model of society is based upon the idea that a cultural theme is adopted, developed, and elaborated upon until it is exhausted, and the opportunities for structurally effective achievements and further growth will be limited. The consequence is, it is held, general discontentment with the present society which is accompanied by growing disorder until the old cultural pattern is destroyed and society moves on to the next phase of the cycle.

Social change can be understood in terms of immanent causes and limits (Appelbaum, 1970:102). Immanent causes of change are those inherent in the system itself: whether the system is scientific or religious, aesthetic or philosophical, whether it is represented by a family, a business firm, an occupational union, or a state, it bears within itself the seeds of incessant change.

### **2.11.2 Pitrim Sorokin (1889-1968) as proponent of the cyclical theory**

The core of original theory around which Sorokin's work is constructed consists of a form of idealistic organism. For Sorokin, the basic facts of sociology are "mentalistic in nature" and can only be understood in terms of "man's socio-cultural universe as a whole" (Martindale, 1981:123; Harper, 1993:80).

Sorokin saw societies (Ritzer, 2000:58) as oscillating among three different types of mentalities – sensate, ideational, and idealistic. Societies dominated by sensatism emphasise the role of the senses in comprehending reality; those dominated by a more transcendental and highly religious way of understanding reality are ideational; and idealistic societies are transitional types balancing sensatism and religiosity.

Sorokin (Strasser & Randall, 1981:60) described their major cultural themes or fundamental social forms which alternate with each other rhythmically:

- the 'sensate' system dominated by reason, realism, materialism, ethic of success, and empirical orientation;
- the 'ideational' system characterised by mysticism, strong beliefs, and symbolism to which an orientation based on sentiment and an ethic of conviction corresponds, and
- the 'idealistic' system represented by a combination of sensate and ideational elements.

Three kinds of value systems thus characterise cultures, societies, and personalities. According to Appelbaum (1970:101) the three supersystems that emerge, are empiricism (science), supernaturalism (religion), and rationality (logic). Thus, within each supersystem, empiricism, faith, or rationality will be seen as the key to knowledge.

Sorokin (Appelbaum, 1970:102) is of the opinion that social organisation, differentiation and stratification grow immanently until they reach their optimum point in a given group. When the optimum point is exceeded, groups generate forces that inhibit further differentiation and stratification. On the other hand, when immobility persists too long, social systems generate forces working for differentiation. If

systems do not succeed in regaining their optimum equilibrium, they tend to disintegrate.

To summarise:

- Evolutionary theories tried to show that all societies in all spheres of social life pass through similar stages of development, moving from less complex, less differentiated stages to more complex and differentiated stages – culminating in the modern industrial, secular society.
- The structural-functional theorists have sought in various ways to account for change within the overall framework of their theory that society consists of interrelated parts that work together for the purpose of maintaining internal balance.
- The conflict theory used the hierarchy arrangement of social positions and roles in the communities to distinguish between the different levels in the communities, material influences, status and power.
- According to the cyclical theory cultures and systems never die. They change only their form while the cycle is repeated over and over.

Change affects us all in different ways but the reality is that dealing with change is a complex and stressful process. There will now be focussed on models of change and resistance to change.

## **2.12 CHANGE MODELS**

According to Armstrong (2001:267) and Tosi *et al.* (2000:491) the best-known change models are those developed by Lewin (1951) and Beckhard (1969). But other important contributions to an understanding of the mechanisms for change have been made by Thurley (1979), Bandura (1986) and Beer *et al.* (1990).

The change models of Lewin and Beckhard will shortly be discussed.

### **2.12.1 Lewin**

Kurt Lewin, according to Tosi *et al.* (2000:492), Armstrong (2001:267) and Hellriegel *et al.* (2002:317) identified three stages of the change process – unfreezing, changing, and refreezing.

#### **◆ Unfreezing**

Management plans and prepares the members of the organisation for a major transformation. A primary objective in this stage is to convince members of the organisation of the need for change and to reduce their tendency to resist the change. This process must also take inherent threats that change presents to people and the need to motivate those affected into account to attain the natural state of equilibrium by accepting change.

#### **◆ Changing**

Occurs when a plan or programme is implemented to alter existing activities or relationships. Change efforts can range from minor to major programmes. Learning new skills through a training program or installing new equipment are examples of minor changes. Radically restructuring the organisation is a major change because many organisational members are involved.

#### **◆ Refreezing**

Stabilising the change by introducing the new responses into the personalities of those concerned. New attitudes, values, and behaviours are established as the new status quo. The new ways of operating are cemented and reinforced.

Lewin's model proposes that for change efforts to be successful, the three-stage process must be completed. Failures in efforts to change can be traced back to one of the three stages. Successful change thus requires that old behaviours be discarded, new behaviours be introduced, and these new behaviours institutionalised and rewarded (Nelson & Quick, 2000:618; Cummings & Worley, 2001:23).

### **2.12.2 Beckhard**

A change programme according to Beckhard (Armstrong, 2001:267-268) should incorporate the following processes:

- setting goals and defining the future state or organisational conditions desired after the change;
- diagnosing the present condition in relation to these goals;
- defining the transition state activities and commitments required to meet the future state;
- developing strategies and action plans for managing this transition in the light of an analysis of the factors likely to affect the introduction of change.

### **2.13 RESISTANCE TO CHANGE**

Organisational change involves moving from the known to the unknown. Because the future is uncertain and may adversely affect people's competencies, worth, and coping abilities, organisation members generally do not support change unless compelling reasons convince them to do so. Similarly, organisations tend to be heavily invested in the status quo, and they resist changing it in the face of uncertain future benefits (Cummings & Worley, 2001:156).

Patti (1974:369) defines resistance to change as follows: *Resistance* refers to those forces or conditions within the organisation that tend to decrease the likelihood that decision makers will accept or act favourably upon a proposal for change initiated by an administrative subordinate.

To Clarke (1994:15) and Armstrong (2002:174) change is complex by nature. Also, it consists of strong turbulent and disturbingly unpredictable forces that lead managers to make decisions that have dramatic implications. These forces include other role players – the external forces that cause change in an organisation. These can include competition from an organisation's rivals, the necessity to form mergers, relocate or close as result of the escalating financial costs of the organisation.

Resistance can be overt, implicit, immediate, or deferred. It is easiest for management to deal with resistance when it is overt and immediate (Robbins, 2001:545).

### **2.13.1 Stages in the change process**

People go through four distinct stages in the change process (Lussier, 2000:223). The four stages of the change process are denial, resistance, exploration, and commitment:

- Denial: when people first hear the rumours through the grapevine that change is coming, they deny that it will happen at all, or to them.
- Resistance: Once people get over the initial shock and realise that change is going to be a reality, they resist the change – resistance to change is part of human nature.
- Exploration: When the change begins to be implemented, employees explore the change, often through training, and understand more about how it will affect them.
- Commitment: Through exploration, employees determine their level of commitment to making the change a success. The level of commitment can change.

### **2.13.2 Sources of resistance to change**

Sources of resistance are categorised in two groups, namely individual and organisational sources (Robbins, 2001:545-548; Ivancevich & Matteson, 2002:632-633; Mullins, 2002:822-824).

#### **2.13.2.1 Individual resistance**

Individual sources of resistance to change reside in basic human characteristics such as perceptions, personalities and needs (Robbins, 2001:545-548; Ivancevich & Matteson, 2002:632-633; Mullins, 2002:822-824). The following is a summary of the five reasons why individuals may resist change:

- **Habits:** Human beings are creatures of habit and don't need to consider the full range of options for the hundreds of decisions they have to make every day. To cope with this complexity, they rely on habits or programmed responses. When they are confronted with changes in their daily programmes, it can build up to resistance to change.
- **Security:** People with a high need for security are likely to resist change because it threatens their feelings of safety.
- **Economic factors:** Another source of individual resistance is concern that changes will lower one's income. Changes in job tasks or established work routines can also arouse economic fears if people are concerned that they won't be able to perform the new tasks or routines according to their previous standards, especially when pay is closely linked to productivity.
- **Fear of the unknown:** Changes substitute ambiguity and uncertainty with the known. Employees in organisations develop a negative attitude because they are uncertain on how to deal with the unknown.
- **Selective information processing:** Individuals shape their world through their perceptions. So individuals are guilty of selectively processing information in order to keep their perceptions intact.

### **2.13.2.2 Organisational resistance**

Robbins (2001:545-548), Ivancevich and Matteson (2002:632-633) and Mullins (2002:822-824) have identified six major sources of organisational resistance:

- **Structural inertia:** Organisations have built-in mechanisms to produce stability. For example, the selection process systematically selects certain people in and certain people out. Training and other socialisation techniques reinforce specific role requirements and skills. Formalisation provides job descriptions, rules, and procedures for employees to follow. The people who are hired into an organisation are chosen for being fit. They are then shaped and directed to behave in certain ways. When an organisation is confronted with change, this structural inertia acts as a counterbalance to sustain stability.

- Limited focus of change: Organisations consist of a number of interdependent subsystems. For example, if management changes the technological processes without simultaneously modifying the organisation's structure to match, the change in technology is not likely to be accepted. Limited changes in subsystems tend to get nullified by the larger system.
- Group inertia: Even if individuals want to change their behaviour, group norms may act as a constraint. An individual union member, for instance, may be willing to accept changes in his job suggested by management. But if union norms dictate resisting any unilateral change made by management, he's likely to resist.
- Threat to expertise: Changes in organisational patterns may threaten the expertise of specialised groups.
- Threat to established power relationships: Any redistribution of decision-making authority can threaten long-established power relationships within the organisation. The introduction of participative decision-making or self-managed work teams is the kind of change that is often seen as threatening by supervising and middle managers.
- Threat to established resource allocations: Those groups in the organisation that control sizeable resources often see change as a threat. They tend to be content with the way things are. Those who benefit most from the current allocation of resources often feel threatened by changes that may affect future allocations.

### **2.13.3 Impediments to change**

Resistance to change could also emanate from various organisational impediments, which if not timeously dealt with could serve as a deterrent to the introduction of change in an organisation (Smit & Cronjé, 1997:254; see also 6.4.2.2). The following are some potential deterrents:

- The existing organisational structure incorporating the managerial hierarchy, the number of organisational layers within the structure, the number and type(s) of departments – whether organic or mechanistic in design – and the span of control peculiar to such design arrangements.

- Traditional – and possibly bureaucratic – procedure according to which work must be done. This could also express itself in the form of outdated production methods.
- Obsolete technology, whether it relates to manufacturing or computerisation processes, it would be a potential hindrance to the introduction of change.
- Lines of communication, which, if too extended as a result of the depth of the existing structure, could act as a deterrent to the timing and implementation of effective change.
- An inappropriate management style and philosophy which expresses itself in the form of inflexible leadership. This invariably implies a lack of the required level of commitment – on the part of top management – which is needed to implement the desired change successfully.
- A lack of group cohesiveness within the organisation, which complicates the coordination and facilitation of the change process.
- An inadequate reward system which, if not addressed and suitably adjusted, could undermine the implementation of change.

#### **2.13.4 Overcoming resistance to change**

Resisting change is a human response and management should take steps to counter-work it. Robbins and Coulter (1996:426-427) as well as Smit and Cronjé (1997:267-268) and Schermerhorn *et al.* (2000:401-402) are of the opinion that reducing resistance may cut down on the time needed for change to be accepted. A number of methods useful in decreasing resistance to change are examined below (also see Table 2.2):

- Education and communication: People should be educated about upcoming changes before they occur. The nature as well as the logic behind the change should be communicated to employees. This can be done by means of one-on-one discussions, presentations to groups or reports and memos.
- Participation and involvement: Participation gives employees a chance to express their fears about proposed changes. It is also important in bringing together those

affected to help implement the change. People are asked to contribute ideas and advice or to work on task forces or committees that may lead the change.

- **Facilitation and support:** Facilitation involves providing the necessary resources (emotional and material) employees need to carry out the change and properly perform their jobs. This often includes decentralising authority. Support is more psychological in the sense that it involves listening to problems and being understanding.
- **Negotiation and agreements:** Negotiated agreements involve giving something to the other party to reduce resistance. Negotiation as a tactic may be necessary when resistance comes from a powerful source.
- **Manipulation and co-optation:** Makes use of covert attempts to influence others, selectively providing information and consciously structuring events so that the desired change occurs.
- **Explicit or implicit coercion:** Employs the force of authority to get people to accept change. Often, resisters are threatened with a variety of undesirable consequences if they do not go along as planned. Employees are threatened with job loss, reduced promotion opportunities or loss of privileges. This type of behaviour often creates bad feelings or hostility. Some managers use more subtle, covert tactics to implement change.

Each of these six approaches has advantages and drawbacks that need to be carefully considered. Managers can use them in different situations and in various combinations. Use of any of the six approaches depends on a systematic analysis of the particular situation. Often this involves the use of a model or framework to help provide guidelines and an overview of the situation (Smit & Cronjé, 1997:256).

**TABLE 2.2: Methods for dealing with resistance to change**

Method	Use when	Advantages	Disadvantages
<b>Education and communication</b>	People lack information or have inaccurate information	Creates willingness to help with the change	Can be very time consuming
<b>Participation and involvement</b>	Other people have important information and/or power to resist	Adds information to change planning; builds commitment to the change	Can be very time consuming
<b>Facilitation and support</b>	Resistance traces to resource or adjustment problems	Satisfies directly specific resource or adjustment needs	Can be time consuming; can be expensive
<b>Negotiation and agreement</b>	A person or group will "lose" something because of the change	Helps avoid major resistance	Can be expensive; can cause others to seek similar "deals"
<b>Manipulation and co-optation</b>	Other methods don't work or are too expensive	Can be quick and inexpensive	Can create future problems if people sense manipulation
<b>Explicit and implicit coercion</b>	Speed important and change agent has power	Quick; overpowers resistance	Risky if people get "mad"

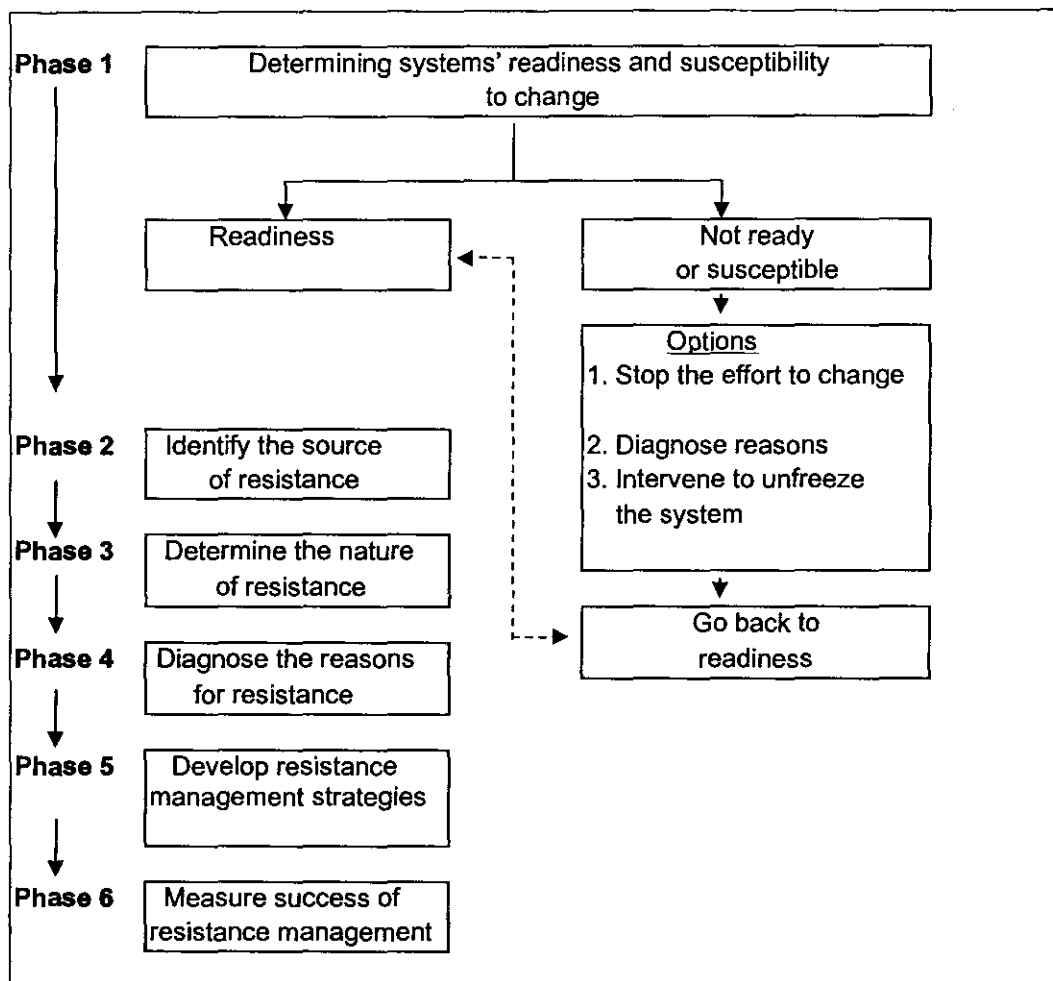
Source: Schermerhorn *et al.* (2000:402)

### 2.13.5 Steps to manage resistance to change

It is evident that various techniques for dealing with resistance to change exist (Visagie, 1997:294) but no single approach to managing change will always be successful. In larger businesses, employees are much more part of the change-process and the following model may prove quite useful in most organisations (Figure 2.2).

In the model it is clear that a business determines change and brings it to the role players (workers). Management could test the readiness to change. If the workers are ready for change, management could go along with the whole process as shown in Phase 1 to Phase 6. If workers in the organisation are not ready for change, management must diagnose why workers do not want to change and intervene to unfreeze them in their state of unwillingness to participate.

**FIGURE 2.2: The management of resistance**



Source: Coetsee (1993:5)

In many organisations, the need for change goes unrecognised until some major catastrophe occurs. The employees strike or seek the recognition of a union before the management finally recognises the need for action. Whether it takes a whisper or a shout, the need for change must be recognised by some means; and once that need has been recognised, the exact nature of the problem must be diagnosed. If the problem isn't properly understood, the impact of change on people can be extremely negative (Ivancevich & Matteson, 2002:637).

## 2.14 SUMMARY

Change is everywhere and is an ongoing process. In the wider world we move in too. There are new ideas to assimilate, new procedures, new technologies, and fresh opportunities to grasp or ignore.

This chapter has focussed on what social change is in defining the terms: social, change and social change.

The dimensions, characteristics and elements of social change were shortly discussed. The causes that generate changes in society have been identified, namely: technology, ideology, demographic influences, competition, conflict, individuals as agents for change, polity and economical factors.

The evolutionary theory was characterised by the fact that all communities experience different periods of development and change as seen in the viewpoints of Auguste Comte and Herbert Spencer. Comte does not emphasise conflict and he anticipates that in the final Positivist stage of history, a consensus on the basis of technical, scientific knowledge will prevail. On the other hand, Herbert Spencer compared human societies to organisms; both evolve from simple to complex forms, governed by the law of 'survival of the fittest'.

The social functionalist theory emphasises the way in which each part of a society contributes to the whole so as to maintain social stability. A proponent of this theory is Talcott Parsons and his AGIL-model was shortly discussed.

Conflict theory assumes that social behaviour can be best understood in terms of tension and conflict between groups and individuals. It suggests that society is an arena in which struggles over scarce commodities take place. Theories of Marx (Marxist theory) and Dahrendorf (Neo-Marxist theory) were explained.

The cyclical theory sees change as a circular process and Sorokin's way of viewing of the cyclical theory was discussed.

Change is generally a response to some significant threat or opportunity arising from outside the organisation. Organisations that do not change due to ignorance will be the first to fail. For organisations to survive and thrive they must constantly scan what is happening and develop an awareness of what actually needs changing in order to move in the right direction.

Lewin described the change process as having three stages: unfreezing, changing, and refreezing. The major elements in managing the change process are recognising the need for change, preparing for change, unfreezing the organisation, managing the actual change, and refreezing the organisation afterwards.

In Chapter 3 social responsibility will be discussed by way of definitions on social responsibility; arguments against and for social responsibility as well as a discussion of the responsibility of the organisation towards the stakeholders.

# CHAPTER 3

## *SOCIAL RESPONSIBILITY*

### 3.1 INTRODUCTION

Social responsibility is an area of concern that has existed since the early days of mankind. It is only in the last two decades, however, that great emphasis has emerged in this area. This has resulted in a growing interaction between government, business, and the stakeholder.

In a general sense, social responsibility is management's acceptance of the obligation to consider profit, consumer satisfaction, and societal well-being of equal value in evaluating the organisation's performance. It is the recognition that organisations must be concerned with the qualitative dimensions of consumer, employee, and societal benefits as well as the quantitative measures of sales, revenue, and profit, by which organisations' performance is traditionally measured (Boone & Kurtz, 2000:54).

While profits and employment remain important (Boone & Kurtz, 2000:55) many factors contribute to an assessment of an organisation's social responsibility today. These include providing equal employment opportunities, respecting the cultural diversity of employees, responding to environmental concerns, providing a safe, healthy workplace and producing safe, high-quality products. Furthermore, an organisation is also judged by its interactions with the community. Many organisations highlight charitable contributions and community service in their annual reports to demonstrate their social responsibility.

The concept of social responsibility (Mullins, 2002:143) means that organisations respond to stakeholders and concern from society by considering more than just the organisation's own interests. Systematic evaluation of the needs for stakeholders can position the organisation to be socially responsible. However, organisations cannot simply take a reactive approach to issues as they arise. The principles must be embedded in the corporate culture and business strategy, right through to the day-to-

day decision-making process. Organisations that embrace the principles of social responsibility and ethics in a proactive manner are the organisations of the future – the firms that will survive and prosper (Mullins, 2002:143).

According to Clutterbuck (1992:17) employees are demanding a greater say in policymaking and more information about the organisation's plans and performance. At the same time, there is increasing pressure from top management in many organisations for greater employee involvement. These organisations recognise the value of harnessing the commitment and creativity of everyone in the organisation.

## **3.2 HISTORICAL PERSPECTIVE**

The development of social responsibility has until now taken place in three phases, namely the classical phase, the social awareness phase and the social responsibility phase.

### **3.2.1 The classical phase**

The concept of business responsibility that prevailed in the United States during most of our history was fashioned after the traditional, or classical, economic model. Adam Smith's concept of the 'invisible hand' was its major point of departure. The classical view held that a society could best determine its needs and want through the marketplace. If business simply responds to these demands, society will get what it wants. If business is rewarded on the basis of its ability to respond to the demands of the market, the self-interested pursuit of that reward will result in society getting what it wants. The 'invisible hand' of the market transform self-interest into societal interest (Van Niekerk, 1987:266; Carroll & Buchholtz, 2000:28).

Thus, the role of the managers is to produce and market goods efficiently – that is, in such a way that owners of the firm receive the greatest economic profits. Performing other social responsibility activities is seen as disturbing fundamental economic relationships (Certo & Peter, 1991:225).

The emergence of large corporations during the late 1800s played a major role (Carroll & Buchholtz, 2000:30) in hastening movement away from the classical

economic view. As society evolved from the economic structure of small, powerless firms governed primarily by the marketplace to large corporations in which power was concentrated, questions of the responsibility of business to society surfaced.

Henry L Gantt already declared in 1919 that the community would “adopt” the industry if managers would not meet their obligation’s towards society. Another writer, Oliver Sheldon emphasised in 1923 that the responsibility of organisations was primarily towards the community (Van Niekerk, 1987:266).

### **3.2.2 The social awareness phase**

The 1930s signalled a transition from a predominantly laissez-faire economy to a mixed economy in which business found itself one of the constituencies monitored by a more activist government. From this time well into the 1950s, business’s social responsibilities grew to include employee welfare (pension and insurance plans), safety, medical care, retirement programmes, etc. (Carroll & Buchholtz, 2000:30).

### **3.2.3 The social responsibility phase**

Milton Friedman, a Nobel Prize winner, stated categorically: “The one and only social responsibility of business is to increase its profits”. Friedman sees the whole idea of social responsibility as a fundamentally subversive doctrine (Esterhuyse, 2002:10).

In South Africa – contrary to what Friedman said – Dr Anton Rupert stated: “In a legal sense a company is a person and the question arises: how human is it in its actions, how big is its heart and what services does it offer to the community within which it has its being and from which it derives its profits?” (Esterhuyse, 2002:10).

According to Esterhuyse (2002:10) Milton Friedman represents the uncaring and soulless face of capitalism, while Rupert represents capitalism with a soul, capitalism with a human face, i.e. caring capitalism. In fact Rupert refrains from using the word capitalism. He prefers to speak of free enterprise; free enterprise with a soul, free enterprise in partnership with other stakeholders.

The characteristics of the three development phases of social responsibility are discussed in Table 3.1.

**TABLE 3.1: Characteristics of the development phases of social responsibility**

<i>Classical phase</i>	<i>Social awareness phase</i>	<i>Social responsibility phase</i>
1. The main goal is profit gaining	A satisfactory profit is aimed at	Profit is necessary but not at any cost of social obligations
2. Labour is a commodity which must be bought at the lowest price	Labourers have certain rights which have to be satisfied	Labour is an important asset and has to be a priority
3. Money is very important	Not only is money important but also people	People are more important than money
4. The buyer has to be cautious when buying an item	The buyer must not be deceived	The seller has to be cautious not to be an injustice to the buyer
5. Technology is important	Technology is important but so are people	People are more important than technology
6. Managers are responsible to the owners	Managers are responsible towards the owners, clients, employees, suppliers and other stakeholders	Managers are responsible towards the owners, other stakeholders and the community
7. Employees must leave their personal problems at home	Acknowledgement that employees have also other needs than economical needs	The people as a whole get employed
8. The government of the day are the best government	The government is an important necessity	Organisations and government must work together to get solutions of social problems
9. Aesthetical values are not important in the workplace	Aesthetical values are being looked on at a distance	Aesthetical values must be maintained at all times
10. Nature controls the destiny of man	Man can manipulate the environment	The environment has to be preserved to be able to have a quality life

Source: Van Niekerk (1987:268)

### 3.3 SOCIAL RESPONSIBILITY DEFINED

Certo and Peter (1995:220) define social responsibility as the degree to which organisations perform activities that protect and improve society beyond the extent required to serve the direct economic and technical interests of the organisation. In other words, exhibiting corporate social responsibility involves performing activities that may help society even if they do not directly contribute to the organisation's profits.

Carroll and Buchholtz (2000:33-34) present a four-part definition that focuses on the types of social responsibilities that might be argued organisations have.

◆ **Economic responsibilities**

An organisation should be an institution whose orientation is to produce goods and services that society wants and to sell them at fair prices – prices that society thinks represent the true values of the goods and services delivered and that provide organisations with profits adequate to ensure its perpetuation and growth and to reward its investors.

◆ **Legal responsibilities**

Reflect a view of 'codified ethics' in the sense that they embody basic notions of fairness as established by lawmakers. It is the organisation's responsibility to society to comply with these laws. If organisations do not agree with laws that have been passed or are about to be passed, society has provided a mechanism by which dissenters can be heard through the political process.

◆ **Ethical responsibilities**

Embrace those activities and practices that are expected or prohibited by societal members even though they are not codified into law. Ethical responsibilities embody the range of norms, standards, and expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect for or protection of stakeholders' moral rights.

◆ **Philanthropic responsibilities**

These activities are purely voluntary, guided only by organisations' desire to engage in social activities that are not mandated, not required by law, and not generally expected of organisations in an ethical sense.

According to Nieman and Bennett (2002:360) social responsibility refers to the following:

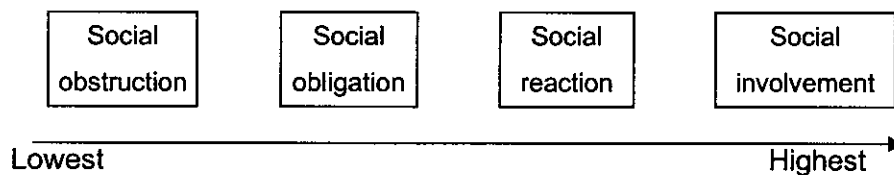
- The improvement in the quality of life of employees (excluding salary and wage adjustments), and the creation of a social infrastructure that promotes cultural and educational development in the community.
- An obligation to co-operate in raising the standard of living or quality of life, improving the working environment, and creating a better social, ecological and aesthetic environment to the benefit of all employees, and simultaneously to the benefit of all the members of the community or society, and even for the citizens of the country (see 6.4.3.1).

By summary: social responsibility involves the managerial obligation to protect and improve the welfare of interest groups, society as a whole, and the interests of the business.

### 3.4 LEVELS OF SOCIAL RESPONSIBILITY

Lussier (2000:66) identified four levels of social responsibility: social obstruction, social obligation, social reaction and social involvement. For an illustration of the four levels of social responsibility, see Figure 3.1.

**FIGURE 3.1: Levels of social responsibility**



Source: Lussier (2000:66)

#### ◆ Social obstruction

Managers deliberately perform, or request employees to perform, unethical or illegal business practices. In these cases, whistle-blowing and strong government penalties can help prevent social obstruction.

#### ◆ **Social obligation**

Managers meet only the minimum legal requirements. Compliance is an approach in which organisations rely on end-of-pipe types of pollution control and often resist the order and enforcement of environmental regulations.

#### ◆ **Social reaction**

Managers respond to appropriate societal requests. The most common type of social reaction takes place when civic groups go for example to a company and ask for donations for the arts, college scholarships, anti-drug programmes, sponsorship of sport teams or for the use of company facilities for meetings or sport practice.

#### ◆ **Social involvement**

Managers voluntarily initiate socially responsible acts by encouraging employees to devote personal time to community service through volunteerism.

According to Lussier (2000:66) many organisations can be classified as being at one of the four levels of social responsibility. However, an organisation can be on different levels for different reasons.

### **3.5 THE DAVIS-MODEL AND SOCIAL RESPONSIBILITY**

Keith Davis designs in general an acceptable model of social responsibility. The Davis-model offers the following five propositions according to which business could react social responsibility (Certo, 1992:63; Shaw, 2001:205):

- Social responsibility originates from social power: Organisations can have a significant influence in such areas as minority employment and environmental pollution. In essence, the collective action of all organisations determines the proportion of minorities employed and the prevailing condition of the environment. Thus, because organisations have power over society, society can and must hold organisations responsible for social conditions affected by the use of this power.
- The organisation is an “open” system: It receives inputs from the environment, delivers outputs to the environment, and is responsible for the disclosure of

activities to society. Davis suggests that continuing, honest and open communications between organisations and societal representatives must exist if the overall welfare of society is to be maintained or improved.

- The social costs and benefits of an activity, product or service will be calculated and considered before deciding whether or not to proceed with it: Technical feasibility and economic profitability are not the only factors that should influence organisation decision-making. Organisations should also consider both the long- and short-term societal consequences of all organisations' activities before such activities are undertaken.
- Social costs related to each activity, product or service will be passed on to the consumer: Organisations cannot be expected to finance all activities that are economically disadvantageous but socially advantageous. The cost of maintaining socially desirable activities within business should be passed on to consumers through higher prices for the goods or services that are directly related to those socially desirable activities.
- Organisations have the responsibility to become involved in social problems that fall outside their normal areas of operation: If an organisation possesses the expertise to solve a social problem with which it may not be directly associated, it should be held responsible for helping society solve the problem. Organisations will eventually receive increased profits from a generally improved society, so organisations should share in the responsibility of all citizens to improve the society.

With reference to Chapter 2 there will be a short discussing on the social agreement or contract as a form of social responsibility.

## **3.6 THE SOCIAL AGREEMENT**

### **3.6.1 Background**

The emerging social responsibilities of organisations have also been expressed in terms of a changing contract between organisations and society that reflected changing expectations regarding social performance of organisations (Buchholz & Rosenthal, 2000:317). The old contract between organisations and society was

based on the view that economic growth was the source of all progress, social as well as economic. The engine providing this economic growth was considered to be the drive for profits by competitive private enterprise. The basic mission of organisations was thus to produce goods and services at a profit and in doing this, organisations were making their maximum contribution to society by being socially responsible.

South African business organisations, (Slabbert *et al.*, 1999:19-5) find themselves in a peculiar predicament. On the one hand they are represented in a social contracting process which obliges them to participate in a multi-level restructuring of society. This comprises translating the social contractual terms into operational strategies and interpreting them according to the unique environmental conditions pertaining to the specific industry in which the business organisation is operating. On the other hand they are held responsible by their employees for the fulfilment of the terms of extended psychological contracts, without the opportunity of actively negotiating the scope or even debating the viability of the subjective expectations.

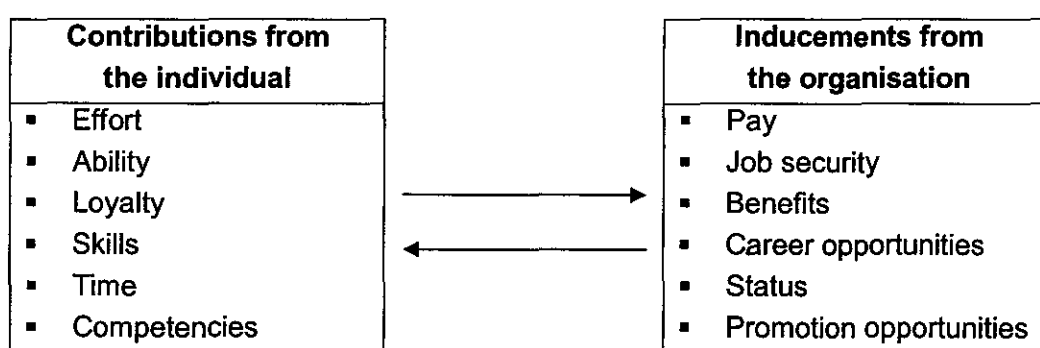
Furthermore, (Swanepoel, 1999:363) an organisation's attempts to institutionalise and implement operational strategies derived from a social contract may be perceived by an employee as violating the terms of the extended psychological contract. By limiting wage increases, however, an employer might be perceived as violating an employee's expectation of a decent increase based on the delivery of good quality work. At the same time the individual may have increased expectations of the employer due to the organisation's involvement in societal restructuring, which would strengthen the perception of contract violation.

### **3.6.2 The psychological contract**

The employment relationship is often described as a social exchange relationship where two parties, the employer and the employee, are co-operating to achieve mutual benefit. This relationship is institutionalised through the process of employment contracting, which runs across the entire spectrum from the strictly legal to the purely psychological (Swanepoel, 1999:363; Armstrong, 2002:185).

A psychological contract refers to an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between the individual and another party (Robinson & Rousseau, 1994:246). Moorhead and Griffin (1998:89) and Robinson and Rousseau (1994:246) explain that a psychological contract emerges when one party believes that a promise of future return has been made (for example, pay for performance), a contribution has been given (for example, some form of exchange) and thus, an obligation has been created to provide future benefits. Figure 3.2 illustrates the essential nature of a psychological contract.

**FIGURE 3.2: The psychological contract**



Source: Moorhead and Griffin (1998:89)

The expectations of a business organisation's activities in the non-work lives of employees have the result that the employees' expectations entrenched in psychological contracts become accordingly more encompassing in other words the psychological contract becomes extended (Swanepoel, 1999:365).

### 3.6.3 The social contract

#### 3.6.3.1 Background

Lubbe and Schutte (1993:83) believe that the essence of this social contract would be that the organisation accepts the welfare of its employees, customers, the public and other stakeholders as legitimate goals in addition to their traditional responsibility to provide attractive profits for investors. In return these constituencies would provide the resources that are always essential to lasting business success, namely productivity and product quality from committed employees, continued patronage

from satisfied customers, freedom from government regulation and taxes, venture capital from investors etc.

For Coetzee (2001:2) is it necessary that a social contract must exist between an organisation and the community because the organisation forms an integral part of the community and is depended of the welfare of the community.

The social contracting process could have various outputs (that is, constitution, legislation, policies) and in compliance with the social contract is measured against these outputs. While the social contract thus has a strong explicit character, an important aspect thereof is the building and regulating of trust relationships between the contracting parties, for example, organised labour, capital and the state (Slabbert *et al.*, 1999:19-8).

Slabbert and Swanepoel (2000:145) argue that the following aspects are critical prerequisites for effective social contracts:

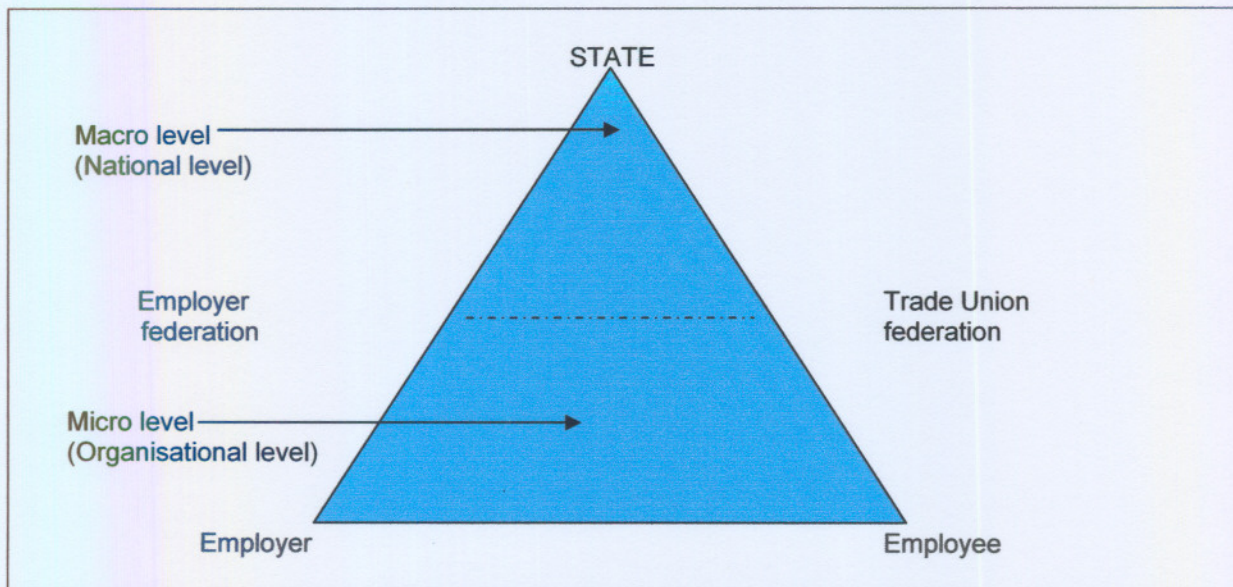
- social contracts must recognise the conflicting interests of the parties and must endeavour to reconcile these interests by means of creative methods;
- when conflict about socio-economic policy is unavoidable, it must be endeavoured to limit the damage to the interests of the participating parties and their support base;
- the most important requirement is that action programmes must be created if critical advantages cannot be provided in the short term. Thus representatives can convince their members of principals that their expectations will, in fact, be realised in the long term;
- during the negotiation of social contracts, representatives must refrain from discrediting the legitimacy of other participants on the ground of ideological positioning outside the social contract.

For Douwes Dekker (Slabbert & Swanepoel, 2000:147) is the purpose of the social contract not to prescribe actual terms and conditions of employment, but primarily to enable the development of an equitable relationship through the procedural endorsement of those rights and responsibilities to reduce power distance.

### 3.6.3.2 Levels of negotiation of a social contract

From Figure 3.3 it appears that a social contract can be negotiated on two levels, namely the macro level and the business level. The majority of authors are, however, of opinion that the negotiation of a social contract takes place, or should take place, primarily on the macro level (Slabbert & Swanepoel, 2000:146).

**FIGURE 3.3: Levels of negotiation of a social contract**



Source: Douwes Dekker (1990:24)

Douwes Dekker (1990:34-35) refers to the level of negotiation of the social contract as the "supra-levels of the labour relations system". It is furthermore important to note that the level on which the social contract is negotiated, can be determined by one or more of the following factors:

- the legitimacy given to the trade union industry by the broad society;
- the support which capital offers employers' organisations;
- the support which socialism enjoys amongst the working class;
- the existence of bonding national federations;
- the willingness of federations of both trade unions and employers to undertake so-called "barter" transactions in respect of socio-economic issues;

- the extent to which social contracts are negotiated on macro level, offer support to the representatives of capital and labour on the lowest levels of the employment relations system.

### **3.6.3.3 Problems and obstacles in respect of the social contract**

The following problems are identified:

#### **◆ Low organisation level of employers**

According to De Villiers (1992:82) it is undesirable for employers, from an organisation's point of view, to enter into social contracts on macro level, since their level of organisation is low. There exist no culture of participation between organisations because they are in competition with each other and they have also different norms and cultures. Employer organisations are merely in an advisory capacity and cannot make binding decisions regarding their members.

#### **◆ Ideological differences**

De Villiers (1992:82) believes that a paradigm shift must take place in the thinking of businessmen before a social contract will work since numerous businessmen have not experienced the legitimate role of the trade union as representative of labour.

Attempts to establish an accord around economic and socio-economic policy (Schlemmer, 1991:7-10) are very different to negotiated agreements in the field of industrial relations. The boundaries of a conflict are much more finite in industrial relations. Trade unions and managers are concrete realities that will not go away. Truth claims and ideological commitments are less pertinent in industrial relations, whereas in the social contract they may well live on as unresolved tensions.

#### **◆ Trade unions feel threatened**

Trade unions could feel threatened by the implications of a social contract on account of the perception that their power base is put under pressure. Ignorance is often the cause of this feeling of being threatened (Slabbert & Swanepoel, 2000:148).

According to De Villiers (1992:81) this perception can create a problem because trade unions make use of mass actions to demonstrate their right as workers. The success of the social contract will depend on the degree in which the trade union members will understand and support the contract.

◆ **Potential of prizes to commit members to a contract**

Friedman (1991:1-26) believes that the next threatening problem is the number of trade union members. The trade union movement has become so big that there is no guarantee that social contracts that are negotiated on macro level will, in fact, enjoy the approval of the majority members.

◆ **Professionalism of trade unions**

South African trade unions possess a low level of technical skill. They lack the ability, both on national and organisation level, to negotiate effectively on the total range of issues on the agenda (Slabbert & Swanepoel, 2000:148).

In summary: The social contract can, despite certain problems, be an important instrument in addressing socio-economic problems on both macro and organisation level in the South African society.

### **3.6.4 The psycho-social contract**

Veldsman (1996:12-16) defines the psycho-social contract as an agreement encompassing the invisible and unwritten set of reciprocal expectations, evolving overtime, between the various parties that have an interest in the business organisation. He further mentions that the rapidly changing business environment requires a psycho-social contract from business enterprises – a contract based on the principle of partnership, co-decision making and co-responsibility.

The psycho-social contract (Slabbert & Swanepoel, 2000:144):

- should create a balance between the expectations, not only of the employer and the employee, but also between the expectations of all the role players in the business environment;

- should create a balance between the levels of wellbeing of a business enterprise that is a basis of security and validity for the role players involved;
- is a control mechanism that reduces or even eliminates the risk of destructive behaviour, perceptions and attitudes originating from expectations not included in a formal agreement;
- correspond with the principles of social corporatism; and
- is an important link between individual and collective expectations.

Upon further analysis, it becomes evident that the psycho-social contract exhibits characteristics of both the social and psychological contracts. The hybrid character of the psycho-social contract together with its level of functioning (organisational), makes it the ideal link between the expectations originating from the social and the psychological contracts (Swanepoel *et al.*, 2001:368).

There can thus be little doubt that the psycho-social contract is an indispensable link between the expectations arising from the psychological contract and the social contract respectively. Table 3.2 compares the three types of contracts as discussed in 3.7.

**TABLE 3.2: Comparison between the social contract, the psycho-social contract and the psychological contract**

Social contract	Psycho-social contract	Psychological contract
<ul style="list-style-type: none"> <li>• Contract based on a partnership between the major societal role-players</li> <li>• Relationships between contracting parties (implicit)</li> <li>• Contract terms are mostly explicit</li> <li>• Explicit policy framework</li> <li>• Principles to guide behaviour</li> </ul>	<ul style="list-style-type: none"> <li>• Contract based on a partnership between the organisational stakeholders</li> <li>• Relationships between contracting parties (implicit)</li> <li>• Core of explicit contract terms</li> <li>• Explicit organisational policies, procedures and other relevant documentation</li> <li>• Values and norms to guide behaviour</li> </ul>	<ul style="list-style-type: none"> <li>• Relationship between the individual and the organisation (implicit)</li> <li>• Contract terms are mostly implicit</li> </ul>

<b>Social contract</b>	<b>Psycho-social contract</b>	<b>Psychological contract</b>
<ul style="list-style-type: none"> <li>• Creates the context for psycho-social and psychological contracts</li> <li>• Mechanism for the management of social expectations</li> </ul>	<ul style="list-style-type: none"> <li>• Creates the context for psychological contracts</li> <li>• Mechanism for the management of the social and psychological expectations</li> <li>• Predictability</li> </ul>	<ul style="list-style-type: none"> <li>• Mechanism for the determination of individual contributions to the organisation</li> <li>• Predictability</li> </ul>
<ul style="list-style-type: none"> <li>• Societal</li> </ul>	<ul style="list-style-type: none"> <li>• Organisational</li> </ul>	<ul style="list-style-type: none"> <li>• Individual</li> </ul>
<ul style="list-style-type: none"> <li>• Explicit agreement to be negotiated between contracting parties</li> <li>• Relational aspects evolve continually</li> </ul>	<ul style="list-style-type: none"> <li>• Explicit agreement to be negotiated between contracting parties</li> <li>• Relational aspects evolve continually</li> </ul>	<ul style="list-style-type: none"> <li>• Individual adjusts expectations continually in order to maintain an equitable relationship</li> </ul>
<ul style="list-style-type: none"> <li>• Compliance measured against explicit norms (for example, constitution, legislation)</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance measured against explicit and implicit norms</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance measured against mostly implicit norms</li> </ul>
<ul style="list-style-type: none"> <li>• Possible legal and/or social sanctions as disciplinary measures</li> <li>• Damage in relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Possible social sanctions as disciplinary measures</li> <li>• Damage in relationships</li> <li>• Trust, legitimacy and security adversely affected</li> </ul>	<ul style="list-style-type: none"> <li>• Damage in employment relationship</li> <li>• Promotes negative behaviour towards the organisation</li> </ul>

Source: Swanepoel (2001:368-369)

It is therefore necessary to view corporate social investment not as a 'extra' (Esterhuyse, 2002:11), but on the contrary, as an integral part of an organisation's business plan. To really add value to society facilitating development, a corporate social investment programme should be based on well founded guidelines and applied in the light of clear priorities.

A South African organisation (Esterhuyse, 2002:11), well known for its social involvement, lists the following guidelines:

- give priority to the disadvantaged communities
- suit the project to the region or culture
- concentrate on basic developmental needs
- target our employee community
- involve our employees in social investment projects
- partner with communities
- partner with the government at all levels

- innovate and adapt to solve needs.

To Esterhuysen, these guidelines imply that the organisation is prepared to treat social responsibility as a business imperative and moral obligation towards its employees and the communities.

Before we have a look at the areas of social responsibility, it is necessary to weigh the arguments in favour of and against social responsibility against each other.

### **3.7 ARGUMENTS IN FAVOUR OF AND AGAINST SOCIAL RESPONSIBILITY**

The proponents of social responsibility advocate interaction between the business and the community. If management does not willingly help solve social problems, it must be compelled to help, or else face the decline and even the downfall of the community and also of the business (De Klerk & Kruger, 1995:105).

The organisation (Marx *et al.*, 1998:130) should be seen from the outside as an organ of society that services society's interests. This means that the goal of the organisation is to encourage and achieve the greatest possible socio-economic wealth. The socio-economic approach also states that the organisation should internally form a labour community in which everyone's interests are treated on equal footing. The organisation is a social entity within society which:

- should satisfy society's needs for goods and services
- should provide job opportunities and job satisfaction
- should improve the welfare (material and other) of society by using entrepreneurship, capital, human resources and raw materials economically
- should in the process pay a fair remuneration for the factors of production.

Service to society is therefore, according to Marx *et al.* (1998:130) a primary goal, while profitability still remains an important consideration. An organisation therefore also pursues social goals such as: a high standard of living, economic progress and stability, personal and national security, improved living conditions on both local and national levels and responsibility of its employees.

### **3.7.1 Arguments in favour of social responsibility**

Arguments in favour of social responsibility as describe by Robbins and Coulter (1996:147) are:

- Managers have the skills and authority to attend to social problems by funding and providing facilities.
- The profitability as well as the growth of the organisation depends on the existence of a stable, orderly society.
- Participation in broad social responsibility is one of the best methods of promoting the business' public relations and of gaining the goodwill and support of the public.
- By accepting social responsibility the business prevents the government from implementing restrictive legislation and regulations.
- Social involvement requires the organisation to be effective, to use scarce resources in the best possible way and to bring about the best possible employment opportunities and job satisfaction.
- The organisation is in a more favourable position than government to attend to urgent social problems without delay, because the organisation is not bound by politics and is more flexible and adaptable than government structures.

### **3.7.2 Arguments against social responsibility**

Those opposed to social responsibility according to De Klerk and Kruger (Kroon, 1995:106) and Robbins and Coulter (1996:148) list the following reasons:

- The organisation's task is to produce quality goods and services and to satisfy the needs of the consumer.
- The economic function of the organisation is maximisation of profits. Therefore the organisation's only social responsibility is to generate profit within the rules of the game in a free-market system.
- It is unfair to burden managers with social problems because they do not necessarily have political and social skills at their disposal.

- Social involvement can have a negative influence on the organisation's competitiveness due to the time that personnel have to spend on it.
- The spending of shareholder's funds on social causes may be illegal. In addition to this, it is pointless to spend funds on social responsibility programmes without measuring the yields on the investment.

### **3.8 AREAS OF SOCIAL RESPONSIBILITY**

According to Esterhuysen (1991:99) a stakeholder approach as well as an enlightened self-interest approach, accepted a dual involvement of organisations. On the one hand internal, focussing on the social welfare and rights of the workers and on the other hand external, focussing on the social issues of the broader community.

Once it has been decided to accept social responsibility, planning and implementation remain problematic. It is important for management to clearly distinguish between primary social responsibility and broad social responsibility that has the aim of improving the standard of living of all people outside the organisation. Table 3.3 gives a basic exposition of the primary and broad social responsibilities of an organisation.

**TABLE 3.3: Primary and broad social responsibility**

Involvement	Interest groups	Areas of involvement
<b>1. Primary social responsibility</b>	1.1 Organisation as a whole	<ul style="list-style-type: none"> <li>▪ Pursuit of profit</li> <li>▪ Achievement of aims</li> <li>▪ Effectiveness and efficiency</li> <li>▪ Productivity</li> <li>▪ Promotion of image</li> <li>▪ Public relations</li> <li>▪ Quality of service</li> <li>▪ Environmental management</li> <li>▪ Environmental control</li> </ul>
	1.2 Owners, shareholders and partners	<ul style="list-style-type: none"> <li>▪ Promotion of image</li> <li>▪ Earnings on shares</li> <li>▪ Profit sharing</li> </ul>
	1.3 Employees	<ul style="list-style-type: none"> <li>▪ Training and development</li> <li>▪ Conditions of service</li> <li>▪ Working conditions</li> <li>▪ Remuneration</li> <li>▪ Security</li> <li>▪ Self-actualisation</li> <li>▪ Job satisfaction</li> <li>▪ Protection of minority groups</li> <li>▪ Safety and health of employees</li> </ul>
	1.4 Suppliers	<ul style="list-style-type: none"> <li>▪ Raw materials</li> <li>▪ Loans</li> <li>▪ Credit</li> </ul>
	1.5 Customers	<ul style="list-style-type: none"> <li>▪ Quality products</li> <li>▪ Quality service</li> <li>▪ Product improvement</li> <li>▪ Consumer protection</li> <li>▪ Marketing actions</li> </ul>
<b>2. Broad social responsibility</b>	2.1 Local community	<ul style="list-style-type: none"> <li>▪ Community development</li> <li>▪ Ecological control</li> <li>▪ Low-cost housing</li> <li>▪ Support of health and medical services</li> <li>▪ Training and development of local population</li> <li>▪ Sponsorships to schools and sporting bodies</li> <li>▪ Preservation of historical buildings</li> </ul>
	2.2 Country as a whole	<ul style="list-style-type: none"> <li>▪ Nature conservation</li> <li>▪ Upliftment of the poor and illiterate</li> <li>▪ Welfare</li> <li>▪ The promotion of the arts and sciences</li> <li>▪ Financial support of education and training</li> <li>▪ International relations</li> </ul>

Source: Donnelly *et al.* (1992:70)

To Skinner and Ivancevich (1992:134) social responsibility raises many challenging questions for organisations, such as:

- To whom are they responsible?
- How far should they go to satisfy their customers and achieve organisational objectives?
- Will their decisions affect any segments of society that they have not considered?

Socially responsible organisations balance the consequences of their decisions to these different concerns. To understand the way organisations try to achieve an acceptable balance and in accordance with the survey questionnaire as described in Chapter 1, the different stakeholders will be discussed shortly.

### **3.8.1 Responsibility towards customers**

Many organisations (Hellriegel *et al.*, 2002:172; Mullins, 2002:146) put the concerns of their customers or clients first. That often means improving the quality of products and services while keeping costs in check.

Furthermore, many organisations choose to meet their responsibilities to customers by responding promptly to complaints, by providing complete and accurate product information, by implementing advertising programmes that are completely truthful regarding product performance, and by taking an active role in developing products responding to customers' social concerns (Donnelly *et al.*, 1995:100).

Skinner and Ivancevich (1992:137-139) and Certo and Peter (1995:211) ask the following questions regarding areas of social responsibility concern for consumers:

- Are products safe and well designed?
- Are products priced fairly?
- Are advertisements clear and not deceptive?
- Are customers treated fairly by salespeople?
- Are credit terms clear?
- Is adequate product information available?

A positive social responsibility image helps in customer recruitment and retention. To put it at its most basic, people prefer to do business with someone they can trust. This, on its own, is a strong argument for integrating social responsibility activities (Clutterbuck, 1992:18).

### **3.8.2 Responsibility towards employees**

One of the primary social responsibilities of an organisation should be to its own employees (Kossen, 1994:587). From the standpoint of improving the “corporate image”, employees are exceedingly important since they are an influential communication link to the general public (see 6.4.3.5). Information regarding either favourable company practices or the distribution of shoddy products and unfair management tactics will generally be transmitted easily to the general public through employees’ communication networks.

Hellriegel *et al.* (2002:174) argues that pay and benefits are also the responsibility of the organisation’s concern to employees. Important to employees are fair pay, secure and affordable health insurance, paid sick leave, and assured pension and retirements benefits (see 6.4.3.7).

Some organisations have well-known reputations for being concerned with employees’ attitudes, their personal problems, and other factors that influence both on-the-job performance and public attitudes toward the organisation. According to Kossen (1994:587) there are organisations that encourage employees to further their education by assisting them with the costs of attending after hour colleges or universities.

According to Donnelly *et al.* (1995:100) management’s responsibilities to employees can be minimally discharged by meeting the legal requirements that relate to employee-employer relationships. Such laws address issues associated with the physical conditions of work (particularly the safety and health issues), wage and hour provisions, unions and unionisation. The thrust of these laws is to encourage management to create safe and productive workplaces within which employees’ basic civil rights are not compromised.

Certo and Peter (1995:211) ask the following questions regarding the areas of social responsibility concern for employees:

- Are employees paid a fair wage?
- Are employees provided a safe work environment?
- Are employees hired, promoted, and treated fairly without considering sex, race, colour, or creed?
- Are employees given special training and educational opportunities?
- Are handicapped people given employment opportunities?
- Does the business help rehabilitate employees with physical, mental, or emotional problems?

### **3.8.3 Responsibility towards shareholders**

Management has a responsibility to disclose fully and accurately to shareholders its use of corporate resources and the results of those uses (Donnelly *et al.*, 1995:102). Furthermore, guarantees the law shareholders the right to financial information and establishes a minimum of public disclosure. The fundamental rights of a shareholder is not to be guaranteed a profit but to be guaranteed information on which a prudent investment decision can be based (see 6.4.3.4). The ultimate action that a shareholder can take is to sell the stock and cease to have an ownership interest.

Organisations (Griffin, 1990:820; Mullins, 2002:145) need to take a socially responsible stance towards their shareholders. Managers, according to Griffin (1990:820) should maintain proper accounting procedures, provide appropriate information to shareholders about the current and projected financial performance of the firm, and manage the organisation in such a way as to protect shareholder rights and investments. Insider trading, illegal stock manipulation and the withholding of financial data are examples of recent wrongdoings attributed to many different businesses.

### **3.8.4 Responsibility towards society**

For Hellriegel *et al.* (2002:174) when referring to society it includes all the communities affected by an organisation, including those at local, national, and international levels. Socially responsible organisations stay attuned to public opinion and use it as one source of information that may shape their own management practices.

Bovée *et al.* (1993:109) maintain the idea that socially responsible organisations can make a substantial difference in their communities by providing leadership and assistance in addressing pressing needs.

More reasons why responsibility towards the community is important will be discussed in the following paragraphs.

#### **◆ Education**

One of the most rapidly evolving areas of community involvement is the relationship between organisations and the world of education. Organisations felt they had a duty to do something for local schools, or saw the production of education packs as either a form of marketing or a philanthropic gesture. By making education more enjoyable, more accessible and more relevant to the world of work, organisations also stand a chance to reap the benefit of new recruits who are already motivated towards continued learning (Clutterbuck, 1992:182).

#### **◆ Health and welfare**

Some people believe that organisations should be involved in promoting the general social welfare. According to Gerber *et al.* (1998:253) health also includes the provision of medical benefits to employees and their dependants. Health services are nowadays important and are available in communities in the environments where the organisations are functional. Preference is given to services for cancer, HIV/AIDS (see Chapters 4 and 5), tuberculosis and population development because this is a manner to uplift the quality of life of the community through social investment.

#### ◆ **The natural environment**

Organisations have a responsibility (Mullins, 2002:146) not to misuse the scarce factors of production upon which the wealth of the country depends. Organisations have a responsibility to society, to respect environmental considerations and take care of amenities. Examples include:

- the effects of potential dangers of pollution, noise, disposal of waste
- the siting and appearance of new buildings
- transportation policies, such as the routing of heavy vehicles through narrow village roads, and
- avoidance of excessive packaging and more use of biodegradable materials.

#### ◆ **Crime preventing**

Organisations can approach crime prevention by a number of directions (Clutterbuck, 1992:199). For instance:

- sponsoring youth initiatives in high crime areas to prevent teenagers drifting into trouble,
- supporting safety training schemes to help young children avoid becoming victims of bullying or harassment,
- help parents respond to early symptoms of their children's possible drug abuse,
- working with the police and local authorities to improve city centre environments to reduce crime.

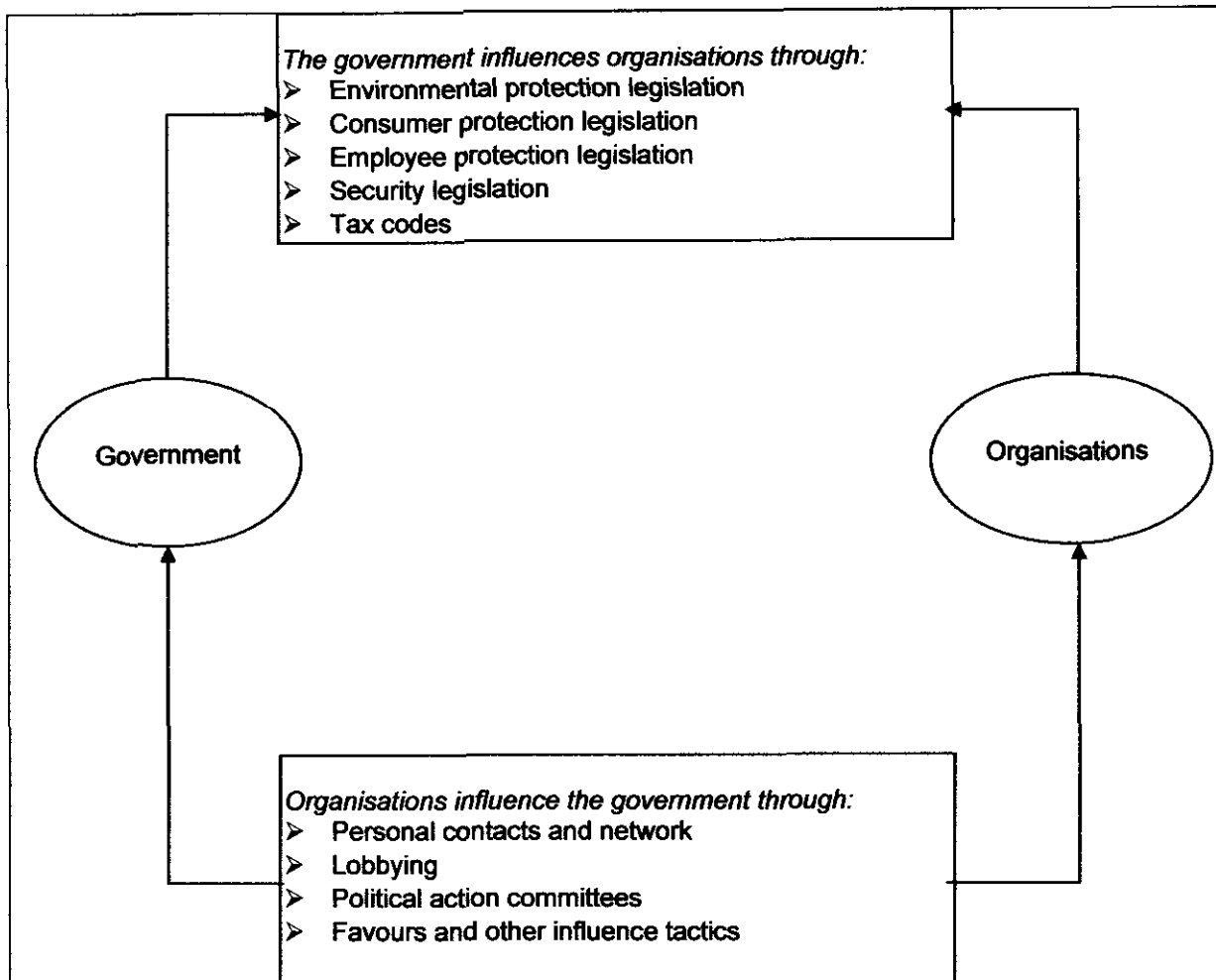
Out of above-mentioned information is it clear that the organisation's social responsibility towards the broader community cannot be ignored any longer. If the social investment funds are spent wisely on certain areas it could have positive consequences for the economy (see 6.4.3.8).

### **3.8.5 Responsibility towards government**

Another important aspect of social responsibility is the relationship that exists between organisations and government. According to Griffin (1993:105-107) and Mullins (2002:146) there are some specific areas in which organisations and the government attempt to influence one another. Several of them are shown in Figure 3.4.

- The government regulates organisation activities in many different areas. Some of these regulations are direct, while the rest are indirect.
- Direct regulation: through the establishment of laws and rules that dictate what organisations can and cannot do in prescribed areas. In terms of social responsibility, most regulations of organisations focus on the environment, customers, employees, and investors.
- Indirect regulation: the government can indirectly influence the social responsibility of organisations through its tax codes. The government can influence the way organisations spend their social responsibility rand by providing greater or lesser tax incentives (see 6.4.3.4, 6.4.3.9).
- Organisations can influence the government through personal contacts, networks, lobbying, and favours.

**FIGURE 3.4: How organisations and the government influence each other**



Source: Griffin (1993:106)

### 3.9 SOCIAL RESPONSIBILITY AND FUNDAMENTAL HUMAN RIGHTS

Gerber *et al.* (1998:249) believe that there could not be social responsibility without the recognition of fundamental human rights. South Africa has because of the changes that took place during the last few years, begun to give incisive attention to defend human fundamental rights. In connection with this the Constitution (Act 108 of 1996) was put into operation on the 4 February 1997. The Bill of Rights is contained in Chapter 2 of the Constitution. The Bill of Rights is a document that sets out the human rights and freedoms belonging to all citizens of South Africa and also provides enforcement and protection (De Waal *et al.*, 2001:393).

### 3.9.1 Bill of rights

Chapter 2 of the Bill of Rights protects the rights of workers so that all laws governing workers must comply with the Constitution (South African Constitution Act, No. 108 of 1996). Section 23 of the Bill of Rights identifies the following rights in the workplace:

- (1) Everyone has the right to fair labour practices.
- (2) Every worker has the right –
  - (a) to form and join a trade union;
  - (b) to participate in the activities and programmes of a trade union; and
  - (c) to strike.
- (3) Every employer has the right –
  - (a) to form and join an employer's organisation; and
  - (b) to participate in the activities of such an organisation.
- (4) Every trade union and every employer's organisation has the right –
  - (a) to determine its own administration, programmes and activities;
  - (b) to organise; and
  - (c) to form and join a federation.
- (5) Every trade union, employer's organisation and employer has the right to engage in collective bargaining. National legislation may be enacted to regulate collective bargaining. To the extent that the legislation may limit a right in this Chapter, the limitation must comply with section 36(1).
- (6) National legislation may recognise union security arrangements contained in collective agreements. To the extent that the legislation may limit a right in this Chapter, the limitation must comply with section 36(1).

The rights of management and the employees are an important element of labour relations. Therefore, if organisations are going to behave in a manner that genuinely promotes respect for individual dignity then much of what is stated above will need to be included into organisational behaviour (De Waal *et al.*, 2001:393; Pons, 2004:1(26-28)).

Bendix (2001:94-95) and Pons *et al.* (2004:1(26-27)) focus on the individual, collective and employers' rights in the following section.

### **3.9.1.1 The individual**

#### **◆ Respect for individual dignity**

If organisations are to behave in a way, that ensures respect for individual dignity, then a number of issues should be addressed:

- Candidates for selection, promotion, training and development should not be prejudiced by virtue of race, sex or creed.
- Individual employees should be encouraged and assisted to develop their skills through training and development opportunities.
- A manpower plan that facilitates proper promotion and career opportunities for individuals needs to be part of the business process.
- Remuneration practices should be non-discriminatory and should reward skill, merit, performance, demands of the job, and experience.

#### **◆ Freedom of association**

Individual employees should have the right to choose a union of their own choice. The form of the union should remain the prerogative of individual employees and in itself should be non-discriminatory and non-racial.

#### **◆ Benefits**

Individuals should be provided with adequate retirement benefits, medical aid, unemployment insurance and workmen's compensation.

Adequate care should be provided to meet the health and safety requirements of individuals.

The practice of discipline and the handling of grievances should be fair.

### ◆ Security of employment

Security of employment for the individual should be based on sound contracts of employment and work practice. Termination, whether through retrenchment or as a disciplinary measure, should always be a last resort when all other endeavours at providing employment have been exhausted.

#### 3.9.1.2 The collective

If organisations are to genuinely acknowledge that collective rights exist side by side with individual rights then the following should be in place (Pons *et al.*, 2004:1(27-28)):

- The right to freedom of association, which means that employees have the right to join a union of their own choice and to expect that unions should have a right to bargain collectively on both substantive and procedural elements affecting the constituency from which the membership is drawn.
- Collective bargaining structures that involve the use of collective power. The right to strike and embark on other forms of legitimate industrial action, such as boycotts, pickets, bans on overtime and the withholding of labour must be permitted.
- Collective bargaining requires good faith on the part of both parties. In this respect the objective of reaching agreement, problem solving, compromise and bona fide negotiations are important. Critical to this process is the sharing of meaningful, relevant and accurate information that will facilitate agreement.
- Employees should be able to elect representatives of their own choice who will deal with management on day-to-day shopfloor issues such as productivity, quality, discipline, grievances, shopfloor management and relevant workplace issues.
- Both parties should acknowledge that it is in their mutual interest to have collective agreements that represent both the procedural and the substantive terms of the relationship (Bendix, 2001:94-95; Pons *et al.*, 2004:1(28)).

### **3.9.1.3 The rights of the employer**

Slabbert and Swanepoel (2000:15-17) argue that the most important objective of the employer is to make the organisation successful, that is, to see that the correct things are done and that these things are done correctly. The second important role of the employer is that of utiliser of resources, of decision-maker, of activator of people and of proposer of ideas. All these roles reflect the most important employer function, namely control. Furthermore, the employer holds the critical relations between costs and sales, between wages and productivity and investments and profits in hand.

According to Slabbert and Swanepoel (2000:15-17) and Bendix (2001:100) employers must have enough freedom to manage an organisation to pay out an acceptable dividend to their shareholders. To be successful in this employers have certain rights. There can be distinguished between executive rights and traditional rights.

#### **◆ Exclusive rights of the employer**

In the Western democratic system (Bendix, 2001:100; Gómez-Mejía *et al.*, 2004:471) the following rights are peculiar to the employer of an organisation:

- determine the goals of the organisation;
- determine the production policy;
- plan and implement policy;
- provide financial resources;
- determine and change physical facilities;
- determine quality of products;
- determine working standards;
- determine the labour market;
- organise the labour market.

#### ◆ **Traditional rights of the employer**

The following rights (Bendix, 2001:100) are traditional to the employer:

- recruiting and employment of workers;
- assignment of tasks to workers;
- payment of the employee;
- promotion and demotion;
- to provide safe and healthy working conditions.

#### **3.9.1.4 The government and the protection of rights**

To protect the rights of the employer and employee (Slabbert & Swanepoel, 2000:16) the government has taken the following steps:

- the abolition of job reservations;
- to do away with any distinction or reference on the ground of race, colour, gender or any other arbitrary reasons with regard to labour relations;
- introduction of a system of self government by employers and employees; and
- to practice freedom of association.

### **3.10 LIMITS OF SOCIAL RESPONSIBILITY**

Social responsibility is widely expected of organisations, but it has limits. The main limits according to Frederick *et al.* (1992:39-42) are costs, efficiency, relevance, and scope. As a result of these constraints, the number and kind of social actions pursued by organisations are sometimes not according to what the public want to see.

#### ● **Costs**

Every social action is accompanied by costs of one kind or another. An organisation's contributions to a worthy charity, e.g. establishing a child care centre for its

employees or adopting a dolphin-safe-tuna-buying policy imposes costs (Frederick *et al.*, 1992:40).

#### ◆ **Efficiency**

The costs of social responsibility, like all organisation expenses, can potentially reduce an organisation's efficiency and affect its ability to compete in the marketplace. For example, if an organisation is pressured by local community to keep an outmoded, inefficient plant in operation because closing it would mean big job losses for local people, while its competitors close their old plants and move operations to foreign nations where wage rates are lower, which organisation is more likely to survive in the long run? The socially responsible managers who care for local employees, even though making what seems to be an admirable decision, may not be able to compete with their lower-cost, more efficient competitors.

#### ◆ **Relevance**

According to Frederick *et al.* (1992:41) if drug usage is causing serious safety problems in a plant, an organisation might be justified in spending money on a drug-education and treatment centre that can help its employees and others in the community. Judgement about the relevance of any social activity is usually made by the organisation's top-level executives.

#### ◆ **Scope and complexity**

Some of society's problems are simply too massive, too complex and too deeply seated to be solved by even the most socially conscientious organisation or even all organisations acting together.

Some of today's health problems – AIDS, on-the-job drug abuse and tobacco use frequently reflect complex social conditions. While socially responsive organisations can adopt workplace policies and programmes regarding these and other health problems, solutions are most likely to be found through joint action, government, organisations, community groups, and the individuals involved (Frederick *et al.*, 1992:41).

With these remarks in mind, we shall now proceed to look at the implementation of social responsibility programmes as well as methods of institutionalising social responsibility.

### **3.11 THE IMPLEMENTATION OF SOCIAL RESPONSIBILITY PROGRAMMES**

Van Niekerk (1987:273) as well as Certo and Peter (1995:222-223) believed that to the extent of participation of social responsibility, programmes differs from organisation to organisation and depend on the view of the employer, the position of the economy and the availability of funds. This participation could differ re resistance against social responsibility programmes, the fulfilment of what is needed of prescribed social obligation, the contribution of progressive social responsibility programmes and the acceptance of the position of leaders for the fulfilment of community services (see Table 6.8).

Furthermore, according to above-mentioned authors, if decided that social responsibility must be complied too, the organisation should give attention to the following: consideration of the urgency of support for a specific task, the determination of a policy and procedure for the implementation of a social responsibility programme and the way according to which the result of the programme should be controlled.

#### **3.11.1 Consideration of the urgency with regard to involvement with a case**

Questions asked by the management (Van Niekerk, 1987:274; Kossen, 1994:595) before a specific programme support:

- Does there really exist a responsibility with management to be involved with a social problem?
- Does the organisation have the right to give support in this case?
- Does a distinguishing of interest of the different groups clearly suggest that support will be given?

- Will the benefits of the social responsibility programme be higher than the costs thereof?
- Can other parties who are better equipped not solve the problem?
- Can the intended programme be afforded?
- Is expertise available at the organisation to perform the task? Should the activities not be given to a subcontractor?

### **3.11.2 The development of a policy and procedure of the implementation and control of a social responsibility programme**

When management has decided to give attention to certain social responsibilities the most effective way must be used to execute the decisions. As in the case of the production, financial, and marketing functions the social responsibility activities can not be successful without clear planning, policymaking, organising, directing and controlling thereof by management (Van Niekerk, 1987:274; Kossen, 1994:594):

- The planning of social activities consists of the establishment of the ways that management will use to act with regard to its social obligations. Social problems should thus be forecasted in the same way as economical, political, and sales forecasts.
- A policy should be formulated according to the fulfilment of the social responsibilities. To be effective, the policy must be transformed into realistic action plans. The transformation consists of three steps, namely the acceptance of top management of their organisation's social obligations, the gathering of information by top management on how to fulfil their social obligations and the distribution of the resources needed to fulfil the social obligations (see also 6.4.3.2).
- The organising of the social responsibility programme includes the delegation of power and responsibility to different persons to fulfil the social programme and the compiling of a realistic schedule for the different actions in the programme.
- The delegating of the programme includes the communicating of the plan to the employers as well as needed guidance and motivation to the employers involved for the plan to be effectively executed.

- The controlling of the social responsibility programme implicates judging and measuring the effectiveness of the plan and taking the corrective precautions, if necessary. Aspects possibly to be monitored are labour relations, environmental relations, consumer relations, the quality of life of the community, the providing of social services and the fulfilment of economical obligations.

### **3.12 SOCIAL AUDITS**

Bovée (1993:114) and Schermerhorn *et al.* (2000:159) describe the social audit as a systematic evaluation and reporting of the organisation's current performance in various areas of social responsibility.

A social audit identifies, monitors, and evaluates the effects that the organisation has on its stakeholders and society as a whole. In contrast to a financial audit, a social audit focuses on social actions rather than fiscal accountability and measures achievement under the affirmative social responsibility concept (Hellriegel *et al.*, 2002:180).

According to Cronje (Gerber *et al.*, 1998:247) organisations are mostly reluctant to disclose the amounts given to the different social responsibility programmes because there are always groups that will not approve.

Organisations determine their social investment budget according to a percentage of their profit before taxation (see 6.4.3.4). In practice, most of the organisations' budget for social investment is approximately 0.5% to 1% of their profit before taxation (Gerber *et al.*, 1998:247).

A budget is necessary for planning and control. There can, according to Gerber *et al.* (1998:247) be different budget allocations for the organisation's social responsibility programmes.

- **Budget allocation for education for the disadvantaged**

Most of the organisations realise the importance of training because it promotes their interest in the whole population. Productivity depends greatly on the education level.

Training is mostly seen as a creditable matter and educational institutions are supported by granting sponsorships.

◆ **Budget allocation for employees' welfare**

Good relations with employees are determined by the employers' support with educational, cultural, scientific, and welfare organisations that serve employees. Help with housing, training programmes and bursaries for further studies are also provided.

◆ **Budget allocation for community welfare**

Some employers believe they have a social obligation to support health, welfare and cultural organisations.

◆ **Budget allocations for sponsorships**

Sports, recreational and community projects are sometimes sponsored by large organisations. The aim of the sponsorship is not only to help the community but also to have the sponsor' names printed in the media.

◆ **Budget allocation for charity**

When the amount of the donations are large it is newsworthy and will be presented during a function. A photo of the function is then usually printed in the newspaper.

Virtually without exception, the annual reports of listed companies contain statements by the chairmen of the boards of directors in which the companies describe their social responsibility and how it has been met (Marx *et al.*, 1998:130-131). The following aspects are usually emphasised:

- training of, housing for and other benefits and facilities for employees,
- involvement in the community (for example sponsorship of sport events),
- industrial relations,
- safety of employees,

- responsibilities to the general public,
- the conservation of natural resources, usually in the form of an environmental report,
- development of businesses in less privileged communities,
- involvement in the government's Reconstruction and Development Programme,
- the empowerment of communities.

It is therefore the task of management to guide an organisation to find the right balance between the various interest groups. This means the pursuit of a balance between pure economic and pure socio-economic goals (Marx *et al.*, 1998:130-131).

### **3.13 METHODS TO INSTITUTIONALISE SOCIAL RESPONSIBILITY**

The social audit (Bovée *et al.*, 1993:115-117) provides a tool to periodically check the organisation's social performance. To help institutionalise the responsible behaviour, the following actions are taken:

- **The Public Affairs Department:** Also known as the external affairs department, serves as an important link between the organisation and key external stakeholders, such as customers, government agencies and the media. Its many duties include identifying social issues, forecasting societal trends, analysing the social environment, communicating this information to the organisation's management and developing programmes to meet the needs of specific external stakeholder groups.
- **Advocacy:** The organisation adopts a cause to support and throws its financial, material and managerial resources behind the cause.
- **Partnerships:** Groups interested in the same cause or groups that have traditionally been adversaries can help organisations as they seek mutually acceptable solutions to social problems.
- **Executive loans:** Many companies allow their executives to take leave of absence to assume temporary management positions in not-for-profit organisations. This demonstrates corporate commitment to the social causes supported by the not-for-profits, and it offers the lent managers a new perspective on issues.

- Philanthropy: The donation of money, time, goods, or services to charitable, humanitarian or educational institutions.
- Cause-related marketing: An organisation's offer to contribute a specific amount to a designated cause when customers buy the company's goods or services.

### **3.14 SOCIAL RESPONSIBILITY AND GLOBALISATION**

Competing in the global environment is necessary to any organisation's survival. The global environment is characterised by rapidly transforming economies, instant communication, interconnected business alliances, close relationships with suppliers and rapidly changing technology (Lussier, 2000:53).

Competitiveness is a dynamic concept. Since everybody competes, almost with everybody else, it forces each economic actor in a country to rethink its role and responsibilities accordingly. The most difficult hurdle probably is to overcome a classical approach to economic affairs that traditionally emphasises exports, tangible goods and basic infrastructure. Competitiveness also highlights the importance of education, knowledge, intangible goods and technological infrastructure (IMD, 2003:709).

In line with this global shift, there is also a perceivable change in the nature and composition of the workforce. Employees now have higher education and skill levels or, in the South African context, are aspiring thereto. There is a far greater awareness of rights, and employees are increasingly demonstrating a strong concern for democracy, ethical and transparent management and social responsibility (Bendix, 2001:678).

Whereas organisations previously concentrated only on making money, they will now also have to look at its equitable distribution and whereas organisations in the past seemed to care very little for morality, the business of business will in future get done if governed by a strong ethical and moral code, applicable to all involved in the organisation (Bendix, 2001:680).

Information gathered from the *World Competitiveness Yearbook 2003* (IMD, 2003:54-55) shows some interesting factors regarding the international competitiveness of

South Africa's ranking position on different levels. These factors as from 1999 to 2003 are listed in Table 3.4.

**TABLE 3.4: World competitiveness report – South Africa**

Criteria	1999	2000	2001	2002	2003
Overall ranking	22	20	17	16	18
Economic performance	12	24	22	21	23
Government efficiency	19	15	13	12	15
Business efficiency	24	18	15	11	10
Infrastructure	21	23	20	20	21
<b>Business efficiency**</b>	<b>24</b>	<b>18</b>	<b>15</b>	<b>11</b>	<b>10</b>
**Productivity					11
**Labour market					25
**Financial					10
**Management practice					9
**Attitudes and values					20

Source: IMD (2003:54-55)

Examples of principles for judging of the competitiveness factor for business efficiency are:

- Efficiency as well as ability to adapt to changes in the competitive environment are managerial attributes crucial for enterprise competitiveness.
- Finance facilitates value-adding activity.
- A well developed, internationally integrated financial sector in a country supports its international competitiveness.
- Maintaining a high standard of living requires integration with the international economy.
- Entrepreneurship is crucial for economic activity in its start-up phase.
- A skilled labour force increases a country's competitiveness.
- Productivity reflects value-added.
- The attitude of the workforce affects the competitiveness of a country (IMD, 2003:709).

South Africa's business' executives have with reference to the information in Table 3.4 still very much uplifting work and training to do in order to improve the ranking of competitiveness.

### 3.15 EVALUATION OF SOCIAL RESPONSIBILITY

To help evaluate how well an organisation is doing in the areas of social responsibility, Table 3.5 has been developed as a preliminary guide. This table can assist in determining the strength of the organisation in various social responsibility areas. Based on the results of this basic evaluation, the organisation can then see what and where improvements can be implemented (Anderson, 1989:22-24).

**TABLE 3.5 Typical strengths and weaknesses in social responsibility**

	<b>Strengths</b>	<b>Weaknesses</b>
<b>Planning</b>	<p>A committee or organisation studies, evaluates and prepares legal interpretations, practices, and codes of moral and ethical conduct to be adhered to by organisation employees.</p> <p>A committee studies, evaluates and recommends:</p> <ul style="list-style-type: none"> <li>▪ Recipients of organisation philanthropic aid and</li> <li>▪ Organisation people and money amounts to be allocated to such endeavours.</li> </ul>	<p>No planning for formal legal, moral, or ethical standards exists within the organisation.</p> <p>The only remedial action taken against legal, moral, or ethical problems is a reaction to a serious problem that has arisen in one or more of these areas.</p> <p>There is no consistent plan for philanthropic giving.</p>
<b>Organising</b>	<p>There is a clearly defined firm written policy against any illegal acts.</p> <p>There is a clearly defined written policy on moral and ethical conduct.</p> <p>A social responsibility committee within the organisation ensures a consistent policy of giving and screens potential recipients.</p>	<p>There is no written policy about moral or ethical standards or it is poorly or loosely worded.</p> <p>Unwritten or loosely worded, vague standards are poorly communicated.</p> <p>There is little or no consistent or organised policy of charitable giving with respect to quantity, organisation or location.</p>
<b>Directing</b>	<p>The president and all management levels firmly support direct adherence to legal, moral, and ethical standards.</p> <p>All charitable giving is reviewed by the president and key management personnel to make certain that it is distributed where it will be of most help to the organisation and to society.</p>	<p>Little or no direction or support is given with respect to conduct, penalties, or punishments to be taken by management and/or employees in the areas of legal, moral, or ethical standards.</p> <p>Limited or no direction, guidance, or support is given with respect to what the organisation will do about choosing or giving to charitable organisations.</p>

	<b>Strengths</b>	<b>Weaknesses</b>
<b>Controlling</b>	<p>All organisation personnel are required periodically to read, agree to, and sign a code of legal, moral, and ethical practices.</p> <p>Immediate remedial action is taken against violation of legal, moral, and ethical standards.</p> <p>Monitoring, feedback, and evaluation are required on results achieved as a result of each area of charitable giving.</p>	<p>There is poor or little or no control over legal, moral, or ethical conduct.</p> <p>Each person performs according to his or her understanding and standard of legal, moral, and ethical conduct.</p> <p>Money is given and/or people are lend to charitable organisations without regard of efficiency, standards, or quality of work undertaken by the organisation.</p> <p>Little or no control exists over the consistency of giving.</p>

Source: Anderson (1989:22-23)

In concluding this chapter, the relevancy and importance of an ethical business perspective are given.

### **3.16 THE RELATIONSHIP BETWEEN SOCIAL RESPONSIBILITY AND MANAGEMENT ETHICS**

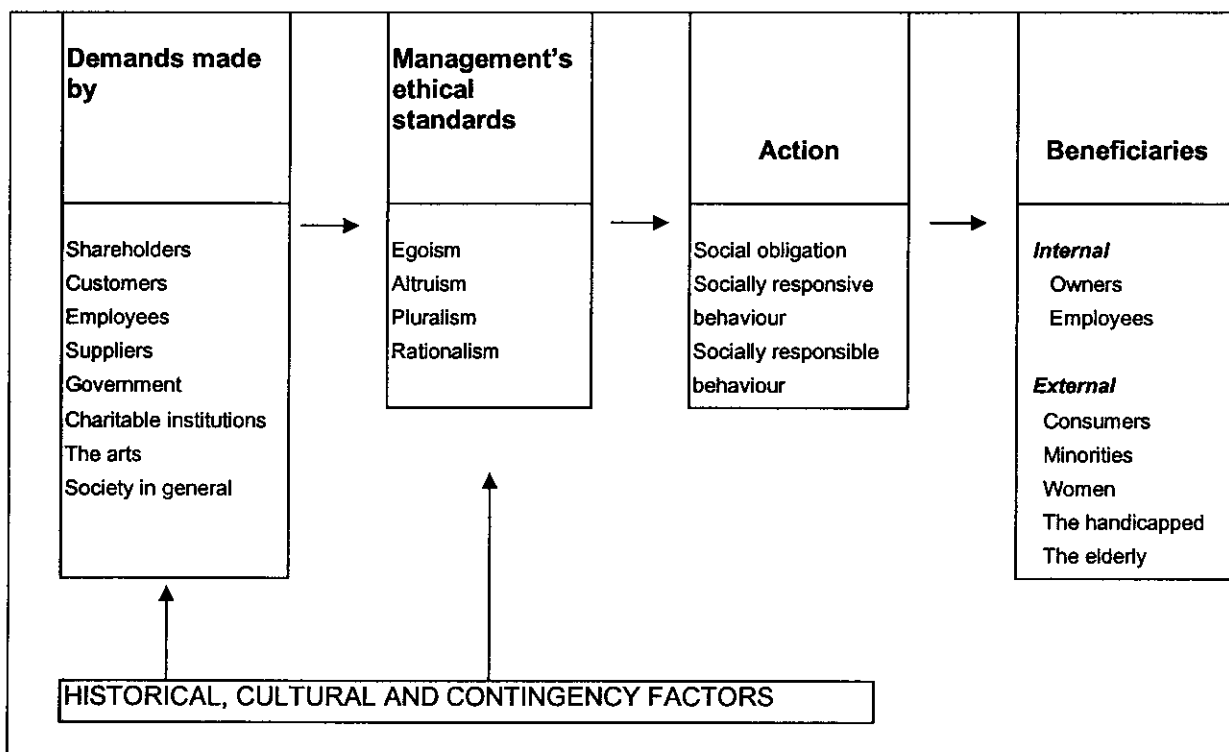
Although management ethics is not synonymous with social responsibility, the two concepts are related. Some managers incorrectly regard ethics and social responsibility as synonymous. The application of a social responsibility programme remains a difficult problem as far as management decisions are concerned. Socially responsible decisions often require value judgements that fall outside the realm of prescribed laws, procedures and previous experience. In these cases a realistic view of management ethics is valuable (De Klerk & Kruger, 1995:91).

Furthermore, the same authors are of the opinion that ethics determine an organisation's socially responsive actions. The manager has the responsibility to determine the fairness of each expectation while ethics forms the basis for the decisions that have to be made. The relationship between management ethics and social responsibility is represented in Figure 3.5.

Business ethics and social responsibility are closely related (Lussier, 2000:64). Lussier defines social responsibility as the conscious effort to operate in a manner that creates a win-win situation for stakeholders. Ethical behaviour is often socially responsible and vice versa.

It is necessary that the management of an organisation (Van der Walt, 1990:70) must clearly indicate that social and ethical issues are serious matters by asking relevant questions. Management at all levels, especially top management, must realise that they have an extremely important role to play in the institutionalisation of social responsibility throughout the organisation. Managers in their professional capacity have the needed expert knowledge, ability and responsibility to independent of a menial loyalty for a certain organisation, be at all times professional responsible, especially for the maintaining of a value system. There must be acceptance that each person in a management position is accountable and must therefore make sure that ethical standards are been complied to (Van der Walt, 1990:70).

**FIGURE 3.5: Management ethics and social responsibility**



Source: Donnelly *et al.* (1992:86)

Raymond Ackerman, chairperson of Pick 'n Pay (Gerber *et al.*, 1998:247) said: "Profits are very, very important. They are the bloodstream of our whole economic world. But a businessman must realise his role is a much broader one and that this fabric of social responsibility is woven completely through a businessman's whole existence. It is the duty of the businessmen to make profits. However, this should not

be at the cost of social responsibility. The challenge facing management is how to marry the concepts of profit maximisation and social responsibility.”

An organisation cannot exercise its social responsibility ethically (Nieman & Bennett, 2002:360) without a concerted effort, or a plan of action that functions as a guide to management in this regard. The following guidelines are suggested:

- Do justice to the employee's value system by creating an ethical business culture.
- Guide the workforce so that the right attitude is developed with regard to the pursuit of profit.
- Create opportunities for employees to enable them to regularly evaluate and adjust their frames of reference towards ethical behaviour.
- Senior management and the board of directors must clearly formulate and unequivocally acknowledge the social responsibility commitment of the organisation in the ethical code.
- Social responsibility must not only be mentioned in the ethical code, but also be put into practice by way of a written policy and line responsibilities. A responsible person must be appointed to monitor the policy consistently.
- Workers must be treated holistically, taking into account their strengths, weaknesses and aspirations.
- Management must agree to fulfil its social responsibility role with goodwill, and not because it is coerced into doing so.
- The board of directors and senior management should actively support the social responsibility programme.
- Ensure that the quality and after-care service are consistent in respect of the price of the product.

Socially responsible behaviour and actions require serious thought and careful planning by management.

### **3.17 SUMMARY**

With the information compiled in Chapter 3, it is clear that organisations can not have a neutral attitude towards social responsibility.

Social responsibility can be seen as an organisation's involvement with the welfare and protection of the different stakeholders including the broader community. The modern opinion is that organisations are kept by the community. Management had thus has a social responsibility towards different intern and extern stakeholders.

It is necessary that there is a social contract or agreement between the organisation and community and the existence of the social contract has shortly been discussed.

Different viewpoints for arguments in favour and against social responsibility are recognised. Apart of the specific viewpoint which must be supported, management must comply to all the social obligations that are prescribed by the government or local authority.

If decided on a social responsibility programme it must be proper planned and controlled. Most organisations judge the success of their social responsibility programme with the help of a social audit. Social responsibility benefits not only the organisation but also the community.

Through the effective management of organisations in South Africa, it is possible for organisations to put certain social investment funds back into the community not only to promote the organisation's image but also to improve the economical welfare of the country.

Furthermore are the importance of housing, training, and the prevention of crime as some of the areas of social responsibility emphasised.

A negative attitude towards social responsibility therefore would be the result of a negative attitude of employers and would have a negative influence on any social responsibility programme. It would then again have an influence on the international competitiveness of organisations.

## CHAPTER 4

### *HIV/AIDS IN THE WORKPLACE*

#### 4.1 INTRODUCTION

The HIV/AIDS epidemic poses one of the greatest challenges for business development in Africa during the first decade of the 21<sup>st</sup> century. AIDS claims some of the best business leaders, managers and workers at all levels of the production system. HIV-related absenteeism, loss of productivity and the cost of replacing workers lost due to AIDS threaten the survival of a number of businesses and industrial sectors in an increasing competitive global market (Department of Labour, 2002:ix;).

South African mining companies (Seccombe, 2002) are looking at a unified approach to tackle AIDS, one of their biggest unresolved challenges as the infection rates rise higher. Mining is a vital foreign exchange earner for South Africa, but about 20 percent of the industry's some 400 000 workers are HIV-positive. Furthermore, Seccombe (2002) reports that mining companies across the broad spectrum of precious and base metals, coal and valuable gems have run AIDS awareness programmes for years, but the prevalence of the disease has still soared, prompting the industry to take a harder look at how better to tackle the epidemic on a united front.

From a business perspective (Anglo Gold, 2002; Gillies, 2004:15/5), the AIDS crisis in South Africa raises fundamental and important questions that are critical to changing views on corporate responsibility. Although debate has continued to examine corporate goals of profitability and the maximised shareholder wealth (UNAIDS, 2003) perhaps no other global event has placed the issues so centrally as the African AIDS crisis. The stark contrast between what is viewed as concern of protecting intellectual property rights and the devastation of a continent has initiated global debate on the responsibility of corporations. This will not disappear and may

very well fundamentally alter the social context of corporate operations (Arndt & Lewis, 2000:856-887; Betton, 2002:68).

It is not the aim of this study to perform an in-depth investigation into the spreading of HIV/AIDS, but the debate concerning the responsibilities of the employers, trade unions and organisations cannot be conducted without taking note of the hard facts indicating the gravity of the problem.

## **4.2 WHAT IS HIV?**

HIV stands for "Human Immunodeficiency Virus". This virus slowly damages a person's immune system – the immune system that protects the body against infections and diseases (Visagie, 1999:9; Aids Law Project, 2003:10; Tabifor, 2002:116).

Amongst the cells that make up the immune system (Hubley, 2002:18; Simelela *et al.*, 2002:7) one is called a CD4 lymphocyte. HIV is able, by attaching to the surface of the CD4 lymphocyte, to enter, infect and eventually destroy the cell. Over time this leads to a progressive and finally a profound impairment of the immune system, resulting in the infected person becoming susceptible to infections and diseases such as cancer, TB and pneumonia.

There are two types of HIV (Tabifor, 2002:116):

- HIV-1, the most common type, is the one responsible for the global AIDS epidemic.
- HIV-2 has been isolated and implicated as the cause of AIDS in certain individuals in West-Africa where it has been shown to be associated with a rather similar disease pattern though apparently less aggressive and slower in progression than that caused by HIV-1.

It has also been shown that HIV-1 has many subtypes, within and between populations, as well as within the same individual. The HIV-1 subtypes that have been identified include subtypes A to I and O. The HIV-1 subtype 'O' is similar to HIV-2. The different types of HIV and subtypes may explain differences in mode of transmission and disease patterns (Tabifor, 2002:117).

### 4.3 WHAT IS AIDS?

AIDS is the acronym for Acquired Immune Deficiency Syndrome. This disease is *acquired* because it is not a disease that is inherited. It is caused by a virus, namely HIV (the human immunodeficiency virus) which enters the body from outside (Visagie, 1999:1; Gifford *et al.*, 2000:5; Tabifor, 2002:115). *Immunity* refers to the body's natural inherent ability to defend itself against infection and disease. *Deficiency* refers to the fact that the body's immune system has been weakened so that it can no longer defend itself against passing infections. A *syndrome* is a medical term which refers to a set of collection of specific signs and symptoms that occur together and that are characteristic of a particular pathological condition (Visagie, 1999:1; Van Dyk, 2001:4; Tabifor, 2002:115).

### 4.4 HISTORICAL BACKGROUND OF HIV/AIDS

#### 4.4.1 Background of HIV/AIDS – Worldwide

In 1979 and 1980, doctors in the United States (Whiteside & Sunter, 2000:1) began to observe clusters of diseases which previously had been extremely rare. These included a type of pneumonia spread by birds (*pneumocystis carinii*) and a cancer called Kaposi's sarcoma. The first public record of the phenomenon was contained in the *Morbidity and Mortality Weekly Report* (MMWR) of 5 June 1981, a widely circulated report on infectious diseases and deaths produced by the Centre for Disease Control in the USA. The MMWR recorded five cases of *pneumocystis carinii*. Later, on 3 July, the MMWR reported a clustering of cases of Kaposi's sarcoma in New York (Hubley, 2002:2). Subsequently, the number of cases of both diseases – which were mainly centred around New York and San Francisco – rose rapidly, and scientists realised that they were dealing with a new phenomenon.

UNAIDS (2002a) published the following facts of HIV/AIDS over the last twenty years:

- 1982: Acquired Immunodeficiency Syndrome (AIDS) is defined for the first time. In the course of the year, the three modes of transmission are identified: blood transfusion, mother-to-child, and sexual intercourse.

- 1983: The Human Immunodeficiency Virus (HIV) is identified as the cause of AIDS. In Africa, a heterosexual AIDS epidemic is revealed.
- 1985: The scope of the growing epidemic becomes manifest. At least one case of HIV/AIDS has been reported in each region of the world.

Film star Rock Hudson becomes the first international icon to disclose he has AIDS.

In the United States, the Food and Drug Administration (FDA) approves the first HIV antibody test and HIV screening of blood donations begins.

- 1987: Africa's first community-based response to AIDS (The AIDS Support Organisation or TASO) is formed in Uganda. It becomes a role model for similar activities around the world.

The International Council of AIDS Service Organisations (ICASO) and the Global Network of People living with HIV/AIDS are founded.

In February, the World Health Organisation (WHO) establishes the Special Programme on AIDS, later to become the Global Programme on AIDS.

The first therapy for AIDS – azidothymidine (AZT) – is approved for use in the United States.

- 1988: In London, health ministers from around the world meet for the first time to discuss the HIV/AIDS epidemic.
- 1991-1993: HIV prevalence in young pregnant women in Uganda begins to decrease – the first significant downturn in a developing country. The success is attributed to countrywide mobilisation against the epidemic.
- 1994: Scientists develop the first treatment regimen to reduce mother-to-child transmission.
- 1995: An HIV outbreak in Eastern Europe is detected among drug users using injections.
- 1996: The Joint United Nations Programme on HIV/AIDS (UNAIDS) is created.

Evidence of the efficacy of Highly Active Anti-retroviral Therapy (HAART) is presented for the first time.

- 1997: Brazil becomes the first developing country to provide antiretroviral therapy through its public health system.
- 1998: The first efficacy trial of a potential HIV vaccine in a developing country starts in Thailand.
- 2000: The UN Secretary Council discusses HIV/AIDS for the first time.
- 2001: UN Secretary-General Kofi Annan launches his call to action, including the creation of a global fund on AIDS and health.

#### **4.4.2 Background of HIV/AIDS – South Africa in general**

According to Whiteside and Sunter (2000:47) the first two cases of AIDS were identified in South Africa in 1982. For the first eight years, the epidemic was primarily located among white homosexuals. Nonetheless, as the number of cases rose, so the disease began spreading among other groups. In July 1991, the number of heterosexually transmitted cases equalled the number of homosexual cases.

In 1992 the National AIDS Co-ordinating Committee of South Africa (NACOSA) was launched with a mandate to develop a national strategy on HIV/AIDS (Department of Health, 2000:9-11; Hickey *et al.*, 2003:10-14). Cabinet endorsed this strategy in 1994. The goals of this plan were to (a) prevent HIV transmission; (b) reduce the personal and social impact of HIV infection; and (c) mobilise and unify, provincial, international and local resources.

A detailed description of South Africa's response to the HIV/AIDS epidemic is beyond the scope of this study. However, a summary of the key responses (Department of Health, 2003a; Hickey *et al.*, 2003:10-14) includes the following:

- 1995-1996: The new Government of National Unity adopted the AIDS Plan and renamed it the HIV/AIDS and STD Programme.
- 1997: A South African National STD/HIV/AIDS Review was conducted in respect of the goals outlined in the NACOSA plan.
- 1998: Appointing HIV/AIDS Co-ordinators in each province and supporting regular training and meetings to facilitate programme implementation.

Establishing a national Interdepartmental Committee on HIV/AIDS (IDC) to co-ordinate and support the response to HIV/AIDS of national government departments.

Launching the Partnership against AIDS by the President. This Partnership seeks to broaden and formalise the participation by all sectors in the response to the epidemic.

Establishing the South African AIDS Vaccine Initiative. This initiative seeks to develop an effective, affordable preventive vaccine for universal use in South Africa and Southern African Development Community (SADC) countries by 2005.

- 2000: Establishing the South African National AIDS Council (SANAC), a multi-sectoral body that will oversee the national response to the epidemic. The SANAC facilitates collaboration between government and all other sectors.

The implementation of the Strategic Plan for South Africa 2000-2005. This document provides the framework for a co-ordinated response to HIV/AIDS, STDs and other opportunistic infections. The strategy addresses four key areas: prevention; treatment, care and support; legal and human rights; as well as research, monitoring and surveillance.

South Africa National AIDS Council established to formalise multi-sectoral collaboration.

Launch of the Impact and Action Project to assist the public sector to mitigate the impact of HIV/AIDS.

Launch of the nine HIV/AIDS related guidelines in the management of HIV/AIDS.

Formal partnership between the government and the South African AIDS Vaccine Initiative.

- 2001: Development of the Integrated Plan for Children and Youth Infected and Affected by HIV/AIDS.
- 2003: Government announces the agreement to roll out ARV treatment to all South Africans.

- 2001-2002: Chamber of Mines members sign specific agreements with TEBA to provide home based care for terminally ill mineworkers who have agreed to return to their homes in the rural areas.

Chamber of Mines members have played a significant role in international organisations e.g. ILO, World Business Council, International funding groups.

- 2003: Agreement with government and labour to have a Summit on HIV/AIDS in the mining industry.

It is important to state that all of the above has taken place within the context of a mining industry that provides comprehensive medical services as well as other benefits.

#### **4.5 INCIDENCE OF HIV/AIDS IN SOUTH AFRICA**

According to Whiteside and Sunter (2000:28) incidence and prevalence are two important concepts to grasp when looking at HIV/AIDS data. *Incidence* is the number of new infections over a given period of time. The *incidence rate* is the number per specified unit of population (this can be per 1 000, per 10 000 or per million for rare diseases). *Prevalence* is the absolute number of people infected. The *prevalence rate* is the percentage of the population which exhibits the disease at a particular time (or averaged over a period of time).

In the case of South Africa, the most important facts regarding the incidence of HIV/AIDS are the following (Arndt & Lewis, 2000:856; Steinberg *et al.*, 2000:302; BER, 2001:1-5; Barker, 2003:54):

- Nearly 12% of the total population, or about 4,7 million South Africans, are HIV positive (2001), compared with almost zero at the beginning of the 1990s. The infection rate among adults, especially economically active persons, is much higher, probably around 15% to 20%. The antenatal prevalence is nearly 25%.
- HIV prevalence rates are projected to peak at 15% to 16% of the total population in the next six to 10 years (or between 6-8 million people); with the rate among the economically active population being much higher (22% to 27%). It is

expected to stabilise or possibly even slightly decline after that in line with the experience in other African countries.

- Around half of all adults who acquire HIV become infected before they turn 25 years of age. The incidence among women is higher than among men.
- Demographic projections estimate the life span between infection and death at 8-10 years (in the absence of ART). During the first part of this period, the HIV positive individual may experience relatively few direct symptoms and employment and productivity may be only marginally affected. However, with the gradual onset of AIDS (usually during the last two years), the medical symptoms become progressively worse and eventually lead to death. The number of people in this last stage of the infection, i.e. suffering from full-blown AIDS, was estimated at 158 000 in 2000.
- The number of AIDS cases is expected to increase rapidly to more than 1 million in 2015.
- A total of 10 million South Africans are expected to die of AIDS-related diseases from the onset of the disease until 2015.

As far as the provincial distribution of AIDS is concerned (Dorrington *et al.*, 2002:3) the northern provinces (particularly KwaZulu-Natal, Mpumalanga, Gauteng and North West) have been the worst affected, while the western provinces (Western Cape, Northern Cape) have relatively low infection figures (see Table 4.1). However, it should also be taken into account that the growth rate of AIDS is much higher in the provinces with relatively low infection figures. This is also in keeping with the fact that the outbreak of AIDS began in the western part of the country a little later than in the northern part. It can thus be anticipated that AIDS will shortly be just as big a problem in the Cape provinces as is the case in the northern provinces (Solidarity, 2002:7).

Table 4.1 shows that HIV prevalence increased in 6 of the 9 provinces in South Africa during 2003. Extrapolations from the antenatal clinic data indicate that 5.3 million South Africans were infected with HIV by the end of 2002, compared to 4.74 million in 2001 (Department of Health, 2003c:6-7). The latest survey results seem to indicate that the epidemic has not yet reached a plateau.

**TABLE 4.1: HIV prevalence among antenatal clinic attendees by province**

AREA	1997	1998	1999	2000	2001	2002	2003
South Africa	17.0	22.8	22.4	24.5	24.8	26.5	27.9
Eastern Cape	12.6	15.9	18.0	20.2	21.7	23.6	27.1
Free State	19.6	22.8	27.9	27.9	30.1	28.8	30.1
Gauteng	17.1	22.5	23.9	29.4	29.8	31.6	29.6
KwaZulu-Natal	26.9	32.5	32.5	36.2	33.5	36.5	37.5
Mpumalanga	22.6	30.0	27.3	29.7	29.2	28.6	32.6
North West	18.1	21.3	23.0	22.9	25.2	26.2	29.9
Northern Cape	8.6	9.9	10.1	11.2	15.9	15.1	16.7
Limpopo	8.2	11.5	11.4	13.2	14.5	15.6	17.5
Western Cape	6.3	5.2	7.1	8.7	8.6	12.4	13.1

Source: Department of Health (2003a; 2003c:7)

Most data (Steinberg *et al.*, 2000:302; HSRC, 2002:1) on the South African HIV/AIDS epidemic is obtained from the anonymous, annual survey of pregnant women attending public sector antenatal clinics. Although imperfect, these data are sufficient to estimate the current and future size and impact of the epidemic by using projection models, particularly the Doyle simulation model, to extrapolate from antenatal clinic attendees to the rest of the population. Using projection models (loveLife, 2001:5) allows researchers to estimate the level of HIV infection in the general population. However, some groups and geographical areas will be much more or less affected than the average.

The anonymous testing (BER, 2003:5; HSRC, 2003:189) of a sample of women at selected public sector antenatal clinics during October each year provides information on HIV prevalence rates among women attending these clinics (i.e. sexually active pregnant women). As the vast majority of the women attending public sector clinics are black, the survey results provide good coverage of pregnant black women. Unfortunately, the white, coloured and Asian population groups, as well as the wealthier part of the black population group, are under-represented in this survey, as they generally tend to attend private sector clinics.

Approximately 15% of all South African adults aged 20-64 are currently infected and these levels could rise to 20-23% by 2005 and 22-27% by 2010. HIV is a disease that mostly affects younger people with around half of all adults who acquire HIV becoming infected before they turn 25. These young people typically die of AIDS before their 35<sup>th</sup> birthday (Steinberg *et al.*, 2000:303; loveLife, 2001:6).

Gender differences (Steinberg *et al.*, 2000:304) are also quite pronounced, with women at highest risk between the ages of 15 and 20, whereas men probably achieve their highest incidence at older ages. Infection levels among teenagers, which tend to be the first to reflect reduction in risk behaviour, are still increasing at alarming rates. 53% of South Africa's population is under the age of 25 years, emphasising the enormous impact that infection on young people will have on the population as a whole.

Whereas HIV prevalence is routinely measured in almost all countries of the world to produce fairly accurate data, AIDS is not. In South Africa AIDS is not a notifiable disease and therefore statistics on AIDS are based on estimates and models.

## **4.6 FACTORS THAT INFLUENCE THE SPREAD OF HIV**

De Lay *et al.* (2001:viii) recognises that there are a number of host, viral and social factors that determine transmission and vulnerability. These interact in a complex manner in the mosaic of global settings. These factors are:

### **4.6.1 Viral factors**

- HIV-1 strains
- Viremia

### **4.6.2 Local genital factors**

- Presence of STDs
- Male circumcision
- Use of vaginal products

#### **4.6.3 Sexual behaviour**

- Rate of partner exchange
- Sexual mixing patterns
- Type of intercourse
- Size and rate of contact with core groups
- Level of condom use

#### **4.6.4 Demographic factors**

- Percentage of sexually active age groups to other age groups
- Male to female ratio
- Urban : rural percentage
- Migration patterns

#### **4.6.5 Economic and social factors**

- Level of poverty
- War and social conflicts
- Status of transport and mobility of population
- Performance of health care system
- Response to epidemic

According to Cosatu (2000a), loveLife (2001:4-5) and Nattrass (2004:24-34) the following socio-economic factors help to spread the epidemic in South Africa:

- Migrant labour increases the spread of the disease by breaking families apart
- Single sex hostels
- Overcrowded housing
- Poor access to health care
- Lack of recreation facilities

- Lack of information
- Illiteracy and poor education
- High unemployment
- Exploitation and inequality of women (this makes it difficult for women to demand safer sex)
- Other poverty related diseases such as TB
- Sexually transmitted diseases.

## **4.7 THE STAGES OF INFECTION OF HIV/AIDS**

A person who becomes infected with HIV will usually go through several clinical stages (Visagie, 1999:13-16; Van Dyk, 2001:36-42; Redribbon, 2003) that occur over a long period of time (usually five to twelve years). These are:

### **4.7.1 The primary HIV infection phase (or acute sero-conversion illness)**

The acute phase of HIV infection begins as soon as sero-conversion has taken place. Sero-conversion means the point at which a person's HIV status converts or changes from being HIV negative to HIV positive. This usually coincides with the time when an HIV antibody test will show that a person is HIV positive.

This sero-conversion illness is often mistaken for a 'flu-like' viral infection, and it is characterised by symptoms such as a sore throat, headache, mild fever, fatigue, muscle and joint pains, swelling of the lymph nodes, rash, and (occasionally) oral ulcers (Van Dyk, 2001:37).

Because of the rapid replication of the virus (4 to 8 weeks after an individual has been infected with the HIV virus), the HIV viral load is usually very high during the acute phase. Immediate and aggressive treatment with anti-retroviral therapy (ART) at this stage may be effective in reducing the viral load to undetectable levels, or even in eradicating the virus (Cosatu, 2000a; Evian, 2000).

#### **4.7.2 The asymptomatic phase (or silent phase)**

During this period the HIV infected person usually enters a 'silent' phase of the illness which may last for years and during this time the individual enjoys good health. Infected individuals are not even aware that they are carrying the deadly virus and may infect others such as sex partners. This phase may last between three and seven years or even up to ten years. The only evidence of infection is the HIV positive test. In some cases the only symptom during this phase is persistent generalised lymphadenopathy, or swollen glands. However, even though the infection is clinically 'silent', the virus is present in the body and the person is able to infect other people (Visagie, 1999:13; Swanepoel *et al.*, 2001:612).

#### **4.7.3 The minor symptomatic phase of HIV disease**

In the third phase of infection (Visagie, 1999:14; Van Dyk, 2001:38), minor and early symptoms of HIV disease usually begin to manifest. The minor symptomatic stage commence when people with HIV antibodies begin to present with one or more of the following symptoms:

- mild to moderate swelling of the lymph nodes in the neck, armpits and groin;
- occasional fevers;
- herpes zoster or shingles;
- skin rashes, dermatitis, chronic itchy skin, fungal nail infections;
- recurrent oral ulcerations;
- recurrent upper respiratory tract infections;
- weight loss up to 10% of the person's usual body weight; and
- malaise, fatigue and lethargy.

The individual in the minor symptomatic phase of HIV infection is usually able to carry on with his/her normal activities, despite being symptomatic (Van Dyk, 2001:38).

#### **4.7.4 The major symptomatic phase of HIV infection**

Major symptoms and opportunistic diseases begin to appear as the immune system continues to deteriorate (Gifford *et al.*, 2000:xvii). At this point, the CD4 cell count becomes very low while the viral load becomes very high. Some of the following symptoms are usually an indication of advanced immune deficiency:

- bacterial skin infections and skin rashes;
- intermittent or constant unexplained fever that lasts for more than a month;
- night sweats;
- persistent and intractable chronic diarrhoea that lasts for more than a month;
- abdominal discomfort, headaches;
- persistent cough and reactivation of tuberculosis; and
- opportunistic diseases of various kinds (Visagie, 1999:16).

The person in the major symptomatic phase of HIV infection is usually bedridden for up to 50% of the day during the last month (Van Dyk, 2001:39).

#### **4.7.5 AIDS-defining conditions: the severe symptomatic phase**

Only when individuals enter the last phase of HIV infection can they be said to have full-blown AIDS. It usually takes about 18 months for the major symptomatic phase to develop into AIDS. While people with AIDS usually die within two years, anti-retroviral therapy (ART) and treatment of opportunistic infections may prolong this period.

### **4.8 THE MODES OF INFECTION OF HIV**

HIV is hard to transmit (Whiteside & Sunter, 2000:10). In order for a person to be infected, the virus has to enter the body in sufficient quantities. It must pass through an entry point in the skin and/or mucous membranes into the bloodstream. The main modes of transmission, in order of importance, are:

- unsafe sex;
- transmission from infected mother to child;

- intravenous drug use with contaminated needles;
- use of infected blood or blood products; and
- other modes of transmission involving blood including bodily contact involving open bleeding wounds.

#### **4.9 THE CAUSES OF HIGH LEVELS OF HIV**

Factors that contribute to the high levels of HIV (loveLife, 2001:5; Barker, 2003:54) include:

- the high prevalence of untreated sexually transmitted diseases (STDs), which significantly increases the risk of acquiring HIV;
- multiple concurrent sex partners;
- relatively high levels of unregulated commercial sex;
- low rates of condom use (at least until recently);
- low rates of male circumcision;
- rapid rates of urbanisation (resulting in multiple sexual relationships and STDs);
- disrupted family and communal life due to apartheid and migration;
- massive refugee movements driven by war, civil conflict and economic distress in neighbouring countries;
- good transport systems and high mobility, which allows for the rapid spread of the disease;
- low status of women, that results in situations that place them at risk of HIV infection; and
- poor health, leading to low resistance levels.

#### **4.10 THE PROBLEMS OF AIDS CASE REPORTING**

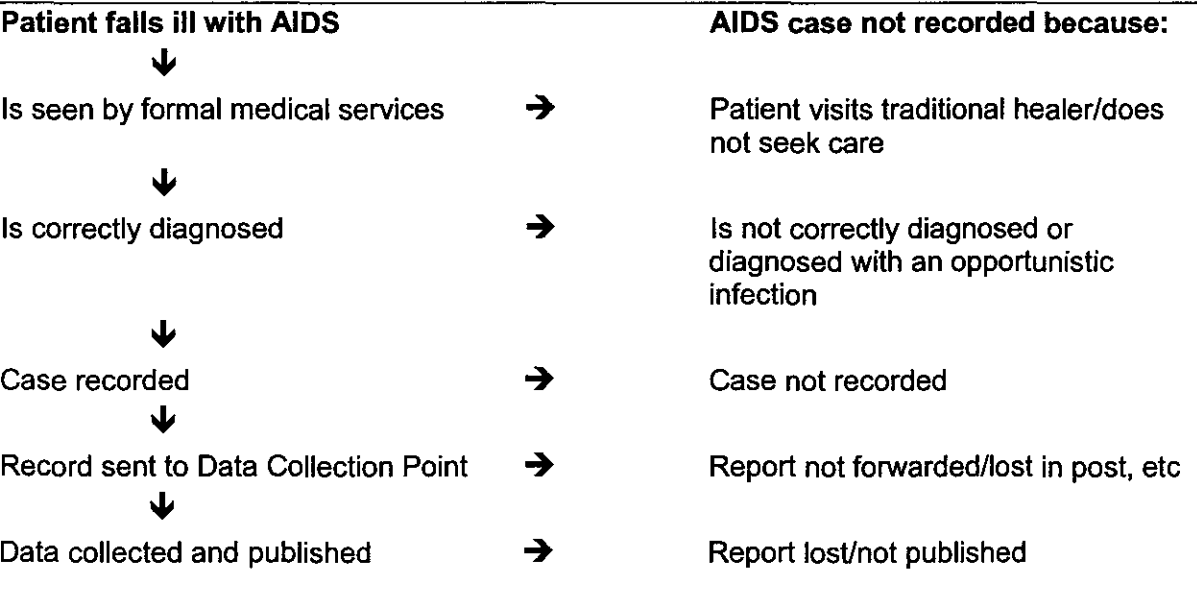
HIV/AIDS reporting (Fakier, 2004:21) is a complex issue. Factors contributing to the complexity of reporting on the topic of HIV/AIDS include the difficulty of trying to meet the needs of all the stakeholders, the fact that companies are at different levels in the

response to HIV/AIDS, the sensationalism and stigmatism that surrounds the topic of HIV/AIDS reporting and the difficulty of developing a reporting standard for HIV/AIDS.

Furthermore, Fakier (2004:21) mentioned that HIV/AIDS reporting is also characterised by fear stemming mainly from the financial impact that a company's HIV/AIDS report should have on that company as well as from fear of discrimination because of the stigmatisation of HIV/AIDS.

In many developing countries, as well as South Africa, one of the principal stumbling blocks to cases being reported is that most people do not report at the formal medical services (Whiteside & Sunter, 2000:30). The process a person with AIDS would have to go through to be officially recorded as having the disease is illustrated in Figure 4.1. Alongside are all the things that can go wrong:

**FIGURE 4.1: The problems of AIDS case reporting**



Source: Whiteside & Sunter (2000:31)

## 4.11 CONSEQUENCES OF AIDS

The following consequences of HIV/AIDS can be identified (De Lay *et al.*, 2001:xvi; Barker, 2003:55-57):

### ◆ Demographic impact

HIV/AIDS has already resulted in life expectancy dropping from 63 in 1990 to 56,6 years and child mortality increasing from 67 per 1 000 in 1990 to 91 per 1 000. This will result in a sharp drop in the growth of the total population. Some projections even indicate a decline in the population. Van Aardt (2001; 2002) estimates that with a “medium” HIV/AIDS scenario, the disease will result in a population 11 million people less in 2016 than it would have been in the absence of HIV/AIDS.

### ◆ Dependency ratio

Because HIV/AIDS mostly affects active adults, it will result in an increase in mortality in the 25-40-year age group. It will also negatively affect the dependency ratio in another way, i.e. many elderly persons will lose their adult children and thus their support structure.

### ◆ Supply of labour

HIV/AIDS will cause the labour force to be much smaller than would otherwise have been the case, seeing that the overwhelming majority of persons affected by HIV/AIDS will be between the key productive age of 20-40 years. The total labour force is likely to be 21% lower in 2015 than it would have been in the absence of AIDS (BER, 2001). Van Aardt (2001; 2002) projects an economically active population that will be 4 million less because of HIV/AIDS. It will affect both employed persons and unemployed persons, although the expected impact on unemployment will depend on the mix of skills demanded by employers.

### ◆ Employment

Unemployment might not increase, but it is unlikely to decline because low economic growth rates will reduce the overall demand for labour (Arndt & Lewis, 2000). The

Bureau for Economic Research (2001:2) has projected that the highest incidence of HIV/AIDS will occur among unskilled workers and unemployed persons. Van Aardt (2001; 2002) projects that 21.5% fewer jobs will be created as a result of a medium HIV/AIDS scenario – that is the result of investor caution, less consumer demand due to a smaller population, higher capital intensity as employers try to avoid the negative consequences of HIV/AIDS on their businesses, and higher levels of mortality among employers because of AIDS.

#### ◆ **Poverty**

Many households will face dire financial difficulty if their breadwinners fall ill and die, and household incomes are diverted for care of HIV/AIDS-affected persons and funeral expenses.

#### ◆ **Insurance industry and benefit schemes**

Employers are faced with increased contributions to their employees' lives, disabilities and medical benefit schemes. Insurers, and in particular life insurers, are exposed to increased liabilities on existing policies. However, current evidence suggests that this will not constitute a threat to the viability of insurance companies. Various methods are also being employed to limit future liabilities.

#### ◆ **Direct health costs**

The impact of AIDS on medical costs and health services will be profound and depending on developments around the provision of ART, may well be devastating. Hospitals will be overburdened with AIDS patients, reducing effective health care (see 6.4.4.18).

#### ◆ **Other consequences for government**

Apart from the impact of high health costs on government expenditure, there will also be pressure due to orphan care expenses and reduced revenues. The decline in growth and lower profits will also negatively affect tax receipts, that together with higher social support and health care expenditure will increase government fiscal difficulties. In addition, government is losing valuable skilled employees as more civil

servants and teachers fall prey to the epidemic. The epidemic also overburdens social systems and poses unprecedented challenges for the welfare system.

◆ **Inflationary effects**

As indicated above, the epidemic is likely to increase production costs. This will lead to higher prices and put upward pressure on the inflation rate. Higher budgetary deficits arising from increased public health expenses will also increase inflationary pressures. The BER has estimated that the inflation rate would be 2.3 percentage points higher than a non-Aids scenario over the period 2002-2015.

◆ **Macro-economic effects**

The macro-economic consequences (disregarding the impact on health services) of AIDS over the medium term (up to the year 2005) are not seen to be devastating, although they may then start to pose a serious threat to ongoing economic growth if significant prevention efforts are not in place (Barker, 2003:57).

HIV/AIDS has a significant impact on employment in different ways as will be discussed in the following section.

#### **4.12 THE IMPACT OF HIV/AIDS IN THE WORKPLACE**

The impact that AIDS has on the economy is frightening. It is estimated that the gross domestic product will decrease by 17 percent over the next 10 years – meaning that R160 billion will be lost (De Lange, 2000:15; Steyn, 2000:2). The income of families in South Africa, especially poor families, will decrease dramatically due to AIDS, and less income means fewer purchases and diminishing savings (Marcus, 2000:1). In addition, an estimated R7,2 billion was spent on educating for those of a productive age who died of AIDS in 1999 (Taitz, 2000:1).

The HIV/AIDS epidemic affects every workplace by prolonged staff illnesses, absenteeism, death impacting on productivity, employee benefits, occupational health and safety, production costs and workplace morale (see 6.4.4.6, 6.4.4.10). In the workplace unfair discrimination against people living with AIDS has been perpetuated through widespread practices such as pre-employment HIV-testing,

dismissals for being HIV-positive and the denial of employee benefits (Taitz, 2000:1; Randall, 2002:86).

Within workplaces where many employees are HIV infected (Department of Labour, 2002:3; Barker, 2003:56), the impact of HIV/AIDS will be experienced in many areas, such as:

- High morbidity (health of employees) and mortality (deaths) rates. As infected employees become ill they will take additional sick leave and this will disrupt operational activities. It is estimated that the costs to a manufacturing organisation could increase. This disruption will be amplified when more qualified and experienced employees are absent, as finding a temporary replacement becomes more difficult.
- Mortality rates attributed to HIV/AIDS infection are expected to increase significantly. The loss of an employee requires an appropriate replacement to be selected and trained, often at great cost to the organisation. For highly qualified staff this is often difficult, particularly in developing economies with skill shortages. This could mean that an organisation's remuneration budget could increase.
- As the HIV/AIDS pandemic advances, increases in deaths will lead to absenteeism as employees attend funerals of family members, friends and colleagues or take time off to care for sick family members (see 6.4.4.6, 6.4.4.10).
- A fear of infection and death, may lead to increased suspicion of others as well as resistance to shouldering the additional responsibilities for colleagues who are off sick, not fully functional or away from work. This could lead to low staff morale (see 6.4.4.13).
- Employers and employees will feel the impact of HIV/AIDS as the cost of employee benefits increases (see 6.4.4.10).
- Changing levels of disposable income will affect the markets and the profile of customers may also change with the intensifying HIV/AIDS pandemic. If the organisation provides products and services, the demand for these could increase (example, health and welfare) while the ability to provide the services may be affected due to the loss of key personnel (see 6.4.4.5, 6.4.4.6).

- Local capital may be reduced as assets are used to meet immediate health needs. Foreign investors may be concerned about the impact of HIV/AIDS when contemplating investment (see 6.4.4.24).

With reference to the aim of this study (see Chapter 1) and Chapter 3 also in mind the research will now proceed to address whose responsibility HIV/AIDS is.

#### **4.13 WHOSE RESPONSIBILITY IS HIV/AIDS?**

According to ILO (2001:4-5) and Gillies (2004:15/6-15/8) HIV/AIDS is generally everyone's responsibility. These general responsibilities include:

- minimising the risk of infection by taking responsibility for protecting oneself;
- supporting and assisting those who have become infected; and
- making oneself available to being educated on the subject of HIV/AIDS.

While the state (ILO, 2001:5) has a major role to play in the areas of health services, appropriate policy development and education, it has to date not taken a leadership role in these areas. However, some effort is currently being made in this regard. From both the philosophical and practical viewpoints, HIV/AIDS cannot be left solely to the government. Private initiative, especially in respect of the needs of the workplace, must be encouraged.

##### **4.13.1 Responsibility of management**

Employers are gradually recognising, in light of the continued increase in the number of HIV-positive and AIDS cases, that the most sensible approach is to be proactive.

According to Barrett Grant *et al.* (2002:38), Solidarity (2002:21) and Gillies (2004:15/6-15/8) management should play a major role by:

- developing a proactive approach to dealing with HIV infection and AIDS, including fair and consistent treatment of HIV-positive employees;

- carrying out effective education of employees in view of changing attitudes towards behaviour with regard to sexual practices and people who are HIV-positive;
- managing colleagues of employees who are HIV-positive. Colleagues who are often fearful, may refuse to work with the HIV-positive employee, and need scientific and factually correct information;
- keeping HIV/AIDS status confidential;
- minimising the risk of infection to first aiders and occupational health practitioners by supplying appropriate training procedures and protective equipment;
- promoting industry-wide commitment and placing HIV/AIDS on the human resource/industrial relations agenda;
- proactively consulting and negotiating with trade unions to establish the respective roles of the company and the union;
- negotiating with benefit companies to examine innovative ways to provide some limited benefits for HIV-positive employees and those with AIDS;
- paying attention to broader issues that promote transmission of the virus. These would include the migrant labour system, poverty, education, etc.;
- creatively examining ways of providing support and care for employees who are terminally ill and making the necessary budgetary provisions.

#### **4.13.2 Responsibility of trade unions**

According to Barrett Grant *et al.* (2002:38), Solidarity (2002:21) and Gillies (2004:15/6-15/8), trade unions (see 6.4.4.22) should play an active role by:

- developing a proactive approach to dealing with HIV-positive union members and those with AIDS;
- supporting effective education programmes aimed at changing attitudes towards behaviour regarding sexual practices and people who are HIV-positive;
- referring members, who request testing, to organisations with reputable counselling and testing facilities;

- assisting members to deal with a work colleague who is HIV-positive, by supplying scientific and factually correct information;
- supporting management in its efforts to find creative ways of providing some measure of care and getting involved in the provision of care for those who are terminally ill;
- promoting the principle of confidentiality of HIV/AIDS status;
- negotiating on behalf of their members for the provision of certain limited benefits such as medical aid;
- promoting at regional and national levels a commitment by employers and the government to place HIV/AIDS on their agendas.

#### **4.13.3 Responsibility of individual employees**

Individual employees (ILO, 2001:8-9; Solidarity, 2002:21; Gillies, 2004:15/6-15/8) should be encouraged to play a major role by:

- supporting and assisting colleagues who are infected in a fair and humane way, based on factual information;
- minimising the risk of infection by taking responsibility for protecting themselves;
- attending education programmes and equipping themselves with life skills needed to protect themselves;
- spreading the message at the workplace and in their communities;
- getting involved and supporting the mechanisms that are put into effect to provide care for terminally ill colleagues.

#### **4.14 STEPS TO FACE THE DEMANDS OF HIV/AIDS IN THE WORKPLACE**

In April 2002, King Report II (2002:109) was published. This new report contains a special section dealing with HIV/AIDS that is significant in its simplicity and effectiveness. In keeping with governance principles, the report does not prescribe in

medical or technical terms what companies are required to do in the HIV/AIDS environment but rather outlines principles that should be followed.

The principles focus on the fiduciary duties of the directors and leaders managing the risks associated with HIV/AIDS in the company. Directors are required to understand the risks, assess the risks and monitor the risks on a regular basis and report appropriately to stakeholders (see 6.4.4.24). King Report II (2002:109) proposes that a company have an HIV/AIDS policy with appropriate procedures and programmes. The principles may be followed by any company or organisation of any size where the leaders have a duty of care. The principles provide a caveat on appropriate programmes and procedures but remain firm on the requirement of the duty to assess the risks and manage the risk to the company.

There are four steps in facing the demands of HIV/AIDS in the organisation (Lifeworks, 2003). They are:

- **Recognise the risk**

- Is the organisation likely to be infected by the disease?
- How will the target markets be affected?
- How will the production be affected?

- **Define the risk**

- Does the risk extend beyond the workforce (employees' families)?
- What will be the impact on the suppliers / service providers?
- What is the limit of the organisation's responsibilities?
- Third party and Ancillary risks.

◆ **Measure the risk**

- Determine the prevalence of HIV/AIDS across the workforce.
- Choose either an actuarial-based study (non-invasive), or surveillance testing, or a combination of the two methods.
- Identify appropriate surveillance methods (salivary, blood, urine, etc.).
- Determine the financial impact of HIV/AIDS on the organisation.
- Identify key risk areas.

◆ **Manage the risk**

- Design, plan and implement appropriate risk management activities which effectively and economically manage the identified risks.
- These interventions include:
  - Medical management programmes
  - Review and restructuring of insured benefit options
  - Education, awareness and training activities (see 6.4.4.21).

#### **4.15 ASSESSING THE IMPACT OF HIV/AIDS ON THE WORKPLACE**

Employers should develop appropriate strategies (AHI, 2002) to understand, assess and respond to the impact of HIV/AIDS in their particular workplace and sector (see 6.4.4.4, 6.4.4.5, 6.4.4.6). This should be done in co-operation with sectoral, local, provincial and national initiatives by government, civil society and non-governmental organisations.

Broadly, impact assessments should include:

- risk profiles; and
- assessment of the direct and indirect costs of HIV/AIDS.

Risk profiles may include an assessment of the following:

- the vulnerability of individual employees or categories of employees to HIV infection;
- the nature and operations of the organisation and how these may increase susceptibility to HIV infection (e.g. migrancy or hostel dwellings);
- a profile of the communities from which the organisation draws its employees;
- a profile of the communities surrounding the organisation's place of operations and
- an assessment of the impact of HIV/AIDS upon their target markets and client base.

With above-mentioned information in mind what can and should companies do about AIDS?

The first step is to look at what AIDS will mean to the organisation. Start by making a careful quantitative assessment of the additional costs incurred in maintaining a productive workforce. As seen in Table 4.2, a chronological model is designed to alert business managers to all the steps required to cope with the spread of HIV/AIDS among employees, and to assist them in capturing all the financial implications associated with the disease (Kinghorn *et al.*, 2001:73; Barrett Grant *et al.*, 2002:64-65; see also 6.4.4.4; 6.4.4.5; 6.4.4.6; 6.4.4.10).

**TABLE 4.2: Progression of cases and costs of HIV/AIDS workforce**

<b>Progression of HIV/AIDS in the workplace</b>	<b>Economic impact of individual cases</b>	<b>Economic impact of all cases</b>
1. Employees becomes infected with HIV virus (Year 0)	<ul style="list-style-type: none"> <li>• No costs to organisation at this stage</li> </ul>	<ul style="list-style-type: none"> <li>• No costs to organisation at this stage</li> </ul>
2. HIV/AIDS-related morbidity begins (Year 1-5)	<ul style="list-style-type: none"> <li>• Sick leave and other absenteeism increase</li> <li>• Work performance declines due to employee illness</li> <li>• Overtime and contractors' wages increase to compensate for absenteeism</li> <li>• Use of organisation's on-site health clinics increases</li> <li>• Payouts from medical aid schemes increase</li> <li>• Employees require attention of human resource and employee assistance personnel</li> </ul>	<ul style="list-style-type: none"> <li>• Overall productivity of workforce declines</li> <li>• Overall labour costs increase</li> <li>• Additional use of medical aid benefits causes premiums to increase</li> <li>• Additional medical staff must be hired at the organisation's health clinics</li> <li>• Managers begin to spend time and resources on HIV-related issues</li> <li>• HIV/AIDS interventions are designed and implemented</li> </ul>
3. Employee leaves workforce due to death, medical boarding, or voluntary resignation (Year 6 or 7)	<ul style="list-style-type: none"> <li>• Payout from death benefit or life insurance scheme is claimed</li> <li>• Pension benefits are claimed by employee or dependants</li> <li>• Other employees are absent to attend funeral</li> <li>• Funeral expenses are incurred</li> <li>• Organisation's loans to employee are not repaid</li> <li>• Co-workers are demoralised by loss of colleague</li> </ul>	<ul style="list-style-type: none"> <li>• Payouts from pension fund cause employer and/or employee contribution to increase</li> <li>• Returns on investment in training are reduced</li> <li>• Morale, discipline, and concentration of other employees are disrupted by frequent deaths of colleagues</li> </ul>
4. Organisation recruits a replacement employee (Year 7)	<ul style="list-style-type: none"> <li>• Organisation incurs costs of recruitment</li> <li>• Position is vacant until new employee is hired</li> <li>• Cost of overtime wages increases to compensate for vacant position</li> </ul>	<ul style="list-style-type: none"> <li>• Additional recruiting staff and resources must be brought in</li> <li>• Wages for skilled (and possibly unskilled) employee increase as labour markets respond to the loss of workers</li> </ul>

Progression of HIV/AIDS in the workplace	Economic impact of individual cases	Economic impact of all cases
5. Organisation trains the new employee (Year 7)	<ul style="list-style-type: none"> <li>• Organisation incurs costs of pre-employment training (tuition, etc.)</li> <li>• Organisation incurs costs of in-service training to bring new employee up to level of old one</li> <li>• Salary is paid to employee during training</li> </ul>	<ul style="list-style-type: none"> <li>• Additional training staff and resources must be brought in</li> </ul>
6. New employee joins the workforce (Year 7 or 8)	<ul style="list-style-type: none"> <li>• Performance is low while new employee comes up to speed</li> <li>• Other employees spend time providing on-the-job training</li> </ul>	<ul style="list-style-type: none"> <li>• There is an overall reduction in the experience, skill, institutional memory and performance of the workforce</li> <li>• Work unit productivity is disrupted as labour turnover rates increase</li> </ul>

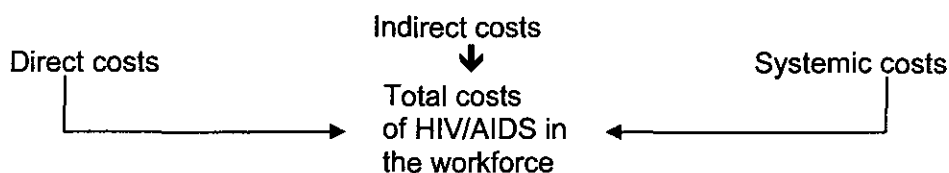
Source: Rosen *et al.* (2000:103); Kinghorn *et al.* (2001:73)

As Table 4.2 illustrates (Rosen *et al.*, 2000:103; Kinghorn *et al.*, 2001:73), a company is not likely to begin to incur the major costs of HIV/AIDS until five or so years after an employee has been infected. Assuming that the company stays in business and retains the employee in its workforce, however, it does acquire a liability for these costs as soon as the employee acquires the infection. In other words, from the moment of infection, the company becomes responsible for a current of future costs (see 6.4.4.26).

For purpose of data collection and analysis, the costs identified in Table 4.2 can be reconfigured into a second model, depicted in Table 4.3. This includes three types of costs. *Direct costs* refer to the impact that involves increased financial outlays by the organisation such as pension and provident fund contributions, service bonuses, absenteeism and sick leave, death and funeral benefits, in-firm medical services and the costs of recruiting and training replacement workers (Nattrass, 2004:162). *Indirect costs* reflect reduced workforce productivity (less output for a given level of expenditure on labour). These include reduced productivity by both the infected employee and by other employees who are diverted from their normal responsibilities. *Systemic costs* refer to costs that result from the cumulative impact of multiple HIV/AIDS cases (Whiteside & Sunter, 2000:109; Kinghorn *et al.*, 2001:74; Barrett Grant *et al.*, 2002:64-65).

**TABLE 4.3: Economic impact of HIV/AIDS on workforce**

<b>Direct costs</b>	<b>Indirect costs</b>	<b>Systemic costs</b>
<u>Benefit package</u> <ul style="list-style-type: none"> <li>• Health clinic run by organisation</li> <li>• Medical aid/health insurance</li> <li>• Disability insurance</li> <li>• Pension fund</li> <li>• Death benefits/insurance payout</li> <li>• Funeral expenses</li> <li>• Subsidised loans</li> </ul>	<u>Absenteeism</u> <ul style="list-style-type: none"> <li>• Sick leave</li> <li>• Other leave taken by sick employees</li> <li>• Bereavement and funeral leave</li> <li>• Leave to care for dependants with AIDS</li> </ul>	<u>Loss of workplace cohesion</u> <ul style="list-style-type: none"> <li>• Reduction in morale, motivation, and concentration</li> <li>• Disruption of schedules and work teams or units</li> <li>• Breakdown of workforce discipline (slacking, unauthorised absences, theft, etc.)</li> </ul>
<u>Recruitment</u> <ul style="list-style-type: none"> <li>• Recruiting expenses (advertising, interviewing, etc.)</li> <li>• Cost of having positions vacant (profit the employees would have produced)</li> </ul>	<u>Morbidity on the job</u> <ul style="list-style-type: none"> <li>• Reduced performance due to HIV/AIDS sickness on the job</li> </ul>	<u>Workforce performance and experience</u> <ul style="list-style-type: none"> <li>• Reduction in average level of skill, performance, institutional memory, and experience of workforce</li> </ul>
<u>Training</u> <ul style="list-style-type: none"> <li>• Pre-employment education and training costs</li> <li>• In-service and on-the-job training costs</li> <li>• Salary while new employee comes up to speed</li> </ul>	<u>Management resources</u> <ul style="list-style-type: none"> <li>• Managers' time and effort for responding to workforce impacts, planning, prevention and care programmes, etc.</li> <li>• Legal and human resource staff time for HIV-related policy development and problem solving</li> </ul>	
<u>HIV/AIDS programme</u> <ul style="list-style-type: none"> <li>• Direct costs of prevention programme materials, staff, etc.)</li> <li>• Time employees spend in prevention programmes</li> <li>• Studies, surveys, and other planning activities</li> </ul>		



Source: Whiteside & Sunter (2000:112); Kinghorn *et al.* (2001:74)

The total impact on firms (Nattrass, 2004:162) will vary depending on factors such as whether firms provide in-house medical facilities (see 6.4.4.18), the way in which employment benefits are structured and the distribution of HIV-positive people across the skill-structure.

Most direct costs (Whiteside & Sunter, 2000:110; Rau, 2002:21) can be readily measured by using human resources and financial data that large companies routinely collect (see 6.4.4.5). Indirect costs are much more difficult to measure. Some, such as the costs of absenteeism and morbidity, are measurable in theory. The difficulty lies in generating relevant data. On-the-job morbidity, for example, requires the percentage loss of productivity experienced by the sick worker and the duration of the productivity loss. Estimating the opportunity cost of management time devoted to HIV/AIDS-related issues is even more difficult (see Table 4.4).

**TABLE 4.4 Direct cost of HIV/AIDS per worker per year**

Reason for cost	Cost as % of Total
Hiring and training new workers	33
Lost productivity	28
Absenteeism	28
Clinic and physician visits	10
Hospitalisation	1
<b>Total</b>	<b>100</b>

Source: Rau (2002:21)

Systemic costs are the most difficult to measure, especially in the short run and for individual companies. They include the toll that illness and death take among co-workers on employee morale and motivation; the increases in occurrences of slacking and theft; and the overall loss of experience and skills in the workforce. The practical impossibility of measuring these costs in most cases should not be taken as a sign that they are not significant or can be omitted from an organisation’s strategy in coping with the epidemic. On the contrary, these costs could in the long run pose the most serious threat to companies’ profitability (Whiteside & Sunter, 2000:113).

Once all the potential influences that HIV/AIDS could have on an organisation’s internal and external environment have been ascertained, suitable responses to the

challenge have to be formulated (Whiteside & Sunter, 2000:113-114; Kinghorn *et al.*, 2001:77-78; Rau, 2002:24). These responses are categorised into four areas:

- The impact on production and employees: In order to ensure that the production process is not vulnerable to staff losses, responses might include multiskilling, recruiting and training of an additional labour supply, contracting out of services and capital intensification. In addition, the organisation should seek to prevent its workers from becoming infected by supplying education and training, by providing condoms and health services, by examining the root causes of HIV transmission and addressing them (see 6.4.4.6).
- The impact on costs: The costs of the disease need to be monitored and either reduced or accepted. It should be remembered that although an organisation may be able to reduce its costs by, for example, cutting back on medical benefits, these costs will have to be borne by someone somewhere (see 5.4.7, 6.4.4.5, 6.4.4.6, 6.4.4.11). The government may be forced to step in or communities and households, already under pressure, will have to provide care.
- The impact on markets: The effect that an increase in illnesses has on markets is a major issue for organisations that sell most of their products and services locally. Organisations should assess the composition of its customers, their vulnerability to contracting the disease and how they will react in terms of changing their expenditure patterns (see 6.4.4.5).
- Business in society: Organisations cannot distance themselves from the society in which it operates. In fact, the degree to which an organisation is socially responsible (see Chapter 3) is now a critical element in the evaluation of that organisation by the public. There has been a lot of emphasis in recent years on the forming of partnerships against AIDS. The idea is that there should be a coalition against the epidemic involving government, business, trade unions, NGOs and the broader civil society.

#### **4.15.1 Measuring labour turnover**

According to Swanepoel *et al.* (2001:794) three factors must be taken into account when assessing the importance of evaluating labour turnover and absenteeism (see

6.4.4.6). The first is the impact of labour turnover and absenteeism on company activities, for example the cost of training and sick leave. Secondly, it is important to note that labour turnover does not only influence the organisation negatively – new employees may also create new ideas and the turnover may thus have a cleansing effect on the organisation. A third aspect is that turnover and absenteeism, whether of a voluntary (resignations) or involuntary (dismissals) nature, should be calculated. In Table 4.5 an example of the labour turnover cost model are summarised.

**TABLE 4.5 The labour turnover cost model**

	<b>Activity</b>	<b>Cost in Rand</b>
1	Recruitment advertising	55 000
2	Agency fees	30 737
3	Internal referrals	14 779
4	Applicant expenses	9 818
5	Relocation expenses	82 132
6	Remuneration of employment personnel	35 200
7	Other employment office expenses	2 300
8	Expenses of recruiters	3 500
9	Direct employment cost (sum of 1-8)	233 466
10	Number of appointments	362
11	Direct cost per appointment (9 ÷ 10)	645
12	Indirect cost per appointment (sum of 18-20)	5 000
13	Total cost per appointment	5 645
14	Number of replacement appointments (labour turnover)	250
15	Total labour turnover costs (13 X 14)	1 411 250
16	Target percentage reduction	25%
17	Potential saving (15 X 16)	352 813
18	Cost of management time per appointment	390
19	Training cost per appointment	610
20	Productivity loss (or performance difference)	4 000
21	Total indirect employment cost per appointment	5 000

Source: Swanepoel *et al.* (2001:796)

#### 4.15.2 Measuring absenteeism

For the measurement of absenteeism, two measures are of importance: the absence rate and the labour utilisation levels (Swanepoel *et al.*, 2001:795). As with other ratios, this one can be computed by a department in finding locations where absence

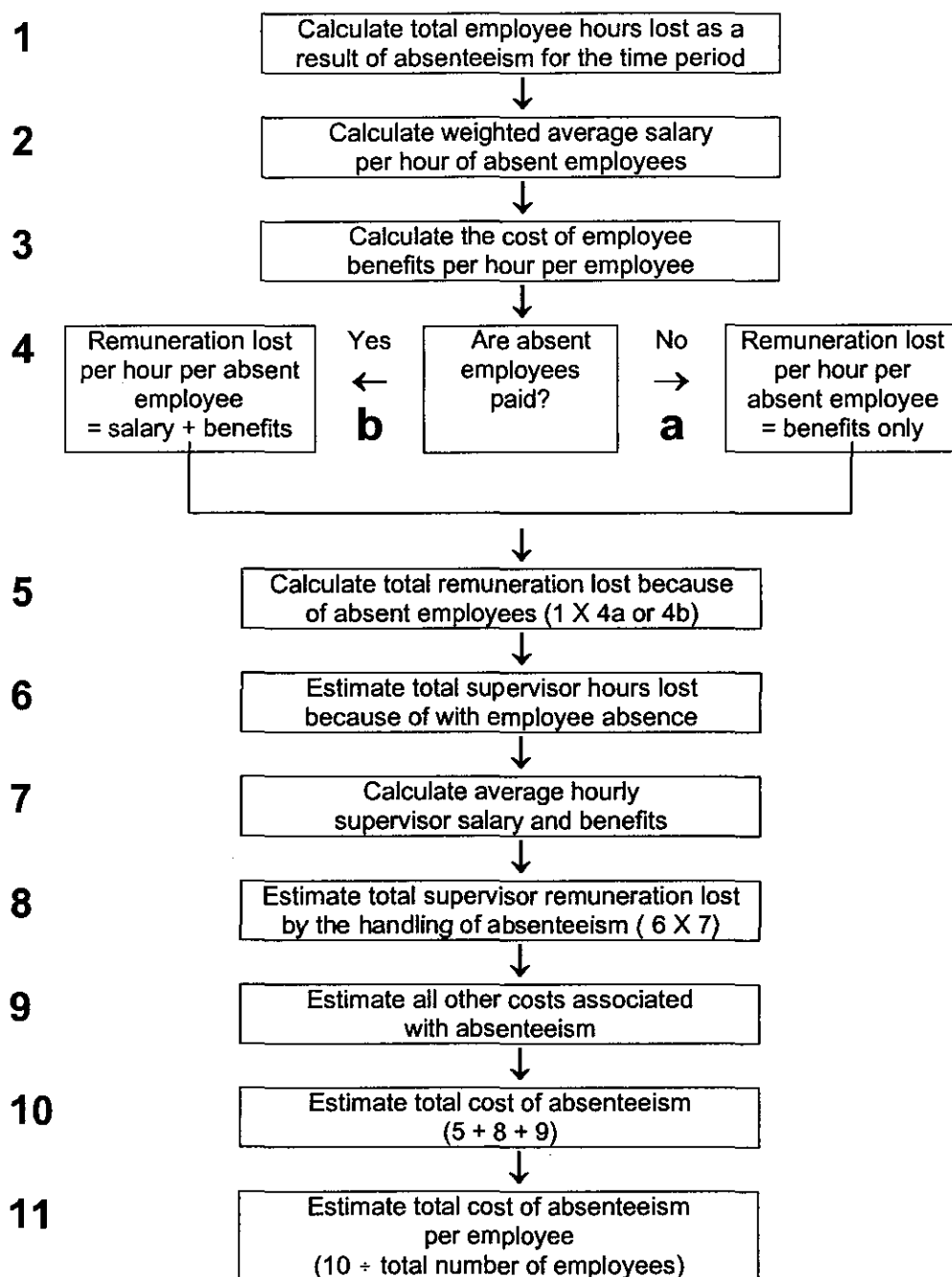
levels are relatively high. It can also be applied to job groups to search out types of employees who are often absent. There are two prerequisites that will determine whether or not an absence control programme will work: accurate employee time cards and a standard acceptable absence rate. For the calculation of absenteeism cost, a flow diagram devised by Cascio (Swanepoel *et al.*, 2001:799) can also be used. See Figure 4.2.

In a study done by Booysen and Molelekoa (2001:30) the majority of firms indicated that they offer employees ten days of paid sick leave per annum as stipulated in the Act on Basic Conditions of Employment. Businesses were not asked about actual trends in absenteeism, because it is impossible to distinguish AIDS-related from non-AIDS-related absenteeism without knowing the identity of infected workers.

ING Barings (2000) estimated that total absenteeism could amount to as much as 250 days per infected employee over the course of the illness.

According to Booysen and Molelekoa (2001:30) AIDS will also have an impact on the leave that employees take to attend funerals as an increasing number of co-workers and family members die. Furthermore, it is assumed that for each worker who dies from AIDS, one highly skilled employee, one skilled employee, and one semi- or unskilled employee each will take two days funeral leave.

**FIGURE 4.2: Estimated cost of absenteeism**



Source: Swanepoel *et al.* (2001:799)

#### 4.16 MACRO-ECONOMIC IMPACT OF AIDS

According to Bollinger and Stover (1999:11), Lisk (2002:10) as well as UNAIDS (2002b:16) the macro-economic impact of AIDS is difficult to assess. Most studies have found that estimates of the macro-economic impacts are sensitive to

assumptions about how AIDS affects savings and investment rates and whether AIDS affects the best-educated employees more than others.

There are several mechanisms (Bollinger & Stover, 1999:12; Lisk, 2002:10-12) by which AIDS affects macro-economic performance:

- AIDS deaths lead directly to a reduction in the number of workers available. These deaths occur to workers in their most productive years. As younger, less experienced workers replace these experienced workers, worker productivity is reduced (see 6.4.4.6, 6.4.4.10).
- A shortage of workers lead to higher wages, which leads to higher domestic production costs. Higher production costs lead to a loss of international competitiveness which can cause foreign exchange shortages (see also 3.14).
- Lower government revenues and reduced private savings (because of greater health care expenditure and a loss of worker income) can cause a significant drop in savings and capital accumulation. This leads to slower employment creation in the formal sector, that is particularly capital sensitive.
- Reduced worker productivity and investment lead to fewer jobs in the formal sector. As a result some workers will be forced from high remunerated jobs in the formal sector to lower remunerated jobs in the informal sector.
- The overall impact of AIDS on the macro-economy is small at first but increases significantly over time.

In their modelling work on the impact of AIDS on South African firms, Rosen *et al.* (2000:300-304) as cited by Nattrass (2004:164) assume that direct firm-based medical expenditure is low. Instead, they focus on pension benefits, service gratuities and death benefits for HIV-positive workers, costs relating to sick leave, and recruitment and training of replacement workers. These (present value of future) costs come to less than twice the annual salary of workers (see Table 4.6).

Rosen *et al.* (2000:300-304) use a model to show how medical interventions that increase life expectancy, save companies money (by forcing costs further into the future – thus causing them to be discounted more heavily). Their model shows that ‘the present value of a new HIV infection would fall by 9% if employees’ average life

expectancy could be extended by one year, by 25% for a three-year extension, and by 38% if five more years of productive life could be achieved (Nattrass, 2004:164).

**TABLE 4.6: Present value of the future costs of a new HIV infection**

Cost component (2000)	Salary = R25 000	Salary = R50 000	Salary = R100 000
Paid sick leave	R5,741	R11,481	R22,961
Pension benefits	R38,487	R76,974	R15,947
Recruitment/training	R4,313	R4,313	R4,313
Total	R48,540	R92,767	R181,222
Ratio of total costs to annual salary	1.94	1.86	1.81
Savings (life extended by one year)*	R4,412 (9%)	R8,433 (9%)	R16,475 (9%)
Savings (life extended by three years)*	R12,071 (12%)	R23,070 (12%)	R45,067 (12%)
Savings (life extended by five years)*	R18,400 (38%)	R35,166 (38%)	R68,697 (38%)

Source: Rosen *et al.* (2000:300-304) as cited by Nattrass (2004:165)

\*Savings are reductions in the present value of future costs of a new HIV infection due to interventions that extend life by one, three or five years. A discount rate of 10% is used. The figures in parentheses are total savings as a percentage of base-line costs.

As Rosen *et al.* (as cited by Nattrass, 2004:165) explain: The financial benefits of pushing further into the future the types of costs analysed above are only a subset of the overall gains to a company by investing in keeping a workforce healthy as possible for as long as possible. By retaining skilled and experienced employees for an additional year or years, the company also:

- buys time for drug prices to fall and for medical and social science researchers to develop new ways to treat HIV/AIDS;
- reduces the time managers must spend coping with employee deaths and high turnover;
- reduces the impact on the morale, motivation and concentration of the rest of its workforce when colleagues fall sick and die; and
- creates more time to implement strategies to cope with the pandemic, such as training replacement employees, shifting to less labour-intensive technologies, and managing the loss of overall workforce skill, experience, institutional memory and cohesion caused by HIV/AIDS.

## 4.17 MANAGING HIV/AIDS IN THE WORKPLACE

HIV-infected employees and employees suffering from AIDS raise both moral and practical dilemmas for the employer. These dilemmas prompt employers to ask the question: "What is the right course of action in the case where a worker is discovered to be HIV-positive or suffering from AIDS?"

Item 15.2.2 (xi) of the Code of Good Practice on key aspects of HIV/AIDS and Employment (Department of Labour, 2002:40-42) recommends that workplaces develop strategies to address direct and indirect costs associated with HIV/AIDS in the workplace. This requires proactive management of the epidemic by seeking to understand it, monitoring it and mitigating its impact as part of every organisation's response to the HIV/AIDS epidemic.

The key strategies to manage the epidemic are:

- To establish a structure responsible for all aspects of the workplace response;
- To collect and analyse data to use in integrated planning processes;
- To integrate HIV/AIDS into all steps of skills development planning;
- To regularly check for compliance with labour and other legislation;
- To demonstrate leadership and management commitment for the workplace HIV/AIDS response.

Table 4.7 is an example of the core objectives and actions that could form the basis for a management plan.

**TABLE 4.7 Management strategies**

Objectives	Actions
To create a mechanism to communicate on policy and programme issues (internally and externally)	Structure <ul style="list-style-type: none"> <li>• Establish a representative AIDS Committee with official terms of reference</li> <li>• Modify job descriptions to include roles relating to the workplace HIV/AIDS responsibilities</li> </ul>
To provide regular reports and advice to management	Communication and reporting <ul style="list-style-type: none"> <li>• Mechanisms for communicating internally and externally</li> <li>• Identification of reporting requirements</li> </ul>

<b>Objectives</b>	<b>Actions</b>
To understand the epidemic: <ul style="list-style-type: none"> <li>- in the workplace and the surrounding community</li> <li>- currently and in the future</li> </ul>	Analyse data received from risk and impact assessment conducted: <ul style="list-style-type: none"> <li>• profiles of the workforce and the community</li> <li>• a model of the epidemic</li> <li>• impact assessments – base-line and periodically thereafter</li> </ul>
To facilitate budgetary provision and ensure financial accountability  To utilise this understanding for short and medium term planning and budgeting	Analyse data received on direct and indirect costs of: <ul style="list-style-type: none"> <li>• absenteeism and sick leave</li> <li>• morbidity and reduced productivity</li> <li>• replacement, recruitment and retraining</li> <li>• medical costs</li> <li>• disability and ill-health retirement, pensions, dependent benefits and funeral costs</li> </ul>
To clarify all HR issues and ensure compliance with legislation	Review HR policies and procedures <ul style="list-style-type: none"> <li>• job access and job security</li> <li>• access to training and promotions</li> <li>• confidentiality, disclosure and protection against discrimination</li> <li>• performance management</li> <li>• reasonable accommodation for symptomatic employees</li> <li>• skills succession planning</li> <li>• disciplinary and grievance procedures</li> <li>• employee benefits</li> <li>• in line insurance with HIV/AIDS policy</li> </ul>
To address socio-economic factors which fuel the epidemic within the context of sustainable development	Examine development plans to ensure that HIV/AIDS is considered
To ensure protection of human rights and compliance with labour legislation	Analyse policies and procedures for legal compliance
To provide leadership, and lead by example	Demonstrate commitment for the policy and programme by: <ul style="list-style-type: none"> <li>• management and</li> <li>• unions</li> </ul>
To identify role and responsibilities in respect of the policy and programme	Define the HIV/AIDS-related responsibilities of: <ul style="list-style-type: none"> <li>• management</li> <li>• supervisors and team leaders</li> <li>• unions</li> <li>• health care workers</li> <li>• peer educators</li> <li>• employees</li> </ul>
To facilitate on-going monitoring and periodic evaluation	<ul style="list-style-type: none"> <li>• identify data sources for monitoring</li> <li>• conduct on-going monitoring</li> <li>• conduct periodic evaluation</li> <li>• review policy at regular intervals</li> </ul>

Source: Department of Labour (2002:41-42)

#### 4.18 DIFFICULTIES IN DEALING WITH HIV/AIDS AT THE WORKPLACE

There are a number of factors (Gillies, 2004:15/19-15/20) that create problems in dealing with AIDS at the workplace, as described in the following paragraphs:

- The crisis of disbelief: This refers to the disbelief expressed by many people as to whether HIV/AIDS really exists. The misperceptions that exist are easy to understand but need to be addressed in an acceptable medium to people while being educated.
- Fear: This issue relates to the fact that many people who are infected are too afraid to tell others because of the consequences; thus the disease remains largely concealed. The consequences include fear of contracting the disease and rejection of those who are infected.
- Blame: Employees often suggest that if they know someone is infected they would like to know how the person became infected. If it was through promiscuity, homosexual contact or drug use, they would reject the person. However, if it was because of a blood transfusion, the "innocent" person would be accepted and supported. While it may be difficult to persuade people to feel differently this attitude is not helpful, and education programmes should stress this point.
- Number numbness: This refers to projected scenarios that refer to such extremely high rates of infection and death that people become immobilised and unable to take any action. There is a balance between the "ostrich" approach rejecting AIDS as a serious issue and "doomsday" scenarios.
- Covert consequences: Many people may be infected and be unaware of this. Many symptoms are not confined to HIV/AIDS and thus diagnosis and acceptance of diagnosis are complicated.
- Selling education – "obsessive oversell": There are people on the AIDS "bandwagon" who attempt to convince organisations to purchase *their* videotape, *their* condom vending machine, *their* approach to education.

## **4.19 A WORKPLACE POLICY ON HIV/AIDS**

An HIV/AIDS policy states how organisations view its workers with HIV/AIDS and what it will do to support them, as well as the strategy it will use to prevent the spread of HIV/AIDS. The policy must be developed through consultation with all levels of workers. The policy demonstrates the commitment of the organisation to the HIV/AIDS epidemic (Cosatu, 2000b).

### **4.19.1 Why have a policy?**

An HIV/AIDS policy (Barrett Grant *et al.*, 2002:49; Rau, 2002:35) defines an organisation's position and practices for preventing HIV transmission and for handling HIV infection among employees. The policy provides guidance to supervisors who deal with the day-to-day issues and problems that arise in the workplace. Also, the policy informs the employees about their responsibilities, rights and expected behaviour on the job (see 6.4.4.1, 6.4.4.2, 6.4.4.7, 6.4.4.25).

The development of a policy (BER, 2003:23) is only one part of a larger process; the real challenge lies in how to translate it into practice. A workplace policy, according to the AHI (2002) and International Labour Organisation (ILO, 2003), provides the framework for action to reduce the spread of HIV/AIDS and manage its impact. Therefore it:

- makes an explicit commitment to corporate action
- ensures consistency with appropriate national laws
- incorporates a standard of behaviour for all employees (whether infected or not)
- gives guidance to supervisors and managers
- helps employees living with HIV/AIDS to understand what support and care they will receive, so that they are more inclined to come forward for voluntary testing
- helps to stop the spread of the virus through prevention programmes
- assists an organisation to plan for HIV/AIDS and manage its impact, so ultimately saves money.

The policy (AHI, 2002) provides the basis for putting in place a comprehensive workplace programme, combining prevention, care and the protection of rights (see Chapter 5). Depending on the particular situation, it may consist of a detailed document just on HIV/AIDS, setting out a programme as well as policy issues. It may be part of a wider policy or agreement on safety, health and working conditions (see 4.20). It may be a short statement of principle (see Appendix A for an example of an HIV/AIDS policy).

#### **4.19.2 Key principles of a workplace policy on HIV/AIDS**

The ILO Code of Practice and other basic guidelines offer a sound basis for shaping company and union policies on HIV/AIDS (Rau, 2002:37-38; UNAIDS, 2002a). Companies in the mining industry (Chamber of Mines, 2003a) developed their policies influenced by best practices on HIV/AIDS from various parts of the world, the SADC code on HIV/AIDS in the workplace, the ILO code, the Department of Health strategic document on HIV/AIDS TB and Malaria, and the NEDLAC code. This is in addition to workplace agreements reached with labour unions and experience gained in everyday practice within the working environment. The key principles are outlined below, with a brief rationale for each.

##### **◆ Recognition of HIV/AIDS as a workplace issue**

HIV/AIDS is a workplace issue because it threatens productivity and the welfare of all employees and their families. The workplace, being part of the local community, has a role to play in the wider struggle to limit the spread and effects of the epidemic (see Chapter 3 on the social responsibility of organisations; also 6.4.4.9).

##### **◆ Non-discrimination**

Discrimination against workers on the basis of real or perceived HIV status is to be actively discouraged. Discrimination against and stigmatisation of people living with HIV/AIDS inhibits efforts to promote HIV/AIDS prevention and can easily lead to disruptions in the workplace. In short, HIV/AIDS should encourage companies to examine their policies regarding long-term illnesses. Furthermore, no employee shall be dismissed on the ground of his/her HIV status; no hire decision based on HIV

assessment; training within the workplace not influenced by HIV status; and advancement or promotion not dependent on HIV status.

◆ **Gender equality**

Discrimination against and exploitation of women promotes the spread of HIV/AIDS. Women are also more likely to become infected and are more often adversely affected by the HIV/AIDS epidemic than are men, due to biological, socio-cultural and economic factors. Proactive efforts by companies and workers' organisations to prevent gender discrimination and sexual coercion and abuse greatly aid prevention efforts.

◆ **Healthy work environment**

The work environment should be healthy and safe, in line with national regulations and negotiated agreements (see 4.20), to reduce the risk of on-the-job transmission of HIV. A healthy work environment facilitates optimal physical and mental health in relation to work and adaptation of work to the capabilities of workers in light of their state of physical and mental health.

◆ **Social dialogue**

The successful implementation of an HIV/AIDS policy and program requires co-operation and trust among government, employers and workers and their representatives. Involvement in and support for government-employer-worker arrangements to promote HIV/AIDS prevention and care (see Chapter 5), where they exist, broaden the discourse around HIV/AIDS issues and improve prevention efforts at all levels.

◆ **Screening for purposes of exclusion from employment or work processes**

Compulsory HIV/AIDS screening is unnecessary and inappropriate for either job applicants or persons already employed (see 6.4.4.15). Companies and trade unions should encourage employees to obtain a voluntary and confidential HIV test as well as pre- and post-test counselling off-site.

#### ◆ **Confidentiality and disclosure**

There is no justification for asking job applicants or workers to disclose HIV-related personal information. Nor should workers be obliged to reveal such personal information about themselves or fellow workers. Access to personal data relating to a worker's HIV status should be limited by the rules of confidentiality. Breaches of confidentiality erode employee morale, can disrupt production and can lead to legal action. Should the employee want to disclose his/her status voluntarily, it cannot be disclosed to others without the employee's written consent.

#### ◆ **Continuation of employment relationship**

HIV infection is not a cause for termination of employment (see 6.4.4.19). As with many chronic conditions, persons with HIV-related illnesses should be able to work for as long as medically fit in available, appropriate work. This can be many years.

#### ● **Prevention**

HIV infection is preventable. Prevention of all means of transmission can be achieved through a variety of strategies (see Chapter 5) that are appropriately targeted to national conditions and that are culturally sensitive. Prevention can be furthered through changes in behaviour, knowledge, treatment and the creation of a non-discriminatory work environment. Trade unions and managers are in a unique position to promote effective prevention efforts, including changing attitudes and behaviours, through the provision of information and education, setting non-coercive sexual standards and by addressing socio-economic factors that increase the risk of HIV/AIDS transmission.

#### ◆ **Communication and leadership**

Employers, trade unions and workers' representatives must communicate HIV/AIDS policies to employees in simple, clear and unambiguous terms and continue to demonstrate their support for HIV/AIDS prevention and care efforts. Communication of clear messages will reinforce established business practices, assure consistent implementation of the policy and reinforce the low-risk worker's (including sexual) behaviour.

#### ◆ Care and support

Solidarity care and support for HIV-positive individuals and their family members should guide the response to HIV/AIDS in the workplace (see 6.4.4.9). All workers, including workers with HIV, are entitled to affordable health services, whether within the company or via private and public facilities. There should be no discrimination against HIV-positive employees and their dependants regarding access to and receipt of benefits from social security programmes and occupational schemes. Company and union policies should encourage the formation of support groups for HIV-positive individuals, caregivers and other concerned workers.

#### 4.19.3 Dissemination and implementation of the policy on HIV/AIDS

According to Rau (2002:40) and UNAIDS (2002a) the dissemination must occur at all levels – to the board of directors, union/worker representatives, human resources/personnel and clinic employees, supervisors and all employees. People in these groups would likely request some explanation of the rationale for the policy and clarification of certain clauses. Thus, a process for introducing the HIV/AIDS policy will be useful. One person of a small team from senior management or the human resource department can introduce the policy and its components to staff members during regular meetings or specially organised gatherings.

Supervisors should have more than a basic introduction to the policy (Barrett Grant *et al.*, 2002:56; Rau, 2002:40), since they face the policy's day-to-day implications, for example, how to respond to an employee who wants time off to care for a sick relative, or to an employee who suggests that a co-worker might be HIV-positive (see 6.4.4.12, 6.4.4.13). One or more training sessions for supervisors are entirely appropriate.

Depending on extent, the policy can be distributed to employees in its entirety or in segments. It can be posted in public areas. Employee newsletters can also include either the entire policy or portions of it, along with explanation of various clauses. In addition, the policy, or portions of it, can be included in an information pamphlet given to new employees (Rau, 2002:40).

Implementation of the company's HIV/AIDS policy will occur when applied to situations that arise among employees, as supervisors and managers become involved in addressing those situations and as the company implements its HIV/AIDS program. An annual review of the policy by a team representing human resources, the medical office and labour can help identify gaps and suggest changes (Rau, 2002:8; UNAIDS, 2002a).

#### **4.20 ADVOCACY WITH GOVERNMENT AND OTHER SECTORS**

As both governmental and private sector responses to the epidemic take shape (Rau, 2002:71), decisions will be made that affect all businesses and employees. In most instances to date, employer federations and trade unions have not effectively used their influence to present views on HIV/AIDS to government. However, there is a clear need to inform government about the impact of the epidemic on business productivity, about worker concerns and about a variety of human resource planning issues related to HIV/AIDS. Cosatu has joined other organisations to challenge the government's reluctance to offer anti-retroviral drugs to HIV-positive people, including pregnant women.

Whiteside (1999), in a briefing to USAID, considers other factors of democracy and good governance that may help slacken the epidemic and minimise its impact. He argues that a fair legal system, respect of human rights, and support for the rights and empowerment of women would help reduce stigma, increase openness, and aid prevention. He also suggests that a credible and competitive political process may make AIDS an election issue and foster leadership around AIDS, while a fair and gender-neutral electoral system will facilitate greater female representation, with positive externalities for HIV/AIDS. Furthermore, a strong civil society is essential in combating the epidemic, he argues. Finally, he contends that transparent and accountable government institutions will improve the sharing of information around HIV/AIDS and possibly contribute to better leadership on the issue.

Provinces are also involved in additional HIV/AIDS programmes to varying extents (Hickey, 2002:41). In some areas, provincial health departments implemented expanded programmes on their own initiative – with or without political and/or direct targeted financial support from national government.

Local government has a central role to play (Department of Health, 2003b:3) in responding to the HIV/AIDS epidemic – as the level of government closest to the community it serves. Furthermore, according to the Department of Health (2003b:3), local government's HIV/AIDS related role is still being defined, though there are more initiatives emerging, some of which are innovative developmental approaches, that constitute excellent, even best practice examples. Often, however, there is little communication among local government structures; and most of these initiatives are unknown and unpublished.

In a full page advertisement (a message from government) published in *Sunday Times* (March 23, 2003:11) the government stated:

“Let's build a people's contract to fight HIV/AIDS. There is a plan. The fight against HIV/AIDS has many fronts: prevention, treatment, care and support, in the context of development and poverty eradication. There is a plan, a comprehensive strategy, based on the premise that HIV causes AIDS. The impact it is beginning to make brings a message of hope. The HIV/AIDS budget (excluding allocations from provincial equitable shares) is set to increase ten-fold from R342 million in 2001/02 to R3,6 billion in 2005/06.”

Furthermore: “Working within the framework of the strategic plan to fight HIV/AIDS, we (government) are making progress. However, much needs to be done. The scale of the epidemic requires still more intense efforts. We can make greater progress as a nation if we all lend a hand in the Partnership against AIDS.”

With reference to one of the research questions, the implementation of guidelines on promoting a safe workplace will now be discussed.

## **4.21 IMPLEMENTATION OF GUIDELINES ON PROMOTING A SAFE WORKPLACE**

### **4.21.1 Why is health and safety important?**

According to the Code of Good Practice on key aspects of HIV/AIDS and Employment (Department of Labour, 2002:22), the Occupational Health and Safety Act, as well as the Mine Health and Safety Act (O'Connor *et al.*, 2001:59; Van Dyk, 2001:416) an employer is obliged to provide and maintain, as far as reasonably practicable, a workplace that is safe and without risk to the health of its employees. The risk of HIV transmission in the workplace is minimal. However, occupational accidents involving bodily fluids may occur, particularly in the health care professions.

Every workplace should ensure that it complies (Solidarity, 2002:28) with the provisions of the Occupational Health and Safety Act, including the Regulations on Hazardous Biological Agents and the Mine Health and Safety Act (see also 5.2.2), and that its policy deals with, among others:

- the risk, if any, of occupational transmission within the particular workplace;
- appropriate training, awareness, education on the use of universal infection control measures so as to identify, deal with and reduce the risk of HIV transmission in the workplace;
- providing appropriate equipment and materials to protect employees from the risk of exposure to HIV;
- the steps that must be taken following an occupational accident including the appropriate management of occupational exposure to HIV and other blood borne pathogens, including access to post-exposure prophylaxis;
- the procedures to be followed in applying for compensation for occupational infection;
- the reporting of all occupational accidents; and
- adequate monitoring of occupational exposure to HIV to ensure that the requirements of possible compensation claims are being met.

#### **4.21.2 Roles and responsibilities**

According to the Code of Good Practice on key aspects of HIV/AIDS and Employment (Department of Labour, 2002:23-24) the roles and responsibilities of employers, employers' organisations, individual employees, trade unions and social partners towards a safe workplace are the following:

##### **◆ Employers**

- Developing appropriate and effective policy guidelines, accompanied by all necessary support services;
- Training and educating employees on the use of health and safety guidelines;
- Reporting and monitoring all occupational incidents in the workplace.

##### **◆ Employers' Organisations**

Forming partnerships with government where necessary, to ensure that all work environments have access to support services, such as protective equipment, counselling services, male and female condoms, etc. to implement risk reduction in the workplace.

##### **◆ Individual employees**

- Minimising occupational exposures to HIV by following safety guidelines;
- Using infection control measures in the event of an occupational exposure;
- Reporting all incidents that may potentially expose any person to HIV.

##### **◆ Trade unions and employees**

- Creating an awareness of the importance of health and safety in the context of HIV and AIDS, and in dispelling myths, fears and prejudices relating to the risk of HIV transmission within the working environment;
- Education on the procedures to be followed in the event of an occupational exposure;

- Protecting the right of all affected employees to health and safety, compensation, HIV testing only with voluntary and informed consent, pre- and post-test counselling and confidentiality.

#### ◆ **Social partners**

Social partners should pool resources and skills in order to facilitate access to:

- Updated medical information and guidelines on managing occupational exposures to HIV, including issues such as post-exposure prophylaxis and different types of HIV tests that may be administered;
- Awareness, education and training re various aspects of health and safety in the context of HIV/AIDS, including implementing universal infection control procedures, training of HIV counsellors, administering HIV tests and the rights of employees to health, safety and compensation in the context of occupational exposure to HIV (see 6.4.4.21);
- Useful media on HIV/AIDS health and safety issues (see 6.4.4.21); and
- Support services, including access to gloves, barrier methods such as condoms, information services, confidential counselling and testing services for affected employees.

#### **4.21.3 Universal precautions**

Universal precautions, according to O'Connor *et al.* (2001:61) include knowing about diseases such as HIV that can be contracted from infected blood; keeping protective clothing in places where people know about it and where it can easily be reached and knowing how to clean up after an accident.

Furthermore, if employees feel unsafe in the workplace they can refuse to work and ask an inspector from the Department of Labour to look at their health and safety conditions. Employees, together with their Health and Safety representative can demand that an employer provide education on HIV/AIDS, as well as safety equipment and training concerning universal precautions.

## **4.22 SUMMARY**

The HIV/AIDS epidemic is without doubt one of the major challenges facing South Africa. There are a number of actions that should be taken. The immediate aim should be to slacken the spread of HIV and the long term aim to plan for its impact on the economies and societies in South Africa.

Effective management of HIV/AIDS requires an understanding of the nature and the extent of the impact of HIV/AIDS on business. HIV/AIDS is undoubtedly a bottom line issue for business, as it impacts on production costs and consumer markets.

The global spread of HIV/AIDS and increasing evidence of the associated impacts on business has highlighted the need for business to step up to the challenge and take action against the epidemic.

Overall, the response of business to HIV/AIDS needs to be speeded up. With rising HIV prevalence and clear evidence of the adverse impact of the epidemic on business in South Africa, companies should not be lagging behind with regard to the implementation of HIV/AIDS policies and programmes.

In Chapter 5 the focus will be on the legislation of HIV/AIDS in the workplace; HIV/AIDS and human rights of employees and the developing of a prevention programme with the theories and models used in HIV/AIDS prevention in mind.

## CHAPTER 5

### ***LABOUR LEGISLATION, HUMAN RIGHTS AND INTERVENTION PROGRAMMES***

#### **5.1 INTRODUCTION**

For a company to be productive, offer services efficiently and to turn to profit (Steinberg *et al.*, 2000:310; Rau, 2002:8), the skills and experiences of employees at all levels (from top management to workers) are needed to develop quality products or services that are purchased by customers. Like other challenges in the contemporary business world, HIV/AIDS is a factor that a company must now consider in its planning and operations.

HIV/AIDS cuts into company budgets by increasing costs of employee healthcare, recruitment and training. This disease ultimately reduces company profits as expenses increase, production or service delivery fails to adhere to planned schedules and customers change their purchasing plans because of the HIV/AIDS expenses they themselves incur. The disease is a factor that investors take into account when deciding whether to invest in companies. These decisions, in turn, affect the availability of capital for expansion (Rau, 2002:8).

The way in which employees with HIV or AIDS are treated in the workplace (Whiteside & Sunter, 2000:157) has a multitude of legal implications that extend from the highest level, the Constitution, right down to a shopfloor agreement between employer and employees. As with all legislation, its boundaries have to be tested through the courts – something that is starting to happen. Moreover, legislation and the way it is applied will continue to evolve to meet our changing knowledge and understanding of the epidemic.

A major concern of organisations (Ivancevich *et al.*, 1997:284) is finding a balance between the rights of a person with AIDS and co-workers' rights to a healthy, safe environment. Education, counselling, and safety are the keys to minimising the impact that AIDS will have on an organisation. Assuming individual's knowledge

about AIDS is not warranted. Misperceptions at all levels of organisations are commonplace.

AIDS is spreading at an alarming rate as is the abuse of human rights and fundamental freedoms associated with HIV/AIDS that has emerged in all parts of the world. Unequal access to treatment and care for those living with HIV/AIDS, discrimination and stigmatisation at work, breaches of confidentiality in disclosure of an HIV-positive status and vulnerability of women to HIV/AIDS are among the key human rights issues to be addressed in this connection (Symonides & Volodin, 2001:226).

Because of the social and organisational ramifications of AIDS (Grobler *et al.*, 2003:465) a proactive organisational policy addressing the rights of AIDS victims and the training of co-workers is necessary.

Investing in prevention programmes in the workplace (UNAIDS, 2002a:15), and ensuring the greater involvement of people living with HIV/AIDS, makes good business and developmental sense. So, too, does provision of treatment and care. The fact that migrant and mobile workers can be at special risk of infection, calls for special steps, built on solid research and understanding, to protect them against the epidemic.

As can be seen from the introduction it is important to keep labour legislation and human rights in mind when designing HIV/AIDS prevention programmes. Therefore there will first be a discussing about HIV/AIDS and labour legislation and then about HIV/AIDS and the influence of human rights.

## **5.2 HIV/AIDS AND LABOUR LEGISLATION**

Dickinson and Stevens (2004:4) mentioned that there is no single piece of legislation governing HIV/AIDS and the workplace: the Nedlac/Department *Code of Good Practice* (2000) has to be read in conjunction with eight relevant pieces of legislation as well as the Constitution.

According to the Aids Law Project (2003:157) the Labour Court or other statutory bodies that arbitrate employment disputes will look at:

- The Constitution that is based on the principle of equality for everyone in South Africa.
- Labour Laws and case law built up in the Labour Courts, the Commission for Conciliation, Mediation and Arbitration (CCMA) and the old Industrial Courts, that follow the principles of non-discrimination, fair labour practices and the reasonable rights and duties of employers and employees.
- The latest scientific and medical knowledge about HIV/AIDS, especially that:
  - HIV cannot be transmitted by casual contact between people at work,
  - people with HIV are usually as healthy and productive as employees who are not infected.

### **5.2.1 The Constitution**

The South African Constitution Act, No. 108 of 1996 is the supreme law of the country, and all other laws must comply with it (Aids Law Project, 2003:53; Rautenbach & Malherbe, 2004:21). The Bill of Rights within the Constitution sets out a number of specific provisions that protect workplace rights (see also 3.9.1). Section 23(1) states that “Everyone has the right to fair labour practices”. There are also more general rights, that apply to the employment relationship, such as the right to equality, non-discrimination (section 9) and privacy (section 14). In particular, the right to privacy implies an employee’s right to confidentiality regarding medical information, including information about HIV status.

All workplace policies should reflect the content of these rights and they should be used as principles to guide the nature and form of all employment relationships.

### **5.2.2 Labour legislation**

There are a number of important labour statutes, though only one of them, the Employment Equity Act, specifically refers to HIV/AIDS. However all statutes are general enough to cover most HIV/AIDS related problems that may arise in the workplace.

The relevant sections of each Act are summarised, followed by an interpretation of the implications related to HIV/AIDS and any specific operational issues for workplaces that should be noted (Smart & Strode, 1999:7; Bendix, 2001:133; O'Connor *et al.*, 2001:52-57; Barrett Grant *et al.*, 2002:20):

#### **5.2.2.1 Employment Equity Act, No. 55 of 1998 (EEA)**

The Employment Equity Act aims at ensuring equality and non-discrimination in the workplace through anti-discrimination measures and affirmative action provisions. It also has two clauses which expressly refer to HIV/AIDS:

- Section 5 of the Act aims to promote equal opportunity by eliminating unfair discrimination and in addition prohibits unfair discrimination based on 'HIV-positive status'.
- Section 7(2) prohibits medical testing of an employee except in circumscribed circumstances. Testing of an employee to determine that employee's HIV status is prohibited unless it is determined to be justifiable by the Labour Court.

Employers who believe that knowledge of an employee's HIV status is justified must approach the Labour Court for authorisation before embarking on such testing (Guild *et al.*, 2001:15). Therefore, employees with HIV-related illnesses and AIDS should be treated in the same way as employees with other life-threatening illnesses.

Conditions the Labour Court can set for HIV testing:

- Pre-and post-test counselling.
- Procedures to make sure the result are confidential.
- The time that the employer is allowed to do testing (e.g. 1 year).
- The categories of employees who can be tested.

Organisations (Smart & Strode, 1999:8) should examine all current policies and practices to ensure that they comply with the EEA. In particular, they should be established as a matter of urgency:

- whether any HIV testing is currently taking place within the workplace and, if so, whether such testing is prohibited by the Act (see 6.4.4.17); and
- whether any employees are being unfairly discriminated against in terms of the Act.

### **5.2.2.2 Labour Relations Act, No. 66 of 1995 (LRA)**

The Labour Relations Act that aims at regulating the relationships between employees, trade unions and employers, for example by setting out when trade unions may meet their members at the workplace. It also regulates the resolution of disputes between employers and employees and set out the rights of workers with regard to dismissal (Smart & Strode, 1999:7; O'Connor *et al.*, 2001:52-57; Aids Law Project, 2003:159; Barrett Grant *et al.*, 2002:20).

All dismissals must be effected (Smart and Strode, 1999:8) with reference to the Code of Good Practice on Dismissals attached to the Act in Schedule 8. This provides that when an employee no longer has the capacity to function well, the employer should:

- investigate the extent of their incapacity;
- investigate alternatives short of dismissal, such as short-time, and extended sick leave without pay;
- investigate adapting the employee's duties; and
- investigate accommodating the employee's disability.

In this process the employees should be given an opportunity to voice their opinion on the possible alternatives or accommodations. They should be provided with an incapacity hearing before dismissal. A dismissal solely because an employee is HIV-positive or has AIDS is likely to be found to be either automatically unfair in accordance with section 187, because it is a dismissal based on discriminatory conduct by the employer, or simply unfair in terms of section 188 as it does not fall into one of the listed categories. However, if an employee with AIDS is dismissed for incapacity, it will in all likelihood be found to be fair provided steps outlined in the Code of Good Practice on Dismissal have been followed.

In terms of this Act organisations need to ensure that their incapacity policy and procedures are in line with the LRA and can accommodate situations related to HIV/AIDS.

### **5.2.2.3 Occupational Health and Safety Act, No. 85 of 1993 (OHSA)**

The Occupational Health and Safety Act (Smart & Strode, 1999:7; O'Connor *et al.*, 2001:52-57; Aids Law Project, 2003:164; Barrett Grant *et al.*, 2002:20) places a duty on all employers to ensure that, as far as is reasonably practicable, the working environment is safe and healthy for employees (see 4.21). This places a duty on employers to ensure that:

- the risk of occupational HIV infection is assessed (see 4.14);
- the risk of possible HIV infection is minimised;
- staff training is undertaken on safety steps to be taken following an accident (see 6.4.4.12); and
- infection control procedures are used in any situation of possible exposure to blood or blood products.

As can be seen from this Act, employers are required to ensure that appropriate first-aid equipment is readily available to deal with spilt blood and body fluids and that staff receive appropriate training on universal infection control procedures. Furthermore, the occupational transmission of HIV/AIDS should be placed on the agenda of the Health and Safety Committee to ensure that appropriate control measures are followed.

### **5.2.2.4 Mines Health and Safety Act, No. 29 of 1996**

Section 2(1) of the Act, requires mine owners, as far as it is reasonably practicable, to create a safe working environment (Guild *et al.*, 2001:3; Barrett Grant *et al.*, 2002:20). Section 5(1) provides that, in terms of this duty, the mine manager must identify health and safety risks, ensure that employees are not exposed to these risks and supply safety equipment and training (also see 4.21).

This places a duty on employers to:

- provide for protection of the health and safety of employees and other persons at mines (see 4.14);
- promote a culture of health and safety;
- provide for the enforcement of health and safety measures (see 6.4.4.12);
- provide appropriate systems of employee, employer and State participation in health and safety matters;
- provide for effective monitoring systems and inspections, investigations and inquiries to improve health and safety;

#### **5.2.2.5 Compensation for Occupational Injuries and Diseases Act, No. 130 of 1993 (COIDA)**

The Compensation for Occupational Injuries and Diseases Act that gives every employee the right to apply for compensation if injured in the course and scope of their employment. This would include compensation for HIV infection if it can be proved that the employee was infected in the course and scope of their employment (Smart & Strode, 1999:7; Barrett Grant *et al.*, 2002:20).

In accordance with information received from the Compensation Commission, within the Department of Labour, the success of a claim for compensation is likely to be reliant on the procedures that were followed immediately after an accident. It will be necessary to prove that the occupational accident was the direct cause of the person seroconverting (i.e. becoming HIV-positive) (Barrett Grant *et al.*, 2002:20).

This requires consideration of the following issues:

- whether an accident protocol exists on occupational exposure to blood or body fluids;
- whether HIV testing is offered to all persons after an occupational accident by the employer;
- whether procedures are in place to deal with situations where an employee refuses to undergo HIV testing; and

- whether post-exposure prophylaxis (paid for by the employer) is provided to employees where a serious risk of HIV transmission exists.

### 5.2.3 Other relevant legislation

There are also a number of other parts of legislation (Smart & Strode, 1999:7; Barrett Grant *et al.*, 2002:20) that, although not directly employment related, impact on the management of HIV/AIDS in the workplace.

These are:

- The **Promotion of Equality and the Prevention of Unfair Discrimination Act, No. 4 of 2000**, that set out measures for dealing with various forms of unfair discrimination and inequality. It also sets out the steps that must be taken to promote equality. This Act is comprehensive enough to cover unfair discrimination based on HIV status.
- The **Basic Conditions of Employment Act, No. 75 of 1997 (BCEA)** set out the minimum employment standards for working hours, leave, etc. The Act states in section 22(2) that every employee is entitled to six weeks paid sick leave within every sick leave cycle. Furthermore, provision is made to negotiate an extension of sick leave but at a reduced rate (provided it is not less than 75 percent of the ordinary rate of pay). This provision is likely to be important for employees with advanced HIV disease or AIDS.
- The **Medical Schemes Act, No. 131 of 1999**, that regulate (Government Gazette 20556, 20 October 1999) medical schemes. It provides that a medical scheme may not unfairly discriminate, directly or indirectly, against any person on the basis of their HIV-positive status (see 6.4.4.18).

### 5.2.4 Common Law

The common law protects the **personality rights** of all individuals. These rights include the right to privacy and bodily integrity. This means that medical treatment (including HIV testing) must be carried out with the informed consent of the person concerned (see 6.4.4.17). Furthermore a person's HIV status may only be disclosed

with their consent. The right to privacy also means that every person is entitled to keep certain personal information to themselves (Barrett Grant *et al.*, 2002:20).

Above-mentioned legislation and Bill of Rights are extremely important for people living with HIV/AIDS. Table 5.1 gives a summary of these rights and legislation applicable.

**TABLE 5.1: Summary of rights of employees living with HIV/AIDS**

<b>Right</b>	<b>Law</b>
Right to fair labour practices	Constitution Labour Relations Act
Right not to be unfairly dismissed because of HIV	Labour Relations Act
Right not to be unfairly discriminated against on the basis of HIV status	Employment Equity Act
Right not to be tested for HIV unless employer has applied to the Labour Court for authorisation	Employment Equity Act
Right to a safe working environment	Occupational Health and Safety Act Mine Health and Safety Act
Right to compensation if infected with HIV at work	Compensation for Occupational Injuries and Diseases Act
Right to certain basic standards of employment, including 6 weeks of paid sick leave over a 3-year period	Basic Conditions of Employment Act
Right to no unfair discrimination in giving employee benefits	Medical Schemes Act
Right to privacy about HIV status at work	Common law right

Source: Aids Law Project (2003:177)

### **5.2.5 National policy on testing for HIV/AIDS**

Testing for HIV infection presents serious medical, legal, ethical, economic and psychological implications in the health care setting (Aids Law Project, 2003:500). Because HIV infection is a life-threatening condition, reasonable persons and health care workers will attach significance to the outcome of an HIV test, especially a positive diagnosis. For these reasons, and in accordance with the constitutional guarantees of freedom and security of the person, and the right to privacy and dignity, the following HIV testing policy shall constitute national policy. This policy

applies to persons who are able to give consent, as well as to those legally entitled to give proxy consent to HIV testing in terms of the law.

#### **5.2.5.1 Circumstances under which HIV testing may be conducted**

Testing for HIV virus (Aids Law Project, 2003:500) may be done only in the following circumstances:

- Upon individual request, for diagnostic and treatment purposes, with the informed consent of that individual.
- On the recommendation of a medical doctor that such testing is clinically indicated, with the informed consent of the individual.
- As part of HIV testing for research purposes, with the informed consent of the individual and in accordance with national legal and ethical provisions regarding research.
- As part of screening blood donations, with the informed consent of the individual and in accordance with statutory provisions regarding blood donations.
- Where statutory provision or other legal authorisation exists for testing without informed consent.
- Routine testing of a person for HIV infection for the perceived purpose of protecting a health care worker from infection is impermissible regardless of consent.
- HIV testing of an employee in the workplace is prohibited unless justified by an order of the Labour Court, in accordance with the Employment Equity Act No 55 of 1998, section 7(2).

#### **5.2.5.2 Informed consent**

Informed consent to an HIV test means that the individual understands and agrees to an HIV test. Informed consent implies that the individual understands what the test is, why it is necessary and the benefits, risks, alternatives and possible social implications of the outcome (Aids Law Project, 2003:503).

### **5.2.5.3 Pre-test counselling**

Pre-test counselling (Baggaley *et al.*, 2001:556; Van Dyk, 2001:407) is that counselling given to an individual before an HIV test (see 6.4.4.12, 6.4.4.16, 6.4.4.20), to make sure that the individual has sufficient information to make an informed decision about having an HIV test. Pre-test counselling should include discussions on:

- what an HIV test is and the purpose of the test
- the meaning of a positive result, including the practical implications such as medical treatment and care, sexual relations, psycho-social implications, work, etc
- assessment of personal risk of HIV infection
- safer sex and strategies to reduce risk
- coping with an HIV positive test result, including who to tell and identifying needs and support services
- an opportunity for decision-making about taking the HIV test.

### **5.2.5.4 Post-test counselling**

Post-test counselling (Baggaley *et al.*, 2001:557; Van Dyk, 2001:407) is the counselling provided when an individual receives his or her HIV test result. Post-test counselling (see 6.4.4.16, 6.4.4.20) involves one or more sessions (ideally at least two) and should include discussions on:

- feedback and understanding of results
- if the results are negative: strategies for risk reduction and possibility of infection in the 'window period'
- if the result is positive:
  - immediate emotional reaction and concerns
  - personal, family and social implications
  - difficulties a client may foresee and possible coping strategies
  - who the employee wants to share the result with

- immediate needs and social support identification
- follow-up supportive counselling and follow-up medical care.

#### **5.2.5.5 Benefits of voluntary testing**

The benefits for voluntary testing (Backer, 2004:2; see also 6.4.4.15) are the following:

##### **◆ For the employer**

- Costs of long term benefits associated with the labour force with lower infection prevalence can be calculated; and
- employers can plan thoroughly for the restructuring of work and the provision of support/assistance to employees dealing with HIV/AIDS

##### **◆ For the employee**

- If tested positive, treatment can start immediately;
- Employees already ill, can begin doing lighter work;
- Pregnant women can make informed decisions; and
- Further spreading of HIV can be limited.

It is therefore necessary to assess the epidemic in the context of human rights. Viewing the epidemic this way also brings into sharper relief some of the prerequisites for an effective response: integrating principles, norms and standards as established in existing international human rights instruments, and using national and international rights institutions to realise these rights.

### **5.3 HIV/AIDS AND HUMAN RIGHTS**

In a comprehensive study on the human rights implications of this pandemic, the University of Pretoria states the following in its AIDS Review 2002: "It is becoming more apparent that AIDS is something of a unique virus for it has not one, but two forms of impact – the one being on the individual and the other being on the society.

The physiological and biological consequences of infection of the individual are well documented. The consequences of its infection on a society, however, are only now being understood and it is by no means clear whether this is indeed the sum of its impact. For now, it is known that it has the potential to affect the workforce, health care and social security to the point of almost crippling them with the burden it inflicts. It strains national budgets, pension funds and medical care facilities well beyond projected and expected valuations. It affects business and government in economic and financial terms that are difficult to ignore. It causes deaths in numbers impossible to comprehend and creates new generations of babies with HIV and AIDS and AIDS orphans” as cited by Vorster (2004:227).

Vorster (2004:235) states that in the Constitution the right to privacy is seen as a fundamental right. This right has far reaching implications for the HIV/AIDS patient and the community at large. No person can be or may be compelled to undergo a test to determine exact statistics about the disease. This situation poses immense risks for the rest of the community because it is not known whether a sexual partner is HIV-positive or not. Are the rights of the individual such as privacy and freedom more important than the health and wellbeing of the community at large?

According to Gruskin and Tarantola (2001:669) human rights are governmental obligations towards individuals. Because these obligations include the protection of public health, they are relevant to the design, implementation and evaluation of health policies and programmes. Thus, governments are responsible for instituting policies and programmes that can reduce the spread and impact of HIV/AIDS.

Gruskin and Tarantola (2001:674) mention that an agenda for action can be created by recognising the convergence of the three situations in which people live in a world with HIV/AIDS – infected, affected and vulnerable – and the three levels of government obligations that exist for every right – respect, protect and fulfil. Table 5.2 summarises the three situations and three levels of obligation that should be considered when identifying specific needs and rights of individuals in the context of HIV/AIDS.

In relation to discrimination (UNAIDS, 2002c:12), the obligation to *respect* requires states not to directly or indirectly discriminate in law, policy or practice. The obligation

to *protect* requires states to take measures that prevent third parties from discriminating, and the obligation to *fulfil* requires states to adopt appropriate legislative, budgetary, judicial and other measures to ensure that strategies, policies and programmes are developed to address the discrimination and to ensure redress to those who have been discriminated against. The existence of HIV/AIDS-related discrimination is a litmus test for the lack of respect, protection and fulfilment of human rights.

Discrimination against people living with HIV/AIDS, or those thought to be infected, is therefore a clear violation of their human rights.

**TABLE 5.2: Governmental obligations**

	<b>People infected with HIV</b>	<b>People affected by HIV/AIDS</b>	<b>People vulnerable to HIV/AIDS</b>
<b>Respect</b>	Government must refrain from directly violating the human rights of PLHA* on the basis of their HIV status	Government must refrain from directly violating the rights of people affected by the HIV/AIDS pandemic	Government must refrain from directly violating human rights that impact on vulnerability
<b>Protect</b>	Government is responsible for preventing rights violations by non-state actors against PLHA and for prescribing some legal means of redress	Government is responsible for preventing violations by non-state actors that would increase the burden of HIV/AIDS on affected people, and for prescribing some legal means of redress	Government is responsible for preventing rights violations by non-state actors that may increase people's vulnerability to HIV/AIDS, and for prescribing some legal means of redress
<b>Fulfil</b>	Government should take administrative, judicial and other actions towards realisation of the rights of PLHA	Government should take administrative, legislative, judicial and other actions towards realisation of the rights of people affected by HIV/AIDS	Government should take administrative, legislative, judicial and other actions towards the realisation of the rights of people in order to minimise their vulnerability to HIV/AIDS

Source: Gruskin & Tarantola (2001:675)

\*PLHA = People living with HIV/AIDS

### 5.3.1 The moral dilemma of HIV/AIDS and human rights

When HIV is seen as one of many social problems humankind has to deal with, extreme positions may be avoided. On the one hand the discrimination against HIV patients and the violation of their human rights will be reduced. On the other hand the strong reaction against discrimination in the form of a radical protection of the rights of the individual might be curbed. Why should the HIV patient's rights to privacy be emphasised over and above the same right of the sufferer of malaria, tuberculosis

and meningitis with regard to for example the notification of the disease to the authority? (Vorster, 2004:229).

Furthermore, Vorster (2004:230) states that the moral dilemma poses a huge challenge to Christian ethics. Actually this dilemma boils down to one particular problem, and this is the phenomenon of stigmatisation of HIV patients and subsequent discrimination against them. Why do people stigmatise sufferers of HIV? Why do we find discrimination in this field and not with other highly infectious diseases? These questions should be addressed because any attempt to deal with HIV hinges on the solution for the problem of stigmatisation and discrimination.

### **5.3.2 The role of the state**

The office of the United High Commissioner for Human Rights and the Joint United Nations Programme on HIV/AIDS (United Nations, 1998:6; UNAIDS, 2002e:9-14) have issued international guidelines about the role of the state in the prevention and treatment of HIV. The *Guidelines* (Heywood, 1998:6; UNAIDS, 2002e:9-14; Vorster, 2004:241-242) primarily make recommendations that are in accordance with commitments that have already been made by states to protect and respect civil and political rights. An ethical evaluation of the role of the state should take cognisance of these *Guidelines* and it is therefore worthwhile to quote the whole text:

#### **◆ Guideline 1**

States should establish an effective national framework for their response to HIV/AIDS that ensures a co-ordinated, participatory, transparent and accountable approach, integrating HIV/AIDS policy and programme responsibilities across all branches of government.

#### **◆ Guideline 2**

States should ensure, through political and financial support, that community consultation occurs in all phases of HIV/AIDS policy design, programme implementation and evaluation and that community organisations are enabled to

carry out their activities, including in the field of ethics, law and human rights, effectively.

◆ **Guideline 3**

States should review and reform public health laws to ensure that they adequately address public health issues raised by HIV/AIDS, that their provisions applicable to casually transmitted diseases are not inappropriately applied to HIV/AIDS and that they are consistent with international human rights obligations.

◆ **Guideline 4**

States should review and reform criminal laws and correctional systems to ensure that they are consistent with international human rights obligations and are not misused in the context of HIV/AIDS or targeted against vulnerable groups.

◆ **Guideline 5**

States should enact or strengthen anti-discrimination and other protective laws that protect vulnerable groups, people living with HIV/AIDS and people with disabilities in both the public and private sectors, ensure privacy and confidentiality and ethics in research involving human subjects, emphasise education and conciliation, and provide for speedy and effective administrative and civil remedies.

◆ **Guideline 6**

States should enact legislation to provide for the regulation of HIV-related goods, services and information, so as to ensure widespread availability of qualitative prevention measures and services, adequate HIV prevention and care information and safe and effective medication at an affordable price.

◆ **Guideline 7**

States should implement and support legal support services that will educate people affected by HIV/AIDS about their rights, provide free legal services to enforce those rights, develop expertise on HIV-related issues and utilise means of protection in

addition to the courts, such as offices of ministers of justice, ombudspersons, health complaint units and human rights commissions.

◆ **Guideline 8**

States, in collaboration with and by the community, should promote a supportive and enabling environment for women, children and other vulnerable groups by addressing underlying prejudices and inequalities through community dialogue, specially designed social and health services and support to community groups.

◆ **Guideline 9**

States should promote the wide and ongoing distribution of creative education, training and media programmes explicitly designed to change attitudes of discrimination and stigmatisation associated with HIV/AIDS to understanding and acceptance.

◆ **Guideline 10**

States should ensure that government and the private sector develop codes of conduct regarding HIV/AIDS issues that translate human rights principles into codes of professional responsibility and practice, with accompanying mechanisms to implement and enforce these codes.

◆ **Guideline 11**

States should ensure monitoring and enforcement mechanisms to guarantee the protection of HIV-related human rights, including those of people living with HIV/AIDS, their families and communities.

◆ **Guideline 12**

States should co-operate through all relevant programmes and agencies of the United Nations system, including UNAIDS, to share knowledge and experience concerning HIV-related human rights issues and should ensure effective mechanisms to protect human rights in the context of HIV/AIDS at international level.

These guidelines provide clear information for states to define policies for prevention and treatment.

Based on the conclusion that the health of the community should have preference over the rights of the individual, the role of the state will require a few very bold and drastic steps (Vorster, 2004:243-244) that can be summarised in the following statements:

- Education programmes can be introduced that will deal not only with prevention but also with issues like stigmatisation, the inferior position of women and responsible sexual conduct.
- HIV should be declared a notifiable disease and health personnel should be allowed to disclose a patient's HIV status when they deem it necessary for the health and benefit of partners. The status of the HIV patient must be disclosed to the state clinics as well as to such "person's" sexual partner(s).
- The government should consider how to administer justice with regard to HIV infection in cases of rape, malicious infection and infection on purpose.
- Define hope in a contextual sense by protecting the normal functioning of the HIV patient in society with regard to job security.
- The inferior position of women should be addressed.
- Funding for research, treatment and the provision of anti-retroviral drugs to all patients.
- The A (abstinence), B (be faithful) and C (condomise) programme should be promoted vigorously. A government has no other choice but to provide condoms and to promote the use of it in societies with sexual behaviour other than what is requested by Christian ethics. However, the use of condoms must be seen as the last resort.

Therefore, not only the recognition of social and economic rights, but equally of civil and political rights, should impose an obligation on states to co-operate to ensure at least a base-line of minimum social standards (Heywood, 1998:9).

As mentioned in Chapter 1, one of the aims of this study is to guide the employer in implementing the anti-HIV/AIDS programme in the workplace. Therefore, HIV/AIDS and prevention programmes will be discussed in the following section.

#### **5.4 HIV/AIDS AND PREVENTION PROGRAMMES**

Prevention programmes in the workplace are cornerstones of a comprehensive workplace response to HIV/AIDS (Department of Labour, 2002:54). HIV prevention through behaviour change (see also 5.4.1) is a complex issue that needs to be well understood if prevention programmes are to have any chance of success. The usual elements of a comprehensive workplace HIV/AIDS prevention programme are:

- Awareness raising activities such as displays, distribution of pamphlets, industrial theatre, events on World AIDS Day (see 6.4.4.21);
- Voluntary counselling and testing programmes either as an on-site service or as reference to a service in the community;
- Peer education activities such as group discussions on a range of topics e.g. as risk reduction;
- Training of other key personnel;
- Condom use and distribution;
- Optimal management of STDs, again as part of a workplace health service or in the community; and
- An infection control programme, specifically focusing on health care providers.

When developing an integrated AIDS prevention programme, it is helpful to think about which of a variety of possible interventions works best with particular target groups in a given area.

For HIV/AIDS intervention programmes to succeed (Mertens *et al.*, 1994:1359-1369) it is important to understand the social context in which the intervention efforts take place. Patterns of sexual behaviours are embedded in social organisations and culturally determined norms and realising this is important in the evaluation of a programme.

Prevention (UNAIDS, 2002d:81) depends on an environment of openness and inclusion that enables all people, including those living on the margins of society, to undergo voluntary testing, seek and receive treatment, alter their own behaviour, and become allies in the fight against HIV/AIDS. Successful responses challenge stigma and discrimination, protect the rights of those infected and affected by HIV, and include marginalised groups as active participants rather than mere 'beneficiaries' of services.

#### **5.4.1 Planning organisational HIV/AIDS prevention programmes**

An organisation's HIV/AIDS response should be integrated into its strategic planning at each step, as well as into each year's operational plans.

Key questions need to be answered (Barrett Grant *et al.*, 2002:62) as a first step regarding an organisation's strategic plans, such as:

- What are the HIV/AIDS goals/objectives of the organisation?
- Are the strategic HIV/AIDS objectives and planned outputs aligned with the core functions and mandates of the organisation?
- What is the current and future impact of HIV/AIDS on the organisation?
- How is the impact of HIV/AIDS going to affect the overall goals/objectives of organisation?
- Are the planned HIV/AIDS outputs and deliverables relevant?
- Have commitments and targets been met?
- What resources (human and financial) are needed to put the organisation's HIV/AIDS programme into operation?

#### **5.4.2 Theories and models serving as basis for the design of HIV/AIDS prevention programmes**

Behavioural interventions for individuals, couples and groups have largely been based on social and psychological theories of behaviour (Edgar *et al.*, 1992:23; Gibney *et al.*, 1999:142; UNAIDS, 2001:6; Van Dyk, 2001:83). Although a detailed

discussion of the different theoretical models is beyond this study, a reviewed summary of the most important principles of behaviour change that form the basis of all these theories and models, will be listed. They are:

#### **5.4.2.1 The Health Belief Model (HBM)**

The Health Belief Model is a psychological model that attempts to explain and predict health behaviours by focusing on the attitudes and beliefs of individuals. The Health Belief Model (Airhihenbuwa & Obregon, 2000:7) was developed in the 1950s to predict individual response to, and utilisation of, screening and other preventive health services. Accordingly, the response and utilisation of disease prevention programmes will be predicated on an individual's perceived seriousness of the disease, severity of the disease, perceived benefit of services, and barriers to accessing services.

According to this model (UNAIDS, 2001:6), a person must hold the following beliefs in order to be able to change behaviour:

- perceived susceptibility to a particular health problem (*"am I at risk for HIV?"*)
- perceived seriousness of the condition (*"how serious is AIDS; how hard would my life be if I got it?"*)
- belief in effectiveness of the new behaviour (*"condoms are effective against HIV transmission"*)
- cues to action (*"witnessing the death or illness of a close friend or relative due to AIDS"*)
- perceived benefits of prevention action (*"if I start using condoms, I can avoid HIV infection"*)
- barriers to taking action (*"I don't like using condoms"*).

#### **5.4.2.2 Social Cognitive (or learning) Theory (SCT)**

According to Bandura as cited by Airhihenbuwa and Obregon (2000:7) the social learning/cognitive theory postulates that an individual behaviour is the result of interaction among cognition, behaviour, environment, and physiology. The two

primary domains widely used in HIV/AIDS programmes are modelling (imitation of the behaviour of a role model) and self-efficacy (one's perceived ability to adopt a recommended behaviour).

Programmes built on SCT (UNAIDS, 2001:7) integrated information and attitude change enhance motivation and reinforcement of risk education skills and self-efficacy.

#### **5.4.2.3 Theory of Reasoned Action**

The Theory of Reasoned Action (Mays *et al.*, 1989:94; Edgar *et al.*, 1992:24; UNAIDS, 2001:8), advanced in the mid-1960s by Fishbein and Ajzen, predicts individual behaviour by examining attitudes, beliefs, behavioural intentions, and the observed expressed acts. Intention in its turn is predicted by a person's attitude toward the behaviour. Attitude is a summary of the perceived costs and benefits (often called evaluations) of enacting the behaviour and is predicted by the sum of these costs and benefits, each multiplied by its perceived likelihood of occurrence.

Therefore, intention is also predicted by the subjective norm with regard to the behaviour, which is a summary statement of what the actor believes important other people think he or she should do (Edgar *et al.*, 1992:25). Subjective norm is predicted by the sum of these normative beliefs for each significant other person, multiplied by the actor's motivation to comply with that person.

The theory of reasoned action (UNAIDS, 2001:7) is conceptually similar to the health belief model but adds the construct of behavioural intention as a determinant of health behaviour.

#### **5.4.2.4 AIDS Risk Reduction Model (ARRM)**

The AIDS Risk Reduction Model, developed in 1990 (UNAIDS, 2000:8), uses constructs from the health belief model, the social cognitive theory and the diffusion of innovation theory, to describe the process individuals (or groups) pass through while changing behaviour regarding the HIV risk. The model identifies three stages

(Catania *et al.*, 1990:53-72) involved in reducing risk for HIV transmission, including: behaviour labelling, commitment to change and taking action.

◆ **Stage 1: Recognition and labelling of one's behaviour as high risk**

Hypothesised influences:

- Knowledge of sexual activities associated with HIV-transmission;
- Believing that one is personally susceptible to contracting HIV;
- Believing that having AIDS is undesirable;
- Social norms and networking.

◆ **Stage 2: Making a commitment to reduce high-risk sexual contacts and to increase low-risk activities**

Hypothesised influences:

- Costs and benefits;
- Enjoyment;
- Response of efficacy;
- Self-efficacy;
- Knowledge of the health utility and enjoyment of a sexual practice, as well as social factors are believed to influence an individual's cost and benefit and self-efficacy beliefs.

◆ **Stage 3: Taking action. This can include information seeking, obtaining remedies and enacting solutions**

Hypothesised influences:

- Social networks and problem-solving choices (self-help, informal and formal help);
- Prior experiences with problems and solutions;
- Level of self-esteem;

- Resource requirements of acquiring help;
- Ability to communicate verbally with sexual partner;
- Sexual partner's beliefs and behaviours.

#### **5.4.2.5 Diffusion of innovation theory**

Diffusion of innovation (Airhihenbuwa & Obregon, 2000:7) focuses on the communication process by which a new idea or product becomes known and used by people in a given population. According to the theory, there are four essential elements (UNAIDS, 2002a:9): the innovation, its communication, the social system and time. People's exposure to a new idea, that takes place within a social network or through the media, will determine the rate at which various people adopt a new behaviour. The theory poses that people are most likely to adopt new behaviours based on favourable evaluations of the idea communicated to them by other members whom they respect.

When the diffusion theory is applied to HIV risk reduction (UNAIDS, 2002a:9), normative and risk behavioural changes can be initiated when enough key opinion leaders adopt and endorse behavioural changes, influence others to do the same and eventually diffuse the new norm widely within peer networks. When beneficial prevention beliefs are instilled and widely held within one's immediate social network, the individual's behaviour is more likely to be consistent with the perceived social norms.

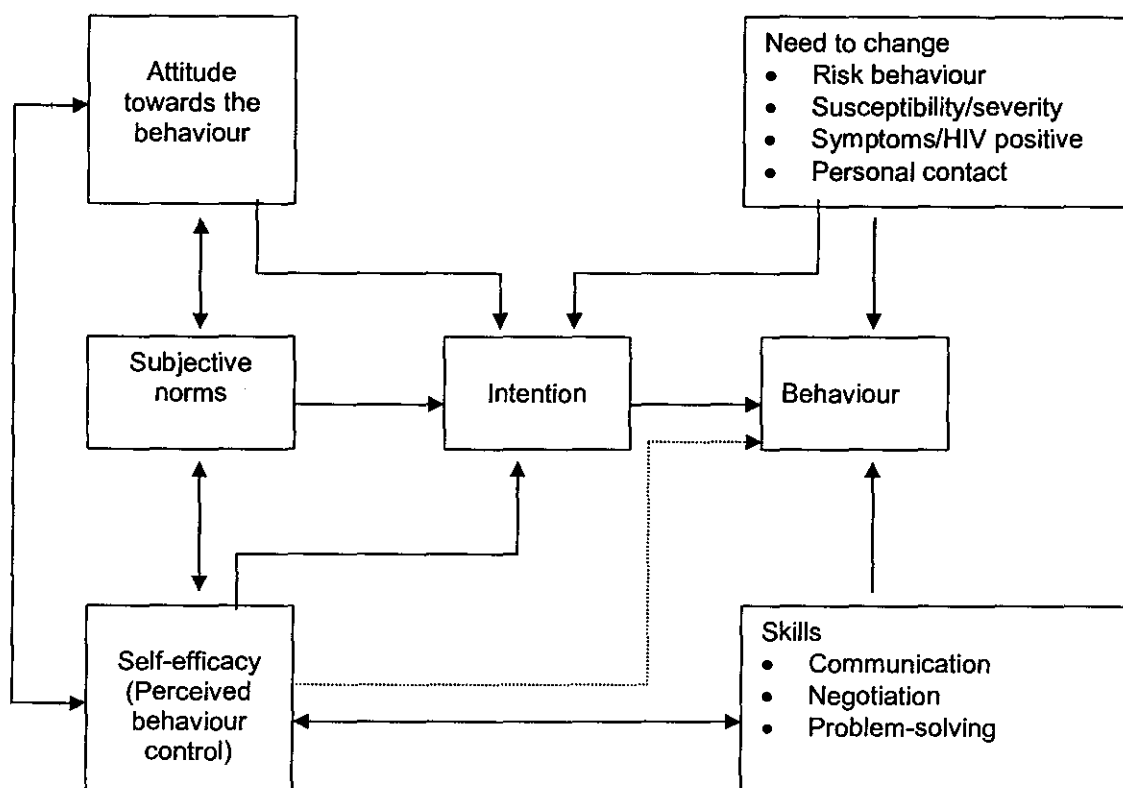
While the effectiveness of these theories and models is questioned in light of the growth of the HIV/AIDS epidemic in Africa, Asia and Latin America, their value as important theories and models remain unchanged. For instance, Diffusion of Innovation continues to be a leading theory widely used in programmes for social change. Its use of opinion leaders for information dissemination and behaviour change is critical in most development communication programmes.

Before people can change any particular behaviour (Van Dyk, 2001:84), they first need to recognise the need to change that behaviour. The factors that often contribute to the realisation that high-risk sexual behaviour should change are:

- the individual's self-description of being at risk;
- the perception of an individual's own susceptibility or vulnerability to HIV infection;
- the perception that the disease will have serious consequences and that it will affect the person's whole life;
- the belief that performing a specific behaviour will reduce susceptibility to (or the severity of) the illness;
- a concern about good health in general;
- experiencing the symptoms of illness;
- personal contact with somebody who is HIV-infected or who has AIDS; and
- an HIV-positive diagnosis.

Figure 5.1 gives an overview of the cognitive, emotional and social components that should be included in any programme that is designed to bring about sexual behaviour change (Van Dyk, 2001:84).

**FIGURE 5.1 Cognitive, emotional and social factors influencing behaviour change**



### **5.4.3 Rationale for an HIV prevention programme**

According to the Department of Labour (2002:54) the close link between HIV/AIDS and diseases as TB and STDs suggest that HIV/AIDS prevention programmes should also include these diseases – they are therefore often referred to as HIV/AIDS/STD/TB programmes. The benefits of an HIV/AIDS/STD/TB workplace prevention programme are multiple and include:

- increasing awareness of HIV/TB and STDs and improving knowledge of key facts;
- reducing risk behaviour resulting in HIV and STD infections;
- promoting VCT with the attendant benefits of knowing one's HIV status;
- creating a more tolerant and accepting attitude towards HIV infected workers;
- producing positive effects on morale and productivity;
- ensuring a safe working environment; and
- promotion of abstinence, especially for young people.

Workplace prevention programmes are essential to combat the spread of HIV and to foster greater tolerance towards persons living with HIV/AIDS.

### **5.4.4 Key issues in the development of a prevention programme**

The nature and extent of a workplace programme should be guided by the needs and capacity of each individual workplace. However, it is recommended that every workplace programme should attempt to address the following in co-operation with the sectoral, local, provincial and national initiatives (Department of Labour, 2002:55; Aids Law Project, 2003:527):

- prevention programmes should be presented in a variety of forms – not only relying on the written media;
- they should be targeted and tailored to age, gender, literacy levels and cultural contexts;
- as far as is practicable HIV prevention programmes should be integrated into other workplace programmes, such as safety and health promotion programmes;

- behaviour change is dependent on a complex combination of awareness, skills, perceptions and cultural factors. HIV/AIDS prevention programmes that aim to promote and support behaviour change must recognise this complexity. They must also provide practical measures to support behaviour change;
- prerequisites for behaviour change;
- correct basic knowledge;
- understanding how the disease may affect one's life and family;
- motivation to act;
- skills for decision-making negotiation, condom use etc (see 6.4.4.21);
- supportive social values;
- access to appropriate services e.g. STD services, counselling;
- acceptance and non-discrimination;
- convey message, that promotes risk reduction behaviour.

Employers should take all reasonable steps to assist employees with reference to appropriate health, welfare and psycho-social facilities within the community, if services are not provided at the workplace.

#### **5.4.5 Characteristics of a successful HIV/AIDS prevention programme**

According to the Department of Labour (2002:55) the following characteristics are part of an HIV/AIDS prevention programme:

- have top management support;
- are developed, implemented and monitored by bipartite committees;
- are integrated into general health promotion programmes;
- are backed by access to health services;
- develop an environment for long-term behaviour change;
- monitor impact through collection and review of health, sick leave, turnover and productivity data;

- provide training and information support to staff managing the programme; and
- have a forum to exchange experiences and ideas.

Research and planning must precede the implementation of a HIV/AIDS workplace programme (Barrett Grant, 2002:78). During this phase the following should be undertaken:

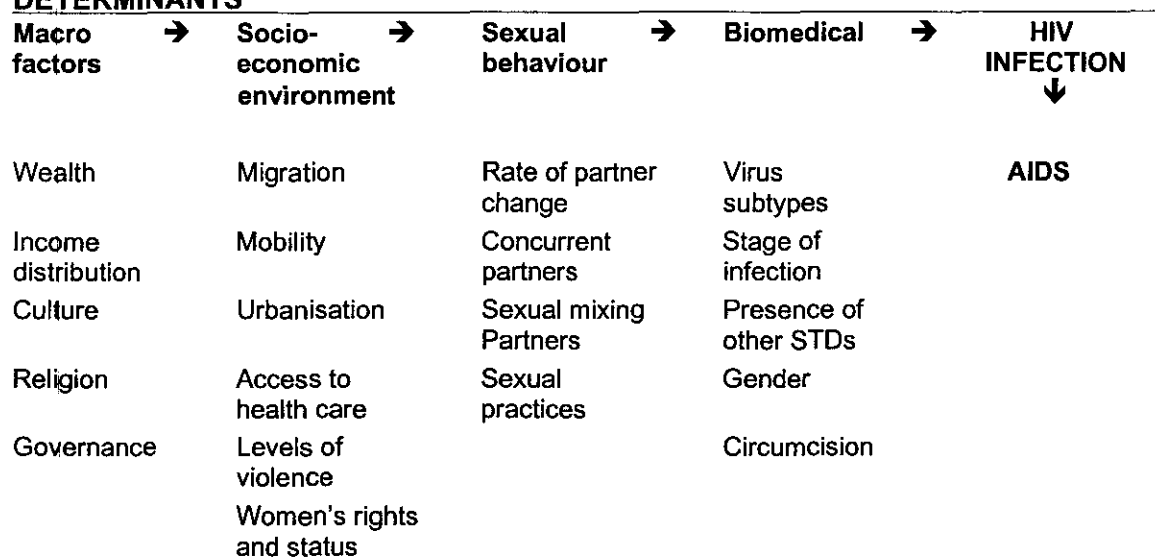
- research into the needs of the workplace;
- Knowledge, attitudes and practices (KAP) studies regarding the employees' understanding of HIV/AIDS;
- Development of the objectives of the programme;
- Assessment of what activities need to take place to achieve the objectives of the programme; and
- Development of these activities, with time frames, deliverables and responsibilities.

#### **5.4.6 Interventions and HIV epidemic - determinants**

Figure 5.2 suggests that, for successful control of the epidemic, interventions are required that address the socio-economic environment and make it possible for people to change their behaviour (Whiteside & Sunter, 2000:20).

**FIGURE 5.2 HIV epidemic – determinants**

**DETERMINANTS**



**INTERVENTIONS**

Behaviour change	STD treatment
- fewer partners	Condom availability
- delay intercourse	
- condom use	

Source: Whiteside and Sunter (2000:20)

**5.4.7 HIV/AIDS – prevention and management**

There are a number of reasons why every role-player should be involved in responding to the prevention and the management of HIV/AIDS in the workplace (Department of Labour, 2002:4). In terms of the non-intervention scenario projections based on the Metropolitan Doyle model, if South Africans and organisations do nothing about the prevention and management of HIV/AIDS pandemic, the following scenarios are painted:

- In 2001, 18,02% of the South African workforce between the ages of 16-59 were HIV positive. If nothing is done, it is projected that this percentage will increase to 22.35% in 2005 and to 24.08% in 2010.
- In 2001, 0.93% of the South African workforce had a full-blown AIDS. If nothing is done, it is projected that this percentage will increase to 1.98% in 2005 and to 2.91% in 2010.
- In 2001, 235 000 new AIDS cases were reported. If nothing is done, it is projected that this number will increase to 329 000 in 2005 and to 541 000 in 2010.

- In 2001, 197 000 AIDS orphans were reported. If nothing is done, it is projected that this number will increase to one million in 2005 and to two million in 2010.
- In 2001, the life expectancy of females was estimated at 52 years. If nothing is done, it is projected that the life expectancy rates will be reduced to 43 years in 2005 and to 37 years in 2010.
- In 2001, the life expectancy of males was estimated at 49 years. If nothing is done, it is projected that the life expectancy rates will be reduced to 43 years in 2005 and to 38 years in 2010.

These reasons above alone make it imperative for employers, employees and trade unions to be involved in the reversal of the scourge of the HIV/AIDS pandemic (see 6.4.4.22).

A true partnership (AHI, 2002) involving the government, the private sector and the community is essential to face the problem (see also 1.6.7). The business community is realising that its very survival depends on how effectively forces with other partners are joined to face the problem. The workplace provides an excellent environment to implement a comprehensive HIV/AIDS programme and policy reform (see 6.4.4.3; 6.4.4.7; see also Appendix B).

#### **5.4.8 Elements of economic analysis of prevention programmes**

Forsythe (2001) as cited by Kelly (2002:103-107) defines four types of economic evaluation of HIV/AIDS interventions: cost analysis, cost-effectiveness, cost-utility and cost-benefit (see also 4.15). Each has its own particular advantages and shortcomings as a method.

##### **5.4.8.1 Cost analysis**

The economic costs of interventions are frequently not included in calculations of cost analysis. Whereas financial costs represent actual expenditure on goods and services purchased, economic costs or opportunity costs include the estimated value of goods or services for which there were no financial transactions, or when the price of the goods or services did not reflect the cost of using the same product elsewhere (Kelly, 2002:104).

The costs of programmes can be calculated in terms of programme *outputs* (process outcomes), *outcomes* (programme objectives) and ultimate *impacts* in terms of basic indices of prevention of infection. Much cost analysis is limited to programme outputs (for example, number of teachers trained in HIV education or number of district level prevention programme co-ordination meetings). Such analyses do not refer directly to the effectiveness of the programme, only to its operations (Kelly, 2002:104).

There are many other possible ways of classifying cost components (Kelly, 2002:105) including analysis of: capital vs recurrent costs; by activity; organisational level (for example, national, district, community) and source of funds (for example, national and local governments, donors, non-governmental organisations).

#### **5.4.8.2 Cost-effectiveness analysis**

The costs of delivering prevention programmes can vary widely, depending on the strategy used and the nature of the implementing agency (Steinberg *et al.*, 2000:318). However, most prevention programmes are far more cost-effective when they are introduced as early as possible in the course of the epidemic, as they prevent both primary cases of new HIV infections and their complications, as well as subsequent new HIV infections. Prevention interventions are likely to be much less costly than managing HIV complications at a later date. It has been estimated, for workplace settings, that costs averted are estimated to be around 3.5-7.5 times the costs of prevention interventions.

There are some difficulties in defining the units of outcome of behavioural and social prevention programmes (Kelly, 2002:106). The average cost (unit cost) is the total cost per unit of outcome or impact. The *primary impact measure* in the HIV prevention field is the average cost of an HIV infection averted, although there has been much refinement of outcome measures (see cost utility analysis below). However, social and behavioural prevention field *intermediate outcomes* are more frequently used, measured for example in terms of units of prevention behaviours that are outcomes of a programme.

#### **5.4.8.3 Cost utility analysis**

This type of analysis according to Kelly (2002:107) uses measures of Quality Adjusted Life Years (QALY), Disability-adjusted Life Years (DALY – most commonly used) or Healthy Years Equivalent (HYE), rather than simply illness averted or treated. These indicators combine mortality and quality of life in one measure, and refer to healthy years of life rather than simply counting the number of lives saved. Such measures are sensitive to time, and delays in infection or death for instance, would be reflected in cost utility analysis, but not necessarily in cost effectiveness measures.

#### **5.4.8.4 Cost-benefit analysis**

This form of analysis puts a monetary value on both the cost of the programme and its outcome (Kelly, 2002:107). Cost-benefit analysis is made especially challenging because of the difficulty in assigning monetary value to changes in a person's health, or when it comes to intervention methods, to the quality of life costs. There are two main methods for assessing cost-benefit: the 'cost of illness' approach and the 'willingness to pay' approach, each of which in turn may involve a number of techniques, limitations and difficulties in implementation.

In terms of the above-mentioned elements of economic analysis of prevention programmes, a discussion of implementing an HIV/AIDS programme and forms of prevention approaches will follow.

#### **5.4.9 Corporate reporting on HIV/AIDS**

The focus on HIV/AIDS reporting (Fakier, 2004:4) was emphasised by the release of the King II Report on Corporate Governance (see also 4.14). With regards to the risk of HIV/AIDS, companies are required to disclose the HIV/AIDS strategy plan and policies in place to address and manage the risk and potential impact of the disease to the company. The King II Report also emphasises the importance of the relationship of the company with its stakeholders in the development of a policy and programme to deal with HIV/AIDS.

Following the release of the King II Report, the Johannesburg Securities Exchange (JSE) announced its intention to implement a FTSE/JSE Social Responsibility Investment Index (JSE, 2003). This index will facilitate investment in companies with good records of corporate social responsibility in all aspects of business (see Chapter 3) including the area of health and welfare, especially HIV/AIDS. A company wishing to form part of the index, will be expected to have in place policies and practices that cover issues such as the health and safety of its employees (see 4.21), as well as the management of social and economic impact of HIV/AIDS on the business. The index will measure what companies are actually doing with regard to HIV/AIDS (Fakier, 2004:4-5). The index will also measure the risk of the company as determined by economic, environmental and social developments (JSE, 2003). The JSE in consultation with the South African Institute of Chartered Accountants (SAICCA) is in the process of developing a framework for companies to use when reporting on HIV/AIDS.

Furthermore, according to Fakier (2004:4), these developments have resulted in a need for guidelines that will facilitate the reporting of companies' HIV/AIDS policies and activities in a manner that standardises reports (see 6.4.4.24) and fulfils the reporting requirements of, amongst others, the King II Report and the JSE.

#### **5.4.10 Implementing an HIV/AIDS programme**

Implementing an HIV/AIDS programme (AHI, 2002; Department of Labour, 2002:54) in organisations has the following benefits:

- better quality of life for employees with HIV/AIDS;
- increased productivity;
- increased awareness and knowledge of HIV/AIDS and STDs; and
- increased awareness and knowledge of the possible impact of the epidemic.

Prevention programmes (AHI, 2002) are very important in changing the extent and the shape of the HIV/AIDS epidemic. There are many possible types of prevention programmes, but in the workplace context there are a few which have been shown to be successful if they are implemented correctly.

#### **5.4.11 Forms of prevention approaches**

The following forms of prevention approaches are covered: mass media and public communication programmes; interactive and targeted education programmes; condom marketing and distribution; voluntary counselling and testing; and environmental provision (McPherson *et al.*, 2000:30-39; Kelly, 2002:108-120).

##### **5.4.11.1 Mass media and public communication programmes**

The types of programme included here are defined by their focus on mass dissemination (Kelly, 2002:108). Such programmes are typically involved in the production and dissemination of HIV/AIDS information to the general population through a variety of media channels, through one or a series of activities (see 6.4.4.9, 6.4.4.21). Such activities are frequently designed to work in concert with other campaigns, services and activities. The methodologies may be designed to improve knowledge about HIV/AIDS and infection risk, to minimise the risk of infection, to promote the use of condoms, to promote risk avoidant and behaviour patterns, to reduce high-risk behaviours, and to inform people about the availability of information and services. In addition such campaigns may aim at stimulating discussion, promoting advocacy, and raising public awareness about AIDS and building up support for people affected by HIV/AIDS.

A number of factors (McPherson *et al.*, 2000:30-39; Kelly, 2002:108-120) need to be considered when thinking about the costs of such campaigns:

- Objective of the campaign: Many campaigns serve to promote services and access to resources and their impact requires success from other campaigns; for example promotion of SRH services requires adequate levels of service delivery for success.
- Research and testing: Costs of such campaigns include the costs of material development. These costs would usually be smaller if materials are used that have already been tested and used in similar form, in which case they don't need to be developed as from scratch.
- Type, intensity and quality of media used: Example: broadcast and print media. Another element to consider is the intensity of media use. Multiple media use and

saturation versus strategic single interventions are programme development considerations that need to be understood in terms of cost-effectiveness. Similarly the length of a programme or publication, the frequency of transmission and the duration of the campaign need to be evaluated. Further considerations are the use of on- or off-peak airtime for broadcasting, and donated portions of standard costs for public service announcements.

- Scales vs specificity: Mass media campaigns tend to have high fixed costs. Therefore, the larger the population and the greater the population density, the lower are likely to be the mass media unit costs. Conversely, a small population widely scattered will be more expensive per person covered. Economies of scale are sometimes balanced against the specificity of messages covered and whether the issues are directed towards the society or are more focussed.

#### **5.4.11.2 Interactive and focused education campaigns**

There is a vast range of programmes reaching out to young people in South Africa. Besides youth development initiatives and school-based education approaches, there are numerous forms of workplace prevention initiatives, peer education programmes and niche education campaigns (for example commercial sex workers and truck drivers). All of these rely on person-to-person communication approaches in small group settings or the use of social marketing approaches to promote uptake of health beliefs through community networks and in niche contexts (see 6.4.4.9).

There are a number of issues that need to be taken into account in analysing the cost effectiveness and cost benefit of interactive campaigns (McPherson *et al.*, 2000:30-39; Kelly., 2002:108-120). These include:

- The intensity of the intervention: It needs to be considered whether relatively expensive small group interventions are cost-effective against mass based approaches that are cheaper on per person reached basis, but may be less effective in terms of prevention outcomes.
- Cost of educational material development and production: A key issue here is the amount of time and type of work invested in the development of specially focused educational materials versus use of generic materials.

- Training of teachers and facilitators: The amount of time invested in training and the economic costs of using existing personnel for this additional task is important to consider. Also of relevance is the cost of teaching or working time dedicated to AIDS education.
- Personnel costs: The strategy is labour-intensive and the relative costs of trainers and teachers should be borne in mind making any international comparisons or extrapolating cost data to other countries.
- Economies of scale: The larger the target population, the greater the extent to which fixed overhead costs, such as costs of curricula and material development, will be spread among more schools and schoolchildren, thus reducing unit costs.

#### **5.4.11.3 Condom marketing and distribution**

Research indicates that there has been widespread promotion of condoms and that the condom is well known as an HIV prevention method used in South Africa.

Considering the marketing of condoms, Cisek and Maher (1992) (as cited by Kelly, 2002:114) have grouped the approaches to social marketing of condoms into four types, with increasing degrees of private sector participation:

- Type 1 projects increase availability of condoms through distribution of donated supplies and such projects often set up and manage their own administration structures, implementing agencies and distribution networks. In such a model condoms are heavily subsidised and hence accessible to all if distribution networks are adequate. These projects tend to be expensive for the donors financing them and to remain donor-dependent.
- Type 2 projects use existing private and public infrastructure to a greater extent. For example, a project may arrange for local private distributors to conduct distribution and training activities. There is increased cost recovery to cover project costs.
- Type 3 projects diversify commodity sourcing and is no longer dependent on donated products. One approach for acquisition of condoms is for a project to negotiate reduced prices with condom manufacturers. In return for the manufacturers putting condoms on the market at a reduced price, donor funds are

used for promotion and marketing of the products. This type of project would use the existing distribution network and contribute to its development.

- Type 4 projects maximise the use of private sector infrastructures, including commercial sector management of the project. Donor's involvement is in market-building but the commercial partners may also contribute to this. The projects have no management costs and no commodity costs. Condoms are retailed at a price that covers all costs plus profit margins for the private sector distributors, wholesalers and retailers.

#### **5.4.11.4 Voluntary counselling and testing (VCT)**

Voluntary counselling and testing are thought to be readily available in the public sector facilities (Kelly, 2002:115), and health facilities across the country have staff who have attended short courses on VCT (see 6.4.4.3, 6.4.4.8). However, there are numerous small towns across South Africa where VCT is not readily available because hospital and clinic budgets are not able to cover laboratory costs involved.

According to the Department of Labour (2002:57) and Tabifor (2002:129) research shows that HIV testing and counselling are important parts of any HIV/AIDS prevention programme because:

- for behaviour change to take place individuals need to take responsibility for their own sexual health and for that of their sexual partners. Access to voluntary counselling and testing is a key strategy for encouraging and empowering people to take on these responsibilities;
- knowledge of one's HIV status enables a person to take life-changing decisions such as starting a treatment programme and making changes;
- counselling helps people to come to terms with their HIV status. It provides them with information on the basic facts of HIV/AIDS, how to protect others from infection and how to disclose their HIV status to others.

The VCT programme must be lawful; must be done with consent; counselling must be provided; must be confidential; and testing must ensure accuracy.

#### **5.4.11.5 Environmental provision**

In addition to attempt to reach individuals and groups, prevention efforts are often supported by services and forms of organisational outreach. There are three main types of relevance: prevention and treatment of sexually transmitted infections (STI); organisation of the health system for district level HIV prevention response; and cultural and community prevention promotion groups:

- The prevention and treatment of STIs has been identified as a very important intervention approach, and improvement of methods of treatment, especially the introduction of syndromic management, is recognised as a critical component in intervention.
- With the increasing devolution of health services to district level, the onus increasingly falls on district managers and committees to promote HIV prevention. There is currently much uncertainty about the relative responsibilities of provinces, district and local municipalities, but municipalities are increasingly required to allocate resources to different priority areas.

#### **5.4.12 Prevention programme evaluation tool**

Workplace prevention programmes are essential to combat the spread of HIV and to foster greater tolerance towards persons living with HIV/AIDS. In terms of the discussion above about the developing of a prevention programme, there is chart in Table 5.3 that can be used to determine the effectiveness of an HIV prevention programme. An organisation can rate itself against the programme elements indicated in Table 5.3.

**TABLE 5.3 Prevention programme evaluation tool**

Elements	Overall assessment			Areas for action	Prompts
	Good	Average	Poor		
Programme implementation document					How was the document developed? Who is responsible for implementation? What is the budget for the programme?
Awareness activities - HIV/AIDS - STD's - TB					How often and how are these activities conducted? What resources are used to support the activities?
Testing and counselling					Is voluntary HIV counselling and testing available and used? Is there evidence of an increase or decrease in VCT use? Is other or on-going counselling available? What training was provided and what on-going support is available to counsellors?
Peer education					What initial training do peer educators receive? What on-going training and/or support do peer educators receive? What activities do they undertake, how often and with whom?
Training of trainers					Have trainers been trained to run HIV/AIDS/STD/TB training? Is HIV/AIDS/STD/TB training integrated into the company's training programme?

Elements	Overall assessment			Areas for action	Prompts
	Good	Average	Poor		
Condom promotion					How often are condom promotion activities run? What do these activities consist of?
Condom distribution					Where and when are condoms available? What is condom uptake? Is there evidence of an increase or decrease in condom use?
STD management					Are there STD services on site? Are HCWs trained in syndromic management? Is there evidence of increased or decreased use of STD services?
Infection control programme - Equipment - Training - Procedures for occupational exposure - PEP					Are there STD services on site? Are HCWs trained in syndromic management? Is there evidence of increased or decreased use of STD services? What procedures were followed?

Source: Department of Labour (2002:60)

### 5.4.13 Strategies for expanding prevention services

Staffing requirements (UNAIDS, 2002d:125) should not be under-estimated when expanding VCT services. The background, training, roles and responsibilities of people carrying out pre- and post-test counselling vary widely. However, due to a shortage of nurses and social workers, counsellors also need to be drawn from other walks of life. An example of a model for different roles, training and responsibilities is shown in Table 5.4.

**TABLE 5.4 Roles, training and responsibilities of VCT counsellors**

Level of counsellor	Roles, training and responsibilities
<ul style="list-style-type: none"> <li>• Senior counsellor</li> <li>• Experienced counsellor with advanced counselling training</li> </ul>	<ul style="list-style-type: none"> <li>• Support and supervision of other counsellors</li> <li>• Mentoring role</li> <li>• Training of other cadres of counsellors</li> <li>• Acceptance of referrals of difficult/complex cases</li> <li>• Facilitation/supervision of support clubs (on an occasional basis)</li> </ul>
<ul style="list-style-type: none"> <li>• Professional counsellor</li> <li>• Counsellor with a professional background (e.g. nursing, teaching, etc) with pre-/post-test and ongoing counselling training</li> </ul>	<ul style="list-style-type: none"> <li>• Pre- and post-test counselling</li> <li>• Couple counselling</li> <li>• Follow-up counselling</li> <li>• Support for lay and peer counsellors</li> </ul>
<ul style="list-style-type: none"> <li>• Lay counsellor</li> <li>• Counsellor with pre-/post-test and ongoing counselling training</li> </ul>	<ul style="list-style-type: none"> <li>• Pre- and post-test counselling of routine cases</li> <li>• Follow-up and supportive counselling for uncomplicated cases</li> </ul>
<ul style="list-style-type: none"> <li>• Peer counsellor</li> <li>• Counsellor who comes from the same background as employee (may include PLWHA)</li> </ul>	<ul style="list-style-type: none"> <li>• Advocacy and community mobilisation</li> <li>• HIV education and preventive counselling</li> <li>• Follow-up and supportive counselling for uncomplicated cases</li> <li>• Running/supporting of support clubs</li> </ul>

Source: UNAIDS (2002d:126)

A central element of a comprehensive HIV/AIDS care strategy is the wholesale integration of prevention and treatment planning and interventions (see also Appendix B). Prevention and treatment can no longer be seen as unrelated strategies.

As mentioned in Chapter 4, pro-active planning for HIV/AIDS will enable managers, supervisors and workers to assess how the epidemic may affect them and their work environment. A company policy (see 4.19) on HIV/AIDS establishes a framework for responding to situations that may arise. Assuring that managers and employees have current information about HIV/AIDS, about prevention and treatment options and about company policy will assist the company in its coping with the disease.

According to HEARD (2004:4) an effective response is one that recognises those factors that determine individual and group susceptibility to HIV infection, as well as the features of the sector particularly vulnerable to the impact of the epidemic. It identifies situations of risk, and, where possible, intervenes to reduce the risk. Table 5.5 gives an action checklist for management strategies dealing with HIV/AIDS in the workplace (see also 1.3).

**TABLE 5.5 Management strategies action checklist**

<ul style="list-style-type: none"> <li>✓ Commission a model of the epidemic within: <ul style="list-style-type: none"> <li>(i) the company</li> <li>(ii) the surrounding community</li> </ul> </li> <li>✓ Develop a profile of the workforce, identifying risk factors for HIV infection, such as <ul style="list-style-type: none"> <li>(i) separation from primary partners</li> <li>(ii) use of condoms</li> <li>(iii) basic knowledge and awareness of HIV/AIDS</li> <li>(iv) cultural practices (such as circumcision)</li> <li>(v) drinking patterns</li> </ul> </li> <li>✓ Develop a profile of the community, describing sexual networking patterns</li> <li>✓ Conduct an institutional audit to: <ul style="list-style-type: none"> <li>(i) establish production bottle-necks</li> <li>(ii) identify key workers</li> <li>(iii) establish productivity effects</li> <li>(iv) define the effects on markets</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ Estimate direct and direct costs attributable to HIV/AIDS including: <ul style="list-style-type: none"> <li>▪ absenteeism and sick leave</li> <li>▪ morbidity → reduced production</li> <li>▪ replacement recruitment</li> <li>▪ retraining</li> <li>▪ medical costs</li> <li>▪ disability and ill-health retirement</li> <li>▪ pensions and dependent benefits</li> <li>▪ funeral costs</li> </ul> </li> <li>✓ Conduct an assessment of the institutions that may be involved in any interventions, including: <ul style="list-style-type: none"> <li>(i) mine medical facilities: hospitals, clinics, outreach teams</li> <li>(ii) mine social services: social welfare, church and recreational services</li> <li>(iii) mine union services</li> <li>(iv) extra-mine health services</li> <li>(v) extra-mine social services</li> </ul> </li> <li>✓ Use the information to: <ul style="list-style-type: none"> <li>(i) serve as the base-line information for management/worker consultations</li> <li>(ii) announce the content and focus of the workplace programme</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>(iii) guide medium and long-term strategic planning</li> <li>✓ Develop long-term strategies to address risk factors such as single sex hostels and migration</li> <li>✓ Develop a skills succession plan and initiate a multi-skill programme for positions identified as critical to production</li> <li>✓ Identify company resources that can be shared as: <ul style="list-style-type: none"> <li>(i) skills in marketing</li> <li>(ii) advertising and public relations</li> <li>(iii) information technology</li> <li>(iv) market research</li> </ul> </li> <li>✓ Demonstrate commitment to the workplace policy and programme from: <ul style="list-style-type: none"> <li>(i) management</li> <li>(ii) trade unions</li> </ul> </li> <li>✓ Monitor the response by: <ul style="list-style-type: none"> <li>(i) documenting ill-health data</li> <li>(ii) analysing absenteeism data to indicate trends</li> </ul> </li> </ul>
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Source: HEARD (2004:4)

## 5.5 SUMMARY

Existing and new labour legislation provides the legal framework within which workplaces should operate in respect of HIV/AIDS. Organisations should be reviewing their workplace policies, employment practices, protocols and employment conditions to check for compliance with the legislation. In general, if HIV/AIDS is going to be dealt with effectively, employers will need to be more sensitive to the possible ramifications of their business policy or practices.

The examination of theories and models commonly used in health communication and promotion clearly shows that HIV/AIDS communication often is based on the behaviour and decision-making process of so-called rational individuals who follow an established linear path from awareness to attitude and action. However, decisions about preventing HIV/AIDS are based on cultural norms that often mediate individual decisions in ways that individuals may not always realise. Moreover, decisions about HIV/AIDS often are based on emotion and thus may not follow any pre-established pattern of decision-making advanced in most of the theories and models.

HIV/AIDS prevention and care programmes seek to inform employees about HIV/AIDS, promote behaviour changes that will reduce the spread of HIV/AIDS, provide services to reinforce behaviour changes and offer services to cope with HIV infection. Effective HIV/AIDS prevention interventions are not one-time or irregularly held events. Rather, prevention builds upon a variety of ongoing, co-ordinated activities and services.

Because HIV/AIDS affects all employee groups, prevention and care efforts must be targeted and available to employees at all levels of the company and at all sites where the company works.

In Chapter 6 the results of the empirical research will be discussed.

# CHAPTER 6

## *EMPIRICAL RESEARCH*

### **6.1 INTRODUCTION**

The aim of this chapter is to reflect the results of the empirical research as well as to address the aims of this study. This chapter focuses on the research design in which structured questionnaires have been selected as the research method for the collection of data regarding the social responsibility of the mining companies in South Africa dealing with HIV/AIDS employees.

Structured questionnaires as a measuring instrument will be discussed, together with the advantages and disadvantages of structured questionnaires. Reasons will be given why the choice fell on a structured questionnaire as research method, the structure of the questionnaire will be outlined, the testing of the pilot investigation will be explained, the way in which the sampling of the population took place and the statistical method will finally be discussed.

The responses to the questionnaires will be interpreted, and the chapter is concluded by a brief summary.

### **6.2 GOALS AND OBJECTIVES**

Given the challenges faced by the mining companies in South Africa as seen in the previous chapters, the primary goal of this study is to give guidelines to manage the social responsibility of the mining companies in South Africa dealing with HIV-positive and AIDS-infected employees.

From this, three objectives can be identified, namely:

- To develop a comprehensive HIV/AIDS intervention strategy to manage HIV/AIDS at the workplace.

- To guide the employer in implementing the anti-HIV/AIDS programme in the workplace.
- To support the employer in addressing the HIV/AIDS-related health, living, safety and working conditions of employees.

To reach this aim and objectives a questionnaire has designed (see Appendix C).

## **6.3 RESEARCH DESIGN**

### **6.3.1 The questionnaire as a research measure instrument**

Questionnaires present a series of questions as a vehicle for data collection (Churton, 2000:194). There are several types of questionnaires, varying in degree to which they are structured. Examples include postal questionnaires that are mailed by the researcher and returned after completion. Wolf (1997:478) describes a questionnaire as a research instrument that constitutes a self-reporting instrument for the collection of a variety of information that is relevant to the researcher. A questionnaire consists of a number of questions or items respondents read and answer.

Gall *et al.* (1996:289) defines a questionnaire as a document that puts the same question to all the respondents in the sample. Respondents then provide a written response to every question in the questionnaire, and as a consequence every researcher verifies the process of data collection. Therefore, respondents are able to complete the questionnaire in their own time, answer questions in any order, and do not have to complete the questionnaire at any specific point in time.

Questionnaires (Churton, 2000:194) tend to be administered by means of a research sample so that generalisations and inferences can be made with regard to the wider populations. Because of this, sample selection is an important factor in questionnaire style of research (6.3.4).

Neumann (1997:241) mentions that questionnaires can take on two forms, namely open-ended questionnaires (unstructured) and closed-end questionnaires (structured). For purposes of this research the closed or structured questionnaire will

be used (see Appendix C). This type of questionnaire normally consists of a number of short questions with multiple answers from which a choice has to be made.

Wolf (1997:422) points out that although the structured questionnaire has quite a few limitations, it is nevertheless a valid measuring instrument for collecting data. The latter therefore bases the use of the questionnaire on the following suppositions:

- That respondents are able to read and understand the questions.
- That respondents may possibly be willing to answer the questions.
- That respondents are in a position to obtain the necessary information.

### **6.3.2 Advantages and disadvantages of structured questionnaires**

The use of questionnaires as a research method has advantages and disadvantages to be explained as follows (Gall *et al.*, 1996:289-291; Neumann, 1997:251-252; Churton, 2000:199-200):

#### **◆ The advantages of structured questionnaires**

- Respondents can complete the questionnaire easily and quickly.
- The answers of the respondents are simpler to compare.
- Answers are easier to codify and analyse statistically.
- Respondents are more willing to answer more sensitive questions in this manner.
- Irrelevant and confusing answers to questions are mostly excluded.
- Repetition is easier to prevent.
- A large group of people may be reached more easily.
- Respondents may remain anonymous.
- The researcher can hand questionnaires directly to respondents or mail questionnaires to them with instructions.
- Questionnaires are more reliable as a measuring instrument than colloquiums, as the personal judgement of the researcher is eliminated.
- Respondents can complete questionnaires when it suits them.

- It is relatively easier to plan, compile and administer.
- Instructions are normally standardised and respondents know exactly what is expected of them.
- Objective opinions can be obtained because personal contact is minimised.

◆ **The disadvantages of structured questionnaires**

According to Gall *et al.* (1996:289-291), Neumann (1997:251-252) and Churton (2000:199-200) structured questionnaires also have the following limitations:

- Wrong ideas that do not actually exist among respondents might be proposed in the questionnaire.
- Respondents with no knowledge regarding a particular topic answer questions instinctively.
- The respondents may become frustrated when the answer they would like to give is not one of the choices.
- A large variety of response choices may sometimes be confusing.
- Respondents may be forced to make choices they will not normally make in practice.
- The validity and reliability of questionnaires are difficult to determine.
- Various respondents may interpret questions differently.
- The length of the questionnaire may give rise to inaccurate responses.
- The researcher cannot visually observe the reaction of respondents to questions.
- Various questions may be understood incorrectly.
- The clarity of the questions is difficult to determine.
- The questions may be answered at random, or even by somebody else.
- A low percentage of feed-back is a serious limitation of questionnaires and influences the validity of the research.

### 6.3.3 Structure of the questionnaire

The questionnaire has to be accompanied by a covering letter as a source of information to the respondents. However, this covering letter will determine whether or not respondents will complete the questionnaire. The structure of the questionnaire should meet certain requirements (Ary *et al.*, 1996:429; Jankowicz, 2000:287):

- A statement of the purpose of the questionnaire.
- Questionnaires should not be too long.
- Questionnaires must provide adequate information.
- Questionnaires should be interesting.
- Questionnaires should be structured in a meaningful way so that they are simple to complete.
- Items on the questionnaires and the pages should be arranged numerically.
- The questionnaire should contain brief and clear instructions.
- An expression of gratitude in anticipation.

This questionnaire was compiled, in Afrikaans and English, on the basis of the information of Chapters 2, 3, 4 and 5 (see Appendix C) and consists of the following sections:

- |              |                        |                   |
|--------------|------------------------|-------------------|
| - Section A: | Biographic particulars | Questions 1 – 6   |
| - Section B: | Social change          | Questions 7 – 10  |
| - Section C: | Social responsibility  | Questions 11 – 20 |
| - Section D: | HIV/AIDS               | Questions 21 – 47 |

### 6.3.4 Pilot study

Ary *et al.* (1996:428) considers it of importance to pre-test the questionnaire. This will determine in advance whether the questions are well constructed, relevant, meaningful and interesting, and whether they are unambiguous and not too long.

The questionnaire was compiled in consultation with the North-West University's Statistical Services. Sections A to D have already been tested and used in previous studies and no preliminary tests are conducted.

### **6.3.5 Sampling**

Jankowicz (2000:192) defines sampling as the deliberate choice of a number of people, the sample, who are to provide the researcher with data from which the researcher will draw conclusions about some larger group, the population, whom these people represent. Sampling can be classified in probability and non-probability sampling (Blaikie, 2004:199).

One form of non-probability sampling is *purposive* sampling. Purposive sampling, according to Kerlinger and Lee (2000:179) is characterised by the use of judgement and a deliberate effort to obtain representative samples by including presumably typical areas or groups in the sample. The purposive sampling method is used for this empirical research.

### **6.3.6 Study population**

For the purpose of this research the population was identified as all the Human Resource Managers or HIV/AIDS Consultants of operating mines, quarries and mineral plants situated in South Africa and registered at the Department of Minerals and Energy (2003). The questionnaires (N = 350) were purposively mailed, faxed or e-mailed to them.

133 questionnaires received gives a 38% response (= 133/350).

### **6.3.7 Statistical method**

On receipt the questionnaires were sent to the Statistical Consultation Services at the North-West University, Potchefstroom, for further analysis. The data was statistically analysed by means of the SAS®-programme (SAS Institute Inc., 2001). The programme was used to determine the following:

- The Alpha Cronbach interitem correlation coefficients will be used to assess the reliability of the measuring instruments (Clark & Watson, 1995:309-319).
- Descriptive statistics (e.g. means and standard deviation) of items in Section B, Section C and Section D.
- Effect sizes will be used to determine if practical significant percentages of the same sizes exist for different groups. The effect size  $d = \frac{|\bar{x}_1 - \bar{x}_2|}{s_{\max}}$  where a cut-off point of 0,5 (medium effect, Cohen, 1988:224) will be set for a possible practical significance between means and large effects  $d \geq 0.8$  as practically significant.
- Two-way frequency tables and correspondence analysis are used to determine if relationships between variables exist. The practical significance of these relationships is given by the effect size  $w = \sqrt{\frac{\chi^2}{n}}$ , where a cut-off point of 0,5 (medium effect, Cohen, 1988:224) will be set for a possible practical significance between means and large effects  $w \geq 0.5$  as practically significant.

### 6.3.8 Reliability

Kerlinger and Lee (2000:663) and Jackson (2003:39) define *reliability* as the consistency or stability of the measuring instrument. Thus, according to Sarantakos (1993:79), a method is reliable if it produces the same results whenever even other researchers repeat it with a similar sample under the same conditions. Reliability is also characterised by precision and objectivity.

There are several methods for testing reliability on an instrument. The most common methods are the following: test-retest method, split-half method, inter-item test, item-scale test and alternate-form reliability (Sarantakos, 1993:79).

### 6.3.9 Levels of measurement and scales

#### ◆ Levels of measurement

There are four levels of measurement: nominal, ordinal, interval and ratio (Sarantakos, 1993:71-74; Kerlinger & Lee, 2000:631-635; Jackson, 2003:33-34).

Nominal level measurement shows the lowest and ratio level measurement the highest matching with the real-number system. In Table 6.1 a summarised discussion of the characteristics of the four levels of measurement is given.

**TABLE 6.1 Characteristics of the levels of measurement**

Levels of measurement	Characteristics
<p><b><u>Nominal level measurement</u></b></p> <ul style="list-style-type: none"> <li>• Involves classification of events into categories that must be distinct, unidimensional, mutual exclusive, and exhaustive</li> </ul> <p><b><u>Ordinal level measurement</u></b></p> <ul style="list-style-type: none"> <li>• Involves not only categorising elements into groups but also ordering of data and ranking of variables in a continuum ranging according to magnitude – from the lowest to the highest point</li> </ul>	<ul style="list-style-type: none"> <li>• names and classifies data into categories</li> <li>• it does not have a zero point</li> <li>• it cannot be ordered into a continuum of low-high</li> <li>• it produces nominal or categorical data</li> <li>• it assumes no equal units of measurement</li> <li>• it refers to ranks based on a clear order of magnitude of low and high signifying that some elements have more value than others</li> <li>• that numbers have actual mathematical meaning as well as having identification properties</li> <li>• it is essentially a quantitative measurement</li> <li>• it shows a relative order of magnitude</li> </ul>
<p><b><u>Interval level measurement</u></b></p> <ul style="list-style-type: none"> <li>• Provides information about distance between the values, and contains equal intervals, ordering subjects into one of them</li> </ul> <p><b><u>Ratio level measurement</u></b></p> <ul style="list-style-type: none"> <li>• Includes all the attributes the other free forms offer, plus the option of an absolute true zero (0) as its lowest value.</li> </ul>	<ul style="list-style-type: none"> <li>• it includes equal units</li> <li>• it is essentially a quantitative measurement</li> <li>• it specifies the numerical distance between the categories</li> <li>• it does not have a zero point</li> <li>• allows to make statements about proportions and ratios – relate one value to another</li> <li>• employed mainly when measuring demographic variables</li> <li>• inappropriate for measuring attitudes and opinions</li> </ul>

Source: Sarantakos (1993:71-74) and Kerlinger and Lee (2000:631-635)

◆ **Levels of scales**

Scales vary not only in their level of measurement but also in their aims and their method of construction. Some are constructed by means of a very complicated

process, while others are built in a relatively simple manner. According to Sarantakos (1993:82) scales are used for a number of reasons. Apart from general methodological motives, the following reasons are most common:

- High coverage: scales help to cover all significant aspects of the concept.
- High precision and reliability: scales allow a high degree of precision and reliability.
- High comparability: the use of scales permits comparisons between sets of data.
- Simplicity: scales help to simplify collection and analysis of data.

## **6.4 EMPIRICAL DATA**

The empirical data has been organised according to the sections of the questionnaire and will be presented and interpreted in that order.

### **6.4.1 Biographical particulars (Questions 1 – 6)**

The biographical data has been researched to give the researcher insight into different responses at certain times regarding the capacity in which the questionnaire is completed.

#### **6.4.1.1 Position of executive completing the questionnaire**

The aim of this question was to determine the position of the executive completing the questionnaire.

**TABLE 6.2: Position of executive**

<b>Position</b>	<b>Frequency</b>	<b>%</b>
CEO / MD / Owner	32	24.06
Financial Manager / Accountant	6	4.51
Production / Sales Manager	17	12.78
Human Resources Manager	78	58.65

According to Table 6.2, 58.65% of the questionnaires were completed by the Human Resources Manager that also include the HIV/AIDS Consultant of the company. 24.06% of the respondents were the CEO / MD / Owner of the company that can related to the fact that it was a small mining company.

**6.4.1.2 Mining sector in which company operates primarily**

The reason why this question was included in the questionnaire was to determine the nature of the mining companies.

**TABLE 6.3: Sector in which company operates primarily**

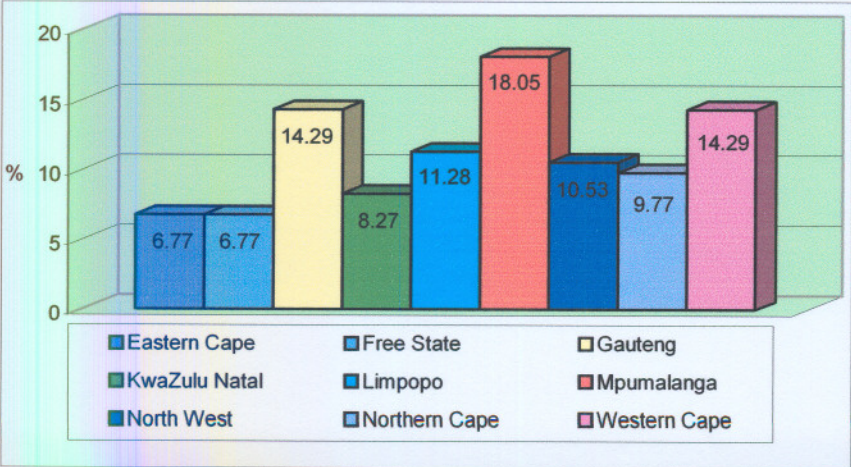
Sector	Frequency	%
Operating mines	59	44.36
Quarries	50	37.59
Mineral plants	24	18.05

As seen in Table 6.3, 44.36% companies operate as an operating mine (e.g. gold, coal and diamonds), 37.59% as a quarry (e.g. sand, clay and limestone) and 18.05% as a mineral plant (e.g. salt).

**6.4.1.3 Province in RSA where the mining company is situated**

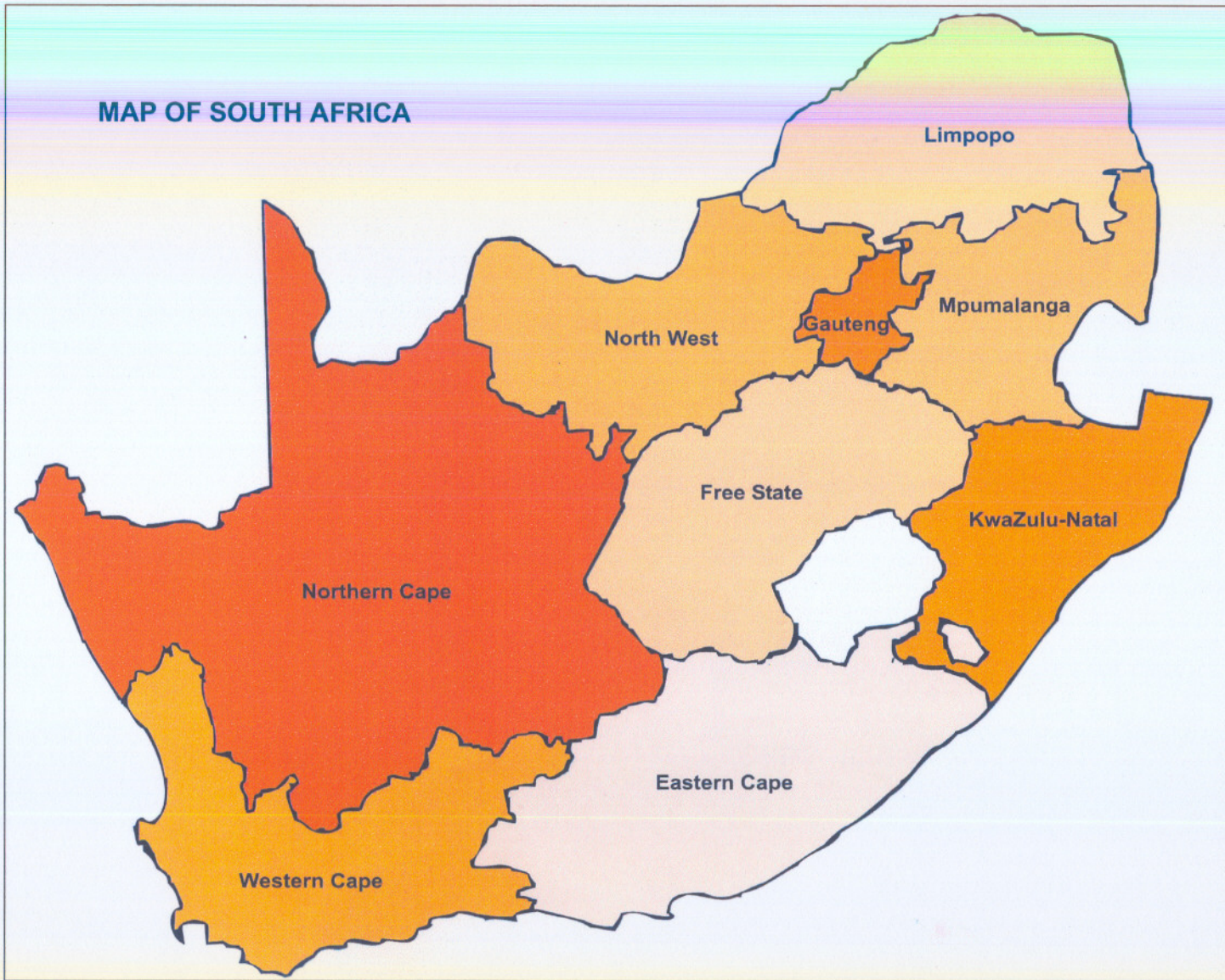
To determine the province in which the mining company (respondent) is situated within the borders of South Africa, this item was added to the questionnaire.

**FIGURE 6.1: Province where mining company is situated**



As it is not the purpose of this study to do an analysis of each province separately, it can be concluded from Figure 6.1 that the respondents of the mining companies that completed the questionnaire were well represented with regard to provinces with 18.05% in Mpumalanga, 14.29% in Gauteng and Western Cape, 11.28% in Limpopo, 10.53% in North West, 9.77% in Northern Cape, 8.27% in Kwa Zulu Natal and 6.77% in the Eastern Cape and Free State (see also 4.5 for incidence of HIV/AIDS in South Africa; see also map of South Africa).

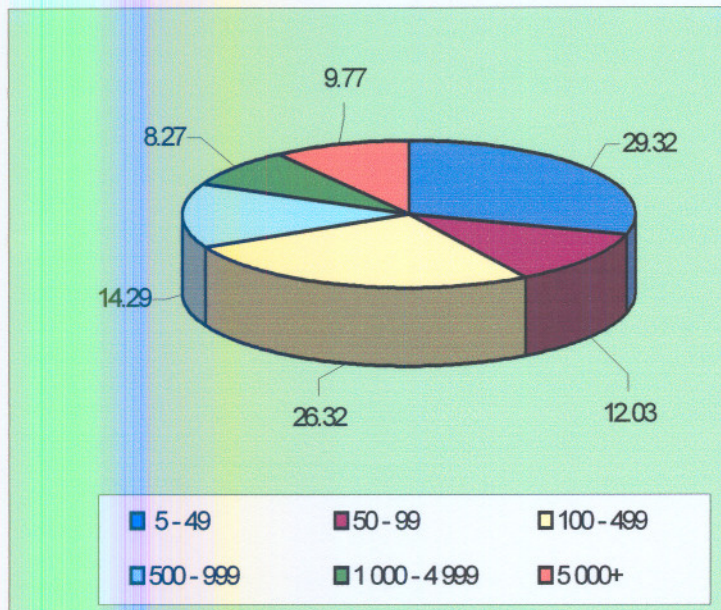
**MAP OF SOUTH AFRICA**



#### 6.4.1.4 Number of people employed by mining company

The reason for adding this item to the questionnaire was to determine the number of people employed by the mining companies.

**FIGURE 6.2:** Number of employees working at company



Mining companies range from very small private enterprises, such as individual panning for gold, to large multinational companies employing tens of thousands of workers. As seen from Figure 6.2, 29.32% of the mining companies, mostly the smaller operating mines, quarries and mineral plants, employ between 5 to 49 people. One of the predominant reasons for this response is the fact that some of the companies have indicated that they have not yet started with an HIV/AIDS policy or programme and are eager to get more information or someone to help them with this problem.

#### 6.4.1.5 Employee details

##### ◆ Percentage male/female

In the developing world, males dominate the mining industry labour force. Furthermore, mine workers tend to be young males – an age category most affected

by HIV/AIDS (see 4.5). Of the companies surveyed 88.45% of people employed were male and 12.37% were female of whom are working mainly in the administrative offices of the companies. There was no practical significance between companies with less than 100 employees, 100-500 employees and more than 500 employees with reference to male/female since all effect sizes were smaller than 0.5 (see 6.8). In Table 6.4 more details are given.

**TABLE 6.4: Employee details**

Criteria	Less than 100 employees		100 to 500 employees		More than 500 employees	
<b>Total respondents</b>	55		35		43	
	Mean	Std dev	Mean	Std dev	Mean	Std dev
<u>Average % of employees</u>						
Male	86.76	16.02	89.94	10.45	89.53	10.11
Female	15.64	16.58	10.32	10.17	10.45	10.12
<u>Average % of employees</u>						
Semi- / unskilled	66.40	28.93	57.94	24.61	53.41	24.58
Skilled	36.0	28.93	29.39	17.97	38.82	23.27
Highly skilled	10.72	8.71	15.36	15.71	13.23	11.29

Std Dev = Standard Deviation

#### ◆ Percentage of skills

The skill categories are defined according to the census classification. Highly skilled occupations include professional, semi-professional and technical occupations; managerial, executive and administrative occupations; certain transport occupations (e.g. pilot, navigator). Skilled occupations include clerical, service and sales occupations; artisan, apprentice and related occupations; production foreman, production advisor. All other occupations are defined as either semi- or unskilled (BER, 2001:10).

Table 6.4 shows the percentage of skill categories per company size. One has to keep in mind when looking at these figures, that females and semi- / unskilled workers are the most vulnerable groups when it comes to HIV infection. Furthermore,

there was practically no significance between companies with less than 100 employees, 100-500 employees and more than 500 employees with reference to the skills categories since all effect sizes were smaller than 0.5.

#### **6.4.2 Influence of change (Questions 7 – 10)**

As seen in Chapter 2, 2.13 implied any change causes to some extent a resistance to change. Attempts to adjustment (usually reactive) or change (pro-active) put increasingly pressure on employees and have far-reaching consequences on the demands put to employees. These demands employees are confronted with are mostly indecisive, unclear and incomprehensible and are characterised by limited guidelines, unrealistic time goals, overloaded and conflicting information.

To survive, companies must be competitive, nationally and internationally, and be more adaptive to change. Companies must see change as a challenge and an opportunity to benefit from.

Where South Africa is celebrating its 10 years of democracy during 2004, 73.68% of the respondents indicate that the employees of their company experience the change in South Africa as acceptable, 21.05% as highly acceptable and 5.26% as unacceptable.

##### **6.4.2.1 Experience influence of change**

Organisational change involves moving from the known to the unknown. Because the future is uncertain and may adversely affect people's competencies, worth, and coping abilities, organisation members generally do not support change unless compelling reasons convince them to do so. Similarly, organisations tend to be invest heavily in the status quo, and they resist changing it in the face of uncertain future benefits (Cummings & Worley, 2001:156).

**TABLE 6.5: Influence of change**

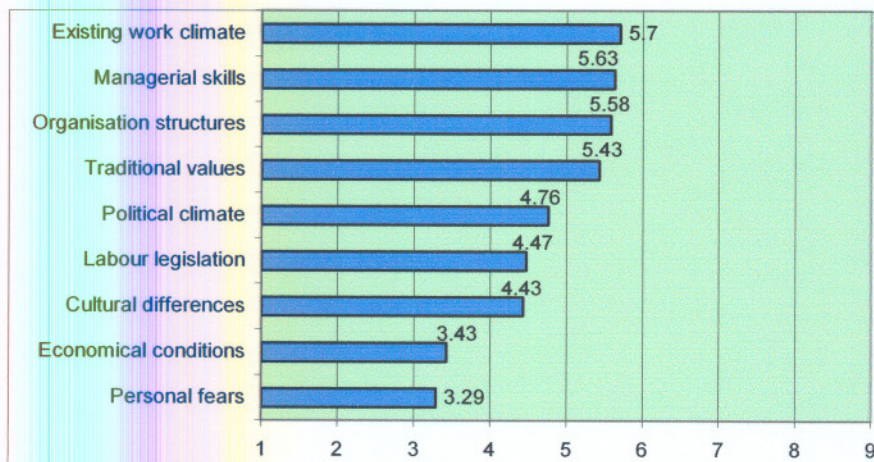
Criteria	Frequency	%
<u>Experience resistance against change</u>		
Without a doubt	16	12.03
To some extent	90	67.67
Not at all	27	20.30
<u>Change acceptable</u>		
Without a doubt	38	28.57
To some extent	92	69.17
Not at all	3	2.26

In Table 6.5, 67.67% of the respondents experience to some extent resistance against change in their company and 69.17% of the respondents are of the opinion that change will be to some extent acceptable to employers.

#### 6.4.2.2 Factors contributing to resistance of change

In Chapter 2, 2.6 causes for resistance to change were described. In Figure 6.3 causes of factors contributing to resistance of change were analysed in order of importance where 1 is most important and 9 least important.

**FIGURE 6.3: Average ranking of factors contributing to resistance of change**



The business and the employees determine the pace of change (see 2.6). The economic markets and society also play an important role in change. As seen in Figure 6.3 the respondents place the existing work climate as the most important

factor that contributes to resistance to change with managerial skills second and organisation structures as a third factor (see also 6.9.1). The reason for this result is seen in the poor performance of the Rand/Dollar on the world markets, that has put some of the mining companies in the position to retrench their personnel and smaller companies to close down.

Methods for dealing with resistance to change are described in Chapter 2, Table 2.2.

### **6.4.3 Social responsibility (Questions 11 – 20)**

As discussed in Chapter 3 social responsibility can be seen as the organisation's involvement in the welfare and the protecting of different groups, including society in general. The substance of social responsibility arises from concern about the consequences of one's acts as they might affect the interest of others. To be socially responsible, organisations must strive to take the community as well as the employees in consideration during decision-making and also strive to provide better working conditions and living standards.

Social responsibility is merely a preliminary step towards social effectiveness of organisations. It is the underlying value, that gives management a sound basis for social action. It is the philosophy, that justifies organisations' involvement in its social community, but philosophy by itself is incomplete. It must be followed by effective social action therefore, less of corporate social responsibility and more of corporate social responses (action).

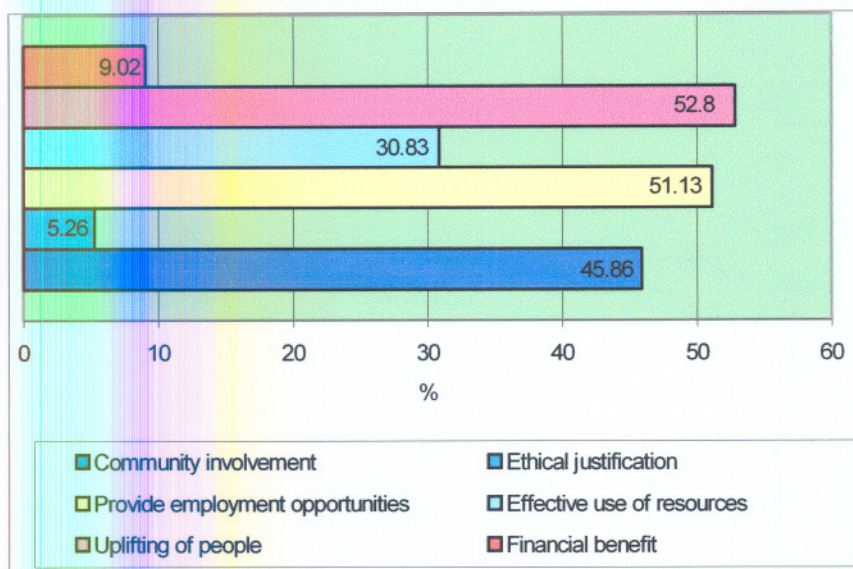
The key sector in society (Dickinson & Stevens, 2004:9) with discretionary resources that can be brought to bear on social problems, business had a vehicle to respond, through social responsibility, to the HIV/AIDS epidemic (see 6.4.4). Moreover, since employees live in communities, social responsibility presents an opportunity not only to project a response to HIV/AIDS beyond the company, but also to build alliances with workers and communities.

### 6.4.3.1 Socially involved

Respondents were requested to indicate why their company had to be socially involved. According to the results seen in Figure 6.4, 52.63% of the respondents felt that their company “must” be socially involved with the upliftment of people while 51.13% of the respondents felt that their company had to provide employment opportunities (see also 3.3).

According to 45.86% of the respondents their company had to be involved with the community where as 30.83% of the respondents indicated that their company had to use resources effectively.

**FIGURE 6.4: Reasons to be socially involved**



### 6.4.3.2 Provision in management policy of being socially responsible

According to the JSE social responsible index (2003:3-4) companies are required to adopt a more inclusive approach to business, with greater emphasis on the non-financial aspects of performance. Furthermore, companies must establish policies that identify the social challenges that the company faces.

Respondents were asked to indicate if their company made provision in the management policy for the principle to be socially responsible towards the community/employees (see also 3.11.2). 54.89% answered with a definitely yes; 38.35% with to some extent while 6.77% replied with not at all (see Table 6.6).

**TABLE 6.6: Management policy of being socially responsible**

Criteria	Frequency	%
<u>Provision in management policy</u>		
Definitely yes	73	54.89
To some extent	51	38.35
Not at all	9	6.77

**6.4.3.3 Company fulfils task to be socially responsible**

A company's assets (Handy, 2002) are increasingly found in the employees who contribute their time and talents rather than in the stockholders who temporarily contribute their money. To be socially responsible companies should take the lead in areas such as environmental and social issues, and place more emphasis on the individual needs of their employees (see 3.16).

A significant number of respondents (51.88%) indicated that to some extent their company fulfilled its tasks to be socially responsible with 44.36% with a definitely yes (see Table 6.7)

**TABLE 6.7: Company fulfils task to be social responsible**

Criteria	Frequency	%
<u>Provision in management policy</u>		
Definitely yes	59	44.36
To some extent	69	51.88
Not at all	5	3.76

**6.4.3.4 Percentage of gross income used to be socially responsible**

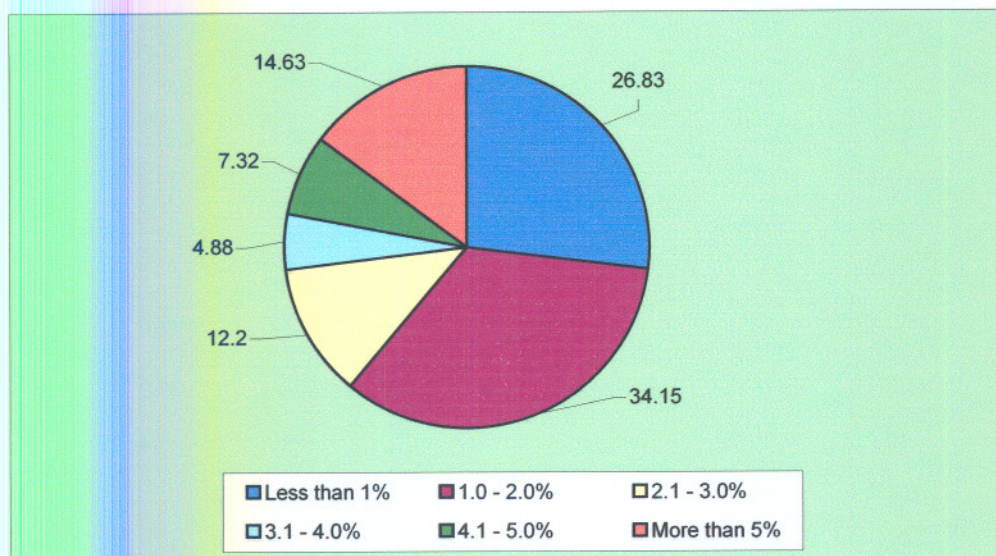
Today, the value of a company is determined largely by its intellectual property, brands, patents, and skills of its workforce (Handy, 2002). A company should think of itself as a wealth-creating community, with members rather than employees. It seems only fair that the members of the community who contribute their intellectual assets should receive dividends as well as those who contributed their money (see also 3.12).

According to Figure 6.5, 34.15% of the companies use 1.0 to 2.0%; 26.83% use less than 1% while 14.63% use more than 5% of their gross income to be socially

responsible. Thus, the higher the income, the higher the investment in social responsibility programmes

A company does not exist (Van Dyk & Herholdt, 2003) simply to make money. A company is a community made up of a group of people who are joined together to accomplish something collectively that they could not accomplish separately. They contribute to society to provide a purpose for their lives.

**FIGURE 6.5: Percentage of gross income used to be socially responsible**

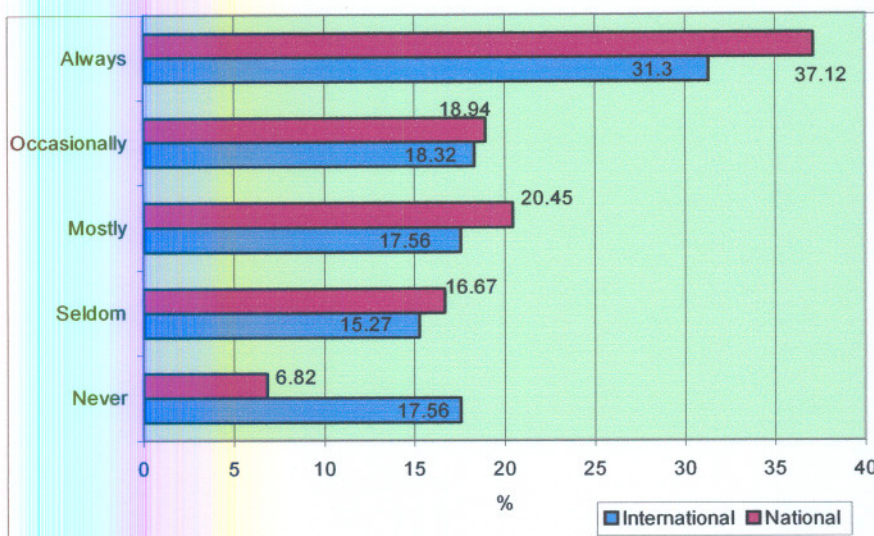


#### 6.4.3.5 Improving a company's image nationally and internationally

Respondents were asked to indicate if their company's being socially responsible could improve their image internationally and nationally. Overall the response was that 31.3% of the respondents felt that their company could always improve their social responsibility image internationally and 37.12% nationally. These results are reflected in Figure 6.6 and are furthermore strengthened by information in the *World Competitiveness Yearbook 2002* (IMD, 2002:594) where it is emphasised that the social responsibility of companies is improving towards the community and employees (see also 3.8.2 and 6.9.2).

Smit and Cronjé (2000:506) confirmed this by stating: "In South Africa where the social responsible programmes of organisations are increasingly linked to the social development goals of the government as originally set out in the Reconstruction and Development Programme (RDP), there seems to be a need for organisations to be measured in terms of their support of these goals. An organisation's commitment to factors such as transparency, good governance, progress of affirmative action, consultative labour forums and the management of diversity tends to go unnoticed unless it is measured."

**FIGURE 6.6: Improving of image nationally and internationally**



#### 6.4.3.6 Employees and social responsibility projects

A significant number of respondents (30.77%) indicated that employees seldom participated in social responsibility projects of the company (see Table 6.8). The extent of participation in social responsibility projects differs from company to company, and depends on the view of management and the availability of funds. These participation could differ from resistance against social responsibility programmes, the fulfilment of what is needed of prescribed social obligation, the contribution of progressive social responsibility programmes and the acceptance of the position of leaders regarding the fulfilment of community services (see 3.11).

**TABLE 6.8: Employees and social responsibility projects**

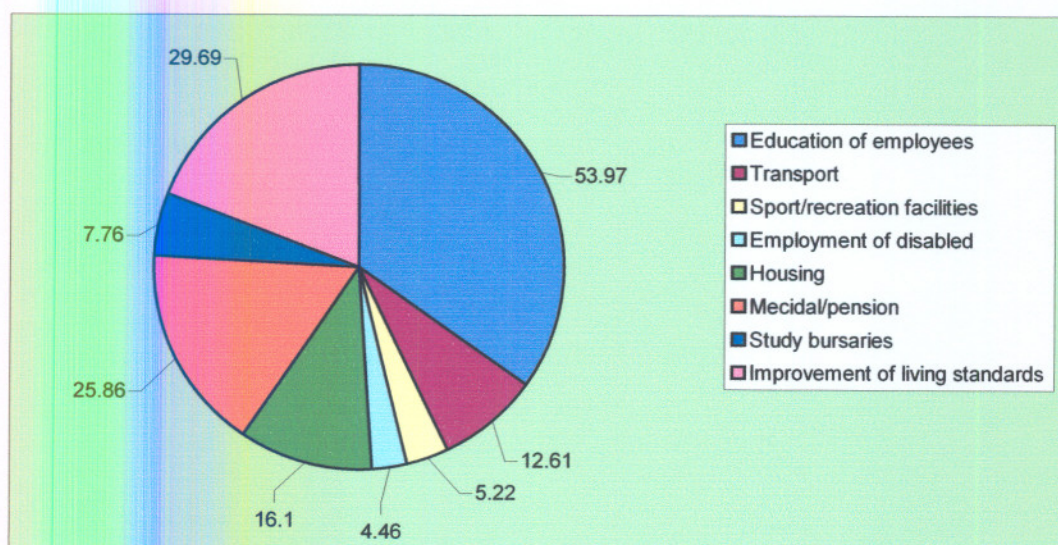
Criteria	Frequency	%
Never	16	12.31
Seldom	40	30.77
Mostly	30	23.08
Occasionally	28	19.23
Always	19	14.62

### 6.4.3.7 Social responsibility towards employees

As seen in Figure 6.7, 53.97% of the respondents put education to employees as a high priority of a company to be socially responsible. Education is of crucial importance because it is the goal of management to improve technical insight, values and attitudes of employees to better themselves (see 6.9.3).

The educational level of the labour force (Barker, 2003:257) has improved substantially over the last two decades, but there are still a large number of illiterate people in the country. There are numerous reasons for the educational problems that are experienced in South Africa, among them legacies of past, ideological divisions, unequal distribution of resources, inadequate resources, unfavourable educational environment (unstable family life, inadequate living conditions, no job prospects) and a failure to supply the skills needed by the South African economy.

**FIGURE 6.7: Social responsibility towards employees**



According to the *Annual Report 2002-2003* of the Chamber of Mines (2004:35), mines are engaged in drawing up the social plan documents. These social plan programmes cover a large variety of benefits and assistance. They include training of ex-miners, proactive training of current miners in non-mining skills, life-skills programmes, entrepreneurial opportunities, schools' programmes and provision of computers, etc.

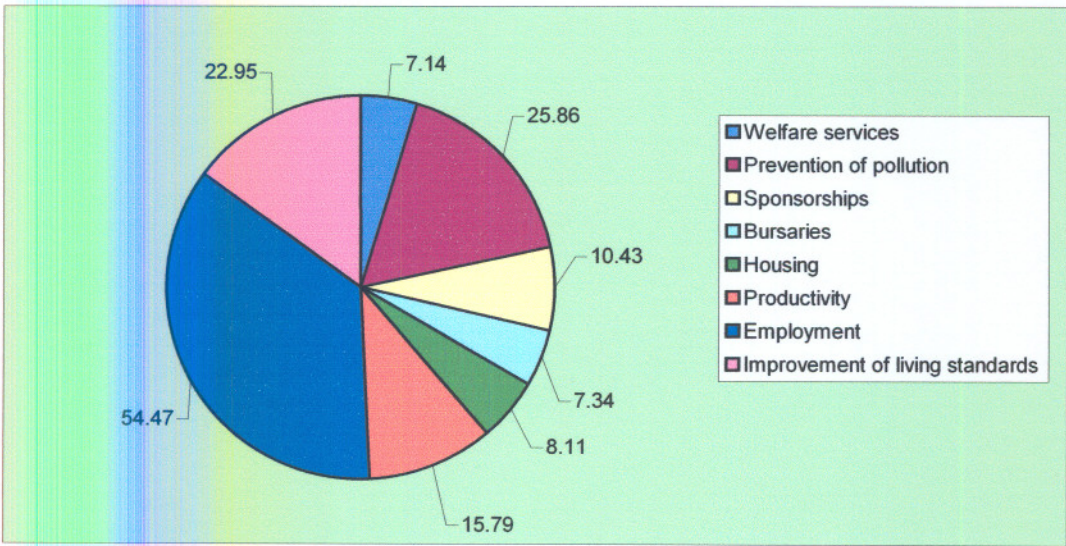
Furthermore, 29.69% of the respondents have put the improvement of living standards as the second factor for a company to be socially responsible towards its employees. 25.86% respondents have indicated that medical/pension fund was also an indicator of being socially responsible towards its employees while for 16.1% respondents housing was also an indicator (see also 3.8.2, 3.12).

#### **6.4.3.8 Social responsibility towards the community**

In contrast with 6.3.4.7, 54.47% of the respondents have indicated that employment is of utmost importance to be socially responsible towards the community. South Africa has a very high rate of unemployment. The unemployment rate is about 30% - i.e. with 4,5 million people being jobless (Barker, 2003:3).

Furthermore, 25.86% respondents have seen prevention of pollution as another issue of being socially responsible towards the community (see Figure 6.8). Where the mining industry makes use of the environment and its natural resources, it is seen as one of the crucial factors of acting socially responsible towards the community. With reference to the *Annual Report 2002-2003* of the Chamber of Mines (2004:47) research is done and there is focussed on developing new technologies and mining methods to improve environmental management.

**FIGURE 6.8: Social responsibility towards community**

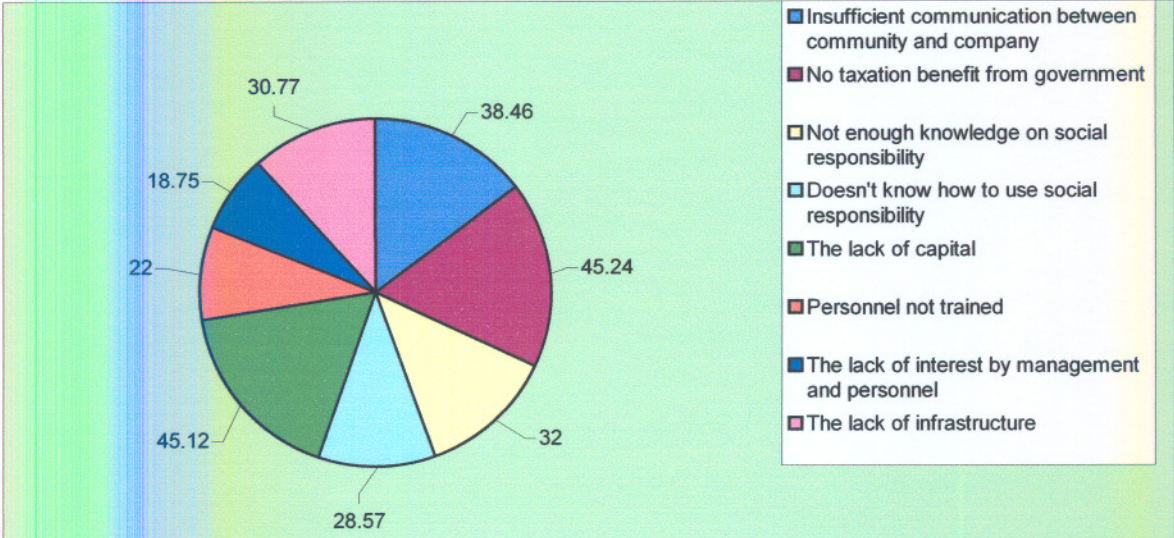


22.95% of the respondents have also indicated that the improvement of living standards is another factor that reflects social responsibility to the community (see also 3.8.4, 3.12, 6.9.4).

**6.4.3.9 Problems in fulfilment of social responsibility**

In Figure 6.9 the problems in the fulfilment of the company’s social responsibility are reflected (see also 6.9.5). 45.24% of the respondents feel that one of the biggest problems are that there is no taxation benefit on government side for a company to be socially responsible (see 3.8.5) while 45.12% respondents indicate that the lack of capital is also a big problem for companies in the fulfilment of social responsibility projects. Another problem is that there are insufficient communication between the community and the company (38.46%) while 32% of the respondents feel that the company has not enough knowledge on social responsibility.

**FIGURE 6.9: Problems in fulfilment of social responsibility**



**6.4.4 HIV/AIDS in the workplace (Questions 21 – 47)**

Organisations are social institutions and therefore cannot disassociate themselves from the social pandemic of HIV/AIDS. Many organisations continue to perpetuate the paternalistic or the caring capitalist approach to their employees or even choose to advocate the Milton Friedman school of thought regarding the investment in employee’s wellness.

The question is: Where does the company’s responsibility and accountability towards its employees begin and end, AND to what extent do they have to ensure that they consider the plight of the employee with HIV/AIDS.

On the hand of the question above as well as the goals and objectives of this study in mind the results of questions 21– 47 about HIV/AIDS in the workplace will now be discussed.

**6.4.4.1 Does your company have an HIV/AIDS policy?**

The survey showed that 70.45% of the companies had an HIV/AIDS policy in place (see Table 6.9); while 28.79% of the companies did not have an HIV/AIDS place. Some of them indicated that they didn’t know how to begin with an HIV/AIDS policy and needed help from professionals or larger mining companies (see 4.19.1, 6.9.6).

**TABLE 6.9: HIV/AIDS policy**

Criteria	Frequency	%
Yes	93	70.45
No	38	28.79
Don't know	2	0.76

**6.4.4.2 How long has your AIDS policy been in place?**

In Table 6.10 a significant number of the respondents (33.87%) indicated that their AIDS policy had been in place between 1 – 3 years; 28.65% not yet in place while 26.61% of the respondents indicated that their AIDS policy were more than 4 years in place (see 4.19.1, 6.9.7).

The larger mining companies developed their policies while being influenced by best practices on HIV/AIDS from various parts of the world, the SADC code on HIV/AIDS in the workplace, the ILO code, the strategic document on HIV/AIDS TB and Malaria of the Department of Health and the NEDLAC code. This is in addition to workplace agreements reached with labour unions and experience gained in everyday practice within the working environment (Chamber of Mines, 2003).

**TABLE 6.10: AIDS policy – years in place**

Criteria	Frequency	%
Not yet in place	35	28.23
Less than 1 year	14	11.29
1 – 3 years	42	33.87
4 years or more	33	26.61

**6.4.4.3 Has your company implemented the following HIV/AIDS programmes?**

According to Table 6.11 have 64.23% of the respondents indicated that their company had a voluntary counselling and testing programme; while a majority of 82.11% respondents confirmed that their company had an HIV/AIDS workplace awareness programme. 56.52% of the companies had an HIV/AIDS care, support and treatment programme while 63.72% of the respondents denied that their company provided anti-retroviral therapy at the workplace (see 5.4.7, 5.4.11.4, 6.9.8).

In order to achieve significant and sustainable results (BER, 2004:26) companies have to put comprehensive programmes in place. The motivation for a company to respond to HIV/AIDS varies and is often dependent upon factors such as HIV prevalence within the company and the area of operation, the employee benefits available at the workforce, as well as the level of knowledge and awareness of its leadership regarding the existing and potential impact of the epidemic on the company.

**TABLE 6.11: HIV/AIDS programmes**

Criteria	Yes	No	Don't know
A voluntary counselling and testing programme	64.23%	32.52%	3.25%
An HIV/AIDS workplace awareness programme	82.11%	14.63%	3.25%
An HIV/AIDS care, support and treatment programme	56.52%	39.13%	4.35%
Provision of anti-retroviral therapy at the workplace	31.86%	63.72%	4.42%

**6.4.4.4 Have these prevention, treatment or support programmes increased labour cost to your company?**

Recognising the inherent dangers that the HIV/AIDS epidemic has, and will have, on the productivity and prosperity of companies, the respondents were asked to indicate if the prevention, treatment or support programmes had increased labour costs to their companies. 34.19% of the respondents indicated that it had no effect on the labour cost; 32.48% indicated that it had a small increase on labour costs while 26.50% said it had a moderate effect on labour cost (see Table 6.12; see also 4.15).

According to the Chamber of Mines (2003) mining companies spend in the region of R220.00 to R480.00 per annum per employee on workplace HIV/AIDS programmes. The budget covers issues such as awareness campaigns, formal training of employees, peer education training, STI treatment, VCT and wellness programmes and home based care (see also Table 6.11).

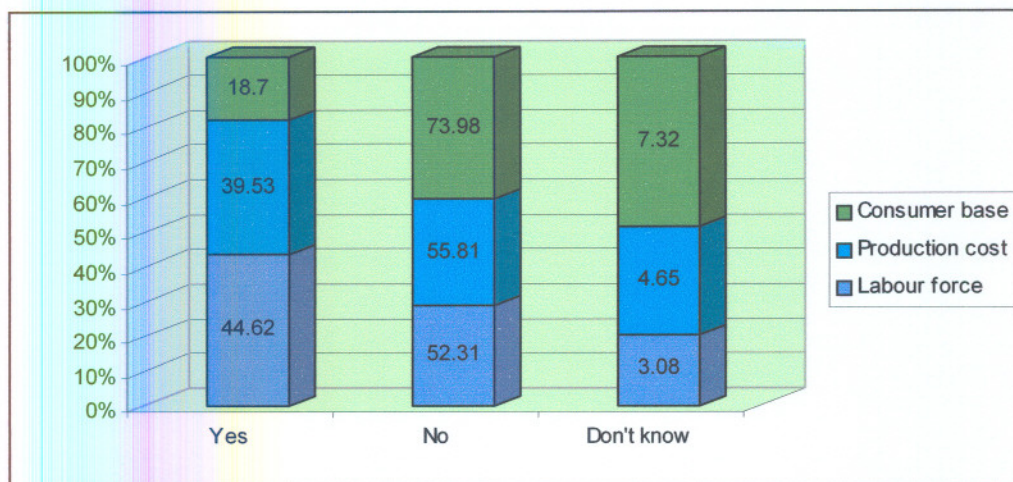
**TABLE 6.12: HIV/AIDS programmes increased labour cost**

No effect	Small increase	Moderate increase	Large increase
34.19%	32.48%	26.50%	6.84%

#### 6.4.4.5 Has your company conducted a research to assess the impact of HIV/AIDS?

All companies (BER, 2004:30) however large or small, should plan for the impact of HIV/AIDS. HIV/AIDS risk assessments are important in order to show top management the business rationale for action against the epidemic (see 4.12, 4.15).

**FIGURE 6.10: Research to assess the impact of HIV/AIDS**



In Figure 6.10, 44.62% of the respondents indicated they had conducted research to assess the impact of HIV/AIDS on the labour force; 39.53% on the impact of production cost and 18.7% on consumer base.

As the epidemic advances, productivity will be affected by the morbidity and mortality of infected workers as well as by early stages of employment of replacement workers who are under training. Productivity will suffer when workers take time off work to attend funerals or to care for sick family members or partners.

#### 6.4.4.6 What was the effect of HIV/AIDS on the production side of your company?

Mining, like other sectors operate in a global market that is highly competitive and sensitive to increases in production costs for whatever reason. Foreign investors' considering investment in a mining operation may be influenced by the HIV/AIDS situation in the mining industry (HEARD, 2004:4; see also 4.12; 4.15; 4.16).

Furthermore, conditions in the mining industry have the potential to increase the severity of the epidemic. These are situations where the risk of HIV transmission is increased – typically by the sexual networks of the mine workers and the communities surrounding the mines and in the communities from where the miners are recruited and to which they return when on leave or at the end of their contract periods.

In Table 6.13 the following results are reflected as indicated by the respondents.

**TABLE 6.13: Effect of HIV/AIDS on production side**

HIV/AIDS has led to:	No impact	Small impact	Moderate impact	Large impact	Don't know
Lower labour productivity	17.89%	32.52%	22.76%	14.63%	12.20%
Increased worker absenteeism	16.00%	19.20%	30.40%	23.20%	11.20%
Higher labour turnover rates	24.17%	32.50%	20.00%	10.83%	12.50%
Loss of experience and vital skills	27.87%	30.33%	14.75%	15.57%	11.48%
Higher recruitment and training costs	33.61%	27.05%	19.67%	9.02%	10.66%
Higher employee benefit costs (e.g. medical aid; pension, life and disability insurance, funeral benefits)	22.31%	18.18%	29.75%	18.18%	11.57%

#### 6.4.4.7 Has your company's HIV/AIDS policy been communicated to employees?

Respondents were asked to indicate if the company's HIV/AIDS policy had been communicated to employees. 70.49% of the respondents answered positively and 25.41% negatively on this question (see Table 6.14). Communication of the HIV/AIDS policy in local languages is important in delivering the correct messages and avoiding confusion (see 4.19.1, 5.4.7).

**TABLE 6.14: HIV/AIDS policy communicated to employees**

Criteria	Yes	No	Not sure
HIV/AIDS policy communicated	70.49%	25.41%	4.10%

#### 6.4.4.8 Does your company encourage and assist with voluntary testing?

An important facility that can be offered by an employer is to provide employees with access to confidential and convenient voluntary individual HIV/AIDS testing (see

5.4.11.4). Voluntary testing is a first line prevention mechanism. 72.87% respondents answered positively that their companies encouraged and assisted with voluntary testing (see Table 6.15). Some mining companies have provided testing and treatment to commercial sex workers within the community adjacent to the mine.

**TABLE 6.15: Encourage and assist with voluntary testing**

Criteria	Yes	No	Not sure
Encourage + assist with voluntary testing	72.87%	24.03%	3.10%

**6.4.4.9 Has your company provided HIV/AIDS education to dependants or involved the community?**

The objective of an HIV/AIDS education programme is to build on employees' awareness by developing their knowledge and skills to personally respond to the epidemic.

One way of informing an HIV/AIDS education and training programme is to base it on a knowledge, attitudes and practices (KAP) study. A KAP study, that is generally administered as a questionnaire, explores the knowledge, attitudes and practices of individuals in a group. This information can be used to highlight areas for special attention in subsequent education and training programmes. KAP studies repeated at intervals can also be used to track changes in knowledge, attitudes and practices over time.

A significant number of respondents (63.57%) indicated that they had not extended their HIV/AIDS awareness programmes to dependants of employees or had not involved the community (see Table 6.16; see also 4.19.2, 5.4.11.1, 5.4.11.2).

**TABLE 6.16: Provide HIV/AIDS education to dependants**

Criteria	Yes	No	Not sure
Provide HIV/AIDS education to dependants / involved community	34.11%	63.57%	2.33%

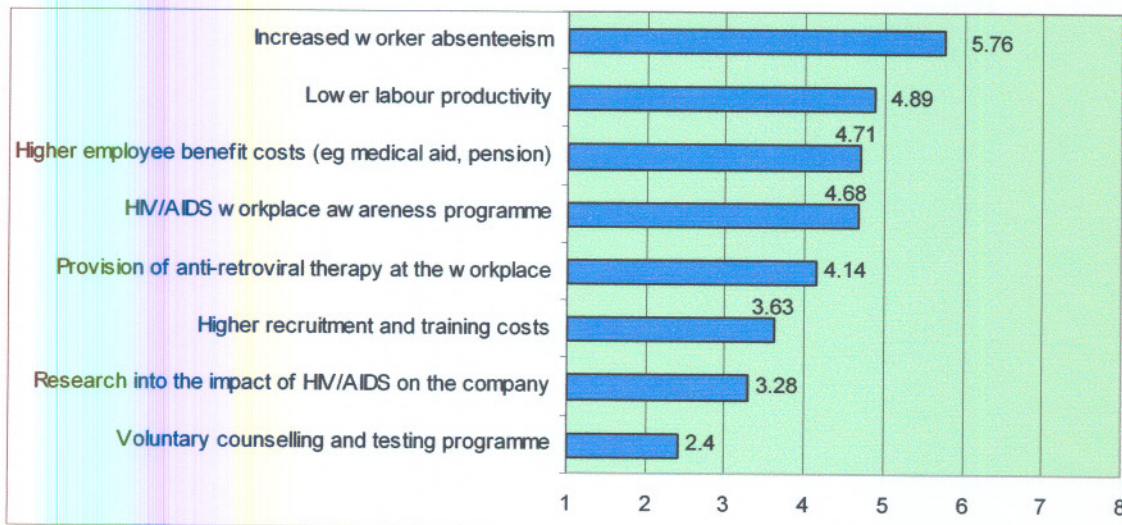
**6.4.4.10** If you are able to do so, please rank (from 1 to 8) the following HIV/AIDS related costs according to the impact they have had on your company

The impact of HIV/AIDS in the workplace (Stevens, 2004) is often very difficult to predict. It looms on the horizon with managers often not terribly clear about how to respond. There are fears of huge impacts on productivity and increased absenteeism as well as possible erosion of benefits. If companies respond they have a range of activities that they can embark upon. The goal of any response within a workplace, however, should be to try and maintain infected and affected employees healthy who feel able to continue working. With the advent of treatment programmes being affordable disease management is an affordable and strategic option for companies (see 4.12, 4.16, 6.9.9).

The respondents rank the related costs according to the impact that they have had on the company as follows (see Figure 6.11):

Respondents have indicated that increased worker absenteeism, lower labour productivity and higher employee benefit costs, are the factors that have had the largest impact on company costs.

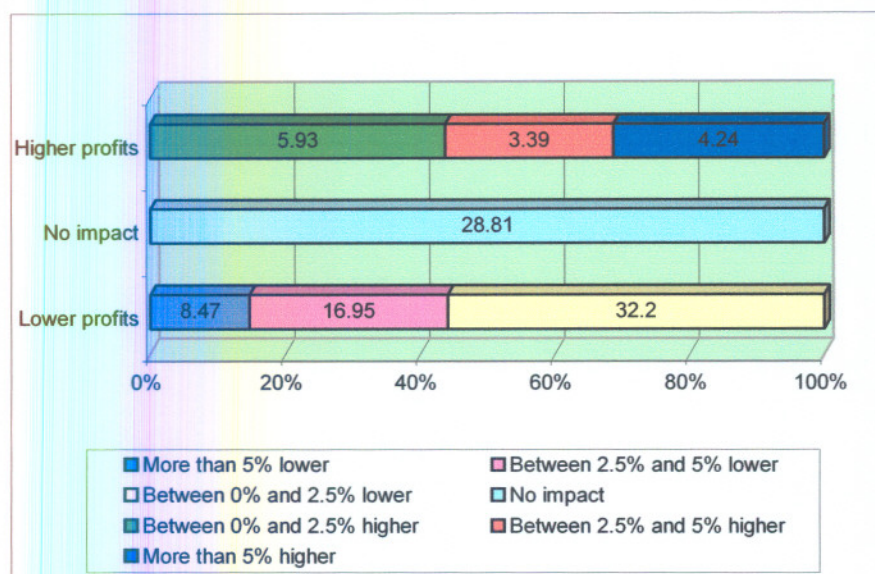
**FIGURE 6.11: Average ranking of related costs on HIV/AIDS**



**6.4.4.11 Which of the following percentages represent your estimation of the impact of HIV/AIDS on your company's profits?**

Respondents were asked how HIV/AIDS had affected company profits and 28.81% of the respondents indicated that the epidemic had no impact on profits. 32.2% respondents indicated that the impact of HIV/AIDS on company profits would be between 0% to 2.5% lower and 16.95% between 2.5% and 5% lower (see Figure 6.12; see also 4.15).

**FIGURE 6.12: Impact of HIV/AIDS on company's profits**



**6.4.4.12 Has personnel been trained on how to manage HIV/AIDS in the workplace?**

Only 40.60% (54 companies) of all respondents indicated that personnel had been trained on how to manage HIV/AIDS related matters within the workplace and 19.55% (26 companies) were in process of training personnel to manage HIV/AIDS in the workplace. 34.59% (46 companies) respondents indicated that personnel had not been trained to manage HIV/AIDS in the workplace (see Table 6.17; see also 4.19.3, 5.2.2.3, 5.2.2.4).

**TABLE 6.17: Personnel been trained to manage HIV/AIDS in the workplace**

Yes	No	Not sure	In process
40.60%	34.59%	5.26%	19.55%

#### 6.4.4.13 What steps would you take initially if a co-worker refused to work with an employee who has HIV/AIDS?

As seen in Table 6.18 in response to the question regarding preliminary steps that would be taken if co-workers refused to work with an HIV/AIDS employee, 85.71% of the respondents indicated that they would insist that the existing situation not be changed while at the same time the employee had to be educated about the disease. As a last resort, they would discipline the co-worker. Moving or isolating the HIV/AIDS employee was selected by 2.38% of the respondents, while 6.35% indicated the removal of the co-worker. 5.56% respondents chose the option to render the employee with HIV/AIDS as unfit for work (see also 4.12, 4.19.3).

**TABLE 6.18: Steps if a co-worker refused to work with an employee who has HIV/AIDS**

Criteria	%
Insist that the existing situation not change/Educate and then discipline the co-worker if he/she still refuses to work with employees with HIV/AIDS	85.71
Move/isolate the employee with HIV/AIDS	2.38
Move the co-worker	6.35
Place the employee with HIV/AIDS on disability leave	5.56

#### 6.4.4.14 Whose right do you believe is more important?

With regard to the above question, a significant respondents (55.91%) do appear to place a high value on the rights of employee with HIV/AIDS to privacy while 44.09% of the respondents place a high value on the co-workers' right to know about potential health hazards.

One of the greatest obstacles to HIV/AIDS is the extent of stigma surrounding the disease and can there be little doubt that to disclose an employee's HIV/AIDS status to a co-worker would be wrongful. Disclosure of the HIV status of an employee without his/her permission constitutes not only a breach of confidentiality, but also a defamatory and unlawful act (AIDS Law Project, 2004:3; see also 4.19.2).

#### 6.4.4.15 On what basis are current employees selected for testing?

As seen in Table 6.19, 96.49% of the respondents believe that HIV testing should be voluntary for all employees. As described in Chapter 5, 5.2.2.1 Section 7 of the Employment Equity Act, No. 55 of 1998 prohibits the medical testing of an employee except in circumscribed circumstances. Testing of an employee to determine the employee's HIV status, is prohibited unless it is determined to be justifiable by the Labour Court (Backer, 2004:2; see also 4.19.2; 5.2.5.5).

**TABLE 6.19: Current employees selected for testing**

Criteria	%
Mandatory for all employees	1.75
Mandatory for employees in high risk groups	0
Mandatory for employees who have "suspicious" ailments	1.75
Voluntary for all employees	96.49

#### 6.4.4.16 Is testing accompanied by pre- and post-test counselling by counsellors trained to handle HIV/AIDS?

A significant number of respondents (65.52%) provide pre- and post-test counselling (see Table 6.20). The Code of Good Practice on Key Aspects of HIV/AIDS and Medico-legal principles, prescribes that all persons taking an HIV/AIDS test in South Africa require both pre-test and post-test counselling (Redribbon, 2003; see also 5.2.2.3; 5.2.2.4).

**TABLE 6.20: Pre- and post-test counselling provided**

Yes	No	Not sure
65.52%	25.86%	8.62%

#### 6.4.4.17 Is informed consent obtained before any HIV testing is carried out?

No person may be tested for HIV infection without his/her free and informed consent (Van Dyk, 2001:406). Informed consent is compulsory before HIV testing may be carried out (see also 5.2.2.1, 5.2.4). As seen in Table 6.21, 80.95% of the respondents obtained informed consent before HIV testing, in contrast with 12.38% of the respondents who never obtained informed consent from the employees.

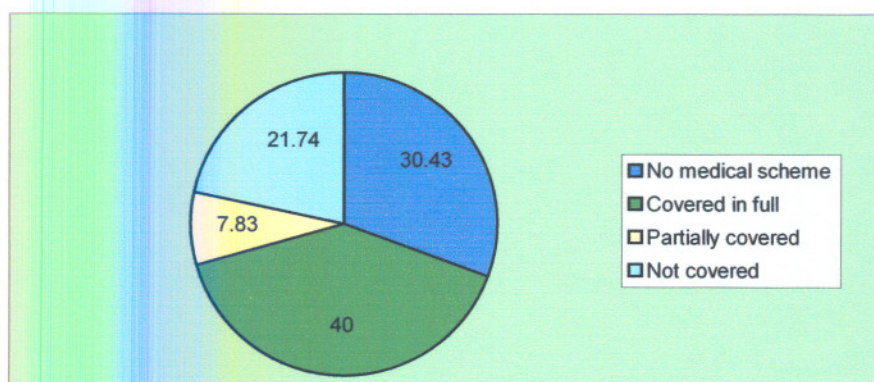
**TABLE 6.21: Informed consent obtained**

All the time	Most of the time	Sometimes not	Never
80.95%	4.76%	1.90%	12.38%

**6.4.4.18 Is the cost of mandatory or voluntary HIV testing covered by your medical aid scheme?**

According to 40% of the respondents the cost of mandatory or voluntary HIV testing is covered in full by the company’s medical aid scheme; 30.43% respondents indicated that they had no medical aid scheme, while 21.74% of the respondents’ medical aid scheme did not cover the cost of mandatory or voluntary HIV testing (see Figure 6.13; see also 4.15, 5.2.3).

**FIGURE 6.13: Costs covered by medical scheme**



**6.4.4.19 How would management deal with current employees who tested HIV-positive? (Assume the employee is currently able to perform the work in question)**

With regard to how management will deal with current employees who tested HIV-positive and assuming he/she still can work, 52.03% responded that they would attempt to make any needed accommodation in the employee’s work, including holding the position open for an agreed period or until the employee was able to resume work while 42.28% responded that they would give time off for employees to seek medical treatment and would provide counselling (see Table 6.22; see also 4.19.2).

**TABLE 6.22: Management deal with employees currently tested as HIV-positive**

Criteria	%
Would fire/terminate on the grounds of incapacity or ill-health	3.25
Would try to persuade to resign/withhold promotion/demote	2.44
Would give time off to seek medical treatment/provide counselling	42.28
Would attempt to make any needed accommodation in employee's work, including holding the position open for an agreed period or until the employee is able to resume work	52.03

#### **6.4.4.20 Who provides counselling?**

As seen in Table 6.23, 44.63% of the respondents indicated that provision of counselling are "out-sourced" or that they made use of HIV consultants; 38.02% made use of on-site practitioners while 17.35% made use of their HR department personnel who were trained to provide counselling for HIV-positive employees (see 5.2.5.3, 5.2.5.4).

**TABLE 6.23: Counselling**

Criteria	%
On-site practitioners	38.02
Out-sourced services	44.63
HR department	17.35

#### **6.4.4.21 What form does the HIV/AIDS awareness/education programme take?**

Of the companies who have implemented awareness and education programmes, posters and the provision of condoms are the most common tools used (see Table 6.24). Not many mining companies make use of industrial theatre, as it is being one of the most costly initiatives and posters are the cheapest and a static medium.

Companies make also use of workshops, and literature, newsletters and brochures are distributed among employees. As behaviour change is an important aspect of an education programme, videos are also viewed to help employees understand the danger of HIV/AIDS (see 4.14, 4.21.2, 5.4, 5.4.4, 5.4.11.1).

With this question respondents choose more than one of these education tools used for the HIV/AIDS awareness/education programme.

**TABLE 6.24 Education tools used**

Criteria	Less than 100 employees	100 to 500 employees	More than 500 employees	Total companies
Awareness posters	24	29	39	92
Condoms provision free	18	29	40	87
Condoms education / promotion	12	18	38	68
Training lectures / workshops	18	23	34	75
Literature / newsletters / brochures	12	22	38	72
Videos	2	12	29	43
Industrial theatre	2	7	26	35

**6.4.4.22 If you are unionised, has the union taken a position on HIV/AIDS?**

Of the respondents surveyed, 22.81% indicated that they are not unionised; 25.44% has not taken a position on AIDS while 51.75% of the respondents maintain that the trade union has taken a position similar to the company's (see Table 6.25; 4.13.2, 5.4.7).

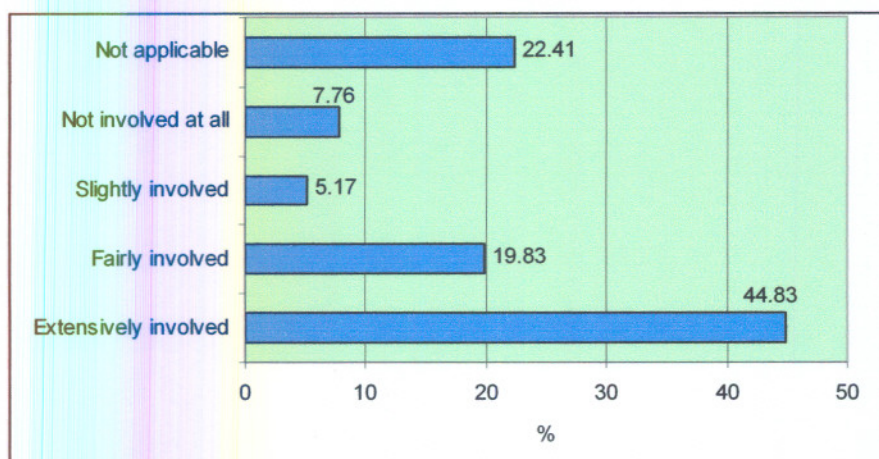
**TABLE 6.25 Position of trade union**

Criteria	%
Not unionised	22.81
Union has not taken a position	25.44
Union has taken a position similar to our own	51.75

**6.4.4.23 To what extent was the Labour Relations Act considered in drawing up your AIDS policy/education campaign?**

According to Figure 6.14, 44.83% of the respondents indicated that the involvement of labour legislation in the development of the company's AIDS policy extensively involved the Labour Relations Act [LRA] (see 5.2.2.2) when drawing up their AIDS policy or education programme while 22.41% indicated that the LRA was not applicable.

**FIGURE 6.14: Labour Relations Act and AIDS policy/education**



**6.4.4.24 Does your company report HIV/AIDS programmes and activities to stakeholders, e.g. in annual reports?**

A significant number of 47.06% of the respondents indicated that they report their HIV/AIDS programmes and activities to stakeholders in annual reports while 43.70% answered negatively (see Table 6.26; see also 3.8.3, 4.12, 4.14, 5.4.9). As part of the AIDS policy (monitoring and reporting), larger mining companies' *Annual Reports* are also available on the Internet.

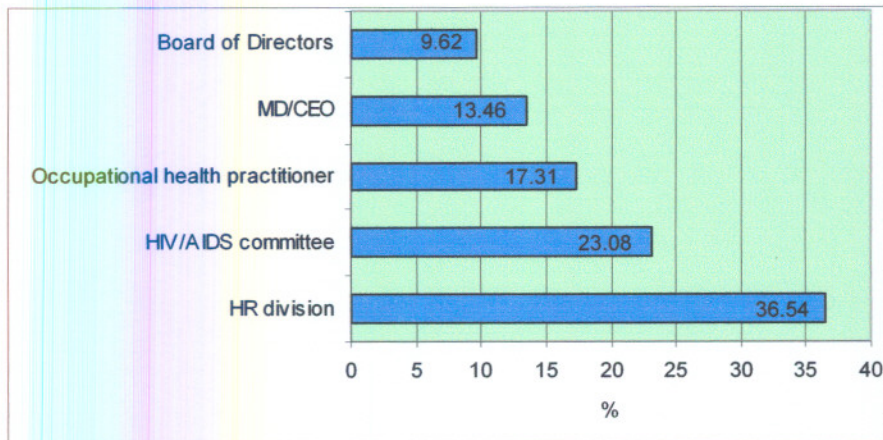
**TABLE 6.26 Reporting to stakeholders**

Yes	No	Not sure
47.06%	43.70%	9.24%

**6.4.4.25 Who directs your company's HIV/AIDS strategy and policy?**

According to 36.54% of the respondents, the HR division directs their company's HIV/AIDS strategy and policy; 23.08% indicated an HIV/AIDS Committee and 17.31% indicated the Occupational health practitioner. 13.46% indicated that the MD/CEO of the smaller mining companies directs the HIV/AIDS strategy and policy (see Figure 6.15; see also 4.19.1).

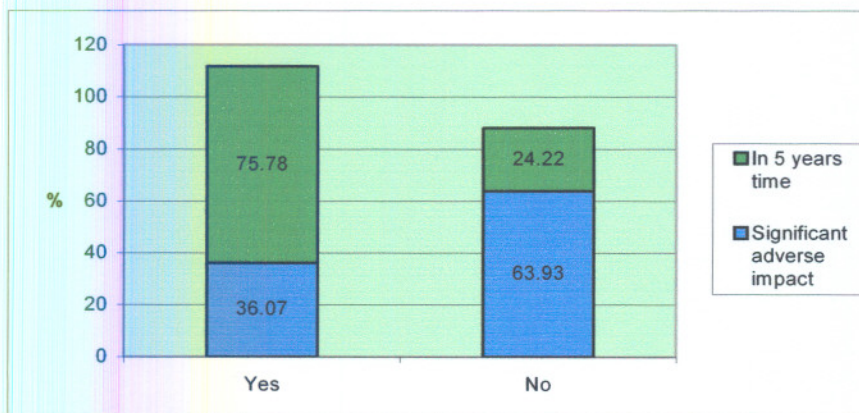
**FIGURE 6.15: Direction of HIV/AIDS strategy and policy**



**6.4.4.26 All in all, has HIV/AIDS had a significant adverse impact on your company (e.g. production, sales or profits) AND do you expect HIV/AIDS to have a significant adverse impact on your company in 5 year's time?**

As seen in Figure 6.16, 63.93% of the respondents indicated that HIV/AIDS had no significant adverse impact on their production, sales or profits while 24.22% indicated that it had. In contrast, 75.78% of the respondents indicated that it would have an adverse impact on their production, sales and profits in five years time (see also 4.15).

**FIGURE 6.16: Adverse impact of HIV/AIDS on company**



## 6.5 CRONBACH ALPHA

With Cronbach's (1951) alpha, as cited by Kerlinger and Lee (2000:656) researchers were able to assess the internal consistency reliability of their instrument that had different scoring and response scales.

Interrelated tests may be summed to obtain an overall score for each participant (Nunnally, 1978:295). Cronbach's coefficient alpha estimates the reliability of this type of scale by determining the internal consistency of the test of the average correlation of items within the test.

The importance of aspects and their reliability, according to Cronbach alpha reliability (0.7 = very reliable), is the following:

Section C - Reliability: 0.81

Section D - Reliability: 0.83

## 6.6 EFFECT SIZE (W) FOR TWO WAY TABLES

In this section additional information will be considered that can help to interpret the results of the survey. The data of Section B, C and D were also statistically analysed by two way contingency tables with SAS®-programme (SAS Institute Inc., 2001).

It is in many cases important (Ellis & Steyn, 2003:51-53) to know whether a relationship between two variables is practically significant, e.g. between the size of companies and resistance to change

In this case the effect size is given by  $w = \sqrt{\frac{X^2}{n}}$ , where  $X^2$  is the usual Chi-square statistic for the contingency table and  $n$  is the sample size. Note that the effect size is again independent of sample size. Cohen (1988:222-225) gives the following guidelines for the interpretation of it in the current case:

(a) small effect:  $w = 0.1$  , (b) medium effect:  $w = 0.3$  , (c) large effect:  $w = 0.5$  .

A relationship with  $w = 0.3$  is considered as could be practically significant while a relationship with  $w \geq 0.5$  is considered as practically significant.

## 6.7 CORRESPONDENCE ANALYSIS

Bartholomew *et al.* (2002:91) describes correspondence analysis (CORA) as an exploratory technique for analysing multi-way frequency tables, that is, cross-classifications of two or more categorical variables. The aim of CORA is to represent the raw data in a low-dimensional space so that it is easier to identify the key features of the data. CORA is used here to explore associations of row and column variables, for questions where there might be practically significant relationship between row and column variables.

## 6.8 EFFECT SIZE FOR THE DIFFERENCE BETWEEN MEANS

A natural way to comment on practical significance is to use the standardised difference (see Table 6.4) between the means of two populations i.e. the difference between the two means divided by the estimate standard deviation. Ellis and Steyn (2003:51-53) introduced a measure that is called the effect size, that not only makes the difference independent of units and sample size, but also relates it with the spread of the data,

$d = \frac{|\bar{x}_1 - \bar{x}_2|}{s_{\max}}$ , where  $|\bar{x}_1 - \bar{x}_2|$  is the difference between  $\bar{x}_1$  and  $\bar{x}_2$

without taking the sign into consideration and  $s_{\max}$  = maximum of  $s_1$  and  $s_2$ , the sample standard deviations.

Cohen (1988:222-225) gives the following guidelines for the interpretation of the effect size:

(a) small effect:  $d=0.2$ , (b) medium effect:  $d=0.5$  and (c) large effect:  $d=0.8$ .

Data with  $d \geq 0.5$  is considered as large enough that it could indicate practical significance while data with  $d \geq 0.8$  is considered as practically significant, since it is the result of a difference having a large effect.

In the next section the analysis of two way tables will be discussed. Please note the following for interpretation:

Group 1 = companies with less than 100 employees.

Group 2 = companies with 100 to 500 employees.

Group 3 = companies with more than 500 employees.

◦ = row co-ordinates

◻ = column co-ordinates

## 6.9 ANALYSIS OF TWO WAY TABLES

### 6.9.1 Aspects of the size of a company and important factors contributing to resistance of change

The aim in determining the effect size of the size of companies and the important factors that contribute to resistance of change, as reflected in Figure 6.3, is to establish whether there is a practical significant relation between the size of a company and factors that contribute to resistance of change (see 6.4.2.2). The results are reflected in Figure 6.17 to Figure 6.25.

In **Figure 6.17** companies with less than 100 employees (1 in Row.Coords) are more likely to place political climate as the fifth important factor (5 in Col.Coords) that contributed to resistance to change whereas for companies with 100 to 500 employees (2 in Row.Coords) political climate is more likely not to be an important factor (8 or 9 in Col.Coords). On the other hand companies with more than 500 employees (3 in Row.Coords) are more likely to put political climate either in the third or fourth position (3 or 4 in Col.Coords). With an effect size of 0.32 it is considered it might be practically significant.

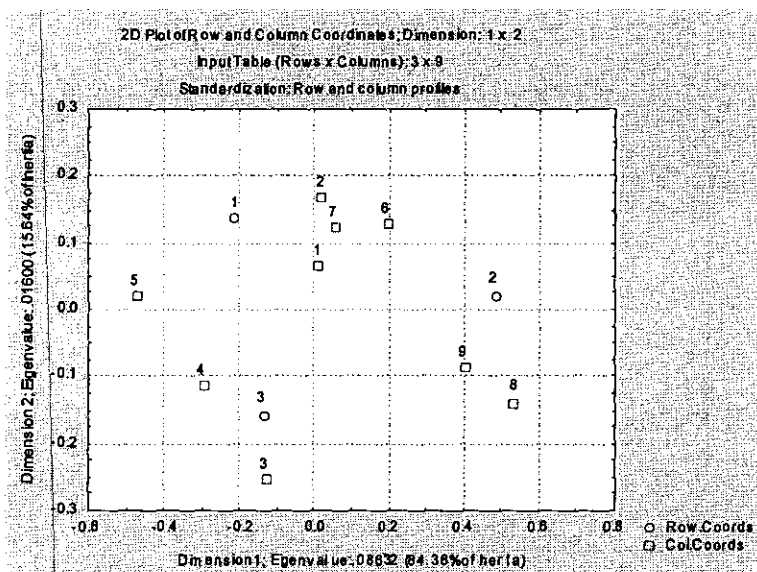
The practical significance of this response may be that for smaller companies the political climate has no influence on resistance to change while for the larger companies it may have an influence because of more employees with different political opinions as well as legislation and empowerment of employees.

Cohen and Orbuch (1990:143) describe social change as a change in the social structure or social organisation of a society. It is concerned with change as it affects a significantly larger number of individuals in a given society.

External forces of change have global effects. They may cause an organisation to question the essence of what business is and the process by which products and services are produced (Kreitner & Kinicki, 1998:614).

Political factors have played a role in social change through its activities of distribution, regulation and redistribution. Government is expected to “do something” and the result is often change at the various levels within society as well as among other societies (Vago, 1999:37).

**FIGURE 6.17: Political climate**

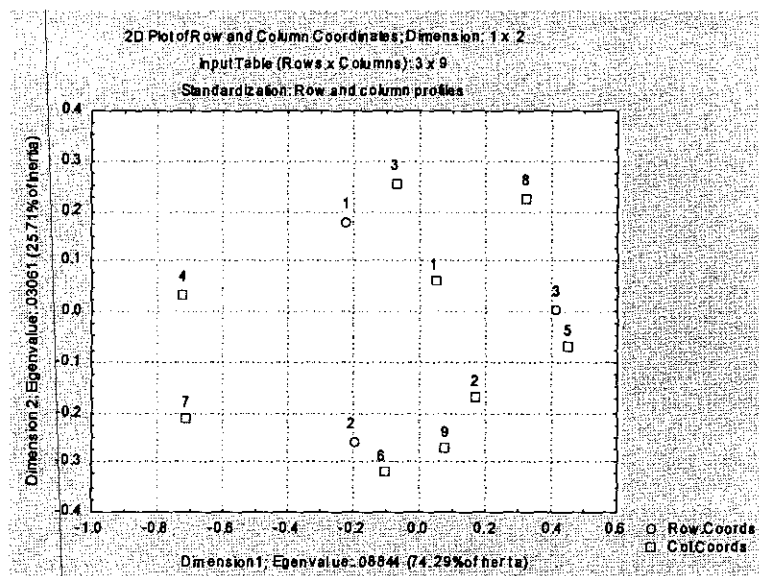


According to **Figure 6.18** companies with less than 100 employees (1 in Row.Coords) are more likely to place economical conditions as the third important factor (3 in Col.Coords) that contributed to resistance to change. For companies with 100 to 500 employees (2 in Row.Coords) economical conditions are more likely the sixth important factor (6 in Col.Coords). Companies with more than 500 employees (3 in Row.Coords) are more likely to put economical conditions as the fifth important factor (5 in Col.Coords). With an effect size of 0.35 it is considered it might be practically significant.

The practical significance for this can be that smaller companies in the mining industry are currently struggling to survive because of the weakening of the gold price against the Rand/Dollar currency. Furthermore, the environment in which companies operate is increasingly turbulent in an era of global, national and regional commercial competitiveness.

The emergence of a global economy is forcing companies to change the way they do business (see 2.6.7). Economic factors thus condition the distribution of rewards and the allocation of status and prestige. Furthermore, economic fears can influence workers' performance at work i.e. that they won't be able to perform the new tasks or routines to their previous standards, especially when pay is closely tied to productivity.

**FIGURE 6.18: Economical conditions**



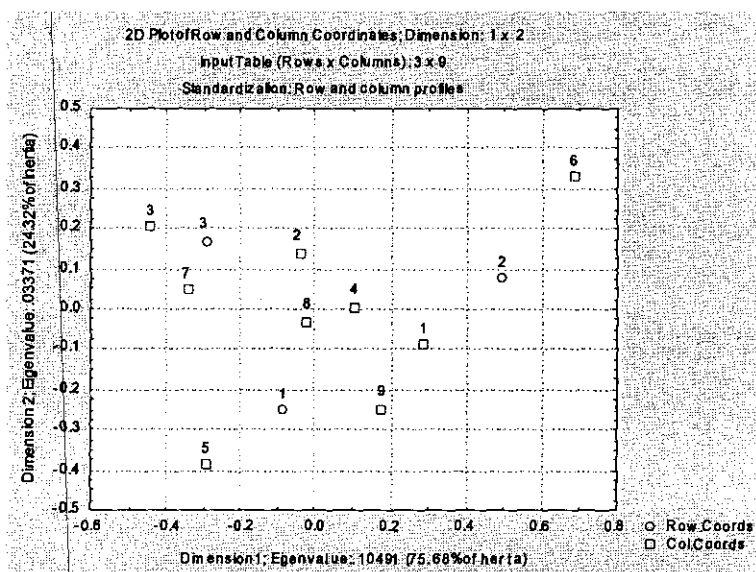
According to **Figure 6.19** companies with less than 100 employees (1 in Row.Coords) are more likely to place cultural differences as the fifth important factor (5 in Col.Coords) that contributed to resistance to change. For companies with 100 to 500 employees (2 in Row.Coords) cultural differences are more likely the sixth important factor (6 in Col.Coords). For companies with more than 500 employees (3 in Row.Coords) cultural differences are more likely the third most important factor (3 in Col.Coords). With an effect size of 0.37 it is considered it might be practically significant.

The reason for this response may be that the mining industry makes use of migrant labour, i.e. employees from other African countries, it could create a problem for companies that want to change. Cultural differences represent the multitude of individual differences and similarities that exist among employees. When managing employees at work, the individual's societal culture, the company's culture and any interaction between the two need to be taken into consideration when planning for change.

Ivancevich (2004:107) believes that culture difference can influence the effectiveness of management policies and practices. The real issue is to understand these differences and ensuring that management and the cultural orientation of workers are congruent with one another.

Cultural differences affect perceptions, understanding and behaviour (Williams, 2002:237). Recognising cultural differences is critical to succeeding in global business.

**FIGURE 6.19: Cultural differences**



As indicated in **Figure 6.20** companies with less than 100 employees (1 in Row.Coords) are more likely to place personal fears as either the third or seventh important factor (3 or 7 in Col.Coords) that contributed to resistance to change. For companies with 100 to 500 employees (2 in Row.Coords) personal fears are more likely the most important factor (1 in Col.Coords). For companies with more than 500

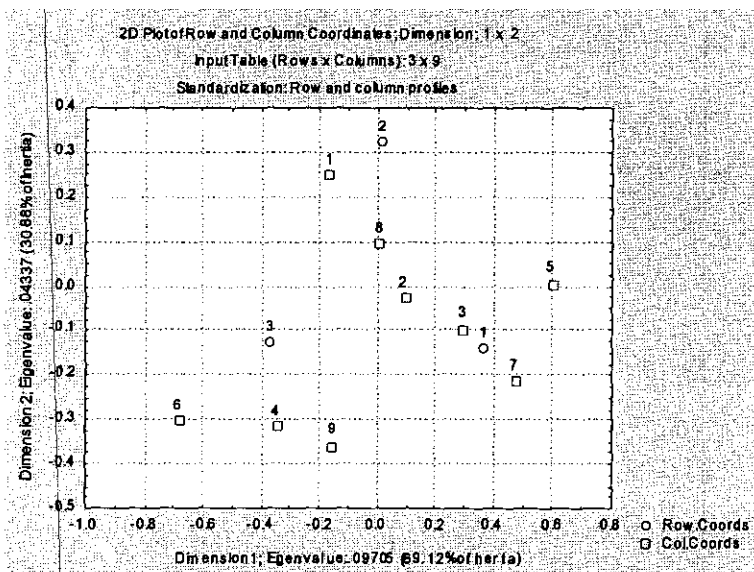
employees (3 in Row.Coords) personal fears are more likely to be the fourth important factor (4 in Col.Coords). With an effect size of 0.37 it is considered it might be practically significant.

The reason for this response could be that employees in organisations developed a negative attitude because they are uncertain how to deal with the unknown.

The pace of change in general, and particularly the rate at which the world is becoming a single though highly disordered system, gives a kind of urgency to the notion that crisis is the ordinary state of social life. Furthermore, the mass media is full of reports about changes in family life, health (HIV/AIDS epidemic) and prospects for economic prosperity or decline (Visagie, 1997:267).

People are, according to Bendix (2000:24) social beings and they bring their social prejudices and customs to the workplace. As with political divides, extreme social stratification leads to divisions and tensions in the workplace (see 2.13.2.1). Changes substitute ambiguity and uncertainty for the known.

**FIGURE 6.20: Personal fears**



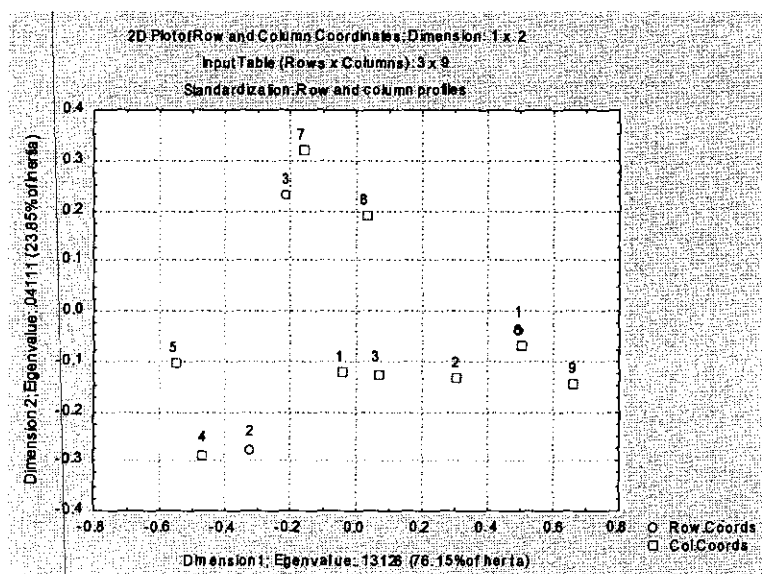
As seen in Figure 6.21 for companies with less than 100 employees (1 in Row.Coords) organisation structure is more likely to be the sixth important factor (6 in Col.Coords) that contributed resistance to change. For companies with 100 to 500 employees (2 in Row.Coords) organisation structure is more likely the fourth important factor (4 in Col.Coords) while companies with more than 500 employees (3

in Row.Coords) organisation structure is not likely to be an important factor (7 in Col.Coords). With an effect size of 0.42 it is considered it could be practically significant.

The practical significance of this response may be that organisational structure is not seen as a factor that contributed towards resistance to change.

Organisation structures are a factor that contributed towards resistance to change (see 2.13.2.2). Organisational structure describes the allocation of tasks and responsibilities among employees and management or departments. According to Jackson and Schuler (2003:142) the vast majority of medium and large companies are structured around departments or divisions. In addition, many companies are linking up with other companies to create various network forms and structure that cross organisational borders. Furthermore, problems may arise where employees focuses on concerns of their own department instead of organisation-wide goals. Also, the company may lose its ability to manage and control outsourced activities (see also 2.13.3).

**FIGURE 6.21: Organisation structures**



According to **Figure 6.22** companies with less than 100 employees (1 in Row.Coords) are more likely to place labour legislation as the most important factor (1 in Col.Coords) that contributed to resistance to change. For companies with 100 to 500 employees (2 in Row.Coords) labour legislation associates not with any specific

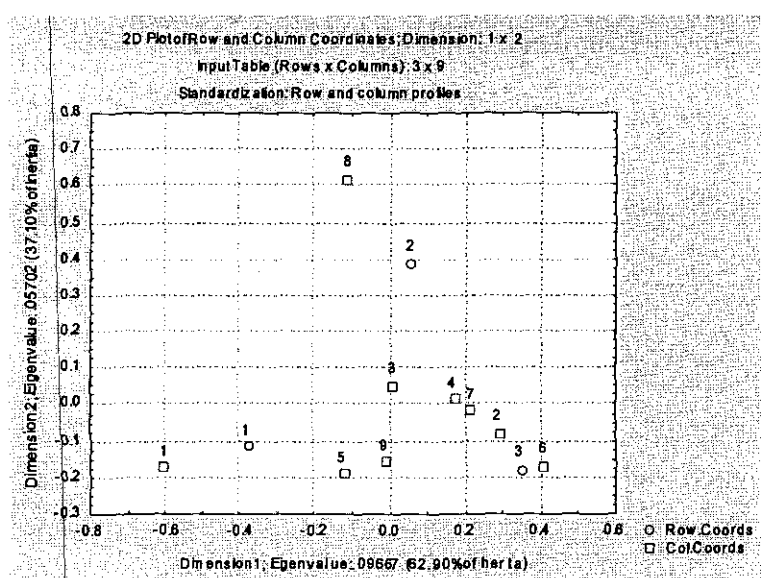
column co-ordination whereas companies with more than 500 employees (3 in Row.Coords) may either rank labour legislation in second or sixth position (2 or 6 in Col.Coords). With an effect size of 0.39 it is considered it might be practically significant.

The significance of this ranking is that smaller companies see labour legislation as an important factor contributing resistance to change whereas some of them are not sure how to interpreted legislation on different issues.

Because work and the relationship at work are so important to the economy and society it is necessary that companies adhere to labour legislation (see 1.6.8). Legal responsibility according to Williams (2002:89) is society's expectations that organisations will obey society's laws and regulations as the companies try to meet their economic responsibilities.

Bendix (2001:17) believes that companies cannot rely solely on custom and tradition to regulate the work relationship and therefore it is necessary to establish a legal framework within which the labour relationship can be conducted.

**FIGURE 6.22: Labour legislation**

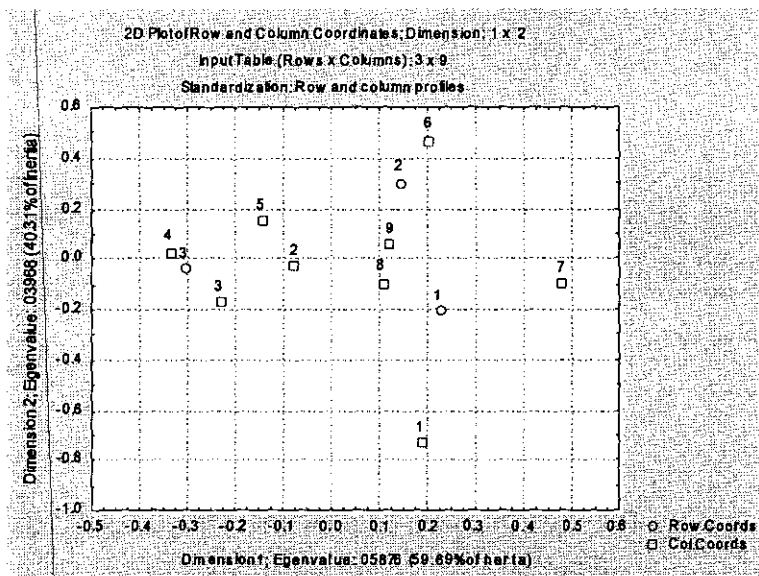


According to **Figure 6.23** companies with less than 100 employees (1 in Row.Coords) traditional values seem not to be an important factor (8 in Col.Coords) for resistance to change. Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put traditional values in the sixth position (6 in Col.Coords). For

companies with more than 500 employees (3 in Row.Coords) traditional values are most likely the fourth important factor (4 in Col.Coords). With an effect size of 0.31 it is considered it might be practically significant.

The reason for this response is most of the companies make use of employees from African countries where traditional values differ from country to country. Companies have to take traditional values in consideration when planning for change.

**FIGURE 6.23: Traditional values**



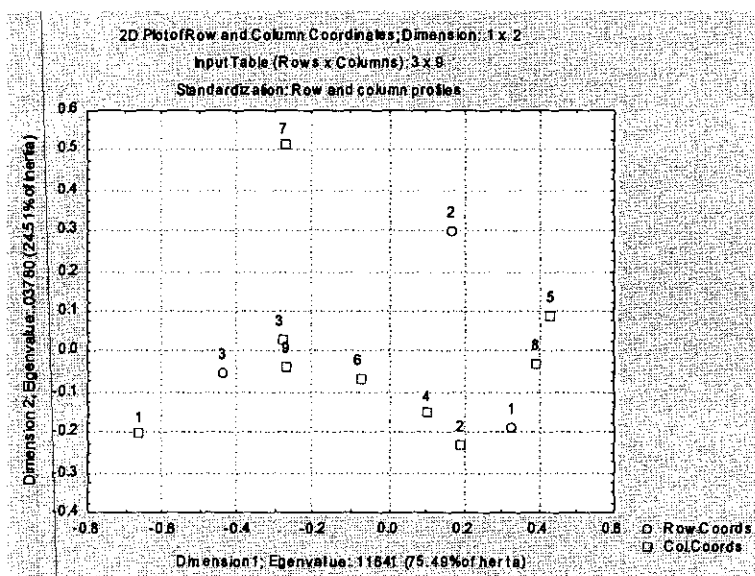
According to **Figure 6.24** companies with less than 100 employees (1 in Row.Coords) are more likely to place managerial skills as either the second or fourth important factor (2 or 4 in Col.Coords) that contributed to resistance to change. For companies with 100 to 500 employees (2 in Row.Coords) managerial skills may associate more with the fifth important factor (5 in Col.Coords). For companies with more than 500 employees (3 in Row.Coords) managerial skills seem to be most likely the ninth important factor (9 in Col.Coords). With an effect size of 0.39 it is considered it might be practically significant.

The practical significance of this response may be that of the smaller companies are managed by the owner of the company with an autocratic managerial skill and outdated methods.

Gómez-Mejía *et al.* (2004:35) describe companies whose top executives are averse to risk, to operate with an autocratic leadership style, establish a strong internal pecking order and are inwardly rather than outwardly focused (see also 2.13.2.2).

Bendix (2000:35) believes that managers occupy an ambivalent position in organisations where they view themselves as representatives of the employers (shareholders) and take on the same prerogative as the employers, namely, to control, make decisions, hire and fire labour. On the other hand, they are themselves employees, who can be hired and fired.

**FIGURE 6.24: Managerial skills**



As indicated in **Figure 6.25** companies with less than 100 employees (1 in Row.Coords) are more likely to place the existing work climate as the sixth most important factor (6 in Col.Coords) that contributed to resistance to change. For companies with 100 to 500 employees (2 in Row.Coords) the existing work climate seem to be related to either the second, third or fifth most important factor (2, 3 or 5 in Col.Coords) thus being medium important, while for companies with more than 500 employees (3 in Row.Coords) the existing work climate can either be ranked as fourth or eight important factor (4 or 8 in Col.Coords). With an effect size of 0.31 it is considered it might be practically significant.

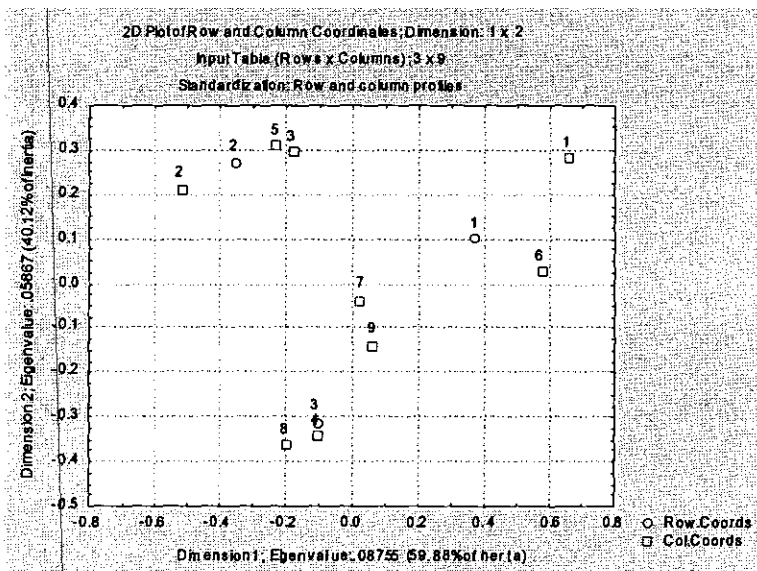
The practical significance of this response may be that the demand for labour will be affected indirectly by economic conditions, such as expansionary or restrictive fiscal

and monetary policies, domestic and foreign competitive conditions that impact on the demand for goods and services.

The demand for labour has, according to Barker (2003:4) has declined substantially in recent years, thereby contributing significantly to high unemployment. In the 1990s, for instance, more than 700 000 jobs were lost, that implies an average annual decline of 1.14%. This can be ascribed both to low economic growth and to a declining labour intensity in the economy. The declining labour intensity is particularly disconcerting, because far fewer job opportunities than in the past are now being created for every percentage point of economic growth.

A possible reason for the fact that the country is not creating jobs, might be the impact of HIV/AIDS. Employers are often adopting a labour-avoiding strategy due to HIV/AIDS. HIV/AIDS makes labour more expensive due to the higher cost of group and medical insurance, the high turnover of labour and other factors (Barker, 2003:7; see also Chapter 4).

**FIGURE 6.25: Existing work climate**



### 6.9.2 Aspects of the size of a company and percentage of gross income used for social responsibility

The aim in determining the effect size of the size of companies and the percentage gross income of companies used for social responsibility activities or projects, as

seen Figure 6.5, is to establish whether there is a practical significant relation between the size of a company and percentage gross income of the company used for social responsibility (see 6.4.3.4). The results are reflected in Figure 6.26.

As seen in **Figure 6.26** companies with less than 100 employees (1 in Row.Coords) do not show a specific preference for any Col.Coord. Companies with 100 to 500 employees (2 in Row.Coords) are more likely to allocate less than 1% gross income (1 in Col.Coords) while companies with more than 500 employees (3 in Row.Coords) are more likely to allocate more than 5% of their gross income (6 in Col.Coords) to social responsibility projects. With an effect size of 0.37 it is considered it might be practically significant.

The significance of this response may be that larger companies allocate more money to social responsibility projects than the smaller companies.

According to the King Report II (2002:109) not only Corporate Governance improves the way a company does business, it also enables organisations to enhance and safeguard their reputation. The goal is to align as closely as possible the interests of individuals, companies and society, to the benefit of all citizens.

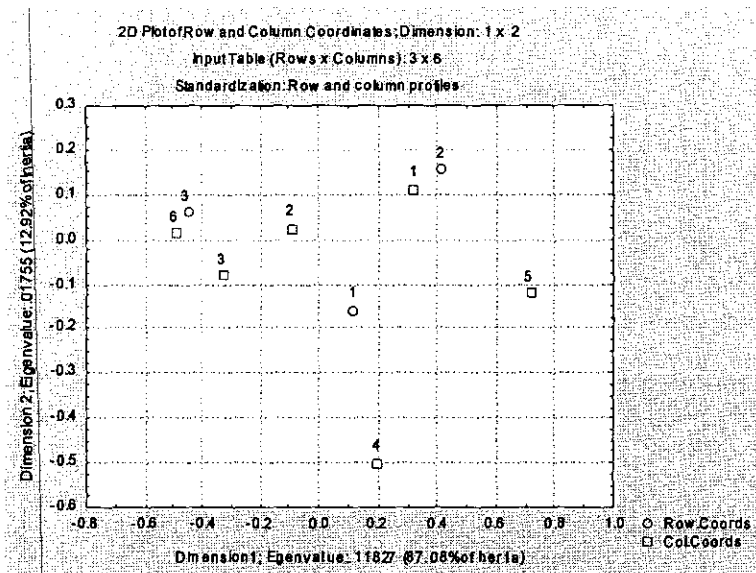
For Esterhuysen (2002:11) it is therefore necessary to view social responsibility not as a “extra”, but on the contrary, as an integral part of an organisation’s plan. Organisations should be prepared to treat social responsibility as a business imperative and moral obligation towards its employees and the communities.

Marx *et al.* (1998:130) indicate that an organisation therefore also pursues social goals such as: high standard of living, economic progress and stability, personal and national security, improved living conditions on both local and national levels and responsibility to its employees (see 6.4.3.1).

According to Gerber *et al.* (1998:247) and Slabbert *et al.* (1999:16-11) organisations determine their social investment budgets according to a percentage of their profit before taxation. In practice, most of the organisations’ budgets are approximately 0.5% to 1% of their profit before taxation for social investment. Some companies, however, use dividends to calculate percentages earmarked. In South Africa there

are no specific laws that require companies to disclose their spending on social responsible projects, except when a separate trust is used as a funding channel.

**FIGURE 6.26: Percentage gross income and social responsibility**



### 6.9.3 Aspects of the size of a company and social responsibility towards employees

The aim in determining the effect size of the size of companies and social responsibility towards employees as seen Figure 6.7, is to establish whether there is a practical significant relation between the size of a company and social responsibility towards employees (see 6.3.4.7). The results are reflected in Figure 6.27 to Figure 6.34.

As indicated in **Figure 6.27** companies with less than 100 employees (1 in Row.Coords) do not associate education with a specific position while for companies with 100 to 500 employees (2 in Row.Coords) education is more likely to be an important issue and therefore put it in the second place (2 in Col.Coords). Companies with more than 500 employees (3 in Row.Coords) are more likely to put education in the first position (1 in Col.Coords). With an effect size of 0.41 it is considered it could be practically significant.

The practical significance of this response is that for larger companies education of employees are important because they add value to the workplace and education creates new opportunities for both employee as well as employer.

Social responsibility (De Klerk & Kruger, 1995:101) involves the managerial obligation to protect and improve the welfare of interests groups, the society as a whole and the interests of the business. Businesses in South Africa cannot ignore the growing tendency for increased social responsibility.

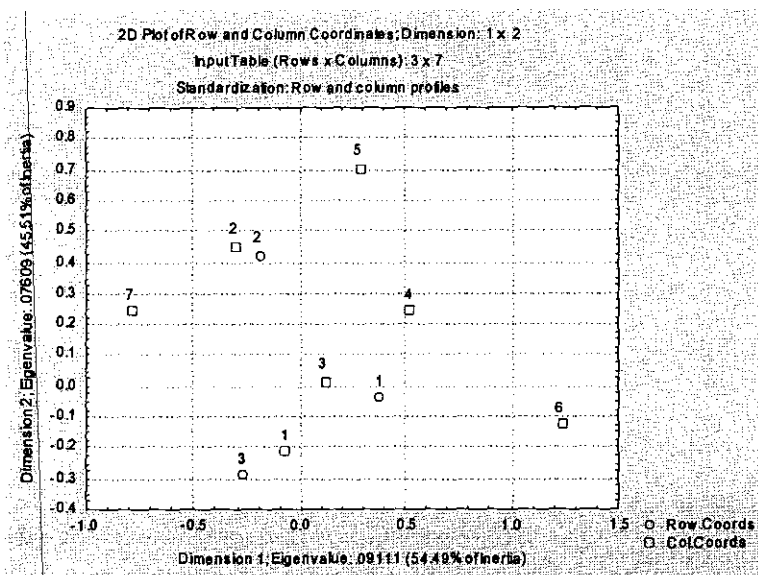
Many factors contribute to an assessment of an organisation's social responsibility today. These include providing equal employment opportunities, respecting the cultural diversity of employees, responding to environmental concerns, providing a safe, healthy workplace and producing safe, high-quality products. Furthermore, an organisation is also judged by its interactions with the community. Many organisations highlight charitable contributions and community service in their annual reports to demonstrate their social responsibility.

Educational deficiencies (Ivancevich, 2004:45) can lead to a scarcity of qualified employees, as well as a lack of educational facilities to upgrade potential employees. The economic imperative of ensuring access to education and development is a challenge more broadly understood by companies, many of whom have learnt a significant amount through their involvement in skills planning and reporting.

Education must be seen as a planned process to increase performance of current and future employees by teaching them the ability to perform as well as new performance abilities and skills.

In 1998 the Skills Development Act (Act No. 81 of 1998) was introduced in Parliament. The Act seeks to encourage employers to use the workplace as an active learning environment and to provide opportunities for new entrants to the labour market to gain work experience (Barker, 2003:260). A special focus of the Act is to improve the employment prospects of previously disadvantaged persons through education and learning (see also 3.12).

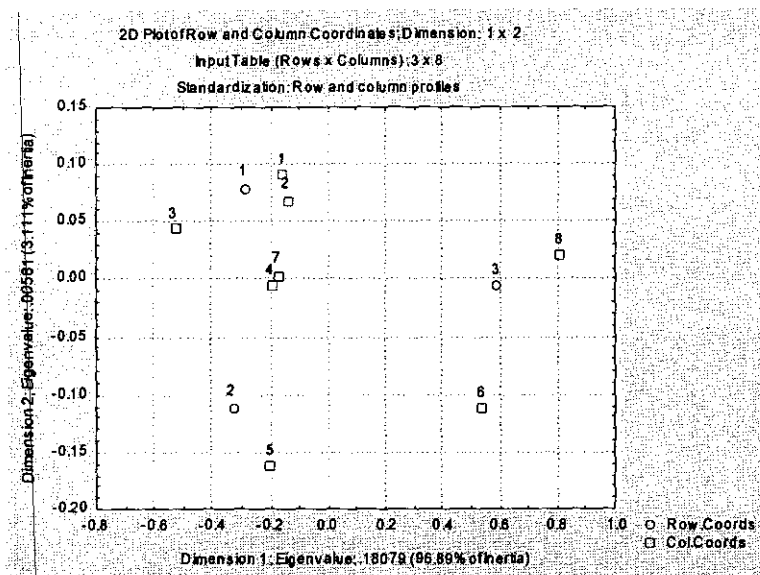
**FIGURE 6.27: Education of employees**



As seen in **Figure 6.28** companies with less than 100 employees (1 in Row.Coords) are more likely to put transport either in first or second position (1 or 2 in Col.Coords). For companies with 100 to 500 employees (2 in Row.Coords) transport is more likely in the fifth position (5 in Col.Coords) while for companies with more than 500 employees (3 in Row.Coords) transport is more likely not an important factor (8 in Col.Coords) to be socially responsible to their employees. With an effect size of 0.43 it is considered it could be practically significant.

The reason for this response was that according to some of the respondents' comments, transport is part of the employees' benefits because of the fact that mining communities often exist in areas that are remote and inhospitable. Furthermore, smaller companies make use of contract workers and they have to be transported each day from and to the mining premises.

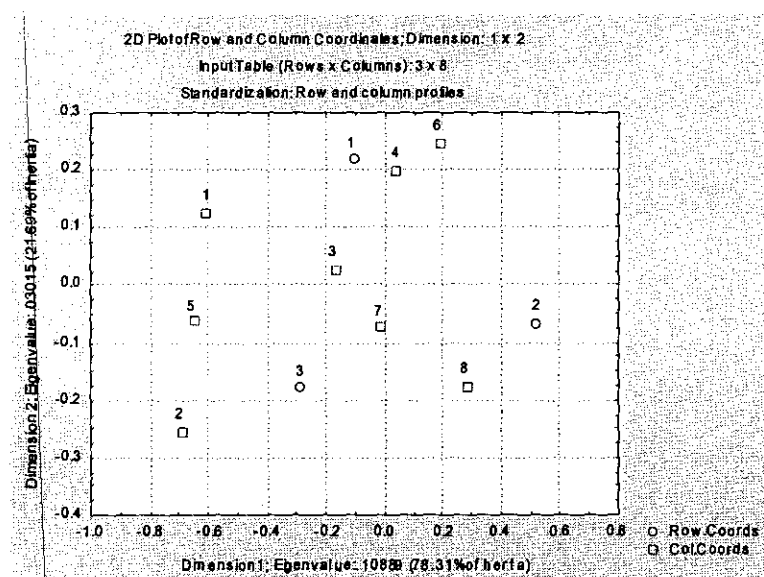
**FIGURE 6.28: Transport for employees**



Companies with less than 100 employees (1 in Row.Coords) are more likely to see sport and recreation facilities, as illustrated in **Figure 6.29**, in either the fourth or sixth position (4 or 6 in Col.Coords) whereas companies with 100 to 500 employees (2 in Row.Coords) are more likely to put sport and recreation facilities in the eight place (8 in Col.Coords). Companies with more than 500 employees (3 in Row.Coords) put sport and recreation facilities either in the second or fifth place (2 or 5 in Col.Coords) for the companies to be socially responsible to their employees. With an effect size of 0.37 it is considered it might be practically significant.

The reasons for this response may be that some of the companies provide recreation facilities for employees on or off the job. Employees of larger mining companies are living in hostels or houses on the premises of the companies and when employees have time free they can participate in sports activities like soccer, swimming or tennis. Companies also participate in company-sponsored sports activities that are intended to keep employees physically fit and to tie them to their employers.

**FIGURE 6.29: Sport / Recreation facilities for employees**

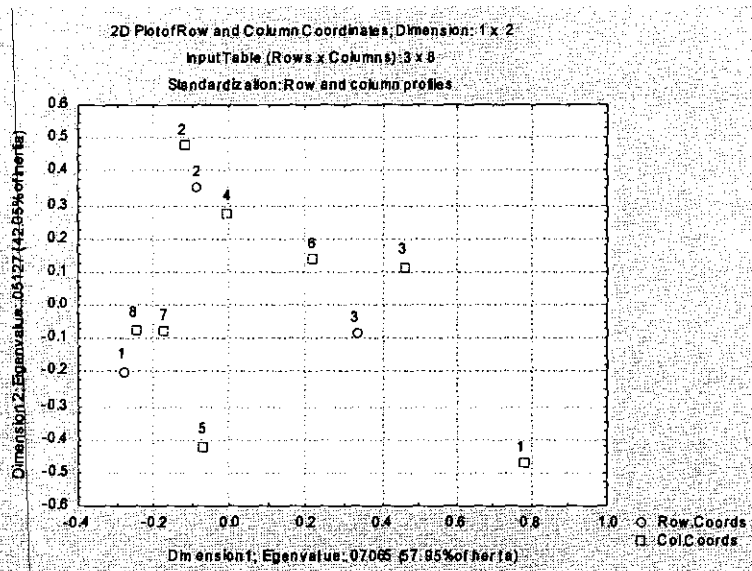


According to **Figure 6.30** companies with less than 100 employees (1 in Row.Coords) are more likely to place the employment of disabled employees in either the seventh or eighth place (7 or 8 in Col.Coords) as part to be social responsible to employees while companies with 100 to 500 employees (2 in Row.Coords) are more likely to see the employment of disabled employees either as the second or fourth important factor (2 or 4 in Col.Coords) to be social responsible while companies with more than 500 employees (3 in Row.Coords) are more likely to see employment of disabled employees either as the third or sixth important factor (3 or 6 in Col.Coords) to be socially responsible. With an effect size of 0.35 it is considered it might be practically significant.

The practical significance of this response may be that organisations are required to take some reasonable action to allow disabled employees to work for them so that disabled people enjoy equal employment opportunity.

People with disabilities are often seen as being less capable than others. This misconception persists even though people who are blind and deaf can perform many tasks just as well as those with normal sight and hearing. Furthermore, some employers are afraid to hire people with disabilities or put them in responsible positions for fear that they may quit when pressures mount (Gómez-Mejía *et al.*, 2004:131).

**FIGURE 6.30: Employment of disabled employees**

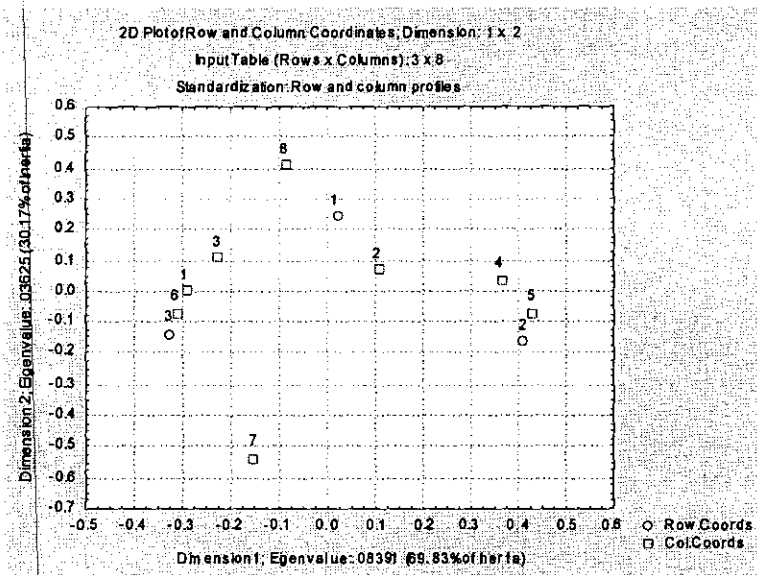


As illustrated in **Figure 6.31** for companies with less than 100 employees (1 in Row.Coords) housing to employees are more likely to be the second important factor (2 in Col.Coords) to be socially responsible while companies with 100 to 500 employees (2 in Row.Coords) are more likely to put housing to employees either in the fourth or fifth important factor (4 or 5 in Col.Coords) while companies with more than 500 employees (3 in Row.Coords) are more likely to place housing to employees either as the first or sixth important factor (1 or 6 in Col.Coords) to be socially responsible to their employees. With an effect size of 0.35 it is considered it might be practically significant.

The reason for this response may be that for larger companies housing are part of the employee's benefit package and companies are also providing accommodation for employees.

According to the *Annual Report 2002-2003* of the Chamber of Mines (2004:41) negotiating parties considered accommodation as one of the most crucial aspects on the agenda of the 2003 wage review. Taking cognisance of the Mining Charter's obligations regarding accommodation, parties committed themselves to establish measures to improve the standard of accommodation for mineworkers, including upgrading hostels, converting hostels into family units and promoting home ownership for all employees.

**FIGURE 6.31: Housing for employees**



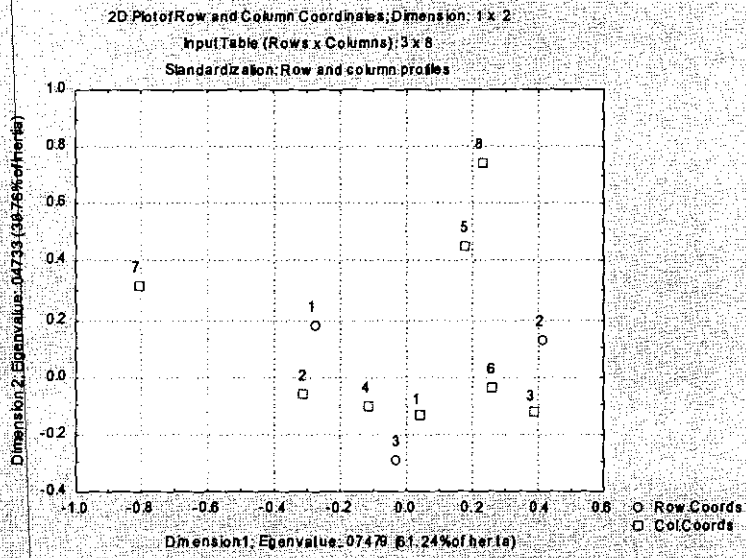
According to **Figure 6.32** companies with less than 100 employees (1 in Row.Coords) do not associate strongly with a position for medical/pension benefits to be socially responsible to employees. For companies with 100 to 500 employees (2 in Row.Coords) are likely to put medical/pension benefits either in the third or sixth place (3 or 6 in Col.Coords) while for companies with more than 500 employees (3 in Row.Coords) medical/pension benefits are more likely the fourth important factor (4 in Col.Coords) to be socially responsible to employees. With an effect size of 0.35 it is considered it might be practically significant.

The reasons for this response may be that medical and pension benefits are part of the employees' benefits. A defined benefit pension plan specifies the benefit employees will get at retirement. The companies are responsible for monthly contributing an amount into the employee's pension fund.

With reference to one of the objectives of this study (see 1.3) larger companies are willing to support employees with medical assistance. Furthermore, some of the larger mining companies have on-site clinics for their employees as well facilities for HIV/AIDS employees.

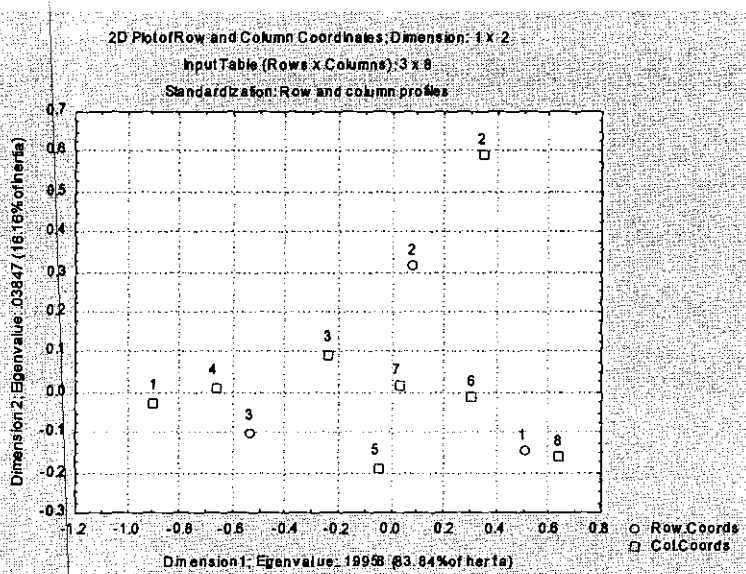
According to the Mine Health and Safety Act (No. 29 of 1996) mining companies are responsible for their employees' safety and health as well as other persons at mines and therefore to promote a culture of health and safety.

**FIGURE 6.32: Medical / Pension benefits**



As illustrated in **Figure 6.33** study bursaries as a contributing factor to be socially responsible towards employees for companies with less than 100 employees (1 in Row.Coords) are not likely an important factor (8 in Col.Coords). For companies with 100 to 500 employees (2 in Row.Coords) study bursaries to employees are more likely an important factor (2 in Col.Coords). For companies with more than 500 employees (3 in Row.Coords) study bursaries to employees are likely to be either in first or fourth position (1 or 4 in Col.Coords). With an effect size of 0.49 it is considered as practically significant.

**FIGURE 6.33: Study bursaries to employees**

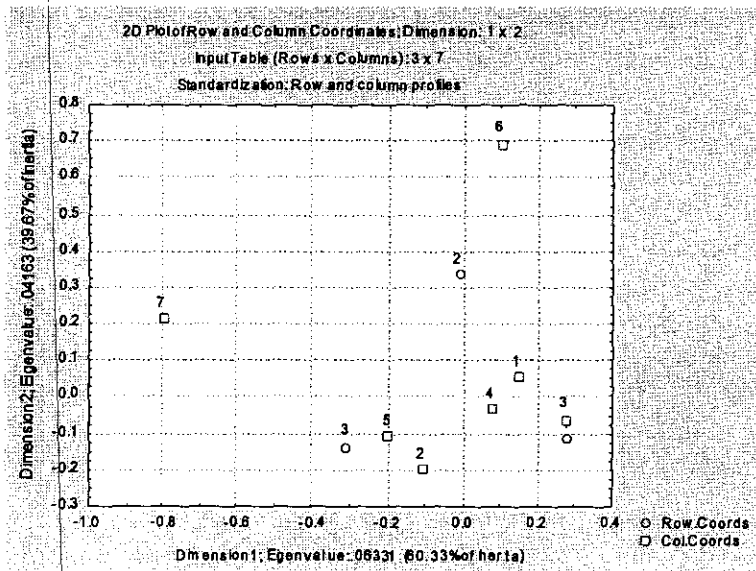


The practical significance of this response may be that larger companies are in better position to help their employees by providing study bursaries to improve their education.

According to **Figure 6.34** improvement of living standards as part of being socially responsible towards their employees was for companies with less than 100 employees (1 in Row.Coords) more likely the third most important factor (3 in Col.Coords) whereas companies with 100 to 500 employees (2 in Row.Coords) improvement of living standards do not associate with any position while companies with more than 500 employees (3 in Row.Coords) are more likely to see improvement of living standards as the fifth important factor (5 in Col.Coords). With an effect size of 0.32 it is considered it might be practically significant.

The practical significance for this response may be that companies want to be associated with the improvement of living standards for employees by providing housing, medical/pension benefits and education. With reference to one of the objectives of this study (see 1.3) companies are willing to support employees by improving their living standards.

**FIGURE 6.34: Improvement of living standards for employees**



#### **6.9.4 Aspects of the size of a company and social responsibility towards the community**

The aim in determining the effect size of the size of companies and social responsibility towards the community as seen Figure 6.8, is to establish whether there is a practical significant relation between the size of a company and social responsibility towards community (see 6.3.4.8). The results are reflected in Figure 6.35 to Figure 6.42.

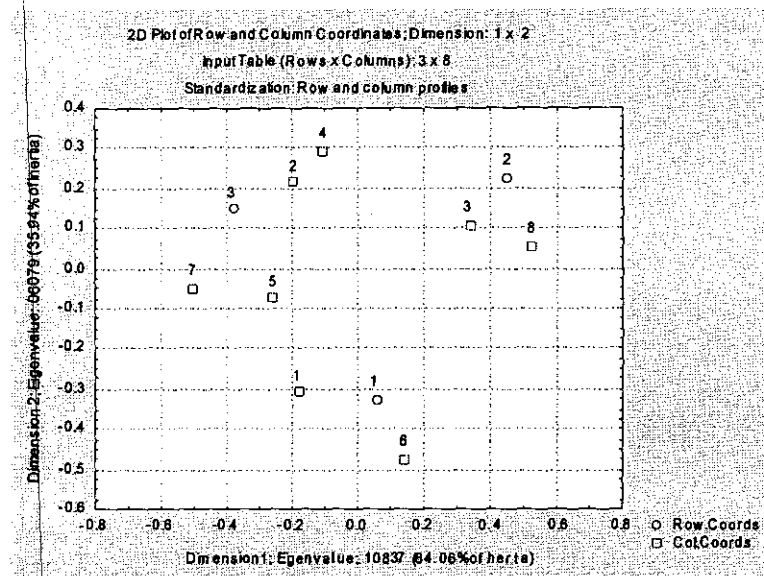
According to **Figure 6.35** for companies with less than 100 employees (1 in Row.Coords) welfare services to the community are most likely ranked the sixth important factor (6 in Col.Coords) to be socially responsible towards the community. For companies with 100 to 500 employees (2 in Row.Coords) welfare services to the community are more likely ranked as either the third or eighth important factor (3 or 8 in Col.Coords) to be socially responsible. For companies with more than 500 employees (3 in Row.Coords) welfare services are more likely either the second or fourth important factor (2 or 4 in Col.Coords). With an effect size of 0.41 it is considered it could be practically significant.

The practical significance of this response may be that larger companies see their role to be social responsibility to the community to be part of welfare services in the form of helping the dependants of HIV/AIDS employees in providing medical support.

Proponents of social responsibility (Slabbert *et al.*, 1999:16-19) hold the opinion that in a society such as South Africa with its high level of poverty, inequality and social problems arising from these material conditions (of which the prevalence of violent crime is a good example), companies have a crucial role to play in securing an equitable and stable environment in which to conduct business in.

The realities of welfare are that many persons on government assistance programmes are either ready for work or nearly prepared (Ivancevich, 2004:139). But they face many additional barriers because of their circumstances. Such persons need additional assistance and with some creative programmes from companies can become productive and valuable employees and citizens (see also 3.12).

**FIGURE 6.35: Welfare services**

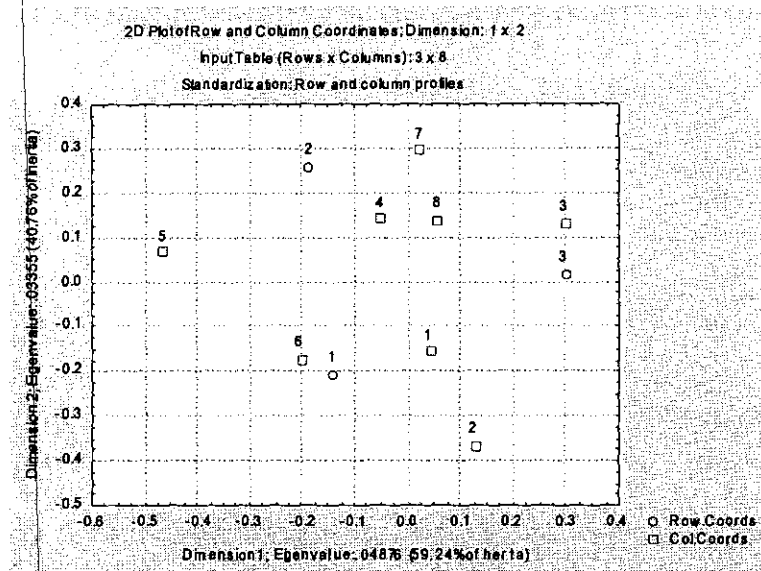


As illustrated in **Figure 6.36** for companies with less than 100 employees (1 in Row.Coords) prevention of pollution is more likely to be the sixth important factor (6 in Col.Coords) to be socially responsible towards the community. For companies with 100 to 500 employees (2 in Row.Coords) prevention of pollution is more likely to be the fourth important factor (4 in Col.Coords) to be socially responsible For companies with more than 500 employees (3 in Row.Coords) prevention of pollution is more likely the third important factor (3 in Col.Coords). With an effect size of 0.30 it is considered it might be practically significant.

The reason for this response may be that mining by its very nature impacts on the environment. Companies have a responsibility to society, to respect environmental considerations and take care of the effects of potential dangers of pollution, especially air, water and noise pollution.

As part of one of the objectives of this study (1.3) companies have to provide better living, safety and working conditions for employees. By preventing pollution companies are socially responsible towards their employees as well as the community where the mining sites are situated.

**FIGURE 6.36: Prevention of pollution**

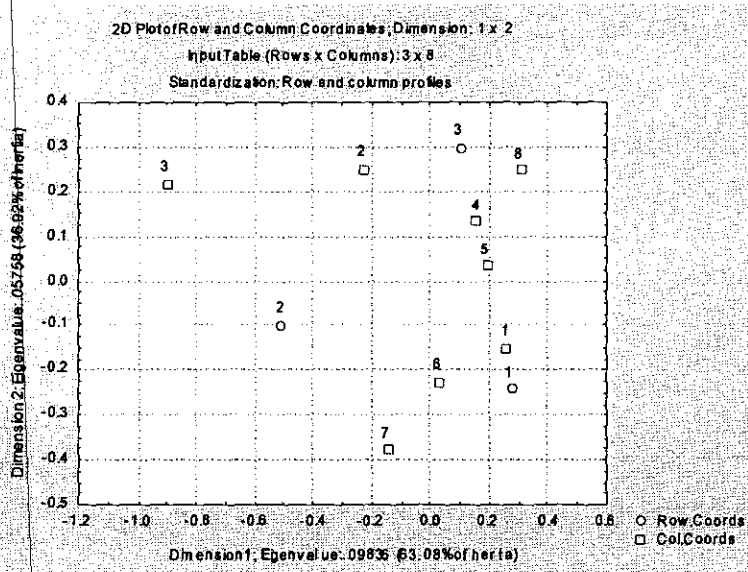


As illustrated in **Figure 6.37** companies with less than 100 employees (1 in Row.Coords) are more likely to put sponsorships to be social responsible to the community in either the first or sixth position (1 or 6 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put sponsorships in the seventh place (7 in Col.Coords). For companies with more than 500 employees (3 in Row.Coords) sponsorships are more likely not an important factor (8 in Col.Coords). With an effect size of 0.39 it is considered it might be practically significant.

Sponsorship is an ideal avenue to display the name of companies in front of potential and existing customers (Flanagan & Finger, 2004:540). Companies choose events where those attending share the values and interests of the company. Increasingly, consumers want to purchase products from suppliers who share their values. By being associated with (or sponsoring) an appropriate event, companies can get closer to targeted customers, and in doing so, affirm that companies care about them and their lifestyles.

Companies use sponsorships to build their social responsible image regarding the community they serve. Big events such as sporting days, art and culture are regularly sponsored by mining companies (see 3.12). The aim of the sponsorship is not only to help the community but also to have the company's name printed in the media.

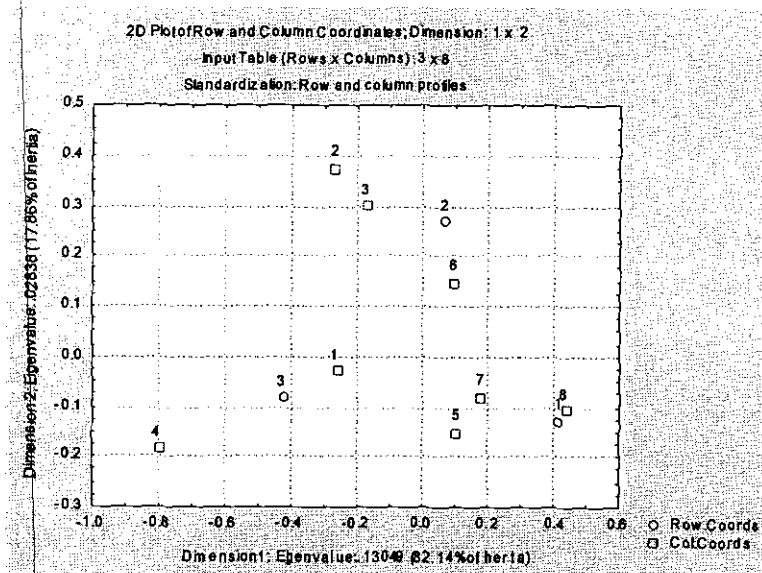
**FIGURE 6.37: Sponsorships**



As illustrated in **Figure 6.38** for companies with less than 100 employees (1 in Row.Coords) bursaries to the community as a social responsible factor is more likely placed in the eighth place (8 in Col.Coords). For companies with 100 to 500 employees (2 in Row.Coords) bursaries to the community as a contributing factor to be social responsible is more likely in the sixth position (6 in Col.Coords). For companies with more than 500 employees (3 in Row.Coords) bursaries to the community is more likely an important factor (1 in Col.Coords). With an effect size of 0.40 it is considered it could be practically significant.

The practical significance of this response may be that larger companies see bursaries as a socially responsible contributing factor to members of the community is benefiting companies because it is for future employees that are necessary for the company's survival.

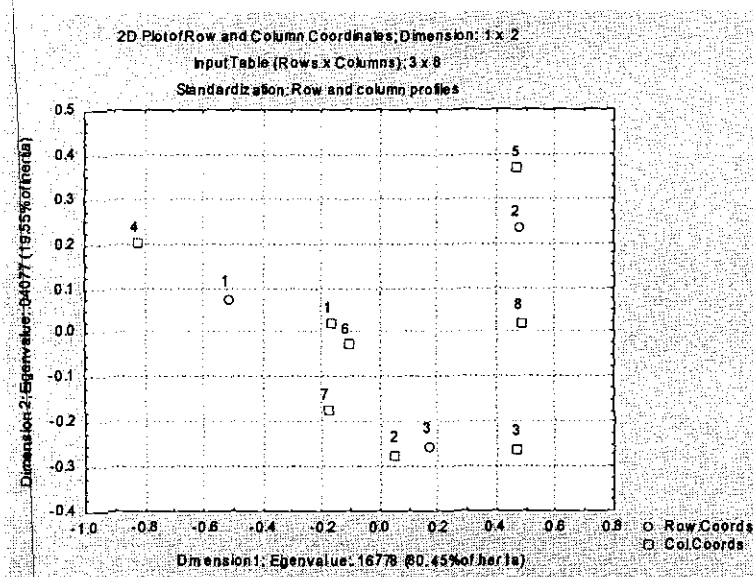
**FIGURE 6.38: Bursaries to the community**



According to **Figure 6.39** (see also Figure 6.31) companies with less than 100 employees (1 in Row.Coords) are more likely to put housing to the community in fourth position (4 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to place housing to the community in the fifth place (5 in Col.Coords) while for companies with more than 500 employees (3 in Row.Coords) are more likely to place housing to the community second (2 in Col.Coords). With an effect size of 0.46 it is considered as practically significant.

The reason for this response may be that mining companies are dependent on the community for the recruitment of workers. Mining companies, especially in the rural areas, committed themselves to establish measures to improve the standard of accommodation for mineworkers as well as the promoting of home ownership for the community.

**FIGURE 6.39: Housing to the community**



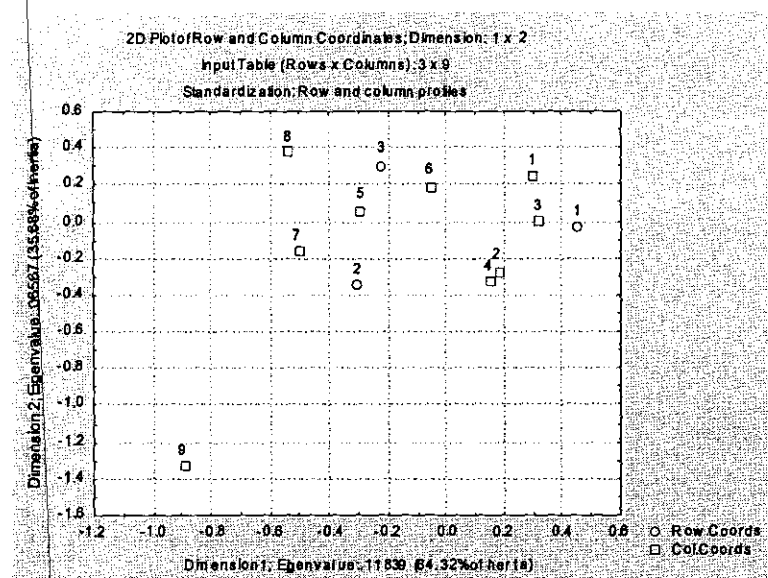
According to **Figure 6.40** companies with less than 100 employees (1 in Row.Coords) are more likely to see productivity as a contributing factor to be social responsible to the community as an important factor (1 in Col.Coords) while companies with 100 to 500 employees (2 in Row.Coords) are more likely to put productivity in the seventh place (7 in Col.Coords). For companies with more than 500 employees (3 in Row.Coords) productivity is more likely not an important factor (5 or 6 in Col.Coords) to be socially responsible to the community. With an effect size of 0.43 it is considered it could be practically significant.

Productivity is not only of extreme importance for the individual company, but also for the economy of a country, every sector and industry. De Klerk and Kruger (1995:211) believe that the improvement of productivity should be a priority for all companies. Low productivity growth and rising production costs will lead to higher product prices and will eventually jeopardise the competitive position of the company and will also have an influence on the community.

Williams (2002:481) believes that companies with higher productivity results in lower costs. In turn, lower costs can lead to lower prices, higher market share and higher profits. For companies, productivity matters because it produces a higher standard of living.

For Boone and Kurtz (2000:23) productivity is a widely recognised measure of a company's efficiency. In turn, the total productivity of a company has become a measure of its economic strength and standard of living.

**FIGURE 6.40: Productivity**

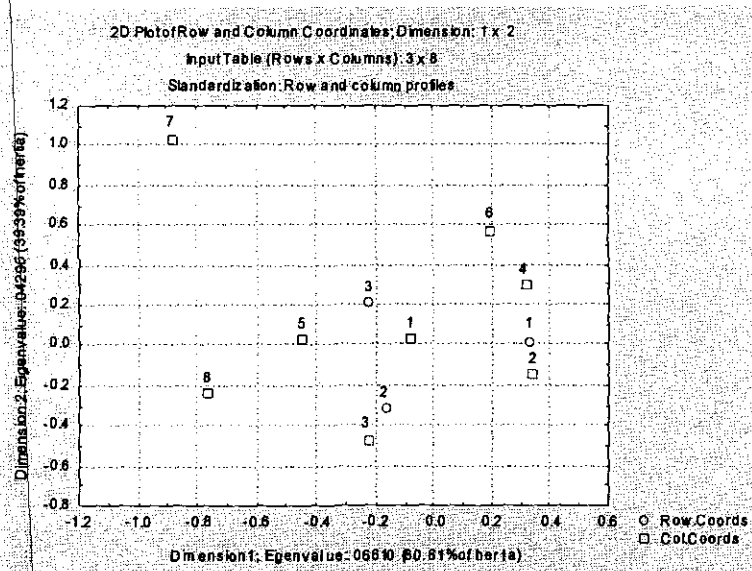


In Figure 6.41 companies with less than 100 employees (1 in Row.Coords) are more likely to place employment as a social responsibility towards the community either second or fourth (2 or 4 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to place employment to the community as the third important factor (3 in Col.Coords) to be socially responsible whereas companies with more than 500 employees (3 in Row.Coords) are more likely to place employment in the fifth position (5 in Col.Coords) to be socially responsible to the community. With an effect size of 0.33 it is considered it might be practically significant.

Bovée *et al.* (1993:109) maintain the idea that socially responsible companies can make a substantial difference in their communities by providing employment and assistance in solving pressing needs.

Slabbert and Swanepoel (2000:6) believe that managers of companies must perform various tasks and functions so that the employment relationship among the company and the community has a positive influence on the companies' pursuit of success in a rapidly changing environment.

**FIGURE 6.41: Employment**

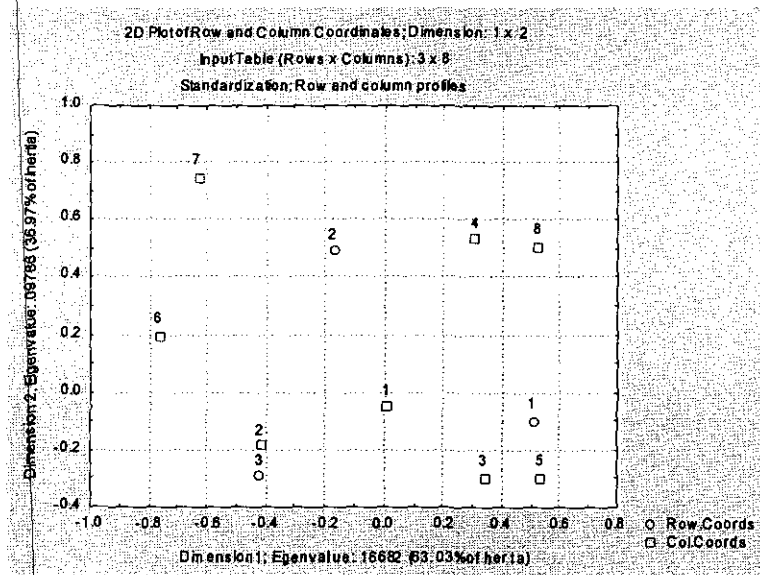


In **Figure 6.42** companies with less than 100 employees (1 in Row.Coords) placed the improvement of living standards more likely in either the third or fifth place (3 or 5 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put improvement of living standards in the seventh position (7 in Col.Coords) whereas for companies with more than 500 employees (3 in Row.Coords) the improvement of living standards are an important factor (2 in Col.Coords) to be socially responsible to the community. With an effect size of 0.51 it is considered as practically significant.

Companies have an obligation to co-operate in raising the standard of living or quality of life and improving the working environment for all members of the community or society and even for the citizens of the country (Nieman *et al.*, 2002:360).

For Ebert and Griffin (2003:19) standard of living is the total quantity and quality of goods and services that a country's citizens can purchase with the currency used in their economic system. Furthermore, standard of living improves only through increases in productivity.

**FIGURE 6.42: Improvement of living standards for community**



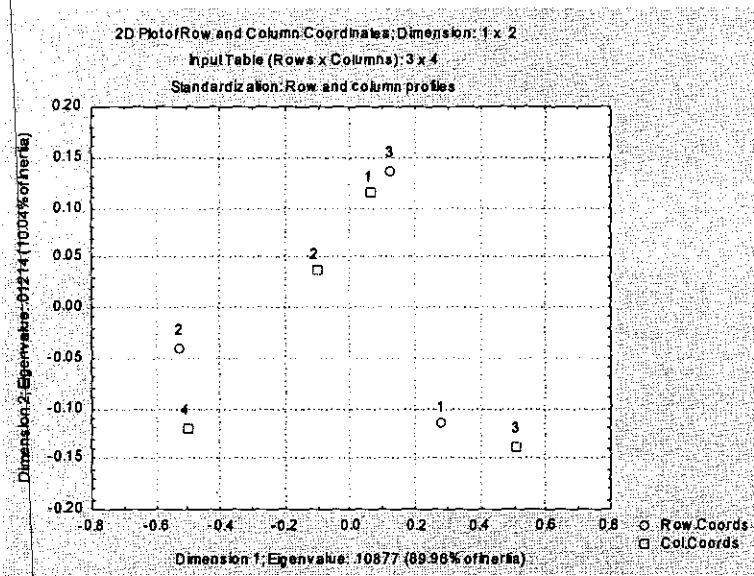
### 6.9.5 Aspects of the size of a company and problems in fulfilment of social responsibility

The aim in determining the effect size of the size of companies and problems in fulfilment of social responsibility as seen Figure 6.9, is to establish whether there is a practical significant relation between the size of a company and problems in fulfilment of social responsibility (see 6.3.4.9). The results are reflected in Figure 6.43 to Figure 6.49. Respondents could have chosen any four of the problems listed in question 20.

In **Figure 6.43** companies with less than 100 employees (1 in Row.Coords) are more likely to place insufficient communication between community and company in the third position (3 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put insufficient communication between community and company in the fourth place (4 in Col.Coords) whereas for companies with more than 500 employees (3 in Row.Coords) insufficient communication between community and company are an important factor (1 in Col.Coords). With an effect size of 0.35 it is considered it might be practically significant.

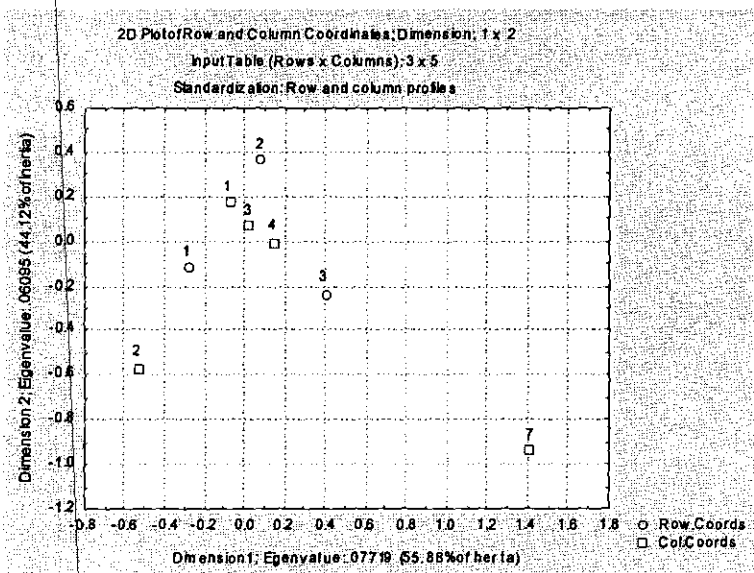
Most companies that strive to be responsible to their stakeholders (see 3.8) concentrate first and foremost on five main groups: customers, employees, investors, suppliers and the local communities where they do business (Ebert & Griffin, 2003:45).

**FIGURE 6.43: Insufficient communication between community and company**



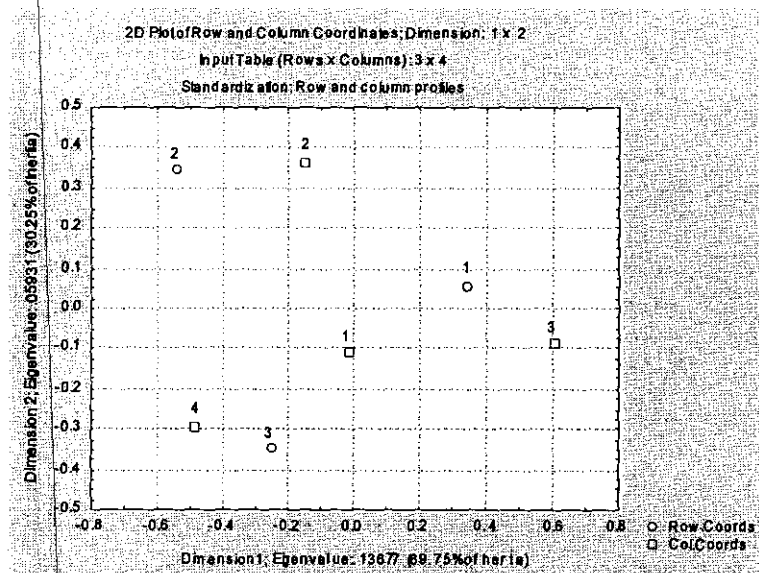
In Figure 6.44 companies with less than 100 employees (1 in Row.Coords) are more likely to place not enough knowledge on social responsibility second (2 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put not enough knowledge on social responsibility in the first place (1 in Col.Coords) whereas companies with more than 500 employees (3 in Row.Coords) are more likely to put not enough knowledge on social responsibility in the fourth place (4 in Col.Coords). With an effect size of 0.37 it is considered it could be practically significant.

**FIGURE 6.44: Not enough knowledge on social responsibility**



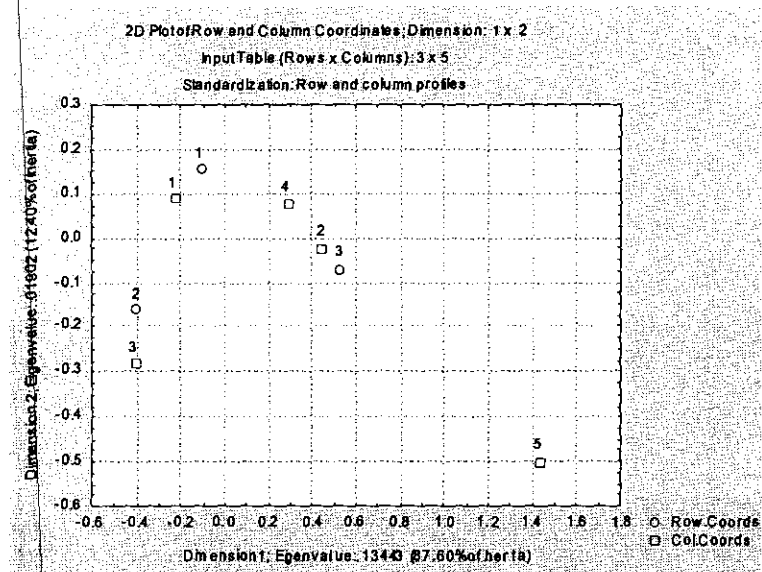
As illustrated in **Figure 6.45** companies with less than 100 employees (1 in Row.Coords) are more likely to put doesn't know how to use social responsibility in the third position (3 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put doesn't know how to use social responsibility in the second place (2 in Col.Coords) whereas companies with more than 500 employees (3 in Row.Coords) are more likely to put doesn't know how to use social responsibility in the fourth place (4 in Col.Coords). With an effect size of 0.44 it is considered as practically significant.

**FIGURE 6.45: Doesn't know how to use social responsibility**



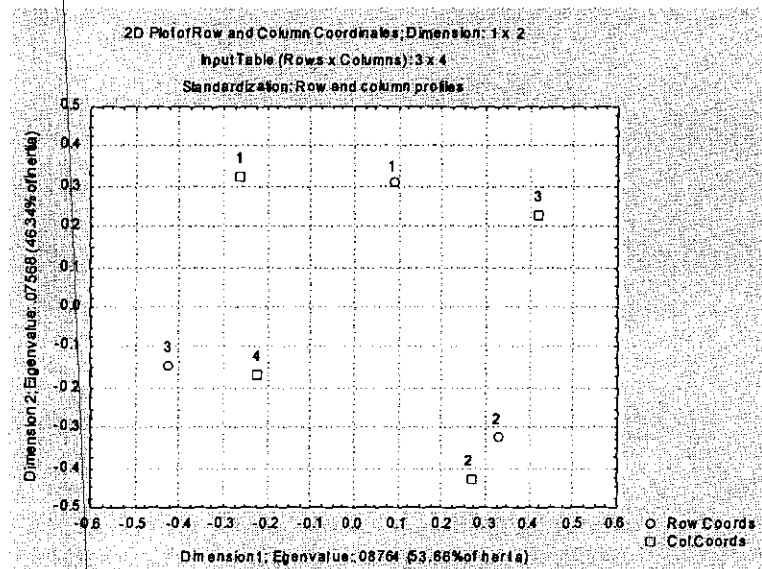
In **Figure 6.46** companies with less than 100 employees (1 in Row.Coords) are more likely to place the lack of capital in the first position (1 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put lack of capital in the third place (3 in Col.Coords) whereas companies with more than 500 employees (3 in Row.Coords) are more likely to place lack of capital in the second place (2 in Col.Coords). With an effect size of 0.39 it is considered it might be practically significant.

**FIGURE 6.46: The lack of capital**



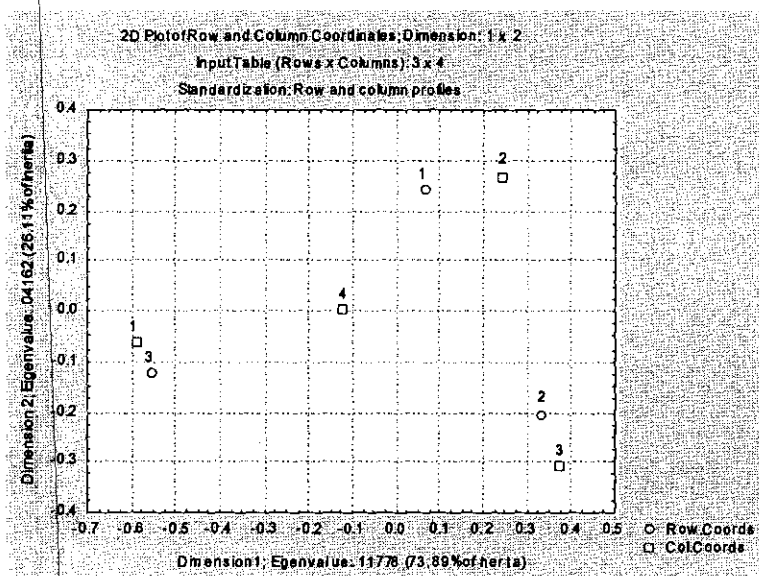
According to **Figure 6.47** companies with less than 100 employees (1 in Row.Coords) are more likely to place personnel not trained in the third position (3 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put personnel not trained in the second place (2 in Col.Coords) whereas companies with more than 500 employees (3 in Row.Coords) are more likely to put personnel not trained in the fourth place (4 in Col.Coords). With an effect size of 0.40 it is considered it could be practically significant.

**FIGURE 6.47: Personnel not trained**



In **Figure 6.48** companies with less than 100 employees (1 in Row.Coords) are more likely to place the lack of interest by management and personnel in the second position (2 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put the lack of interest by management and personnel in the third place (3 in Col.Coords) whereas for companies with more than 500 employees (3 in Row.Coords) lack of interest by management and personnel were in first place (1 in Col.Coords). With an effect size of 0.40 it is considered it could be practically significant.

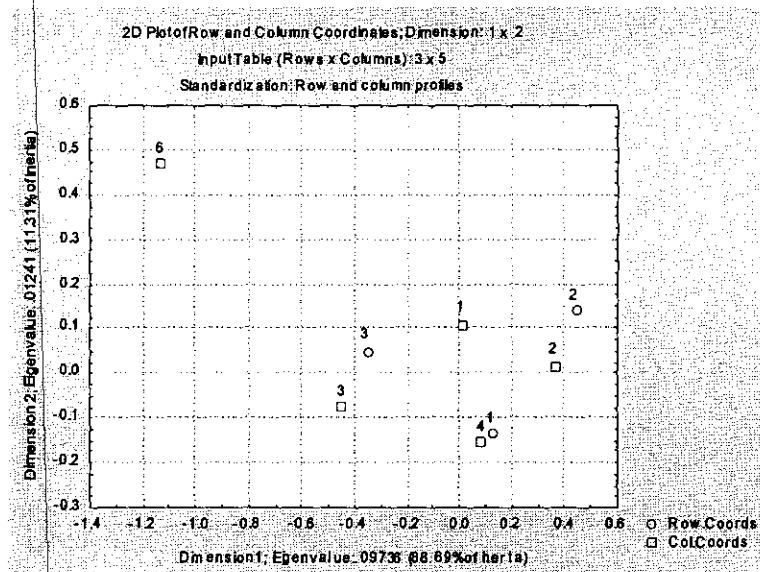
**FIGURE 6.48: The lack of interest by management and personnel**



In **Figure 6.49** companies with less than 100 employees (1 in Row.Coords) are more likely to place the lack of infrastructure in the fourth position (4 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put lack of infrastructure in the second place (2 in Col.Coords) whereas companies with more than 500 employees (3 in Row.Coords) are more likely to put lack of infrastructure in the third place (3 in Col.Coords). With an effect size of 0.33 it is considered it might be practically significant.

**Summary:** The practical significance of these responses may be that companies – large and small – do not have the capital as well as infrastructure to be involved with any social responsibility projects. A bigger problem is that there is not enough knowledge about what social responsibility stands for.

**FIGURE 6.49: The lack of infrastructure**



### 6.9.6 Aspects of the size of a company and does the company has an HIV/AIDS policy

The aim in determining the effect size of the size of companies and if the company has an HIV/AIDS policy as seen in Table 6.9, is to establish whether there is a practical significant relation between the size of a company and HIV/AIDS policy (see 6.4.4.1). The results are reflected in Figure 6.50.

According to **Figure 6.50** companies with less than 100 employees (1 in Row.Coords) are more likely not to have an HIV/AIDS policy (2 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to have an HIV/AIDS (1 in Col.Coords) and companies with more than 500 employees (3 in Row.Coords) are more likely to have an HIV/AIDS policy (1 in Col.Coords). With an effect size of 0.56 it is considered as practically significant.

HIV/AIDS continues to have a major impact on most South African companies and many of them have not yet realised, nor quantified the current impact on their bottom line. AIDS research still shows an alarmingly high HIV prevalence rate of around one out of four people (SANLAM, 2004:5).

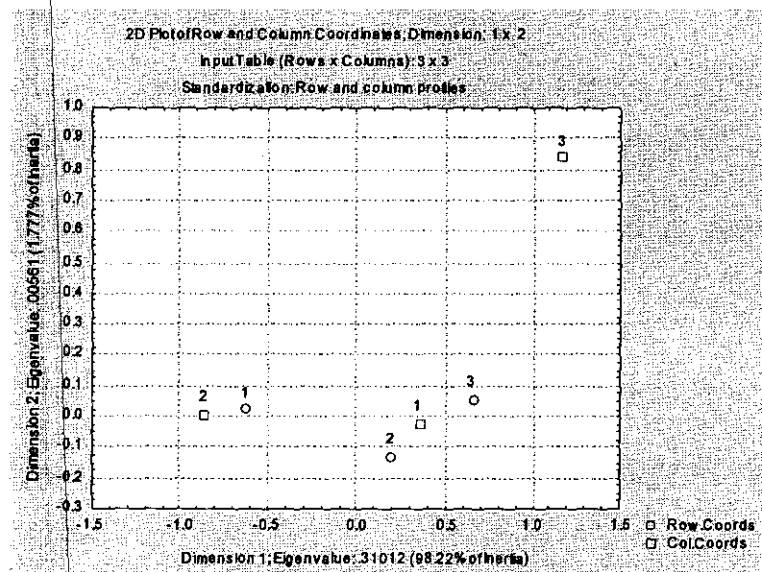
Furthermore, according to the Department of Health (2003a:200) an increasing number of companies are conducting HIV prevalence studies among their workforces

for the purposes of risk assessment and strategic planning (see 4.15). Economists have used the HIV surveillance data along with individual level data from workplaces to calculate the cost of HIV to a range of companies. The differences in costs to the companies arise largely from differences in employee benefits. A case of AIDS costs more to a company that provides comprehensive benefits in comparison to a company that has only minimal benefits. However, in all companies, HIV will have a significant impact on these data that has proved useful for planning and scenario setting.

The Department of Health (2003a:200) further mentions that there is also evidence that companies are protecting themselves from the impact of this epidemic by using less constructive approaches, in particular the trend to “outsource” lower skilled jobs to labour brokers who frequently do not provide benefits.

One of the most effective ways of reducing and managing the impact of HIV/AIDS in the workplace is through the implementation of an HIV/AIDS policy and programme (see 4.19).

**FIGURE 6.50: HIV/AIDS policy?**

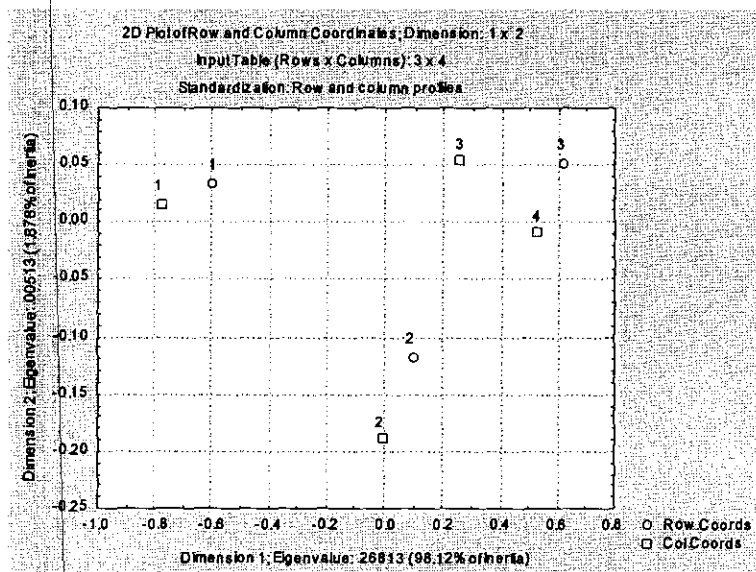


### 6.9.7 Aspects of the size of a company and number of years HIV/AIDS policy in place

The aim in determining the effect size of the size of companies and number of years HIV/AIDS policy has been in place as seen in Table 6.10, is to establish whether there is a practical significant relation between the size of a company and the number of years an HIV/AIDS policy has been in place (see 6.4.4.2). The results are reflected in Figure 6.51.

According to **Figure 6.51** companies with less than 100 employees (1 in Row.Coords) an HIV/AIDS policy is more likely not yet in place (1 in Col.Coords). For companies with 100 to 500 employees (2 in Row.Coords) an HIV/AIDS policy is more likely less than a year in place (2 in Col.Coords) while for companies with more than 500 employees (3 in Row.Coords) an HIV/AIDS policy is mostly either between 1 and 3 years or more than 4 years in place (3 or 4 in Col.Coords). With an effect size of 0.52 it is considered as practically significant.

**FIGURE 6.51: AIDS policy – years in place?**



### **6.9.8 Aspects of the size of a company and implementation of certain HIV/AIDS programmes**

The aim in determining the effect size of the size of companies and the implementation of certain HIV/AIDS programmes as seen in Table 6.11, is to establish whether there is a practical significant relation between the size of a company and the implementation of certain HIV/AIDS programmes (see 6.4.4.3 and Appendix B). The results are reflected in Figure 6.52 to Figure 6.55.

As seen in **Figure 6.52** companies with less than 100 employees (1 in Row.Coords) are more likely not to have a voluntary counselling and testing programme (2 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to have a voluntary counselling and testing programme (1 in Col.Coords) and companies with more than 500 employees (3 in Row.Coords) are more likely to have a voluntary counselling and testing programme (1 in Col.Coords). With an effect size of 0.38 it is considered it might be practically significant.

For an HIV-negative individual, the goal is to avert becoming infected. For an HIV-positive person, the goal is to keep as healthy as possible and to avert from transmitting the infection to others (Gibney *et al.*, 1999:94). Workers with HIV infection who are healthy should be treated the same as any other worker. Workers with HIV-related illnesses, including AIDS, should be treated the same as any other worker with an illness (as cited: *World Health Organisation/ILO Consensus Statement on AIDS in the Workplace*).

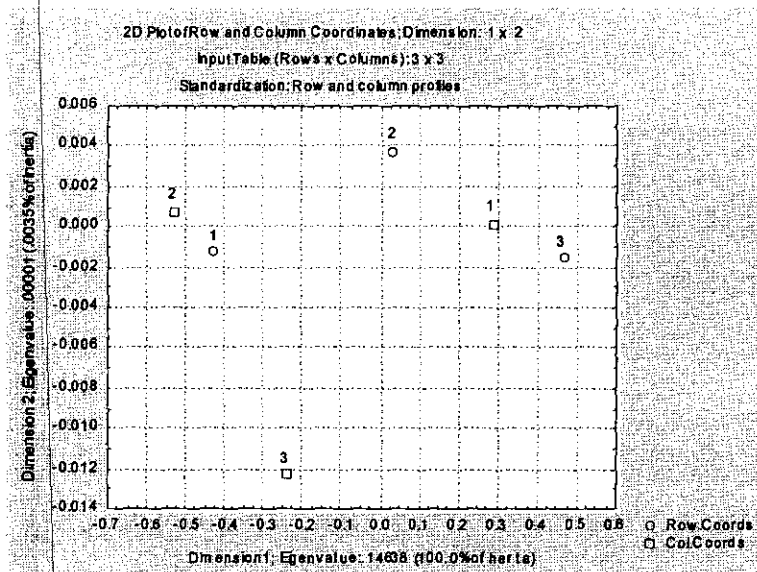
According to an article in *Sunday Times* (Aidsinfo, 2004) companies need to develop trust within the organisation to overcome the stigma around HIV/AIDS and encourage employees to participate in voluntary counselling and testing (see 5.2.5.5, 5.4). One of the key challenges for companies that already have effective HIV/AIDS programmes in place is to keep the issue high on the agenda.

An important facility that can be offered by an employer is to provide employees with access to confidential and convenient voluntary individual HIV/AIDS testing. Voluntary testing is a first line prevention mechanism. HIV/AIDS positive individuals who know their status can ensure that they manage their lives and prevent

transmission. Furthermore, properly structured employee assistance programmes (EAP) and related counselling services are required as part of the company's formal programmes (Redribbon, 2003).

Larger companies could as part of their social responsibility projects help or assist smaller companies to implement an HIV/AIDS programme or with awareness programmes for their employees.

**FIGURE 6.52: A voluntary counselling and testing programme**



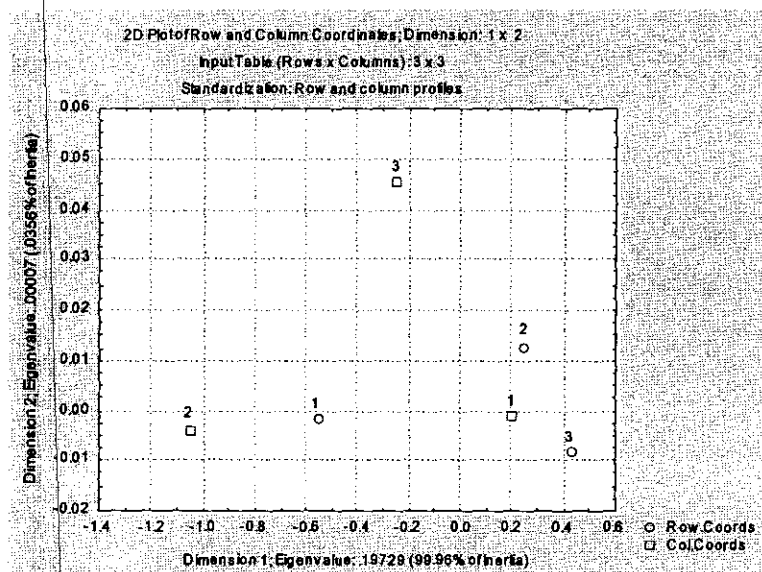
As illustrated in **Figure 6.53** companies with less than 100 employees (1 in Row.Coords) are more likely not to have an HIV/AIDS workplace awareness programme (2 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to have an HIV/AIDS workplace awareness programme (1 in Col.Coords) and companies with more than 500 employees (3 in Row.Coords) are more likely to have an HIV/AIDS workplace awareness programme (1 in Col.Coords). With an effect size of 0.44 it is considered that it could be practically significant.

People who are diagnosed as HIV-positive have to deal with all sorts of feelings – fear, helplessness, anger, confusion and sadness. They may find it difficult to talk to their friends and family about their feelings and they may also have many decisions to make about their life.

According to BER (2004:27) any workplace HIV/AIDS programme should consist of two basic elements, namely programmes that aim to prevent or reduce new HIV infection (e.g. voluntary counselling and testing and HIV/AIDS awareness programmes) and programmes that provide treatment, care and support to employees and their families who are infected or affected by HIV/AIDS (see 5.4.8).

The goal of these programmes is to promote awareness about HIV and sexually transmitted diseases (STD) for all employees, or more usually, a selected subset of employees. In most cases, education/awareness programmes are operated at low cost to the company by a peer educator or by a designated AIDS co-ordinator (McPherson *et al.*, 2000:31).

**FIGURE 6.53: HIV/AIDS workplace awareness programme**

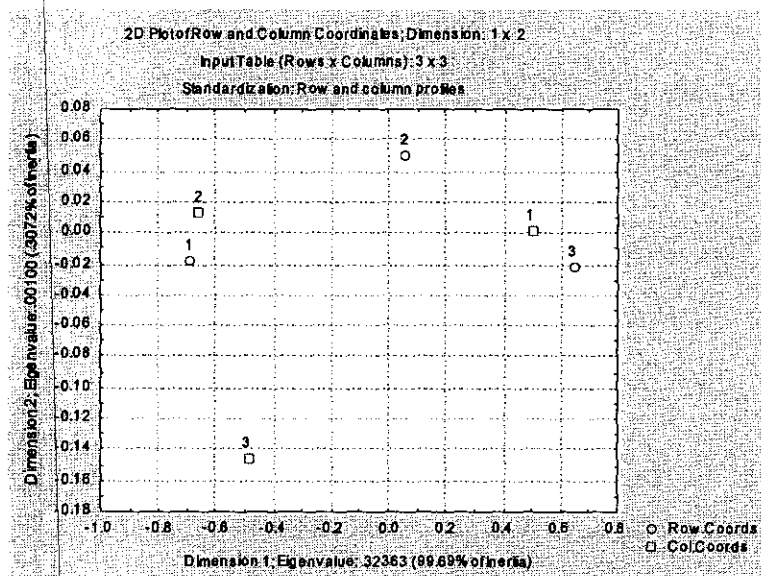


According to **Figure 6.54** companies with less than 100 employees (1 in Row.Coords) are more likely more likely not to have an HIV/AIDS care, support and treatment programme (2 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to have an HIV/AIDS care, support and treatment programme (1 in Col.Coords) and companies with more than 500 employees (3 in Row.Coords) are more likely to have an HIV/AIDS care, support and treatment programme (1 in Col.Coords). With an effect size of 0.57 it is considered as practically significant.

People with HIV/AIDS, according to Barker (2003:59) require the right information in order to gain access to support and to allocate their scarce resources in a way that reduces the effects of the disease on themselves and their households.

Because HIV/AIDS affects all employee groups, prevention and care efforts must be targeted and be available to employees at all levels of the company and at all sites where the company works. Some companies have gone beyond their own employees, requiring that contractors doing business with the company have active HIV/AIDS prevention programmes of their own.

**FIGURE 6.54: HIV/AIDS care, support and treatment programme**

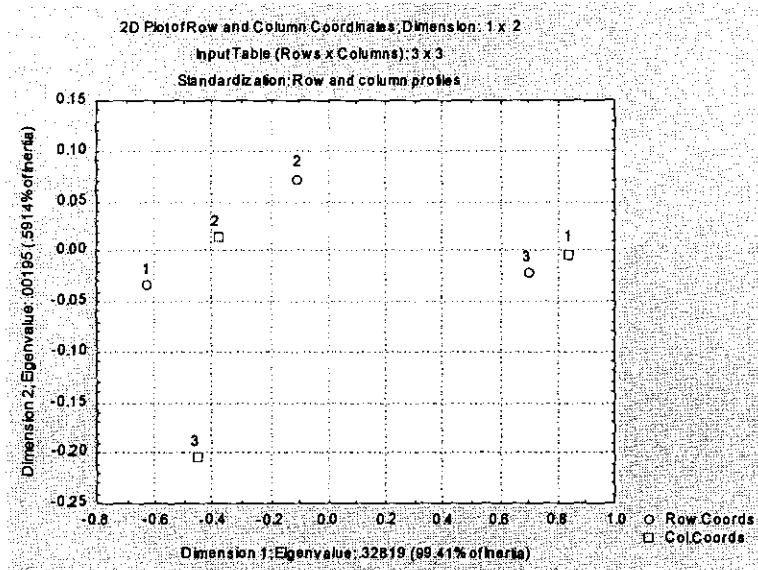


As illustrated in **Figure 6.55** companies with less than 100 employees (1 in Row.Coords) are more likely not to provide anti-retroviral therapy at the workplace (2 in Col.Coords) and companies with 100 to 500 employees (2 in Row.Coords) are more likely not to provide anti-retroviral therapy at the workplace (2 in Col.Coords). Companies with more than 500 employees (3 in Row.Coords) are more likely to provide anti-retroviral therapy at the workplace (1 in Col.Coords). With an effect size of 0.57 it is considered as practically significant.

The correct use of anti-retroviral therapy (ARV) lengthens the life expectancy and improves the quality of life of a HIV+ patient. In the workplace, this can make a valuable contribution to both the employee and company alike. Furthermore, many

medical benefit plans on medical aid schemes (see 6.4.4.18) provide some financial assistance for drugs and hospital costs for HIV+ members (Redribbon, 2003).

**FIGURE 6.55: Provision of anti-retroviral therapy at the workplace**



### 6.9.9 Aspects of the size of a company and HIV/AIDS related costs' impact on the company

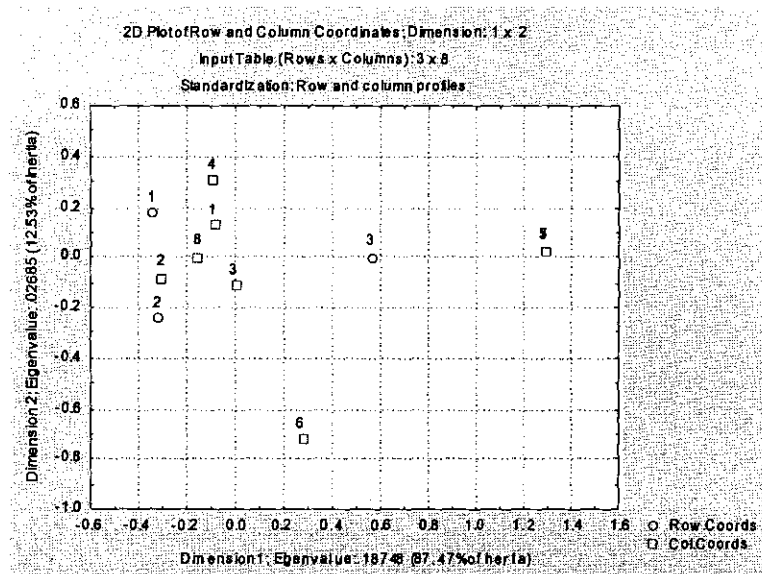
The aim in determining the effect size of the size of companies and HIV/AIDS related costs' impact on the company as seen in Figure 6.11, is to establish whether there is a practical significant relation between the size of a company and HIV/AIDS related costs' impact on the company (see 4.15, 6.4.4.10). The results are reflected in Figure 6.56 to Figure 6.63. Note: Respondents could choose to answer Question 30.

As illustrated in **Figure 6.56** companies with less than 100 employees (1 in Row.Coords) are more likely to put lower labour productivity are either in first or fourth position (1 or 4 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put lower labour productivity in second position (2 in Col.Coords). Companies with more than 500 employees (3 in Row.Coords) are more likely to put lower labour productivity either in the fifth or seventh position (5 or 7 in Col.Coords). With an effect size of 0.46 it is considered as practically significant.

Whiteside (as cited by Stevens, 2001:10) suggests that employers should view HIV/AIDS as a tax, which could add 7-8% to the cost of doing business and work to

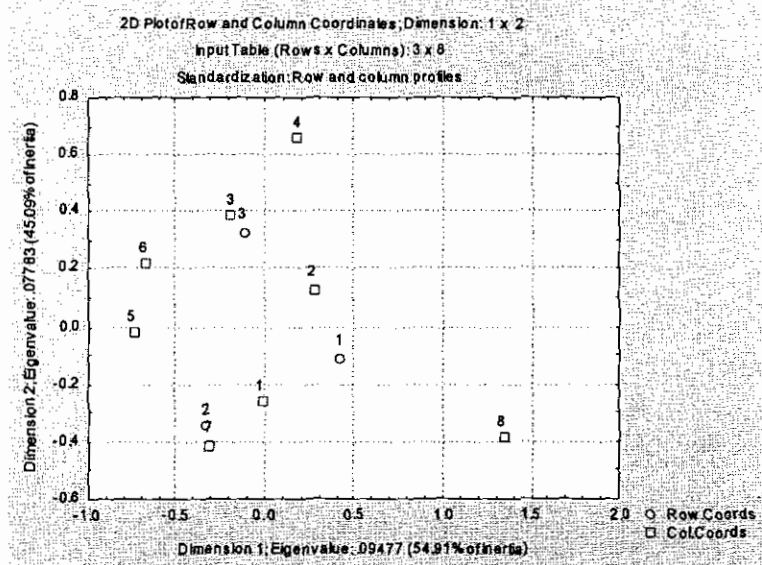
minimise exposure to this tax. Evian, furthermore, provides estimates of the following HIV prevalence rates: amongst unskilled people it is about 25%; amongst moderately skilled people it is about 12-20% and amongst skilled workers it is about 5-12%.

**FIGURE 6.56: Lower labour productivity**



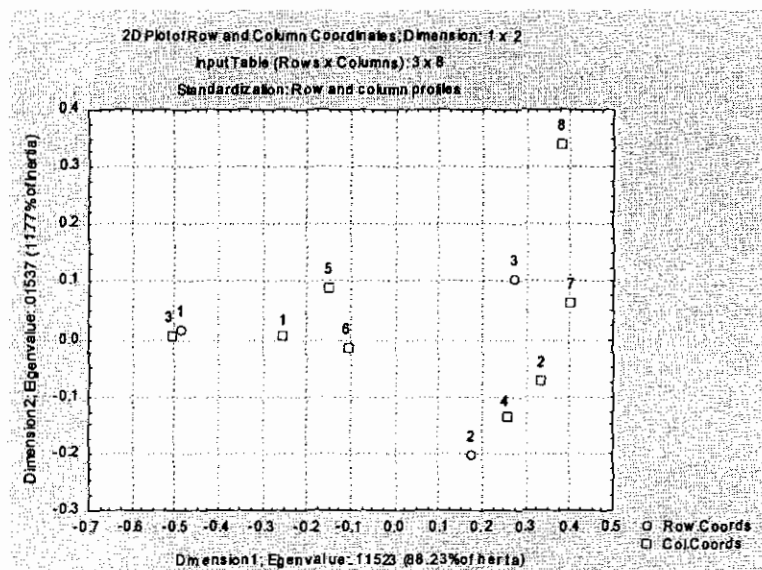
As illustrated in **Figure 6.57** companies with less than 100 employees (1 in Row.Coords) are more likely to put increased worker absenteeism in the second position (2 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put increased worker absenteeism in seventh position (7 in Col.Coords). Companies with more than 500 employees (3 in Row.Coords) are more likely to put increased worker absenteeism in the third position (3 in Col.Coords). With an effect size of 0.42 it is considered it could be practically significant.

**FIGURE 6.57: Increased worker absenteeism**



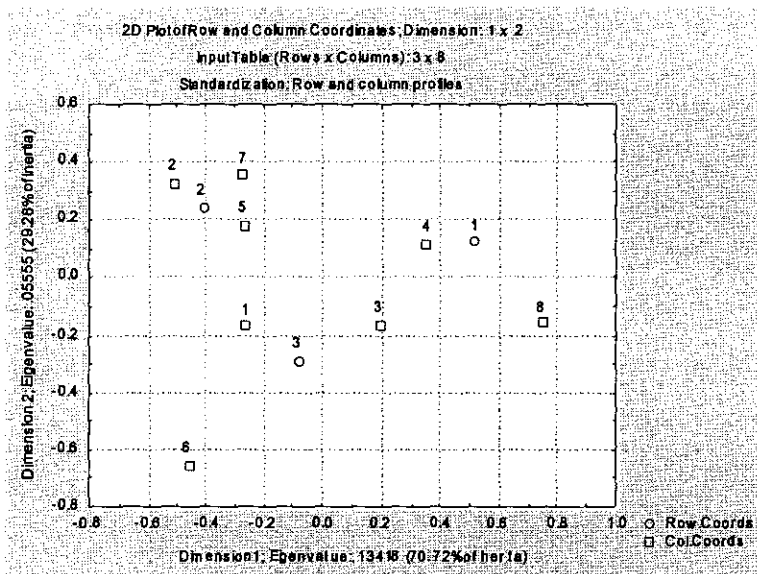
According to **Figure 6.58** companies with less than 100 employees (1 in Row.Coords) are more likely to put higher recruitment and training costs in the third position (3 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put higher recruitment and training costs in fourth position (4 in Col.Coords). Companies with more than 500 employees (3 in Row.Coords) are more likely to put higher recruitment and training costs in the seventh position (7 in Col.Coords). With an effect size of 0.36 it is considered it might be practically significant.

**FIGURE 6.58: Higher recruitment and training costs**



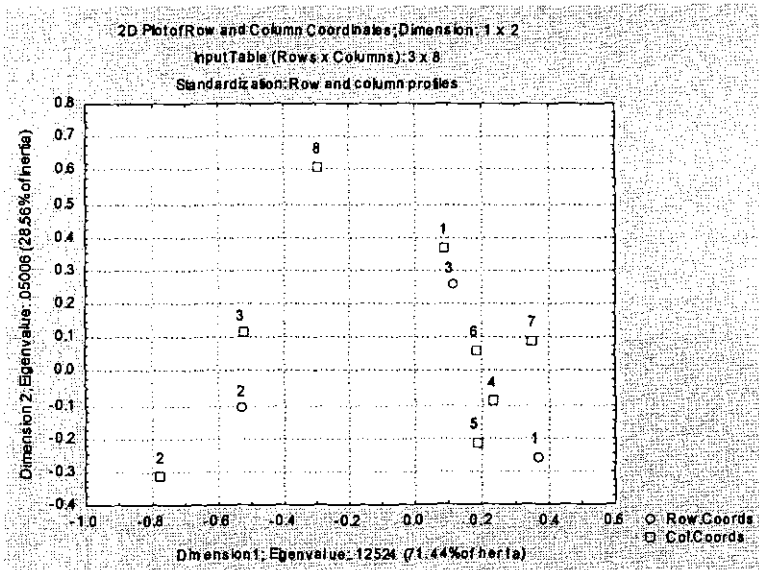
As illustrated in **Figure 6.59** companies with less than 100 employees (1 in Row.Coords) are more likely to put higher employee benefits in the fourth position (4 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put higher employee benefits either in second, fifth or seventh position (2, 5 or 7 in Col.Coords). Companies with more than 500 employees (3 in Row.Coords) are more likely to put higher employee benefits in the first position (1 in Col.Coords). With an effect size of 0.44 it is considered it could be practically significant.

**FIGURE 6.59: Higher employee benefit costs**



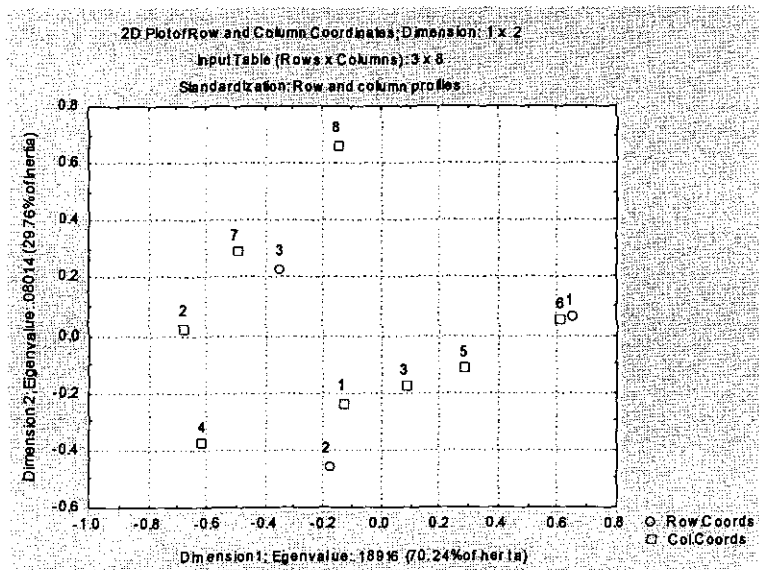
As seen in **Figure 6.60** companies with less than 100 employees (1 in Row.Coords) are more likely to put voluntary counselling and testing programme in either the fourth or fifth position (4 or 5 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put voluntary counselling and testing programme in second position (2 in Col.Coords). Companies with more than 500 employees (3 in Row.Coords) are more likely to put voluntary counselling and testing programme in the first position (1 in Col.Coords). With an effect size of 0.42 it is considered it could be practically significant.

**FIGURE 6.60: Voluntary counselling and testing programme**



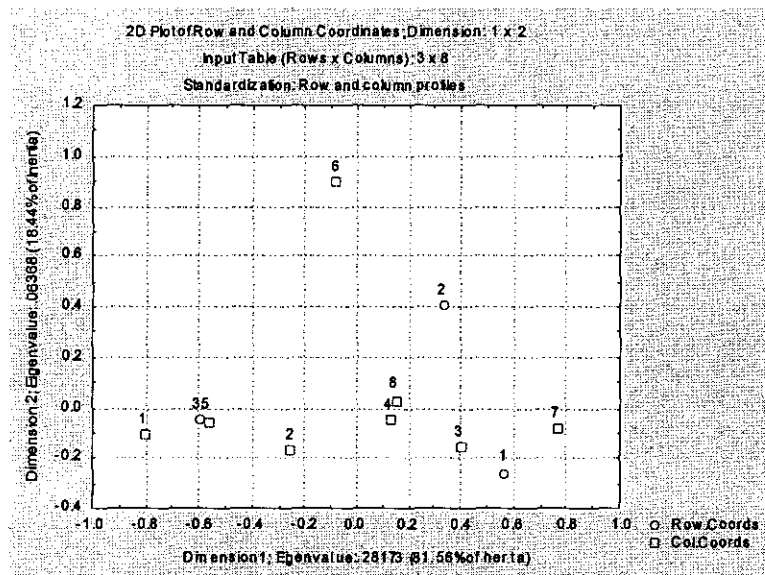
In **Figure 6.61** companies with less than 100 employees (1 in Row.Coords) are more likely to put HIV/AIDS workplace awareness programme in sixth position (6 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put HIV/AIDS workplace awareness programme in the first position (1 in Col.Coords). Companies with more than 500 employees (3 in Row.Coords) are more likely to put HIV/AIDS workplace awareness programme in the seventh position (7 in Col.Coords). With an effect size of 0.52 it is considered as practically significant.

**FIGURE 6.61: HIV/AIDS workplace awareness programme**



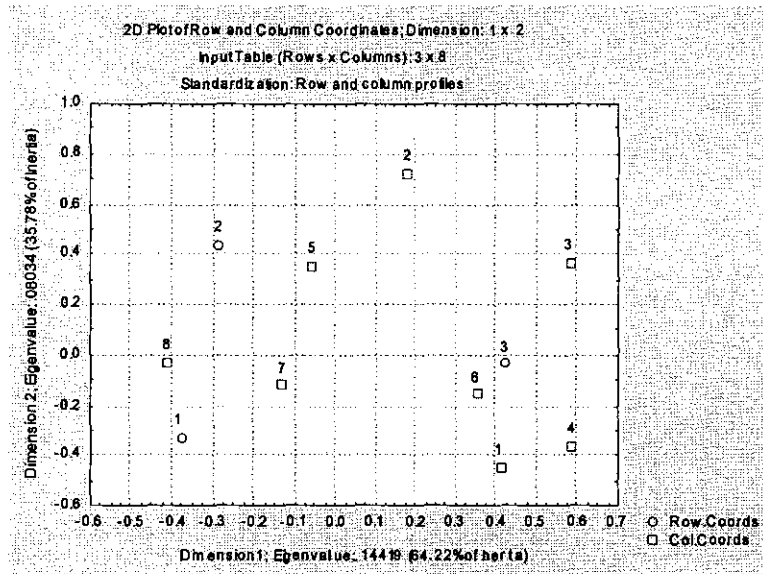
According to **Figure 6.62** companies with less than 100 employees (1 in Row.Coords) are more likely to put provision of anti-retroviral therapy at the workplace in either the third or seventh position (3 or 7 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) do not associate with a specific position. Companies with more than 500 employees (3 in Row.Coords) are more likely to put provision of anti-retroviral in the fifth position (5 in Col.Coords). With an effect size of 0.59 it is considered as practically significant.

**FIGURE 6.62: Provision of anti-retroviral therapy at the workplace**



As illustrated in **Figure 6.63** companies with less than 100 employees (1 in Row.Coords) are more likely to put research into the impact of HIV/AIDS on the company in eighth position (8 in Col.Coords). Companies with 100 to 500 employees (2 in Row.Coords) are more likely to put research into the impact of HIV/AIDS on the company in fifth position (5 in Col.Coords). Companies with more than 500 employees (3 in Row.Coords) are more likely to put research into the impact of HIV/AIDS in the sixth position (6 in Col.Coords). With an effect size of 0.47 it is considered as practically significant.

**FIGURE 6.63: Research into the impact of HIV/AIDS on the company**



With 6.9.9 in mind, according to the National Union of Mineworkers in SA (DOH, 2003a:209) there could be between 12 000 and 14 000 AIDS related deaths among mineworkers per year by 2010. Table 6.27 shows the cost of AIDS to the mining industry, estimated for the years 1995 and 2010. The projections indicate that total costs will increase from R114 million in 1995 to R1 509 million in 2010.

**TABLE 6.27: The cost of AIDS to the mining industry (R million)**

	1995	2010
Prevention	5	10
Treatment	38	600
Compensation	39	480
Research	1	5
Replacement	1	16
Total direct costs	84	1 111
Foregone earnings	19	230
Productivity loss	11	168
Total opportunity costs	30	398
<b>Total costs</b>	<b>114</b>	<b>1 509</b>

Source: DOH (2003a:209)

## **6.10 SUMMARY**

The research design was firstly discussed in this chapter and involves the questionnaire as a research measuring instrument, the advantages and disadvantages of a close-end questionnaire, the structure of the questionnaire, pilot study, population and statistical method.

Secondly, the responses were interpreted and discussed.

The aim of this chapter was to reflect the results of the empirical research in order to determine the social responsibility of the South African mining companies in dealing with their HIV/AIDS employees.

In Chapter seven, conclusions are drawn from the study and recommendations regarding the social responsibility of the South African mining companies and further research is made.

# **CHAPTER 7**

## **CONCLUSIONS AND RECOMMENDATIONS**

### **7.1 INTRODUCTION**

In this chapter the research is concluded and each chapter will be dealt with separately in terms of a summary, conclusions and recommendations.

### **7.2 CHAPTER 1: GENERAL INTRODUCTION**

#### **7.2.1 Summary**

In Chapter one, the research done in this study, was orientated. The problem of the study was stated, namely: How can the South African mining companies manage the impact of their HIV/AIDS employees in a socially responsible way? Given the context of the problem statement, three research objectives were established. The research methods that were used in the research were discussed in terms of a literature study and empirical research. The process of how the empirical research was carried out was described, namely by means of a structured questionnaire, determining a study population and the statistical techniques used to analyse the empirical data. The structure of the research was explained, and important concepts used throughout the study were defined.

#### **7.2.2 Conclusions**

- More information is needed on the social, political, and economical costs of HIV/AIDS epidemic. Many managers fear that if information about HIV prevalence, and programmes are made public, their company's image will suffer.
- All three aims of the research study were met. The way in which these aims were reached, will be outlined in the summary and conclusions of the different chapters.

- The literature study showed that there were many publications on the phenomenon, both national and international, and from different disciplines.

### **7.2.3 Recommendation**

- The mining industry as one of the largest employers of workers with minimal task specialisation, are most vulnerable to HIV/AIDS. Therefore it holds great potential for the development of guidelines to manage the social responsibility of the mining companies dealing with HIV/AIDS employees.

## **7.3 CHAPTER 2: SOCIAL CHANGE**

### **7.3.1 Summary**

Change is generally a response to some significant threat or opportunity arising outside of the organisation. Organisations that do not change due to ignorance will be the first to fail. For organisations to survive and thrive they must constantly scan what is happening and develop an awareness of what actually needs changing in order to move in the right direction.

The need for change can be generated by factors internal and external to the organisation. The importance and intensity of these two kinds of factors may fluctuate throughout the process of change. The sources of most changes can be traced to factors external to the organisation, e.g. consumer needs, changing industrial policies of the government, competition, etc. Unfortunately, people tend to resist change. It is not easy to change an organisation, let alone an individual. This puts increased pressure on management to learn to change.

### **7.3.2 Conclusions**

- Change is everywhere and is an ongoing process. In the wider world we move in too, there are new ideas to assimilate, new procedures, new technologies, and fresh opportunities to grasp or ignore.

- The change process involves learning something new, as well as discontinuing current attitudes, behaviours, or organisational practices.
- Change will not occur unless there is motivation to change.
- Change itself is not the cause of resistance. Resistance is caused by how people perceive change.
- Resistance to change is found even when the goals of change are highly desirable.

### **7.3.3 Recommendations**

- Provide employees with new information, new behavioural models, or new ways of looking at things.
- Role models, mentors, experts, benchmarking results, and training are useful mechanisms to facilitate change.
- All organisational changes should be consistent with an organisation's mission, vision, and resulting strategic plan.

## **7.4 CHAPTER 3: SOCIAL RESPONSIBILITY**

### **7.4.1 Summary**

Social responsibility involves the managerial obligation to protect and improve the welfare of interest groups, the society as a whole and the interests of the business. Businesses in South Africa cannot ignore the growing tendency for increased social responsibility. The solution lies in co-operation and co-ordination of activities between businesses, because individually businesses can do little.

The social contact the organisation must enter into lies firstly with the interest groups and secondly, with the wider community. Furthermore, the concept of social responsibility is merely a preliminary step toward social effectiveness of organisations.

Social responsibility is the obligation of an organisation to behave in ethical ways in the social environment in which it operates. Ethical conduct at the individual level can translate into social responsibility at the organisational level.

Socially responsible actions are expected of organisations. Current concerns include protecting the environment, promoting worker safety, supporting social issues, and investing in the community, among others. Organisations that are seen as socially responsible have a competitive advantage in attracting applicants.

#### **7.4.2 Conclusions**

- Companies must clearly formulate and unequivocally acknowledge the social responsibility commitment of the company towards stakeholders.
- Social responsibility must be put in practice by way of a written policy and line responsibilities.
- Workers must be treated holistically, taking into account their strengths, weaknesses and aspirations.
- Socially responsible behaviour and action require serious thought and careful planning by management.
- A negative attitude towards social responsibility would be the result of a negative attitude of employers and would have a negative influence on any social responsibility programme and it will again have an influence on the international competitiveness of organisations.

#### **7.4.3 Recommendations**

- To be social responsibility companies choose to operate on an ethical level that is higher than the law requires.
- To treat all stakeholders with dignity, fairness and respect, recognising their rights to life and security and free association, and their rights to freedom from discrimination.
- To actively promote the development and empowerment of the company's employees and where relevant, its stakeholders.

- Working to achieve employee retention, development and satisfaction.
- Making contributions to civic and charitable organisations and non-profit institutions.
- Companies must be concerned with the qualitative dimensions of consumer, employee and societal benefits as well as quantitative measures of sales, revenue and profit.
- Companies can be socially responsible by providing equal employment opportunities, respecting the culture diversity of employees, responding to the environmental concerns, providing a safe, healthy workplace, promoting quality of life issues, avoiding discrimination and preventing sexual harassment and sexism.
- The safety and health of workers while on work is an important business responsibility. Management must set standards and implement programmes to ensure that workers are kept safe in the workplace by intensive training sessions held throughout the company on a regular basis, reinforcing the message that safety comes first.
- Companies must encourage employees to learn new skills and remain competitive.
- Companies should also recognise their obligations to help protect the health of their employees by providing opportunities to balance work and life pressures and preferences.
- Government may enact rules that force companies to be socially responsible in matters of the environment, health, safety and education.
- Taxation benefit from government for social responsibility activities or projects can also benefit companies.
- There should be an understanding between business and government. The two parties should co-operate and co-ordinate their efforts and activities in social responsibility programmes.
- Every company should report at least annually on the nature and extent of its social, ethical, safety and health management policies and practices.

## **7.5 CHAPTER 4: HIV/AIDS IN THE WORKPLACE**

### **7.5.1 Summary**

HIV/AIDS has become an extremely important factor in the process of strategy formulation. In South Africa it quickly became apparent that the mining sector was particularly hard hit, in part due to its extensive reliance on migrant labour spending extended periods away from families.

Less visible though, is the alarming impact HIV/AIDS is currently having on a company's bottom line. This stems from costs arising from reduced productivity of those employees infected with AIDS. In addition to the loss in productivity, employees who die of the disease prematurely/before retirement age have to be replaced and this leads to additional recruitment, training and vesting costs incurred with regard to the replacement employees.

Another reason why it is so difficult to evaluate the macro-economic impact of the epidemic is that it affects so many different aspects of social, political and economic life at the same time.

### **7.5.2 Conclusions**

- In South Africa there is labour legislation to ensure non-discrimination, fair treatment of persons with HIV/AIDS and a safe working environment. A Code of Good Practice on Key Aspects of HIV/AIDS and Employment and the HIV/AIDS Technical Assistance Guidelines has been published by the Department of Labour.
- AIDS will have a tremendous influence on every company. The handling of AIDS-related problems must be incorporated into strategic planning by management.
- Employment policies should be based on the scientific evidence that people with AIDS or HIV infection do not pose a risk of transmitting the virus through ordinary workplace contact.
- Employers should provide workers with sensitive and up-to-date education about AIDS and risk reduction in their personal lives.

- Employers have the duty to protect the confidentiality of employees' medical information.
- Larger companies are in a better position to implement strategies than are smaller companies. However, many large companies are also deficient in risk assessment and research and monitoring.

### **7.5.3 Recommendations**

- In the context of HIV/AIDS, both short term solutions and long term change are needed to alleviate the impact of AIDS.
- Companies should work together to create an international standard for tracking information on direct and indirect costs to companies – including health care costs, absenteeism, increased recruitment and training costs.
- Management should discuss with the affected employee the ramifications of trying to maintain confidentiality, and should ensure the employee that every effort will be made to see that there are no negative ramifications for him or her in the workplace.
- Employers do have obligations to educate, reassure, and provide emotional support to co-workers.
- A safe and healthy workplace should be ensured to minimise the risk of infection of co-workers by the provision of protective equipment and training on safe procedures.
- With regards to the risk of HIV/AIDS, companies are required to disclose the HIV/AIDS strategy plan and policies in place to address and manage the risk and potential impact of the disease to the company.

## **7.6 CHAPTER 5: LABOUR LEGISLATION, HUMAN RIGHTS AND INTERVENTION PROGRAMMES**

### **7.6.1 Summary**

The way in which employees with HIV or AIDS are treated in the workplace has a multitude of legal implications. These extend from the highest level, the Constitution, right the way down to a shopfloor agreement between employer and employees.

HIV/AIDS-related stigma often leads to HIV/AIDS discrimination. This, in turn, leads to the violation of the human rights of people living with HIV/AIDS, of their families and even of those presumed to be infected.

Governments are responsible for promoting and protecting both public health and human rights. These responsibilities have been translated into a set of obligations under international law, that are enshrined in declarations, treaties and conventions.

### **7.6.2 Conclusions**

- There is a need to clarify certain critical strategy issues such as should the workplace programme be divided into an internal and external strategy.
- People with AIDS or who are infected with HIV are entitled to the same rights and opportunities as people with other serious illnesses.
- There is an increasing need for workplaces to address HIV/AIDS comprehensively and management should be able to prioritise interventions that will best address the needs of their employees. Good project management is a prerequisite for the successful implementation of interventions.
- Companies should analyse their operations and put in place strategies for prevention, education and possibly treatment. Strategy development and implementation should include all levels of the company and trade unions to ensure protection of privacy and employee rights and to get input and feedback on programmes. Policies and programmes should extend also to contractors.
- The prevention programme is the core of an organisation's response to HIV/AIDS. Because HIV/AIDS affects all employee groups, prevention and care efforts must

be targeted and available to employees at all levels of the company and at all sites where the company works. Some companies have gone beyond their own employees, requiring that contractors doing business with the company have active HIV/AIDS prevention programmes of their own.

- Prevention programmes are dramatically expanded to protect those who are not HIV-positive.
- Short term, repeatable training courses are instituted that improve worker efficiency and morale to help prevent further declines in productivity.

### **7.6.3 Recommendations**

- Prevention of HIV/AIDS requires behavioural change in the most intimate aspects of human experience, and adequate care and support are premised – not only the availability and accessibility of appropriate services but also on breaking down entrenched social prejudices.
- Information campaigns in helping people to understand the unfairness and unjustness of stigmatisation and discrimination.
- Community mobilisation, advocacy and social change must take place alongside interventions to change the broader context in which individuals and communities live.
- Promote life-skills education and counselling to help HIV-infected and affected employees cope with stigma.
- Ensure that comprehensive care and services, including voluntary counselling and testing, and follow-up care are available to enable employees to learn their serostatus and provide support to enable them to disclose their status to other family members.
- Employers should set out steps and procedures that must be followed in the event of a worker being exposed to HIV, as well as how to get treatment as part of their policy.
- Intensify prevention efforts, notably by collaborating with community-based programmes that overlap with company-based programmes.

- Providing selected HIV-positive employees and dependants with anti-retroviral drugs, reducing their symptoms and prolonging life and capability to work.
- Social dialogue and co-operation between all stakeholders, i.e. the government, employers, trade unions and community organisations are required to implement successful and creditable prevention programmes.

## **7.7 CHAPTER 6: EMPIRICAL RESEARCH**

In Chapter six the results of the empirical research were reflected in order to determine the social responsibility of the South African mining companies dealing with their HIV/AIDS employees. The research design was discussed and the questionnaire as a research measuring instrument was motivated. Advantages and disadvantages of a close-end questionnaire were given. The structure of the questionnaire was explained, as well as the process of the pilot study. The study population was identified and the statistical methods used to analyse the data were given. Responses to the questionnaires were summarised, interpreted and discussed.

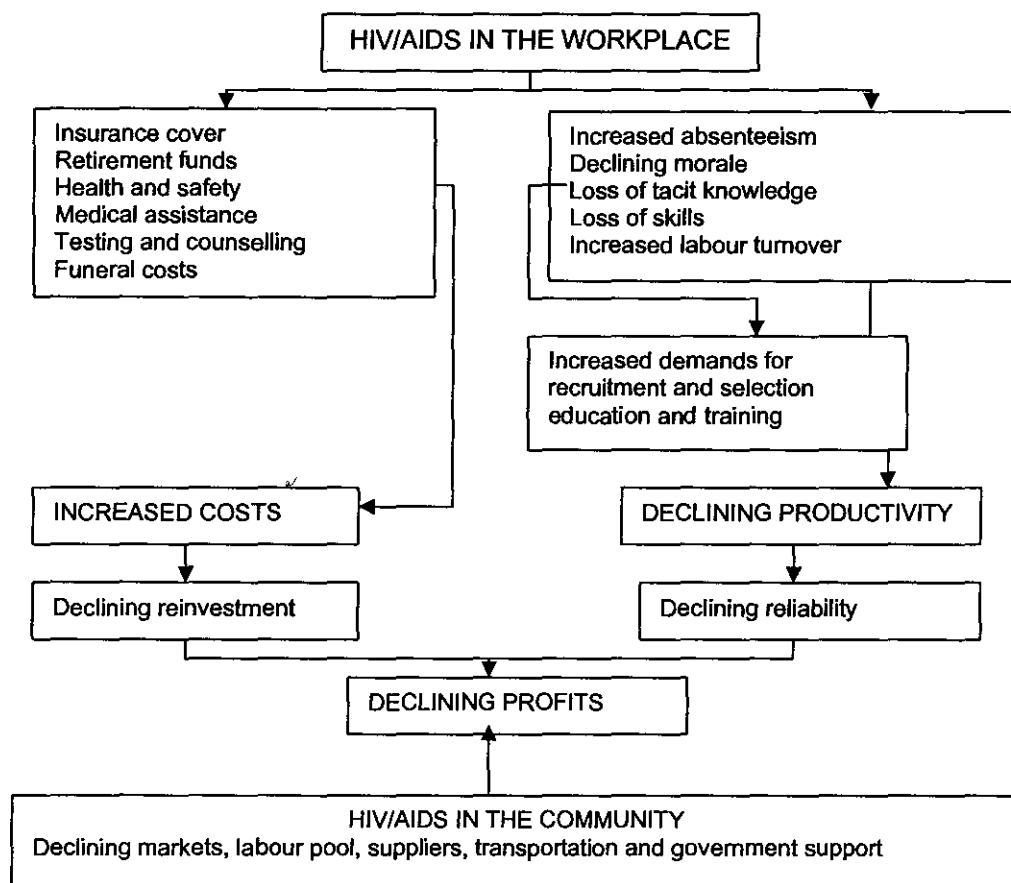
## **7.8 SPECIFIC CONCLUSIONS**

- Proper utilisation of company funds in purchasing programmes that would address the social and economic needs to the workforces is important – especially the actual problem issues and concerns raised by employees themselves.
- Government should legislate that all companies have standard HIV/AIDS programmes, that target a segmented audience.
- Programmes addressing the fears, contradictions and tensions must be customised.
- All affected and infected people should be trained on “Beating HIV/AIDS”. All unnecessary programmes that create conflict and confusion that do not address matters at hand, must be stamped out.

- Managers/Leadership should be taught how to effectively handle all operational situations, that have a strong HIV/AIDS bias.
- Companies should focus on informing and educating their employees.
- As key assets of companies, employees need to be afforded access to disease management programmes. Early detection of HIV and careful management within a disease management programme will enable employees to live and work productively and save companies money.
- Managers need to provide mechanisms for infected (and affected) employees to enrol in disease management programmes and to tackle discrimination and stigma directly.

The UNAIDS cost impact model (2003) is a useful summary of the potential impact of HIV/AIDS on the workplace.

**FIGURE 6.64: UNAIDS cost impact model on HIV/AIDS**



## **7.9 RECOMMENDATIONS REGARDING FURTHER RESEARCH**

- The need to extend HIV/AIDS programmes beyond the workplace.
- The quality of prevention programmes and adherence to international norms and standards.
- The role of government and the providing of anti-retroviral drugs to mining industry.
- The role of government and treatment, care and support to HIV/AIDS.

## **7.10 CONCLUDING REMARKS**

To be socially responsible to HIV/AIDS employees is the option of companies to endeavour extending the working life of infected employees. This will allow companies to keep HIV-positive employees in service longer – thus implying less interruption in production, absenteeism and as well as reducing labour turnover.

AIDS is not an issue for the workplace to cope with on its own. Companies should consider forming alliances and participating in community HIV/AIDS projects. The participation will increase the capacity of communities to deal with HIV/AIDS and will have benefits, not only for the projects, but also for the companies.

Successful project participation builds alliances or partnerships that operate across sectors between public, private and non-governmental or community based organisations; promotes health across sectors and across professional and lay boundaries; co-ordinates attempts by different stakeholders to promote health-enhancing behaviour; facilitates the sharing of resources; is responsive to cultural issues and addresses the broader determinants of health and well-being in a sustainable manner.

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## APPENDIX A

### WORKPLACE POLICY ON HIV/AIDS

#### 1. General statement

The policy begins with a general statement or introduction that relates the HIV/AIDS policy to the local context and existing business practices, including some or all of the following:

- ◆ The reason why the company has an HIV/AIDS policy
- ◆ A statement about how the policy relates to other company policies
- ◆ Policy compliance with national and local laws and trade agreements

#### Sample

Company or public sector workplace X recognises the seriousness of the HIV/AIDS epidemic and its impact on the workplace. The Company supports national efforts to reduce the spread of infection and minimise the impact of the disease.

The purpose of this policy is to ensure a consistent and equitable approach to the prevention of HIV/AIDS among employees and their families, and to the management regarding the consequences of HIV/AIDS, including the care and support of employees living with HIV/AIDS. The policy has been developed and will be implemented in consultation with employees at all levels. It is in compliance with existing laws regarding HIV/AIDS [*where relevant – otherwise insert ‘existing laws on discrimination, working conditions, and safety and health’*] and with the ILO Code of Practice on HIV/AIDS and the world of work.

#### 2. Policy framework and general principles

The policy establishes some general principles as basis for specific provisions:

#### Sample

Company X does not discriminate or tolerate discrimination against employees or job applicants on any grounds, including HIV status. While Company X recognises that there are circumstances unique to HIV infection, this policy rests on the principle that HIV infection and AIDS should be treated like any other serious condition or illness that may affect employees. It takes into account the fact that employees with HIV may live full and active lives for a number of years. The Company's commitment to maintaining a safe and health work environment for all employees is based on the recognition that HIV is not transmitted by casual contact.

#### 3. Specific provisions

The policy should include provisions in the following areas:

- 1) The protection of the rights of those affected by HIV/AIDS
- 2) Prevention through information, education and training
- 3) Care and support for workers and their families

##### 1) *Stigma, discrimination and rights*

No rights – from confidentiality to access to benefits – should be affected by an individual's HIV status, real or suspected. Stigma and discrimination compromise employee welfare and a safe

and healthy work environment. They also undermine HIV prevention efforts, that depend on an atmosphere of openness, trust and respect for basic rights.

Sample

1. *Rights of employees who are HIV-positive.* HIV-positive employees will be protected against discrimination, victimisation or harassment. Normal company disciplinary and grievance procedures shall apply equally to all employees, as will the provision of information and education about HIV and AIDS.
2. *Employment opportunities and termination of employment.* No employee should suffer adverse consequences, whether dismissal or denial of appropriate alternative employment opportunities, merely on the basis of HIV infection. [A collective agreement could spell out the grounds for dismissal.]
3. *Testing.* Company X rejects HIV testing as a prerequisite for recruitment, access to training or promotion. However, the company promotes and facilitates access to voluntary confidential testing with counselling (VCT) for all employees.
4. *Epidemiological testing.* Testing programmes for epidemiological purposes will be subject to appropriate consultation with recognised employee representatives and will be subject to independent and objective evaluation and scrutiny. The results of epidemiological studies will not be used as a basis for discriminating against any class of employee in the workplace. All testing will comply with accepted international standards on pre-and post-test counselling, informed consent, confidentiality and support.
5. *Confidentiality.* The Company recognises the sensitive issues that surround HIV/AIDS and undertakes to handle matters in a discreet and private manner. Where an employee with HIV has revealed his or her status to management, the Company will keep the identity of such person confidential. However, in line with the Company philosophy on the virus, the employee will be encouraged to be open about his or her HIV status.

## 2) Awareness-raising and education

In absence of a vaccine or cure, information and education are vital components of an AIDS prevention programme. Because the spread of the disease can be limited by informed and responsible behaviour, practical measures such as condom distribution are also important means of supporting behaviour change within the workplace community.

Sample

1. Appropriate awareness and education programmes will be conducted to inform employees about AIDS and HIV that will enable them to protect themselves and others against infection by HIV. Some of these will include the families of employees and the local community.
2. The company recognises the importance of involving employees and their representatives in the planning and implementation of awareness, education and counselling programmes, especially as peer educators and counsellors.
3. Practical measures to support behaviour change and risk management will include the treatment of sexually transmitted infections (STIs) and TB [or – where possible – referral to STI and TB treatment services in the community], sterile needle and syringe exchange programmes [if relevant to the local situation], and the distribution of male and female condoms.

4. Training shall be arranged for key staff including managers, supervisors and personnel officers; union representatives; trainers (both male and female); peer educators; and occupational safety and health officers.
5. Reasonable time off will be given for participation in education and training.

### 3) *Care and support for workers and their families*

It is in the best interest of both organisation and employees if infected individuals are assisted to keep on working as long as possible.

#### Sample

1. *The promotion of employees' well-being.* The Company will treat employees who are infected or affected by HIV/AIDS with empathy and care. The Company will provide all reasonable assistance that may include counselling, time off, sick leave, family responsibility leave, and information regarding the virus and its effect.
2. *Work performance and reasonable accommodation.* It is the policy of the Company to respond to the changing health status of employees by making reasonable accommodation in the workplace for those infected with HIV. Employees may continue to work as long as they are able to perform their duties safely and in accordance with accepted performance standards. If an employee with AIDS is unable to perform his or her tasks adequately, the manager or supervisor must resolve the problem according to the company's normal procedure on poor performance/ill-health.
3. *Benefits.* Employees living with HIV/AIDS will be treated no less favourably than staff with any other serious illness/condition in terms of statutory and company benefits, workplace compensation, where appropriate, and other available services.
4. *Healthcare.* [This paragraph will need to be amended according to the size of the company and resources available for medical care.] The occupational health services will offer the broadest range of services to prevent and manage HIV/AIDS, including the provision of anti-retroviral drugs (ARVs), treatment for relief of HIV-related symptoms and for opportunistic infections (especially TB), reproductive and sexual health services, and advice on healthy living including nutritional counselling and stress reduction. The dependants of employees will also be eligible for medical treatment.

#### Possible alternative

*Healthcare.* This company will help employees living with HIV/AIDS to find appropriate medical services in the community, as well as counselling services, professional support and self-help groups if required. Reasonable time off will be given for counselling and treatment.

### 4. **Implementation and monitoring**

If the policy does not reflect a negotiated agreement, a short clause would be added whereby management and worker representatives pledge their full support to the policy.

#### Sample

1. Company X has established an HIV/AIDS committee *[or responsible officer, in a smaller workplace]* to co-ordinate and implement the HIV/AIDS policy and programme. The committee consists of employees representing all constituents of the company, including general management. The committee/responsible officer will report regularly to the executive board.
2. In order to plan and evaluate its HIV/AIDS policy and programme effectively, Company X will undertake a survey to establish baseline data and regular risk and impact assessment studies. The studies will include knowledge, attitudes and behaviour/practices (KAB/P). Studies will be carried out in consultation and with the consent of employees and their representatives, and in conditions of total confidentiality.
3. This policy, and related information on HIV and AIDS, will be communicated to all Company X employees and the wider public using the full range of communication methods available to the company and its network of contacts.
4. This policy will be reviewed annually and revised as necessary in the light of changing conditions and the findings of surveys/studies conducted.

#### **5. Budget and finance**

Companies should make every effort to establish a budget for HIV/AIDS activities but should bear in mind that many interventions can be put in place at little or no cost; that smaller companies can work together to share costs; that services and resources may exist in the community or may be sought.

## **APPENDIX B**

### **HIV/AIDS MINING SUMMIT – DECLARATION OF INTENT**

#### **PREAMBLE: 1**

- 1.1 The Principals representing Government, Employers and Labour ('the parties'), assembled at Gallagher Estate on 30 April 2003, at the inaugural HIV/AIDS Mining Summit to:
  - 1.1.1 Review progress and address challenges in the fight against HIV/AIDS in the mining industry;
  - 1.1.2 Re-affirm their commitment to implement and review the 5-year National Strategic Plan on HIV/AIDS and STIs (Strategic Plan);
  - 1.1.3 Secure a national commitment to enhancing co-ordination;
  - 1.1.4 Share experiences and best practice on combating HIV/AIDS in a comprehensive manner; and
  - 1.1.5 Strengthen partnerships between government, business and labour.

#### **NOTING: 2**

- 2.1 That the HIV/AIDS epidemic affects society at every level;
- 2.2 That the HIV/AIDS epidemic has far reaching social and economic implications, that have not yet been fully quantified;
- 2.3 That the HIV/AIDS epidemic demands a comprehensive, co-ordinated and united response to be defeated;
- 2.4 That the high prevalence rate of sexually transmitted infections (STIs) contributes to the high prevalence of HIV/AIDS;
- 2.5 That HIV/AIDS exacerbates the TB epidemic and has the potential to reverse the gains made in managing TB and undermine efforts in the fight against HIV/AIDS;
- 2.6 That poverty eradication plays a significant role in combating HIV/AIDS;
- 2.7 That the mining sector (inclusive of employers, trade unions and communities) has played a pioneering role in establishing proactive, comprehensive multi-stakeholder response to the management of HIV/AIDS;
- 2.8 That the government has developed a comprehensive Strategic Plan;
- 2.9 That several declarations have been signed at national, regional, continental and global levels (e.g. SADC, Abuja and UNGASS) to demonstrate political commitments in the fight against HIV/AIDS and other related infectious diseases.

#### **THE PARTIES ACKNOWLEDGE THAT: 3**

- 3.1 The response to the HIV/AIDS epidemic will only be effective if all parties share a common vision and strategy.
- 3.2 Prevention and awareness of the infection should be the central focus in fighting the HIV/AIDS epidemic.
- 3.3 Prevention, treatment, care and support are mutually reinforcing elements and must be integrated in a comprehensive response to HIV/AIDS.
- 3.4 Nutrition is an essential component of HIV/AIDS prevention and management programme.

- 3.5 Traditional healers have an important role to play in the comprehensive response to HIV/AIDS.
- 3.6 Government and the mining industry are already providing comprehensive programmes to combat Tuberculosis, Sexually Transmitted Infections and HIV/AIDS.
- 3.7 A number of mining companies have recently introduced anti-retroviral drugs as part of their comprehensive HIV/AIDS programme.

**COMMITMENTS: 4**

- 4.1 The parties reaffirm their commitment to implement and review the Strategic Plan in a co-ordinated and comprehensive manner.
- 4.2 The parties commit to strengthen all efforts to prevent the spread of HIV infection.
- 4.3 The parties commit, where appropriate, to strengthening the healthcare infrastructure to provide the necessary prevention, treatment, care and support programme.
- 4.4 The parties commit that by the end of 2004, every workplace in the mining industry will have HIV/AIDS policies and programmes in place, that are aimed at encouraging openness about the disease and to reduce stigmatisation, discrimination and prejudice against workers who are infected and affected by HIV/AIDS.
- 4.5 The parties commit to co-operate to transform the living condition of mineworkers in line with efforts to combat HIV/AIDS, TB and STIs and the implementation of the Mining Charter.
- 4.6 The parties seek to co-operate in the development of programmes that could lead to the continued improvements in the health and safety of workers.
- 4.7 The parties commit to co-operate in the development and improvement of wellness programmes within mining companies.
- 4.8 The parties commit to conducting periodic incidence, prevalence and other necessary surveys of HIV/AIDS and to share information within a national databank framework.
- 4.9 The parties commit to developing and strengthening partnerships at the local, regional, national and international level, in the fight against HIV/AIDS.
- 4.10 The parties commit to participating in ethics committees relevant to research in HIV/AIDS. The research committees should be representative and in line with international norms and standards.

**PREVENTION: 5.1**

- 5.1.1 The parties agree to evaluate the effectiveness of their current publicity and information campaigns and to work towards improved and better co-ordinated information, education and communication campaigns.
- 5.1.2 The parties agree that voluntary counselling and testing (VCT) is integral to the vision of preventing new infections and shall encourage all employees to utilise VCT services (to determine their HIV status) and this shall be done within the context of informed consent, confidentiality and non-discrimination.
- 5.1.3 The parties agree to work together to facilitate the optimal use of resources in the public and private sectors for voluntary counselling and testing services.

## **TREATMENT, CARE AND SUPPORT: 5.2**

The parties recognise and support the fact that people living with HIV/AIDS require a continuum of care that should be inclusive of:

- 5.2.1 Ongoing counselling;
- 5.2.2 Information and advice on accessing benefits including social grants;
- 5.2.3 Access to wellness programmes that may include:
  - ◆ Information and knowledge about HIV/AIDS;
  - ◆ Information and advice on healthy living;
  - ◆ Adequate and nutritious diet;
  - ◆ Appropriate treatment of opportunistic infections;
  - ◆ Appropriate monitoring of HIV/AIDS;
  - ◆ The provision of anti-retroviral drugs, in line with international norms and standards and ethical considerations;
  - ◆ Strengthening partnerships and building capacity to facilitate optimal use of healthcare facilities.

## **RESEARCH, MONITORING AND EVALUATION: 5.3**

- 5.3.1 The parties commit to research, monitoring and evaluation inclusive of assessing:
  - ◆ The impact of HIV/AIDS in the mining industry;
  - ◆ The economic impact of HIV/AIDS on the mining industry;
  - ◆ The consequence of long term use of anti-retroviral drugs in the mining industry;
  - ◆ The quality of programme and adherence to international norms; and
  - ◆ The need to extend HIV/AIDS programmes beyond the workplace.
- 5.3.2 Facilitating the funding of research on HIV vaccines and other appropriate and cost effective treatments.
- 5.3.3 To do research into the efficiency of traditional and/or natural remedies based on evidence.

## **SOCIO-ECONOMIC DEVELOPMENTS: 5.4**

- 5.4.1 The parties commit to establishing measures to improve the standard of housing for mineworkers including the upgrading of hostels, conversion of hostels into family units and the promotion of home ownership for all employees.

## **WAY FORWARD: 6**

- 6.1 The parties recognise and agree that extensive work has been done in the fight against HIV/AIDS and that much remains to be done to achieve the vision of no new infections and in providing the continuum of healthcare to people living with HIV/AIDS.
- 6.2 The partnerships consolidated at the Summit set the example of best practice for the rest of our society.
- 6.3 This declaration recognises the progress made in the fight against HIV/AIDS.
- 6.4 The Tripartite HIV/AIDS Committee established to co-ordinate and combat HIV/AIDS in the mining industry should play a pivotal role in the implementation of this declaration, working closely with all relevant structures.

- 6.5 The Tripartite HIV/AIDS Committee should transform this declaration into a plan of action with specific targets and timelines.
- 6.6 This process of strengthening the Tripartite HIV/AIDS Committee may involve revisiting the terms of reference of the Tripartite Committee and reviewing its membership to ensure high-level interaction and participation by all key stakeholders.

Source: Chamber of Mines (2003b)

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## The social responsibility of the South African mining companies dealing with HIV/AIDS employees

**NB**

- ◆ Please complete all questions.
- ◆ Please fill in the missing information or tick the appropriate box.
- All information will be treated as confidential and will remain strictly anonymous  
\*\*Mining Companies = operating mines, quarries and mineral plants.

### SECTION A : BIOGRAPHIC PARTICULARS

**1. Position of executive completing questionnaire**

CEO / MD/ Owner	Financial Manager / Accountant	Production / Sales Manager	Human Resources Manager
1	2	3	4

**2. Identify the sector in which your company operates primarily**

Operating mines		1
Quarries		2
Mineral plants		3

**3. In which province is your company situated?**

Eastern Cape		1
Free State		2
Gauteng		3
KwaZulu Natal		4
Limpopo		5
Mpumalanga		6
North West		7
Northern Cape		8
Western Cape		9

4. **How many employees does your company have?**

5 – 49		1
50 – 99		2
100 – 499		3
500 – 999		4
1 000 – 4999		5
5 000+		6

5. **Percentage of employees who are:**

Male	%	1
Female	%	2

6. **Percentage of employees who are:**

Semi- / unskilled	%	1
Skilled	%	2
Highly skilled	%	3

### SECTION B : INFLUENCE OF CHANGE

7. **How do your company experiences the change in our country?**

Highly acceptable		1
Acceptable		2
Unacceptable		3

8. **Do you experience resistance against change in your company?**

Without a doubt		1
To some extent		2
Not at all		3

9. **Are you of opinion that change is acceptable for the employees?**

Without a doubt		1
To some extent		2
Not at all		3

10. Which of the following do you see as most important factors that could contribute to resistance of change (number from 1-9 in numerical order of importance) [1 = most important and 9 = least important]

1	Political climate	
2	Economical conditions	
3	Cultural differences	
4	Personal fears	
5	Organisation structures	
6	Labour legislation	
7	Traditional values	
8	Managerial skills	
9	Existing work climate	

### SECTION C : SOCIAL RESPONSIBILITY

11. In which of the following must your company be socially involved with?  
(Choose only two)

1	Community involvement	
2	Ethical justification	
3	Provision of employment opportunities	
4	Effective use of resources	
5	Uplifting of people	
6	Financial benefit	

12. Does your company make provision in the management policy for the principle of being socially responsible towards the community/employees?

Definitely yes		1
To some extent		2
Not at all		3

13. Do you believe that your company fulfils its task towards social responsibility?

Definitely yes		1
To some extent		2
Not at all		3

14. What percentage of your gross income is used for social responsibility?

Less than 1%		1
1.0 – 2.0%		2
2.1 – 3.0%		3
3.1 – 4.0%		4
4.1 – 5.0%		5
More than 5%		6

15. Are you of opinion that, to be socially responsible, your company can improve its image *internationally*?

Never		1
Seldom		2
Mostly		3
Occasionally		4
Always		5

16. Are you of opinion that, to be socially responsible, your company can improve its image *nationally*?

Never		1
Seldom		2
Mostly		3
Occasionally		4
Always		5

17. Do the employees take part of the social responsibility projects of your company?

Never		1
Seldom		2
Mostly		3
Occasionally		4
Always		5

18. Which of the following do you see as part of the social responsibility of your company towards its *employees* (number from 1-8 in numerical order of importance) [1 = most important and 8 = least important]

1	Education of employees	
2	Transport for employees	
3	Sport/recreation facilities to employees	
4	Employment of disabled employees	
5	Housing	
6	Medical/pension	
7	Study bursaries	
8	Improvement of living standards	

19. Which of the following do you see as part of the social responsibility of your company towards the *community* (number from 1-8 in numerical order of importance) [1 = most important and 8 = least important]

1	Welfare services	
2	Prevention of pollution	
3	Sponsorships	
4	Bursaries	
5	Housing	
6	Productivity	
7	Employment	
8	Improvement of living standards	

If not any of the above, please list, in your opinion, social responsibilities?

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20. Choose any **four** social responsibilities your company has problems with to fulfils (number from 1-4 in numerical order of importance)  
**[1 = most important and 4 = least important]**

1	Insufficient communication between community and company	
2	No taxation benefit from government for social responsibility	
3	Not enough knowledge on social responsibility	
4	Doesn't know how to use social responsibility	
5	The lack of capital	
6	Personnel not trained	
7	The lack of interest by management and personnel	
8	The lack of infrastructure	

### SECTION D : HIV/AIDS

21. Does your company have an HIV/AIDS policy?

Yes	No	Don't know
1	2	3

22. How long has your AIDS policy been in place?

Not yet in place	1
Less than 1 year	2
1 – 3 years	3
4 years or more	4

23. Has your company implemented the following HIV/AIDS programmes?

		Yes	No	Don't know
1	A voluntary counselling and testing programme			
2	An HIV/AIDS workplace awareness programme			
3	An HIV/AIDS care, support and treatment programme			
4	Provision of anti-retroviral therapy at the workplace			

24. Have this prevention, treatment or support programmes increased labour costs to your company?

No effect	Small increase	Moderate increase	Large increase
1	2	3	4

25. Has your company conducted a research to assess the impact of HIV/AIDS on your:

		Yes	No	Don't know
1	Labour force			
2	Production costs			
3	Consumer base			

26. What was the effect of HIV/AIDS on the production side of your company?

	HIV/AIDS has led to:	No impact	Small impact	Moderate impact	Large impact	Don't know
1	Lower labour productivity					
2	Increased worker absenteeism					
3	Higher labour turnover rates					
4	Loss of experience and vital skills					
5	Higher recruitment and training costs					
6	Higher employee benefit costs (e.g. medical aid; pension, life and disability insurance, funeral benefits)					

27. Has your company's HIV/AIDS policy been communicated to employees?

Yes	No	Not sure
1	2	3

28. Does your company encourage and assist with voluntary testing?

Yes	No	Not sure
1	2	3

29. Has your company provided HIV/AIDS education to dependants or involved the community?

Yes	No	Not sure
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1	2	3
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30. If you are able to do so, please rank (from 1 to 8) the following HIV/AIDS related costs according to the impact that they have had on your company costs

1 = the factor that has had the largest impact on costs, and  
8 = the factor that has had the smallest impact on costs

1	Lower labour productivity	
2	Increased worker absenteeism	
3	Higher recruitment and training costs	
4	Higher employee benefit costs (e.g. medical aid; pension, life and disability insurance, funeral benefits)	
5	Voluntary counselling and testing programme	
6	HIV/AIDS workplace awareness programme	
7	Provision of anti-retroviral therapy at the workplace	
8	Research into the impact of HIV/AIDS on the company	

31. Which of the following percentages represent your estimation of the impact of HIV/AIDS on your company's profits?

More than 5% lower	1
Between 2.5% and 5% lower	2
Between 0% and 2.5% lower	3
No impact	4
Between 0% and 2.5% higher	5
Between 2.5% and 5% higher	6
More than 5% higher	7

32. Has personnel been trained on how to manage HIV/AIDS in the workplace?

Yes	No	Not sure	In process
1	2	3	4

33. What steps would you take initially if a co-worker refused to work with an employee who has HIV/AIDS?

Insist that the existing situation not	1
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change/Educate and then discipline the co-worker if he/she still refuses to work with employees with HIV/AIDS		
Move/isolate the employee with HIV/AIDS		2
Move the co-worker		3
Place the employee with HIV/AIDS on disability leave		4

**34. Whose right do you believe is more important?**

The right of the employee with HIV/AIDS to privacy		1
Co-workers' right to know about potential health hazards		2

**35. On what basis are current employees selected for testing?**

Mandatory for all employees		1
Mandatory for employees in high risk groups		2
Mandatory for employees who have "suspicious" ailments		3
Voluntary for all employees		4

**36. Is testing accompanied by pre- and post-test counselling by counsellors trained to handle HIV/AIDS?**

Yes	No	Not sure
1	2	3

**37. Is informed consent obtained before any HIV testing is carried out?**

All the time	Most of the time	Sometimes not	Never
1	2	3	4

**38. Is the cost of mandatory or voluntary HIV testing covered by your medical aid scheme?**

Do not have a corporate medical aid scheme		1
Cost is covered in full		2

Cost is partially covered		3
Cost is not covered		4

39. How would management deal with current employees who tested HIV-positive? (Assume the employee is currently able to perform the work in question)

Would fire/terminate on the grounds of incapacity or ill-health		1
Would try to persuade to resign/withhold promotion/demote		2
Would give time off to seek medical treatment/provide counselling		3
Would attempt to make any needed accommodation in employee's work, including holding the position open for an agreed period or until the employee is able to resume work		4

40. Who provides counselling?

On-site practitioners		1
Out-sourced services		2
HR department		3

41. What form does the HIV/AIDS awareness/education programme take?

1	Awareness posters	
2	Condoms provision free	
3	Condoms education/promotion	
4	Training lectures/workshops	
5	Literature/newsletters/brochures	
6	Videos	
7	Industrial theatre	

42. If you are unionised, has the union taken a position on HIV/AIDS?

Not unionised		1
Union has not taken a position		2
Union has taken a position similar to our own		3

43. To what extent was the Labour Relations Act considered in drawing up your AIDS policy/education campaign?

Extensively involved		1
Fairly involved		2

Slightly involved		3
Not involved at all		4
Not applicable		5

44. Does your company report HIV/AIDS programmes and activities to stakeholders, e.g. in annual reports?

Yes	No	Not sure
1	2	3

45. Who directs your company's HIV/AIDS strategy and policy?

HR division		1
HIV/AIDS committee		2
Occupational health practitioner		3
MD/CEO		4
Board of Directors		5

46. All in all, has HIV/AIDS had a significant adverse impact on your company (e.g. production, sales or profits)?

Yes		1
No		2

47. Do you expect HIV/AIDS to have a significant adverse impact on your company in 5 year's time?

Yes		1
No		2

**THANK YOU FOR YOUR CO-OPERATION**