ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY IN MITIGATING SOCIO-ECONOMIC IMPACT OF HIV/AIDS IN SELECTED BUSINESS FIRMS IN NAIROBI

BY

MULONGO GODFREY
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OCTOBER 2004.
DECLARATION

THIS RESEARCH PROJECT IS MY ORIGINAL WORK AND HAS NOT BEEN PRESENTED FOR AN AWARD IN ANY OTHER UNIVERSITY.

Signature: ........................................ Date: 25/10/2004

MULONGO GODFREY

THIS RESEARCH PROJECT HAS BEEN SUBMITTED FOR EXAMINATION WITH MY APPROVAL AS THE UNIVERSITY SUPERVISOR.

Signature: ........................................ Date: 25/10/04

GONGERA G. Ph.D
BUSINESS ADMINISTRATION DEPT,

THIS RESEARCH PROJECT HAS BEEN SUBMITTED FOR EXAMINATION WITH MY APPROVAL AS THE UNIVERSITY SUPERVISOR.

Signature: ........................................ Date: 26/10/2004

KAVIDA LUCY. MRS.
BUSINESS ADMINISTRATION DEPT,

THESE RESEARCH PROJECT HAS BEEN SUBMITTED FOR EXAMINATION WITH MY APPROVAL AS THE DEPARTMENT CHAIRMAN AND DEAN, SCHOOL OF BUSINESS.

Signature: ........................................ Date: 30/10/04

Mr. P.B.O OCHOLA
DEDICATION

This work is dedicated to the almighty God for His love, faithfulness, guidance and provision to me throughout my academic life as well as in other domains of life. It is also dedicated to my brothers Robert and Jackson Nalianya as well as to my sisters Nancy and Millicent Mulongo.
ACKNOWLEDGEMENT

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# TABLE OF CONTENTS

DECLARATION ........................................................................................................................... I
DEDICATION .............................................................................................................................. II
ACKNOWLEDGEMENT ................................................................................................................. III
TABLE OF CONTENTS ................................................................................................................ IV
LIST OF ABBEVIATIONS ............................................................................................................... VI
LIST OF TABLES .......................................................................................................................... VII
LIST OF FIGURES ....................................................................................................................... VIII
ABSTRACT ....................................................................................................................................... IX

## CHAPTER ONE: INTRODUCTION

1.1 Background ............................................................................................................................. 1
1.2 Statement of the problem ......................................................................................................... 3
1.3 Purpose of the study ................................................................................................................. 3
1.3.1 Objectives of the study ....................................................................................................... 4
1.4 Research questions .................................................................................................................. 4
1.4.1 Assumptions of the study .................................................................................................. 5
1.5 Significance of the study .......................................................................................................... 5
1.6 Scope and limitation of the study ........................................................................................... 6
1.6.1 Operational definition of terms ......................................................................................... 6

## CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction ............................................................................................................................. 8
2.1 Corporate social responsibility; the concept ........................................................................... 8
2.1.2 Other definitions ................................................................................................................. 9
2.1.3 The perspective of CSR used in this study ....................................................................... 11
2.2 Dimensions of corporate social responsibility in modern businesses .................................... 13
2.3 Corporate social responsibility; the Kenyan context ............................................................... 18
2.4 Corporate social responsibility in HIV/AIDS ........................................................................ 19
2.4.1 Examples of strategies/programmes implemented ............................................................ 22
2.4.2 General CSR HIV/AIDS strategies/programs implemented ........................................... 22
2.4.3 Specific; (companies in Kenya) ........................................................................................ 27
2.4.4 Barclays Bank-Kenya ....................................................................................................... 27
2.4.5 Boehringer Ingelheim and GlaxoSmithKline PLC ............................................................ 28
2.4.6 Others ............................................................................................................................... 29
2.5 HIV/AIDS Policies ................................................................................................................ 30
2.5.1. Federation of Kenya Employers (FKE) ........................................................................ 30
2.5.2 Apollo insurance company .................................................. 31
2.5.3 Conceptual framework ....................................................... 32

CHAPTER THREE: METHODOLOGY ........................................... 34
3.10. Introduction ................................................................. 34
3.11 Area of study ............................................................... 34
3.12 Study population ......................................................... 34
3.13 Study design ............................................................... 35
3.15 Data collection instruments .......................................... 36

CHAPTER FOUR: RESULTS AND DISCUSSION ........................... 37
4.0 Introduction ................................................................. 37
4.1 Company profiles ......................................................... 38
4.2 Availability of internal hiv/aids programs ....................... 40
4.3 Rationale for Implementing HIV/AIDS Programs ............ 43
4.4: Availability of External HIV/AIDS Programs .............. 44
4.5 HIV/AIDS Policy in Business Firms ............................... 46
4.6 Pertinent Areas and Rationale of AIDS Policy ............. 49

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ... 53
5.0 Introduction .................................................................. 53
5.1 Summary of the study................................................... 53
5.2. Conclusions .............................................................. 54
5.3 Recommendations ....................................................... 56
5.3.1 Recommendations .................................................. 56
5.3.2 Further research ..................................................... 57

REFERENCE: ...................................................................... 59
APPENDIX I. Research questionnaire ..................................... 62
APPENDIX II: Employee questionnaire ................................. 66
# LIST OF ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIDS</td>
<td>Acquired Immunodeficiency Syndrome</td>
</tr>
<tr>
<td>CII</td>
<td>Confederation of Indian Industry</td>
</tr>
<tr>
<td>CIMAS</td>
<td>Commercial and Industrial Medicine AIDS society</td>
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>GBOPHB</td>
<td>General Board of Pensions and Health Benefits</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GOK</td>
<td>Government of Kenya</td>
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<tr>
<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
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<tr>
<td>IBCA</td>
<td>Indian Business Coalition on AIDS</td>
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<tr>
<td>ICCR</td>
<td>Interfaith Center on CSR</td>
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<tr>
<td>SPSS</td>
<td>Statistical Package for Social Science</td>
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<td>STI</td>
<td>Sexually Transmitted Infections</td>
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<tr>
<td>UNAIDS</td>
<td>United Nations Programme on AIDS</td>
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<tr>
<td>UNDP</td>
<td>United Nations development Program</td>
</tr>
</tbody>
</table>
LIST OF TABLES.

Table 4.0. Industry of respondents' affiliation ................................................................. 38
Table 4.5. Rationale implementing internal AIDS programs .............................................. 43
Table 4.6. Availability of External AIDS programs ............................................................... 45
Table 4.9. Rationale for AIDS policy Formulation ............................................................... 52
LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 4.2.</td>
<td>Respondents duration in operation</td>
<td>39</td>
</tr>
<tr>
<td>Figure 4.3.</td>
<td>Number of employees in the sampled enterprises</td>
<td>40</td>
</tr>
<tr>
<td>Figure 4.4.</td>
<td>Availability of official AIDS programs for Staff</td>
<td>41</td>
</tr>
<tr>
<td>Figure 4.7.</td>
<td>Availability of AIDS policy</td>
<td>47</td>
</tr>
<tr>
<td>Figure 4.6</td>
<td>Pertinent areas the policy covers</td>
<td>49</td>
</tr>
</tbody>
</table>
ABSTRACT

The purpose of this study was to establish and analyze corporate social responsibility (programs and policies) formulated and implemented by selected business enterprises aimed at mitigating the socio-economic impact of AIDS. The selected significant others included business enterprises operating within Nairobi employing at least 20 persons and who would have been in operation for at least two years by the time of the study. The variables of availability of internal/external programs, implementation, policy formulation & implementation, pertinent areas covered and the rationale for the programs and the formulated/implemented policies were all considered as categorical variables. The study involved the analysis of data derived from 20 respondents. Cluster sampling technique was used to select business firms with the necessary information and characteristics for the study. An exploratory descriptive survey design was followed in the study. Data was collected through direct contact questionnaires. The resulting data was analyzed through descriptive statistics involving percentages and means. The study found out that 61.1% of business firms have internal programs designed to create awareness and to control the spread of HIV/AIDS amongst their employees. The study also found out that the rationale for implementing such programs were guided by economic concerns/motives rather than overall CSR. It also established that very few businesses have designed and implemented AIDS programs aimed at mitigating socio-economic impact affecting their external communities. Similarly, the study established that a small proportion (38.9%) of the respondents do have official blue prints governing HIV/AIDS issues both for the company and the external community.
CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND

It is estimated that over 40 million people worldwide – men, women and children have been infected with HIV (UNAIDS, 2004). However, the negative effects of HIV/AIDS are more severe in sub-Saharan Africa, the home of only 10 percent of the world’s total population but 70 percent of the world’s HIV-infected people, 80 percent of AIDS deaths and 90 percent AIDS orphans (UNAIDS, 2004). Similarly, the global HIV/AIDS pandemic shows no signs of slowing down, despite concerted efforts to control it. In 2001, more people contracted HIV and more died of AIDS than any previous years, 5 million people became infected with the virus, and 13 million died of AIDS (Armstrong, 1995). It is clear, therefore, that no region is unaffected, Kenya included. Estimates indicate that 2.2 million Kenyans are infected with HIV, 1-5 million have died living behind about 1-3 million orphans under 18 years of age. With HIV prevalence rate of about 13% in this country, and mortality rate of 700 per day, the worst is yet to come (GOK, 2002).

Along with physical, emotional and social suffering, HIV/AIDS brings in its wake economic stagnation. This is of particular concern to us here because the combined characteristics of the epidemic adversely affect economic activity in countries with a high prevalence of HIV/AIDS. If the working population continues to be affected over a long period, it is to be feared that both the agricultural and industrial sector of any such country will suffer the economic consequences (Barnett et al, 1995; Nkowane, 1988 in aventin 1998). The extra burden placed on both households and entrepreneurial organizations, is slowly but surely undermining the domestic performance of Kenya (Frosythe, 1992) and the overall
profitability of such business enterprises. The devastating effects of such a scenario on the society and workplace cannot be underestimated because HIV/AIDS affects persons in their most productive age. The experience of other countries already in the thick of the epidemic reveals that people who have or are perceived to be at risk for HIV/AIDS have faced problems in workplaces. The challenges being, loss of productivity, employee turnover, increased medical cost, cost of HIV testing and treatment etc (Aventin, 1998).

HIV/AIDS is therefore not just a potential crisis, but a real threat to the workforce and the entire community at large, and employers will increasingly require policies and mechanisms for dealing with personnel issues such as absenteeism, sick leave, ill health and early retirement (ibid). Furthermore, as more countries move towards expanded national HIV/AIDS programmes that will cover workplace issues, the business sector will need to consider national and local regulations aimed at protecting the welfare of the workforce and the community they come from as a way of embracing corporate social responsibility (Aventin, 1998) However, here in Kenya, despite numerous researches in socio-economic impact of HIV/AIDS on the economy and the business sector, no documented evidence or research has been done on the corporate social responsibility of entrepreneurship firms in mitigating socio-economic impact of HIV/AIDS amongst the affected and infected from within and without. This research therefore aims at filling this gap by investigating and analyzing the corporate social responsibility responses and policies in selected business firms in Nairobi in mitigating the socio-economic impact of HIV/AIDS.
1.2 STATEMENT OF THE PROBLEM

The HIV/AIDS epidemic today is unparalleled in the challenges it poses to the world, and it is clearly an issue that no one can address alone (UNDP, 2004). For many businesses the impact of HIV/AIDS is already severely constraining their ability to be competitive, while for others the potential risks are significant in both high and low HIV/AIDS prevalence regions. Businesses are now, more urgently than before, required to come up with social responsibility programmes and policies to address the crisis caused by HIV/AIDS. The private sector is in a unique position to respond to the epidemic, because of its reach with employees and the wider business community. Unfortunately however, most business enterprises have either been slow in their response, have designed but not implemented HIV/AIDS related policies or have completely ignored their social responsibility in mitigating socio-economic impact of the scourge on both their internal and external communities (UNDP, 2004).

Thus in order to provide data on corporate social responsibility of businesses in Kenya, this study sets out to analyze the HIV/AIDS programs and policies of selected business enterprises in mitigating the social-economic impact of the scourge.

1.3 PURPOSE OF THE STUDY

The purpose of this study is to analyze and document programs and policies implemented by business enterprises in mitigating the socio-economic impact of HIV/AIDS on the affected and infected, from within and from without as a means of enhancing corporate social responsibility.
1.3.1 OBJECTIVES OF THE STUDY

The general objective of this study is to establish and document programs and activities being carried out by business enterprises in mitigating socio-economic impact of HIV/AIDS within and in the wider community. The study will also analyze policies designed and implemented in embracing corporate social responsibility towards the AIDS affected and infected. The specific objectives of the study are:

- To document programmes designed in the business enterprises aimed at mitigating the socio-economic impact of HIV/AIDS.
- To establish the existence of official/policy guidelines in helping the HIV infected and affected.
- To highlight the main areas covered under such policy guidelines.
- To establish and document successful interventions implemented by some firms in Kenya that other enterprises could adapt.

1.4 RESEARCH QUESTIONS

(i) What activities have or are being carried out by business firms/enterprises in limiting the impact of HIV/AIDS.

(ii) What programmes have been designed by the business enterprises aimed at mitigating the socio-economic impact of HIV/AIDS.

(iii) Does official HIV/AIDS policy guidelines exist in the firms aimed at helping the infected and affected.

(iv) What are the main areas covered under the aforementioned policy guidelines.
What are some successful interventions that have been implemented by firms in Kenya that others can adapt?

1.4.1 ASSUMPTIONS OF THE STUDY

The study will be based on the following assumptions;

a) Firms under the study have programmes already instituted aimed at mitigating socio-economic impact of HIV/AIDS.

b) Firms have designed and documented policy guidelines in HIV/AIDS.

c) There is sufficient literature evidence of successful empirical interventions in HIV/AIDS implemented other by firms elsewhere that can be replicated here in Kenya.

d) The results and data obtained will be representative sample of the situation in other businesses not sampled in the country.

1.5 SIGNIFICANCE OF THE STUDY

This study will establish the responses of Kenya’s business enterprises in the fight against socio-economic impact of HIV/AIDS, and will document corporate social responsibility of the firms for the affected and infected and will highlight some successful interventions that have been designed and implemented by some firms in the Kenya worth of replication. The results and recommendations therefore will inform entrepreneurs how to benchmark themselves and be successful in mitigating the impact of HIV/AIDS on their ventures and the community they serve. The recommendations and results of the research will also inform the business entrepreneurs on how to coordinate their programs/activities to help the
infected and affected from within and without and still remain competitive. Similarly, the businesses will be able to adapt, adjust and or design HIV/AIDS policies that are internal/external consumer friendly and all inclusive- from the output of this research. The community and the private sector will be sensitized and made aware of what to expect from each other, their rights and obligations as far as corporate social responsibility is concerned. In a nutshell, this research will help to sensitize and bring the private sector as a key participant in the campaign against the HIV/AIDS epidemic and make it a priority in its core functions.

1.6 SCOPE AND LIMITATION OF THE STUDY.

The study will sample out only 20 business enterprises in Nairobi. The study will establish the company’s corporate social responsibility in caring for the infected and affected within the organization and the community they serve. The data and results obtained will be generalized and assumed to be representative of the overall picture in Kenya.

1.6.1 OPERATIONAL DEFINITION OF TERMS

1. Strategic management: Managerial actions that include strategy formulation, strategy implementation, evaluation and control and encompass a wide range of activities, including environmental analysis of external and internal conditions and evaluation of organizational strengths.

2. Strategic planning: The process of evaluating the enterprises environment and its internal strengths and then identifying long and short-range activities.
3. **Human resource managers**: In a matrix structure, managers charged with providing people for operations.

4. **AIDS**: Acquired Immune Deficiency Syndrome is a condition caused by the HIV virus, which acts by weakening the immune system, making the body susceptible to other infections commonly referred to as 'opportunistic infections'.

5. **HIV**: Human Immunodeficiency Virus is a pathogen that causes HIV/AIDS.

6. **Policy**: A set of principles, guidelines and objectives to define an activity or activities.
CHAPTER TWO: LITERATURE REVIEW

2.0 INTRODUCTION
This section is a review of related literature on the dimensions of corporate social responsibility in modern businesses, the concept of corporate social responsibility, social responsibility in HIV/AIDS and empirical interventions that can be replicated.

2.1 CORPORATE SOCIAL RESPONSIBILITY; THE CONCEPT

Definition:
According to Baker (2004), different organizations have framed different definitions, although there is considerable common ground between them. However, Baker (2004) defines corporate social responsibility (CRS) as how companies manage the business processes to produce an overall positive impact on society.

According to Baker (2004), companies need to answer to two aspects of their operations:

1. The quality of their management – both in terms of people and processes
2. The nature of and quality of their impact on society in the various areas.

Outside stakeholders are taking an increasing interest in the activity of the company most look to the outer circle - what the company has actually done, good or bad, in terms of its products and services, in terms of its impact on the environment and on local communities, or in how it treats and develops its workforce. Out of the various stakeholders, it is financial performance – on quality of management as an indicator of likely future performance.
Baker's definition clearly presents the major stakeholders in CSR, the impact of business on the society, the varied dichotomy of social investment areas and the overall society's expectations. However the definition is deficient in one important component; the commercial interests of investing in CSR.

2.1.2 OTHER DEFINITIONS

The World Business Council for Sustainable Development in its publication “making Good Business Sense” by Lord Holme et al (in Baker, 2004), used the following definition:

“Corporate social responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.”

Baker (2004) continues to assert that social responsibility becomes an integral part of the wealth creation process—which if managed properly should enhance the competitiveness of business and maximize the value of wealth creation to society. Similarly, when times get hard, there is the incentive to practice CRS more and better- if it is a philanthropic exercise which is peripheral to the main business, it will always be the first thing to go when push comes to shore.

This assertion by Baker helps to emphasize the narrow perspective in which corporations/businesses view CSR. This is however true when CSR is defined and seen from one dimension; businesses helping the masses! Unfortunately, all the above definitions
have failed to capture the value of CSR to the business and the fact that such investment is necessary to a point of being compulsory.

Whitebread Company in Cannon (1992) emphasizes that good relations means good business. The equation is simple as that. Therefore today’s most important task is encouraging good relations that will create good business in the future.

The whitebread’s assertion briefly sums up the benefits that arise from investing in CSR and also underscore the fact that CSR is not an option, but a necessary venture to ensure good business in the future.

According to Pricewaterhousecoopers East Africa’s Most Respected Company 2002 survey results, the following were some definitions of corporate social responsibility with regard to the African situation,

- Empowering the masses/citizens economically so as to increase mass production and enhance social advancement (28%)
- Improvement of the standards of living and social welfare (20%)
- Laying of social responsibilities on the family, company staff and the community (17%)
- Having social objectives outside commercial motives, sacrifice that is taken to help the society (8%)

The first definition albeit the fact that it capture social responsibility from both the society’s and the corporate’s point of view fails to establish the relationship/link between social economic empowerment and increase in mass production.
The second definition apart from failing to underscore beneficiaries of living standards and social welfare emanating from corporate responsibility, also fails to establish the reason(s) underlying corporate social responsibility from the business perspective. It is therefore narrow in scope and depth.

The third definition captures well the major stakeholders of corporate social responsibility. However, the definition fails to state the basis of laying social responsibilities on such stakeholders. The place of businesses in social responsibility is also not emphasized.

The last definition is eloquently stated. It establishes CSR as a philanthropic and benevolence activity aimed at helping the society and that it entails accomplishing objectives outside the commercial motives of business enterprises. The definition would thus have been complete if it underscored the commercial benefits to the business that accrues from CSR.

2.1.3 The perspective of CSR used in this study.

According to this study, CSR is the continuous commitment by businesses to having social objectives outside commercial motives to the welfare of everyone in the society, to contribute to the development and implementation of initiatives within the community aimed at alleviating social problems by addressing their sources and to mitigate the impact of such problems. CSR is therefore how businesses manage their operations to produce overall positive impact to the society (within and outside) and therefore gain good relations and thus enhanced business.

Explanation.

This perspective/definition underscores the following concepts;
• **Continuous commitment**: CSR is not a one-time philanthropic activity, it should rather be continuous and enhanced programs entrenched in the core functions and policies of the business.

• **Outside commercial motives**: The implementation of CSR in especially in HIV/AIDS should be on philanthropic and benevolence basis, designed to help masses/citizens without due emphasis on commercial concerns.

• **Development and implementation**: businesses should not only design feasible blueprints, but should take the lead in implementing such programs to alleviate social problems.

• **Sources**: The programs designed should not be reactive but rather proactive. They should not just address the problems per se, but also their origin/causes.

• **Society**: members of the community from within (employees and their families) and from outside the company (customers, suppliers, citizens, masses)

• **Good relations**: implementation of good CSR results in direct and indirect good relations between the company and the community it serves and thus good business now and in the future.

There is a growing interest, therefore, in businesses taking lead in addressing those issues in which they have interest especially where national governments have failed to come up with a solution (e.g. HIV/AIDS). However, that is not to say businesses will necessarily provide the answers—but awareness is growing that they are occasionally better placed to do so than any other actors taking an interest (Baker, 2004).
2.2 DIMENSIONS OF CORPORATE SOCIAL RESPONSIBILITY IN MODERN BUSINESSES

Many writers, managers and researchers have tried to define and accordingly place the role of social responsibility in contemporary society. To establish the role of CSR in contemporary business practice, Walton (1967), starts by asserting that a corporation is really as much a social and political entity as an economic unit. According to the author, the concept of CSR recognizes the intimacy of the relationship between the corporation and the society and realizes that top managers must keep such relationship in mind as the corporation and the related groups pursue their respective goals. Therefore, the essential ingredients of corporation's social responsibility are its degree of voluntarism as opposed to coercion, the indirect linkage of certain other voluntary organizations to the corporation, and admission that costs are involved for which it may not be possible to gauge any direct measurable economic returns (Walton, 1967).

This author brings in focus several important dimensions of CSR. First he underscores that CSR is a critical component of the day-to-day core functions of a business enterprise, secondly, he elaborates that the corporation the society in which it exists are closely nit, interdependent and have a symbiotic kind of relationship. Thirdly, he postulates that CSR should be a voluntary activity as opposed to coercion or public pressure. Lastly, the author cautions that CSR has cost implications whose economic returns be measured cannot directly. However, more importantly the author acknowledges that at least there are spill over benefits derived from corporate social responsibility.
On the other hand, Walton's business/society symbiotic relationship is challenged by Friedman (in Sturdivant, 1981) who views business as having a very central role in economics but limited role in society, that the business of business is business—not social issues or politics. This Friedman's 'pure' position assertion is met with strong resistance by those who view the role of business more broadly. For example, Peter Drucker writes that 'Friedman’s ‘pure’ position- to eschew all social responsibility is not tenable and that business and other institutions of our society can not be pure, however desire that may be. Their self-interest alone forces them to be concerned with society and community and to be proposed to shoulder responsibility beyond their own main areas of task and responsibility (Sturdivant, 1981).

One purpose of Sturdivant's book titled "the business and the society" is to assault the notion that corporate social performance is a peripheral matter. He argues that if this subject is to be addressed fully, it must be recognized that business is a component of a broader social system that is constantly experiencing various rates of change. It is within this dynamic environment that managers of enterprises are challenged to be alert to change, even initiate or anticipate change, and to modify their firm's policies, practices, and strategies accordingly. It is a fundamental premise of this book that corporate social responsiveness is not the expense of the firm's profit objective, but rather that responsiveness enhances the company's long-run economic performance (ibid).

Similarly, Hargreaves et.al (1975) assert that because society today is interdependent, business survival depends on its ability to understand the issue facing society as a whole and
to adjust to the major political and social forces of our time. In this context, when we speak about social responsibility, we are talking no more and no less than survival itself.

These writers recognize that business is part of society and a major force within it. The aims and standards of business cannot be allowed to diverge from those of the society as a whole. Business today has to move side by side by with the rest of society. Free enterprise has to add the dimension of social enterprise in which the long-term interests of all are also the long-term interest of each section. This is the form of the new social contract in which business has to play a leading part.

The role of CSR in business today cannot be over-emphasized. Hargreaves et al (1975) underscore that there is no doubt that any business can survive in the long-term only if it is providing a real service, satisfying a need or want, providing satisfactory employment and creating wealth. This must be its prime purpose. In order to meet this purpose, it must satisfy the interest of all who have a stake in the business and these interest will include those of the community at all levels. With this context, the writers firmly conclude that profits become simply a measurement of reward for successful achievement of the prime purpose.

Hargreaves’s proposal of the existence of a positive correlation between CSR and profitability is strongly contested by Preston (1978) who asserts that the previously noted difficulties associated with most current social responsibility indices coupled with discrepancy findings across studies preclude any firm statement concerning the sign and magnitude of the relationship between social responsibility and corporate economic
effectiveness. He continues to suggest that it seems clear even in those cases where apparent relationship between social responsibility measures and effectiveness indices have been isolated, directions of casualty have not been firmly established. He continues to allege that it cannot thus be stated with certainty whether social responsibility is a cause of corporate effectiveness, a consequence, or if any such relationship is spurious. It would seem that longitudinal analyses and experimental design would be useful in future studies in order to enhance confidence in the understanding of relevant causal mechanism. Therefore, in response to this assertion, Kinyanjui (2003) carried out a study on CSR aimed at analyzing the relationship that exists between CSR, workers, the environment, the community and sustainable development. In respect to profitability and corporate social responsibility. He found out that increase in disclosure requirements helps to decrease conflicts of interest between management and stakeholders and thus contributing to lower operation costs. An increase in disclosure can surely help to bring non-tangible benefits, which can have positive financial implications, to the notice of investors. The author goes a head to say that investors gain from the fact that environmental risks can be better known and quantified, reducing uncertainty about the value of their investment. They can also wish to invest according to ethical principals in companies that have good environmental records.

Sturdivant (1981) further highlights the demand for CSR on modern business by asserting that because of the size of dynamism, and influence, the actions or inaction of business have significant consequences for society. As business has become an increasingly important factor in society today, new challenges have come under growing pressure to consider the social costs and consequences of their companies' policies and practices (ibid). He continues by suggesting that managers must now respond to the challenges and demands of
minority groups, environmentalists, and consumerists, academicians, social commentators

In support of Sturdivant’s position, Elkins et al (1981) say that the general CSR doctrine maintains that firms are surrounded by various constituent or interest groups with each one demanding some of the firm’s resources and energies. Management acting as a hub activity is therefore entrusted with distributing its effort and its corporate rewards or resources equitably among these different groups. The authors sum up by saying that the business function by public consent, and its basic purpose is to serve constructively the needs of the society—to the satisfaction of the society.

Stephen et al (1994) brings another dimension of CSR by highlighting its two basic values i.e.

- You do it because it is profitable
- You do it because it is right thing to do

The authors also give a distinction between CSR and corporate citizenship. The former refers to basic public expectations, such as conducting business ethically and protecting public health and safety and the environment while the former means leading and supporting publicly important purposes, such as education, community services, industry and trade practices, and quality improvement.

The authors sum up their dimension of CSR by asserting that the new management model looks outward as well as inward. It recognizes that customers are more than people who buy products and services and that all customers need to be satisfied for the company to
have long-term success. Companies that approach this responsibility with open minds discover that active CSR and citizenship make good business strategy (Stephen et al, 1994).

To sum up this discussion, Sturdivant et al (1981) postulate that it is essential that CSR should be an integral part of a company's strategic plan and organizational design. The purpose of planning is to achieve an optimal fit between the company and its environment. Increasingly, as has been seen, changing social expectations heavily influences the nature and shape of that environment.

### 2.3 CORPORATE SOCIAL RESPONSIBILITY; THE KENYAN CONTEXT

Wamalwa (1999) carried out research aimed at testing the theoretical CSR principals and their applications in the Kenyan context. The researcher found out that there was nothing written on CSR in Kenya, although there was so much on the topic in the western world (ibid). In follow up to this Kinyanjui (2003) did research on corporate social responsibility aimed at analyzing the relationships that exist between corporate social responsibility, workers, the environment, community and sustainable development in Kenya. In this research, she found out that some business firms were aware of the concept of CSR and did practice it. The following activities supported this assertion—local community response was 33%, employing the local community 32%, environmental activities 35%, developing the local community 30%, applying ethical standards in business 37%, assisting the needy in the society 37%, support media activities 33%, support programs for national and local government 37%, paying taxes 37%, promote economic development 37%, support educational activities 27%, support higher education 25% and provides access to company
facilities for community usage 13%. The researcher also established that there is some awareness of corporate social responsibility in some Kenya-based organizations even though one cannot compare its practice and impact with USA and Europe in scope. Further results indicate that firms concentrate more on profits and less on workers, the communities and environments. Such results suggested that the workers, communities are not aware of the corporate responsibilities. The results also support that there is an association between corporate social performance activities and potential competitive advantages. In summary, the researcher recommends that being a relatively new concept in the Kenyan Business Environment, it would be necessary to expand the study to capture other dimensions of CSR. This study is therefore crucial as it would assess CSR in the dimension of HIV/AIDS.

2.4 CORPORATE SOCIAL RESPONSIBILITY IN HIV/AIDS

Rationale:

Vidette Bullock – Mixon, Director, Corporate Relations and Social Concerns, General Board of Pensions and Health Benefits, UMC (GBOPHB, UMC), the largest denominational not-for-profit financial service organization in the United States of America postulate that dealing effectively with HIV/AIDS is a core corporate social responsibility issue (Vidette in ICCR, 2004). Sir Richard Skyes, chairman of GlaxoWellcom and Chairman of Global Business Council on HIV/AIDS strengthens this point by asserting, “At Davos, we recognized that business couldn’t operate in a vacuum. It has to engage the real world. Business can also act as an advocate, helping to keep AIDS on the International agenda, and thereby demonstrate the benefits business can bring to society as a whole through its products and as a corporate citizen in partnership with the public sector” (Skyes in UNDP, 2004).
The Harvard Business Review reports that investments in programs that prevent infection and provide treatment for employees who have HIV/AIDS are profitable, their cost is less than the savings they lead to (Harvard Business Review in ICCR, 2004).

Never have the moral and the business case for action been more closely aligned (Aiyer in Ibid).

UNDP (2004) sum up the rationale for corporate social responsibility in HIV/AIDS by postulating that the AIDS epidemic is today unparalleled in the challenges it poses to the world, and it is clearly an issue that no one can address alone. Business is an essential partner in the response to AIDS. The private sector like the other sectors is not immune from AIDS. But the private sector is also in a unique position to respond to the epidemic, because of its reach with employees and the wider business community.

Prof. Goyal in Reddy (2000), identified four reasons why businesses should respond to HIV/AIDS

- Safeguarding direct commercial interests,
- Contributing to protection of other shareholders
- Acting philanthropically and adopting a leadership role

Reddy (2000) asserts that the role of employers in limiting the spread of HIV/AIDS needs no emphasis. Containing HIV/AIDS from growing into unmanageable proportion is in the interest of employers as that would protect the skilled workers from falling prey to the dreaded disease and also save on the workplace-health related costs (ibid). Reddy continues
to say that unquestionably, in the overall workplace context, management’s response is a key element in shaping the level and quality of company interventions. To mobilize the corporate sector’s participation in a major way, management must be included as stakeholders from the planning stage to implementation. She said the success of many businesses depends, to a large part, on the goodwill of their customers and communities from which they draw their workforces. Over recent years, the business sector has supported various social, civic, and healthy causes. These activities have been publicly perceived as an exercise of corporate citizenship and social responsibility (Reddy, 2000).

Involvement of the private sector in the response to HIV/AIDS is crucial to the success of any country’s efforts against the epidemic. Businesses can mobilize support in various sectors, give enhanced visibility to the campaign to help keep HIV/AIDS on the international document, and engender a holistic robust civil society response to the HIV/AIDS epidemic. The role of corporate social responsibility and active involvement of the private sector in the response to HIV/AIDS epidemic cannot be overemphasized (UNDP, 2004).
2.4.1 EXAMPLES OF STRATEGIES/PROGRAMMES IMPLEMENTED

2.4.2 GENERAL CSR HIV/AIDS STRATEGIES/PROGRAMS IMPLEMENTED

The Forbes Marshall Group, which provides steam engineering and control instrumentation solutions, has been associated with the national AIDS Research Center and has launched several initiatives to raise awareness about HIV/AIDS and provide care and treatment support.

- A 30 bed hospital, Shehemaaz Medical Center located in the premises of the company in Hyderabad, India has been established which has an out patients department, counseling facilities and facilities of investigations are encouraged. The services are provided free of cost. These facilities are extended to the rural and urban communities around their workplaces. The HIV-positive cases are referred to the center of National AIDS Research Institute for confirmation and further counseling and guidance.

- A condom vending machine has been installed in the hospital and in the factory premises.

- World AIDS Day is observed with representative from NGOs and government health departments.

- A welfare consultant, trained in HIV/AIDS counseling has been hired by the company to conduct awareness sessions among youth, and women groups.

- HIV related counseling is provided to individuals, ensuring their confidentiality.
• Support is also provided for government-aided organizations, hospitals, NGOs, for training their employees and conducting awareness programmes (UNDP, 2004).

In the Asia Pacific region the CSR efforts against HIV/AIDS are on the increase (UNDP, 2004). There are many encouraging examples of CSR, public-private partnerships and the private and corporate sectors demonstrating active roles in prevention, care and support activities. The initiatives by the confederation of Indian Industry (CII) and the Indian Business coalition on AIDS (IBCA) in India, the Thailand Business coalition, an alliance of more than 100 companies, are some examples promoting CSR in HIV/AIDS prevention, care and support initiatives in the Asia Pacific region is one of the objectives of the advocacy and communication efforts of the UNDP Regional HIV and development programme. In partnership with other stakeholders and private and corporate sectors, the idea is to create a regional platform for fostering CSR in HIV/AIDS (UNDP, 2004).

World Economic Forum Press Release (in Ibid) polled 7,789 business leaders and found:

• Forty seven percent of firms felt HIV/AIDS is having or will have some impact on their business, with firms more worried about HIV/AIDS than tuberculosis or malaria.

• Sixteen percent of all firms provide information about the epidemic while 5% claim to provide anti-retroviral for all HIV-positive staff.

• Fewer than 6 percent have formally approved written HIV policies.

The report draws three general conclusions i.e.

Firms are not particularly active in combating HIV/AIDS, even when they expect the epidemic to cause serious problems for their business. Businesses appear to be making
decisions based on a fairly patchy assessment of the risks they face. Firms seem to favour a broad social response to the epidemic, even if only a small number of businesses currently see themselves as an integral part of that response (UNDP, 2004).

In commemoration to world AIDS Day, 2003 Standard Chartered CEO Steward Hall Said ‘As one of the worlds leading international companies we have a role in building awareness on HIV/AIDS issues. For the World Aids Day, we will perform ‘Red Ribbon Campaign to our staff and customers to increase awareness on the epidemic. We intend to fight against stigma and discrimination by distributing 15,000 stickers. We have a responsibility to our employees and to the communities in which we operate’ (UNDP, 2004)

In Indonesia, standard Chartered Bank has completed the training for 1,750 staff during the community week in September 2003. Many HIV/AIDS activities participated in the final session; from Kusuma Buana (a foundation set up by medical doctors dedication themselves to prevent programmes), Nurul Arifin, artist turned activist, and Pelita Lus, a foundation managed by people living with HIV/AIDS, to international agencies such as UNAIDS, Asian Business Coalition, and family Health International (ibid)

Titan industries Limited, leading watch manufactures in India, has a dedicated community development forum, which focuses on the following activities;

- Awareness creation among employees through competitions to create a different mindset about HIV/AIDS.
• Signature campaigns
• World AIDS day celebrations
• Exhibitions/displays
• Reaching out to employees through peer educators (training the role model employees to become ambassadors to spread the message)
• Counseling and guidance with the help of NGOs
• Mobile exhibitions along highways to focus on truck drivers
• The company is in the process of identifying vulnerable villages in and around Hosur (where TILS major manufacturing divisions are situated), India and plan out programmes based on the same (ibid)

According to UNDP (2004), UNIADS has been working to encourage companies committed to forming part of global response to HIV/AIDS, either at the national or international level. For instance;

• A group of 15 companies advocating a stronger business response to HIV/AIDS around the world has formed a Global Business Council on HIV/AIDS which was launched in 1997
• Coca-cola announced on June 20, 2003 a partnership with UNAIDS to participate in fight against AIDS in Africa.
• Merck has donated funding and medicine to the “Botswana comprehensive HIV/AIDS partnership” to improve HIV/AIDS education care.
• The Corporate Council on Africa has formed a task force on AIDS in Africa.
• Daimler Chrysler has pledged to provide free condoms and anti-AIDS drugs to its South African employees and families.
• Abbot laboratories support an aid programme for orphans with AIDS and vulnerable children worldwide.
• Chevron companies are involved in anti-HIV/AIDS efforts in several countries.
• Villares, manufactures of specialty steel in Brazil; Thailand Business Coalition on AIDS, commercial and industrial medicine AIDS society (CIMAS), Zimbabwe; Levi Strauss and company, Europe; are some other key players in mobilizing business response to HIV/AIDS (UNDP, 2004).

YouandAIDS is an organization that has had tremendous contribution in HIV/AIDS. Bringing in the private sector, as a key participant for the campaign against the HIV/AIDS epidemic has been a priority for youandAIDS right from the time it was conceptualized (UNDP, 2004). Launched in March 2003, youandAIDS.org, the HIV/AIDS portal for South Asia, set out to perform seven core functions:

• Provide the entire spectrum of information and services needed by people infected and affected by epidemic and people working in the field.
• Reduce the HIV vulnerability of people and also the impact of the epidemic.
• Mobilize advocacy on various sectors like politics, media and young people.
• Make HIV/AIDS a mainstream issue for catalyzing a meaningful and robust civil society.
• Connecting/networking marginalized communities to reduce their social and HIV-vulnerability.
• Networking people infected and affected and also working in HIV/AIDS and participant of national programmes like TRGs and SACS heads.
• Supporting programme needs.
2.4.3 SPECIFIC; (COMPANIES IN KENYA)

2.4.4 BARCLAYS BANK-KENYA

According to *East African Standard* of August 11th 1998, many companies in South Africa have implemented intervention programmes-involving peer education, condom distribution, voluntary counseling and testing, to great success. Rene Lowenson, technical co-coordinator of the organization of African Trade Unity (OATUU), told a news conference that the incidence of HIV/AIDS in many southern African countries that had implemented these programmes had declined by up to 30%.

In the same token, at Barclays Bank, one of the few companies to implement an intervention programme in Kenya, incidence of the HIV infection has fallen substantially since the scheme was implemented in 1990 (ibid).

The Barclay's Bank intervention is very commendable noting that Kenya is one of the leading African countries in HIV infection. Similarly, one analyst warned that the majority of companies in Kenya have been slow to follow the lead of southern Africa (ibid). It is therefore laudable that Barclays Bank has adopted such a programme. However, questions that beg for answers include; what are the specific programmes that Barclays has implemented, how does the bank coordinate this programme(s), who are the direct beneficiaries, how did the bank document the decrease in incidence rates? The Bank’s assertion is therefore questionable as no statistics is provided neither does it provide details on this programme. This study will therefore not only try to answer these questions, but will shed light on the overall HIV/AIDS policy at the Bank.
2.4.5 BOEHRINGER INGELHEIM AND GLAXOSMITHKLINE PLC.

In January 2001, Boehringer Ingelheim lowered the price of the Drug Nevirapine in Kenya from Ksh 18,300 per month ($230 dollars) to Ksh 3,636 ($50). The company also proposed to provide the medication free to all developing countries to help prevent the transmission of the Virus from mother to child (DN, June 14th 2001).

Similarly, GlaxosmithKline plc, the world’s leading supplier of HIV/AIDS drugs said in 2001 that it intended to further slash the price of its anti-retroviral AIDS drug cocktails in Kenya. Andrew Bulloch, Management Director of Glaxo Kenya said the Drugs would also be offered to multinational companies in Kenya to administer directly to employees with HIV/AIDS (DN, May 21st 2001).

The lowering of drugs by these giant pharmaceutical companies in Kenya was long overdue. The prices for the drug, despite the cuts are still too high for a common man, majority of who are greatly infected. The price-cuts also comes in the backdrop of public demonstrations and lobbying aimed at pressurizing the companies to embrace corporate social responsibility by cutting the prices and to stop taking advantage of the HIV pandemic in Africa to enrich themselves. Their action is therefore seen as an after math of public coercion and not as an act of philanthropy. The companies therefore need to do more than reduce drug prices and get involved in more social responsibility activities.
2.4.6. Others

A consulting firm conducted interviews with managers of 16 businesses in three Kenyan cities, representatives of 2 trade unions, focus groups with workers at 13 companies. It then did a need assessment. The business types were light industry, manufacturing companies, tourism organization, transport firms, agro-industrial and plantation businesses, and the service industry. Only one company was found to have followed all the workplace policy principles recommended by World Health Organization and the International Labour Organization. Six businesses required all applicants and/or employees to undergo HIV testing. All managers claimed that they would not discriminate against HIV-infected workers. Many workers thought that they would be fired if they were –or suspected to be HIV positive. Lack of a non-discrimination policy brings about worker mistrust of management (Roberts et al. 1995). 11 companies had some type of HIV education program. All programs generated positive feedback. The main reason for providing HIV/AIDS education for the remaining companies were: no employee requests, fears that it would be taboo, and assumptions that workers could receive adequate information elsewhere. More than 90% of all companies distributed condoms. 60% offered sexually transmitted disease diagnosis and treatment. About 33% offered counseling. Four companies provided volunteer HIV testing. Almost 50% of companies received financial or other external support for their programs. Most managers thought AIDS to be a problem mainly with manual staff and not with professional. Almost all businesses offered some medical benefits. The future impact of HIV/AIDS would be $90/employee/year (by 2005, $260) due to health care costs, absenteeism, retraining, and burial benefits. The annual costs of a comprehensive
workplace HIV/AIDS prevention program varied from $18 to $54/worker at one company (ibid).

This research by Roberts et al (1995) is a great backbone to my study. It highlights some activities that have been implemented in response to HIV/AIDS by some businesses in Kenya. However, the research does not highlight the reason(s) why the enterprises implement such programs, and more specifically, which ones are purely for CSR. This study will therefore go beyond the mere mentioning of these businesses reactions, but will also highlight the rationale for implementing such programs in light of CSR.

2.5 HIV / AIDS Policies

2.5.1. FEDERATION OF KENYA EMPLOYERS (FKE)

The federation of Kenya Employers has come up with an HIV/AIDS code of conduct in workplace, which stipulates that employers should not dismiss workers who test positive (Daily Nation, march 13th 2001).

The revised code of conduct 2001 stipulates that discrimination, either by management or by colleagues against those employees living with HIV/AIDS should be discouraged. Such discrimination, the code says, shall include discrimination with regard to promotion, training, medical cover, social exclusion, isolation and rejection.

The management, the code notes, entirely at its discretion, should allow an employee living with AIDS to continue in employment as long as physical conditions allow. The code says HIV infected employees should have access to pension and medical insurance. The epidemic, the code further notes, should not be cause for ending employment.
Employees infected with HIV, it notes, are entitled to the same rights, benefits and opportunities as people with other life threatening conditions. It also recommends that the management should treat an employee’s sero-status report with confidence and ensure that only authorized individuals have access to such information (East African Standard, May 30, 2001).

This policy advanced by FKE reflects the contents and pre-employment and employment legal requirements as postulated in the GOK HIV/AIDS 2003 Bill. This is not only a commendable stand by FKE, but all employers in Kenya should embrace it with zeal. However the acid test rests with effective implementation and enforcement of this policy. Meanwhile, evidence suggests gross violation of this noble policy by some business firms in Kenya. It is reported that some companies still request for compulsory pre-employment HIV/AIDS test, PLWHAs are discriminated against and even some fired from their employment. This study is therefore important as it will highlight the implementation of this policy and analyze the anomalies reported.

2.5.2 APOLLO INSURANCE COMPANY

According to Ashok Shah, the former chairman of the association of Kenya Insurers exposed that Apollo Insurance Company was to offer limited medical cover to patients with HIV/AIDS by the year 2001. The medical cover policy was to allow patients to get treatment in certain clinics with the insurance covering the medication and hospital care. Ashok’s expectation was that when they start offering the medical cover, other insurance companies would follow suit (DN, March 4th 2001). It is worth noting that some Insurance Companies have actually followed suit. This year, 2004 Madison Insurance Company embraced a massive medical life insurance cover for PLWHAs. This is a great leap forward
noting that most Insurance firms in Kenya have, for a long time been denying PLWHs medical and life insurance cover.

2.5.3 CONCEPTUAL FRAMEWORK

The actions of corporations/Business enterprises can determine the prosperity of communities and the health of environments (Cannon, 1992). They have power, authority and demand the right to pursue their interests, generate wealth, innovate and change. With great power comes great responsibility. The responsibilities of corporations to their communities are under intense scrutiny. In part, this reflects growing awareness of the impact of their actions on the environment and the disadvantaged (Ibid). Else where, the discussion reflects widespread recognition of the changing relationship between companies and communities. New technologies, developments in markets, new ideas, emerging environmental and health issues such as HIV/AIDS are providing insights into influencers of corporate actions and their potential impact on issues, which extend far beyond the conventional remit of firms and their managers. The following diagram therefore, presents the concept of Corporate Social Responsibility as highlighted above.
THE BUSINESS IN SOCIETY

SHAREHOLDERS & CUSTOMERS

UNIONS & EMPLOYEES

FINANCIAL ANALYSTS

GOVERNMENT & NGOs

LOCAL COMMUNITIES

Market place

Workplace

Environment

Community

Quality of Management

IMPACT ON SOCIETY

SOURCE: Adapted from Baker Mallen (2004)
CHAPTER THREE: METHODOLOGY

3.10. INTRODUCTION

This chapter highlights the methodology used in data collection and analysis. It is divided in several sections. It describes the area of the study, study population, study design, sampling procedure, data collection instruments, data presentation and analysis.

3.11 AREA OF STUDY

The study took place in Nairobi, the capital city of Kenya. According to the 1999 Population and Housing Census Nairobi had a total population of 2,143,254 covering an area of 581,677 square kilometers (GOK,2001).

Nairobi is a major industrial, commercial and a communication center, and has some of the most prestigious investments in East and Central Africa. It has attracted a labour force from all parts of the world and many services and subsidiary industries have grown up to meet the needs of the expanding population (GOK,2001). Being the central hub for business and entrepreneurship, this area was therefore convenient for this study.

3.12 STUDY POPULATION

20 Business companies/enterprises in Nairobi were selected for this study. Multistage sampling procedure was employed to acquire the necessary sample frame.
3.13 STUDY DESIGN
An exploratory descriptive survey research design was employed in this study. Fowler, (1993) assert that there are many data collection and measurement processes that are called surveys. However, this survey design had the following characteristics.

- The purpose of the survey was to produce statistics – i.e. is, quantitative or numerical descriptions of the aspects under the study, as they existed in the study population.
- The main way of collecting information was by asking respondents questions; their answers constituted the data to be analyzed.

3.14 SAMPLING TECHNIQUE/PROCEDURE
Cluster sampling technique was used in this study. According to Fowler, 1993 when there is no adequate list of the individuals in a population and no way to get at the population directly, cluster sampling provides a useful approach. Mugenda et al (1999), asserts that cluster sampling is used when it is not possible to obtain a sampling frame because the population is either very large or scattered over a large geographical area. It is however practical in sampling population that can be defined geographically (Fowler, 1993). In this case, Nairobi Area was divided into exclusive, mutually exclusive sub-areas with identifiable boundaries i.e. Nairobi West, Nairobi East, south and North. The operational boundaries for each zone was as follows:

(i) Nairobi North – Kasarani and Ruaraka
(ii) Nairobi East – Makadara, Pumwani and Embakasi
(iii) Nairobi south - Dagoreti and Kibera divisions
(iv) Nairobi Central and Westlands.
3.15 DATA COLLECTION INSTRUMENTS

The instrument for data collection in this research was a direct contact questionnaire. The researcher used pre-tested questionnaires, which were administered to company administrators (managing Directors, public relations officers, or human resources managers). Similarly, the second set of questionnaires were administered to employees of the respective companies under the study aimed at cross checking and validating the genuines of the testimony provided by the management.

3.16 DATA PRESENTATION AND ANALYSIS

The collected data was summarized, organized and presented in the form of tables, graphs, and charts. The data was analyzed by treating it to the Statistical Package for Social Sciences (SPSS).
CHAPTER FOUR: RESULTS AND DISCUSSION

4.0 INTRODUCTION

This chapter presents the results of the data collected and further discusses these findings. The study was aimed at identifying and analyzing corporate social responsibility in mitigating the socio-economic impact of HIV/AIDS in business firms in Nairobi. The theme of the study was derived from the researcher questions that guided the study. The findings are organized according to the variables as they appeared in the questionnaire i.e. The company profile, HIV/AIDS programs (internal and external) and the policy framework. In the study, twenty five questionnaires were administered (25 given to the management and 25 to employees of the same firms). However, the objective of the study was to sample only twenty firms. The extra questionnaires were dispatched to take care of loss and non-respondents. The questionnaires (dispatched to the management), whose information tallied and was confirmed by those filled by the firm's employees qualified for the final analysis. To this end, only eighteen questionnaires, representing 90% qualified. The findings are divided into three parts; result presentation, test of relationships and discussion respectively.
4.1 COMPANY PROFILES

Table 4.0 below shows the industry of affiliation to which the respective business enterprises under the study belonged.

Table 4.0: Industry of Affiliation.

<table>
<thead>
<tr>
<th>TYPE OF INDUSTRY</th>
<th>FREQUENCY</th>
<th>PERCENT (Valid)</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel &amp; Hospitality</td>
<td>6</td>
<td>33.3</td>
<td>30</td>
</tr>
<tr>
<td>Banking &amp; Finance</td>
<td>6</td>
<td>33.3</td>
<td>30</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1</td>
<td>5.6</td>
<td>5.0</td>
</tr>
<tr>
<td>Other e.g education</td>
<td>5</td>
<td>27.8</td>
<td>25</td>
</tr>
<tr>
<td>Missing</td>
<td>2</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>20</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The study sought to sample business firms from a cross-section of industry with the main aim of acquiring diversity in response, a necessity for appropriate and accurate inferences and generalization. Table 4.0 above shows that 33.3% of the respondents were drawn from the hotel and hospitality industry. Similarly, 33.3% were from banking and finance, 5.6% from the manufacturing industry, while 27.8% were categorized as "others", with a majority of these coming from the education sector.

To adequately achieve the objectives of the study, the researcher also sought to sample a majority of business enterprises that would have been in operation for at least two years by the time of the research. This formed the core of the inclusion criteria. Figure 4.2 (pie-chart) below shows the duration in operation of the sampled enterprises.
Figure 4.2. Duration of Operation.

The results indicate a majority of the respondents had been in the operation for more than 5 years (77.8%), 16.7% reported being in operation for between 2-4 years, while 5.6% had been in operation for less than 1 year. These 5.6% which should not have been included in the sample may have crept in due to the random sampling technique employed in the study. However, the 94.6% appropriate respondents were adequate to draw the references here in.

To complete information on the company profiles, the study also sought to establish the number of employees in the firms under the study. Figure 4.3 shows the population of employees in these firms.
Figure 4.3: Number of Employees

The figure shows 5.6% of the sampled firms had between 21-40 employees, 11.1% had 41-60 and 83.3% employed more than 61 employees. In a nutshell, no single firm had less than 20 employees. Therefore, all the respondents met the requirements for inclusion i.e. The study sought to sample only business firms/enterprises that had more than 20 permanent and pensionable employees.

4.2 AVAILABILITY OF INTERNAL HIV/AIDS PROGRAMS

The study sought to establish the availability of official HIV/AIDS programs for infected and affected members of staff in the sampled business firms. Figure 4.4 below shows the availability/unavailability of the same.
Results show that 61.1% of the respondents indicated the availability of official HIV/AIDS internal programs geared towards the members of staff (employees). However, 38.9% indicated the contrary. The 61.1% respondents sighted some of the programs designed within their businesses aimed at preventing and controlling HIV/AIDS amongst their members of staff. The programs include regular lectures to staff about HIV/AIDS (33%), free condom dispensation (28%), availability of peer educators within the organization (18%), sponsorship of internal educators to HIV/AIDS related seminars (15%), provision of counseling and guidance services (67%), provision of medical support including free antiretrovirals (63%) and putting of and distribution of informative posters/materials (69%).

The results serve to underscore the fact that business enterprises in Kenya have proactively joined hands with other stakeholders in the fight against HIV/AIDS especially targeting the
spread of the scourge amongst their members of staff. It is also laudable that respondents have rich, varied and dynamic programmes designed for their staff, with those aimed at awareness creation ranking top. It is also important to note that even more companies are backing up this awareness creation with proactive support services for the infected including medical cover, guidance and counseling and deployment of such members of staff to less demanding positions/departments.

This position taken by some of these Kenyan business firms is laudable and its given even more support by Reddy, (2000) who asserts that the role of employer in limiting the spread of HIV/AIDS needs no emphasis. Containing HIV/AIDS from growing into unmanageable proportion is in the interest of employers as that would protect the skilled workers from falling prey to the dreaded disease and also save on the workplace-health related costs (ibid). Reddy continues to say that unquestionably, in the overall workplace context, management’s response is a key element in shaping the level and quality of company interventions. To mobilize the corporate sector’s participation in a major way, management must be included as stakeholders from the planning stage to implementation. She said the success of many businesses depends, to a large part, on the goodwill of their customers and communities from which they draw their workforces. Over recent years, the business sector has supported various social, civic, and healthy causes. These activities have been publicly perceived as an exercise of corporate citizenship and social responsibility (Reddy, 2000)
4.3 RATIONALE FOR IMPLEMENTING HIV/AIDS PROGRAMS

Another objective of this study was to establish the actual rationale as to why the respondents invested in the implementation of aforementioned programs geared towards the control and management of HIV/AIDS amongst their employees. Table 4.5 below show their responses.

Table 4.5: Rationale for Program Implementation

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR welfare requirements</td>
<td>6</td>
<td>54.5</td>
</tr>
<tr>
<td>CSR requirements</td>
<td>1</td>
<td>9.1</td>
</tr>
<tr>
<td>All the above</td>
<td>4</td>
<td>36.4</td>
</tr>
</tbody>
</table>

Results indicate that a majority (55.4%) of the respondents implemented the programs due to the fact that it was their human resource welfare requirement, 9.1% said that it was part of their overall corporate social responsibility while 36.4 said that it was both part their human resource welfare requirements and as a social responsibility (internal).

These results therefore indicate that most of the enterprises invested in such programs not for altruistic reasons, but as a means to an end (to enhance the core functions of their organizations).

However, the overall achievement of investing in these programs can not be underestimated. The study established a reduction in HIV/AIDS infection rates (36.4%), increased productivity (27.3%), and decreased expenses in medical and other expenses related to HIV/AIDS (36.4%) in companies that had implemented the said programs. These
results are further supported by the Harvard Business Review which asserts that investing in programs that prevent infection and provide treatment for employees who have HIV/AIDS are profitable, their costs is less than the savings they lead to (Harvard Business Review in ICCR, 2004). UNDP, (2004) further postulate that involvement of the private sector in the response to HIV/AIDS is crucial to the success of any country’s efforts against the epidemic. Businesses can mobilize support in various sectors, give enhanced visibility to the campaign to help keep HIV/AIDS on the international document, and engender a holistic robust civil society response to the HIV/AIDS epidemic. The role of corporate social responsibility and active involvement of the private sector in the response to HIV/AIDS epidemic cannot be overemphasized (UNDP, 2004).

4.4: AVAILABILITY OF EXTERNAL HIV/AIDS PROGRAMS

A part from analyzing businesses response to HIV/AIDS within, the study also sought to establish the outreach of the enterprises in mitigating the socio-economic impact of HIV/AIDS to their external customers. It was envisioned that data providing information on responses of businesses from within and without will present a holistic and comprehensive picture. Table 4.6 below shows the availability/unavailability (formulated as blue print) of external programmes and the implementation of the same.
Table 4.6 Availability of Formulated and Implemented External HIV/AIDS Programs.

<table>
<thead>
<tr>
<th>Status</th>
<th>Frequency</th>
<th>Percent</th>
<th>Available &amp; Implemented</th>
<th>NotImplemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available (formulated)</td>
<td>4</td>
<td>22.2</td>
<td>16.7</td>
<td>5.6</td>
</tr>
<tr>
<td>Not available Not (formulated)</td>
<td>14</td>
<td>77.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>18</td>
<td>100</td>
<td>16.7</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Table 4.6 above shows that a mere 22.2% of the respondents alleged to have formulated official programmes meant to mitigate socio-economic impact of HIV/AIDS affecting the external community. The remaining 77.85% indicated the non-availability of a blueprint addressing the external customers. However, out of the total respondents (22.2%) that indicated available of a blueprint, only 16.7% alluded to have implemented the designed programs. These results therefore, show a gap, between programs design and their subsequent implementation. The results further show the egocentricity of the business i.e a lop sided focus in internal community (figure 4.4) viz.-a-viz. the external customers/community. This also serves to strengthen the position taken by the researcher (discussion 4.5) postulating that the sampled businesses do invest in HIV/AIDS control and management programs not for altruistic purposes, but as a means to their own economic end.

When asked why they invested in external programmes, 5.0% of the respondents said that it was part of their marketing strategy, 10% indicated that it was part of their overall social responsibility while 15% said that it was a routine marketing strategy. These results therefore, show that investment in HIV/AIDS programs by the sampled business enterprises
was least driven by corporate social concerns, but by economic reasons. However, this trend is not unique to Kenyan firms. The World Economic Forum Press Release (UNDP, 2004) polled 7,789 business leaders in the Asia Pacific region and established that firms are not particularly active in combating HIV/AIDS even when they expect the epidemic to cause serious problems for their business. The report continues to assert businesses appear to be making decisions based on fairly patch assessment of the risks they face. Firms seem to favour a broad social response to epidemic, even if only a small number of businesses currently see themselves as an integral part of that response (UNDP, 2004).

It is therefore of a paramount importance therefore, for business firms in Kenya to recognize that they are part and parcel of a society and a major force within it. The aims and standard of business should not be allowed to diverge from those of the society as a whole. Businesses in Kenya today, are challenged to move side by side with the rest of the society. Free enterprise should add the CSR in which the long-term interests of all are also the long-term interest of external community. HIV/AIDS is a long term interest for both the internal and external community of business. This forms a new social contract in which businesses have to play a leading role.

4.5 HIV/AIDS POLICY IN BUSINESS FIRMS

One of the main aims of the study was to establish the availability of official HIV/AIDS policy within the sampled business firms, the pertinent areas/issues such policies cover/address and rationale for the formulation of the same. The respondents were asked to
indicate 'Yes' and 'No' for availability and non-availability of the policy respectively. Figure 4.7 highlights their responses.

Figure 4.7 Availability/unavailability of HIV/AIDS Policy

Figure 4.7 shows that a mere 38.9% of the respondents indicated availability of the official policy while a majority (61.1%) indicated the opposite. The results therefore, indicate that most businesses have not yet integrated HIV/AIDS programs and policies in their core functions. Again, this situation is not unique to Kenyan firms. In the same report by World Economic Forum Release (UNDP, 2004), it was established that fewer than 6% of business firms in the Asia Pacific region had formally approved written HIV/AIDS policies, 47% felt AIDS was having or will have some impact on their businesses, 16% of all firms provided information about the epidemic while 5% claim to provide anti-retrovirals for all HIV positive staff. In comparison, the statistics in Kenyan firms reveal a more superior position. However, this should not be conceived to be enough and hence complacency. Business firms in Kenya ought to formulate and implement HIV/AIDS policies so as to firmly and
officially integrate and coordinate HIV/AIDS issues in core functions of their business. This is so because business is an essential partner in the response to HIV/AIDS. The private sector like other sectors in the country is not immune from AIDS. The private sector is in a unique position to respond to the epidemic due to its reach with employees and the wider community.

Availability of official blueprints in most organizations does not necessarily lead to implementation of the same. This study, therefore, apart from establishing the availability of the official policy, went further to find out the actual implementation of the same. Out of the total number of respondents who alluded to the official policy 77.8% of these alleged to have implemented the same. 22.2% though had an official blue print, had not implemented it.
4.6 PERTINENT AREAS AND RATIONALE OF AIDS POLICY

Figure 4.6(bar-chart) shows the main and common pertinent areas/issues that the HIV/AIDS policy in the sampled firms cover/address.

The figure above shows that confidentiality of infected/affected persons (14.3%), treatment of infected persons is supply of anti-retrovirals and treatment of STI's (14.3%), non-discrimination(14.3%) and others e.g. pre-employment HIV testing, insurance etc. formed the crucial areas that HIV/AIDS addressed. These areas covered by such policy are very crucial and we laud the companies that have done so. However, whether in ignorance or abuse of the law, some firms indicated pre-employment HIV testing as a work place policy. This contravenes the Kenyan law which states in the HIV/AIDS Prevention and Control Bill(2003) part iv section 13 subsection 1& 2 ;
13 (i) subject to this Act, No person shall compel another to undergo an HIV test.

(ii) Without prejudice to the generality of sub-section;

No person shall compel another to undergo an HIV test as a pre-condition to, or for the continued enjoyment of:

(a) Employment
(b) Marriage
(c) Admission into an institution
(d) The provision of Health care, Insurance cover or any other service etc.

It is therefore imperative that the culprits cease to require Pre-employment HIV/AIDS testing as a prerequisite for acceptance/admission into firms (employment).

Elsewhere too, business have designed policies that address HIV/AIDS in more holistic angles. These policies are very informative and may form a framework worthy for replication. For instance, the CII- Business Leaders Forum for Industry to help maintain harmony at work place has designed their blueprint which asserts that:

1. The company would provide a safe and healthy work environment for employees.

2. The company would educate its employees and the family on prevention, care and counseling of HIV / AIDS by providing information through posters, leaflets, articles in the company journal and having interactive sessions. Particularly, attention would be given to dispel ill-conceived notions and myths.
3. A HIV Positive person would be allowed to continue to work in his / her job unless medical conditions interfere with the specific job that he / she is doing. In that case and only if it is necessary, will the employee be shifted to another position where he / she would be comfortable.

4. The company would educate their employees on safe blood, blood donation and transfusion.

5. If an employee has been infected, information about the illness would be kept confidential by the company. Only the immediate boss would be kept advised to prevent any eventually on the shop floor.

6. No employees can refuse to work along side or with an HIV positive employee. In fact, the company would expect all employees to ensure that the affected the person is comfortable and gets a feeling of being a part of the family.

7. The company, as a policy, would not discriminate against any staff infected by HIV / AIDS with regard to promotions, training and other privileges as applicable to all employees of the company.

8. While the company can ask a person who is being offered to job, to undergo general medical tests before the issue of the appointment letter, the test would not cover HIV / AIDS.

9. Also, HIV / AIDS test will not be a part of the annual health check ups, unless specifically asked for by an employee.
10. The company would arrange for easy availability of condoms at the workplace.

It is hoped that with this policy, it would be possible to control the epidemic from spreading, help build positive attitudes towards those infected and promote health and safety amongst the employees. This in, turn, will assist in bringing about higher productivity and efficiency in the company's operations (Indian NGOs, 2004) 

Lastly, this study sought to establish the rationale for the policy formulation in the sampled firms. Table 4.9 below shows the response.

Table 4.9 Rationale for HIV/AIDS Policy Formulation

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>To coordinate operations and HR Functions</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Complement other stakeholders in fight against AIDS</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Part of overall CSR.</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>All the above</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>25</td>
</tr>
</tbody>
</table>
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 INTRODUCTION

This chapter presents summary of the study, conclusions and recommendations of the study.

5.1 SUMMARY OF THE STUDY

The purpose of this study was to establish and analyze corporate social responsibility (programs and policies) formulated and implemented by selected business enterprises aimed at mitigating the socio-economic impact of AIDS from within and without. The selected significant others included business enterprises operating within Nairobi employing at least 20 persons and who would have been in operation for at least two years by the time of the study. The variables of availability of internal/external programs, implementation, policy formulation & implementation, pertinent areas covered and the rationale for the programs and the formulated/implemented policies were all considered as categorical variables. To guide this study, some objectives and research questions were formulated.

The research questions set for the study included:

i. What activities have or are being carried out by business firms/enterprises in limiting the impact of HIV/AIDS.

ii. What programmes have been designed by the business enterprises aimed at mitigating the socio-economic impact of HIV/AIDS.

iii. Does official HIV/AIDS policy guidelines exist in the firms aimed at helping the infected and affected

iv. What are the main areas covered under the aforementioned policy guidelines.
What are some successful interventions that have been implemented by firms in Kenya that others can adapt?

The study involved the analysis of data derived from 20 respondents. Cluster sampling technique was used to select business firms with the necessary information and characteristics for the study. An exploratory descriptive survey design was followed in the study. Data was collected through direct contact questionnaires. The resulting data was analyzed through descriptive statistics involving percentages and means.

The study found out that 61.1% of business firms have internal programs designed to create awareness and to control the spread of HIV/AIDS amongst their employees. The study also found out that the rationale for implementing such programs were guided by economic concerns/motives rather than overall CSR. It also established that very few businesses have designed and implemented AIDS programs aimed at mitigating socio-economic impact affecting their external communities. Similarly, the study established that a small proportion (38.9%) of the respondents do have official blue prints governing HIV/AIDS issues both for the company and the external community.

5.2. CONCLUSIONS

The conclusions derived in the study include;

- A good proportion (61.1%) of the sampled business firms have designed and implemented internal programs aimed at controlling and preventing HIV/AIDS at the work place and amongst their employees. Such porgrammes include those that are geared towards general awareness and education, guidance and counseling, deployment infected staff to less demanding positions, treatment, insurance cover etc.
54.5% of the respondents have implemented the HIV/AIDS programs as part of their human resource welfare requirement and not necessarily for CSR i.e. Most of the enterprises have invested in such programs not for altruistic/benevolent reasons, but as a means of enhancing the daily core functions of their organizations.

A meagre 22.2% of the respondents have formulated and implemented official programmes/activities meant to mitigate socio-economic impact of AIDS to the external community. This shows the egocentricity of the firms with skewed responsibility directed solely to their internal (own) environment.

The rationale for investing in the external programs/activities was least driven by corporate social concerns, but the firms' economic reasons i.e part of their routine marketing strategy. However, this trend is not unique to Kenyan firms as other researches have established a similar trend in other regions of the world.

HIV/AIDS should form the part of long-term interest for both the internal and external communities of a business. This domain forms a new social contract in which businesses have to play a leading role.

A minority (38.9%) of the respondents have official policy governing issues related to AIDS both from within and without. These results indicate that most businesses in Kenya have not yet integrated HIV/AIDS issues in their core functions. However, the private sector, just like any other sector in Kenya, is not immune from AIDS. The private sector however, is in a unique position to respond to the epidemic due its reach with employees and the wider community.

The availability of official HIV/AIDS in the some of sampled firms blue prints has not necessarily been proactively and effectively implemented.
The pertinent areas/issues that HIV/AIDS policies cover include confidentiality of infected persons, treatment/medical security, insurance and non-discrimination of the affected and infected. However, a few policies required pre-employment HIV/AIDS testing which is a contravention of the laws governing this land.

The rationale for designing policies in business firms is mainly four fold; to coordinate the day to day operations, for human resource welfare requirements, to complement other stakeholders in the fight against AIDS and as part of the overall CSR.

5.3 RECOMMENDATIONS

From the conclusions of the study, the following recommendations for application and further research are made.

5.3.1 Recommendations

- All major business enterprises/firms should design and implement internal programs geared towards preventing and controlling AIDS amongst their members of staff. Such programs should encompass awareness and education, guidance and counseling, treatment and medical security, insurance, support of the affected/infected etc.

- Business enterprises should embrace the principles of CSR by formulating and implementing programs/activities meant to mitigate the socio-economic impact of AIDS facing their external communities (affected and infected). The programs should be holistic so as to cover crucial domains such as guidance and counseling, treatment, medical support, awareness, education and material support to the affected etc.
Businesses in Kenya should awake and embrace the current HIV/AIDS challenge and form long-term interest for both the internal and external communities. This challenge should form a new social contract in which businesses have to play a leading role.

All business firms ought to formulate and implement official policies governing/addressing the HIV/AIDS pandemic both from within and without. This will help these stakeholders from the private sector not only to integrate the fight against AIDS in the business agenda, but also for appropriate networking and for coordination purposes. This will also make the private sector to adopt a unique position to respond to the epidemic due to its reach with employees and the wider community. The policies should address pertinent areas such as confidentiality, insurance, medical cover/support, pre-employment testing, non-discrimination, support of affected dependents, CSR programs (internal and external) etc.

Business firms insisting on pre-employment HIV testing as a prerequisite for employment should stop the practice as it contravenes the law and is tantamount to discrimination. Such testing should only be done with approval from the prospective employee for the purposes of deployment to less demanding positions and other relevant HR welfare activities. No employee should therefore be denied the right to employment and other benefits (e.g. promotion) based on his/her HIV Status.

5.3.2 FURTHER RESEARCH

The study recommends that;

- Similar research be conducted on more comprehensive levels to cover cities in Kenya.
• A comparative study should be done on businesses in other countries adversely affected by the scourge to establish similarities/differences in approach and for replication purposes.

• Further research should be done to find out empirical outcome of the programs and policies that have been implemented by business firms in mitigating the socio-economic impact of AIDS (external and internal).
Reference:


Catholic Agency For Overseas Development (CAFOD); AIDS Information Exchange Newsletter Issue no. 3, Dec 2002


The Daily Nation Newspaper. Firms now accept law on cheaper AIDS drugs AIDS drugs. Nation Media Group, June 14th 2001, Nairobi


The Daily Nation Newspaper. Medical cover for people with AIDS. Nation Media Group, March 4th 2001, Nairobi


Interfaith Center on Corporate Social Responsibility (2003): *AIG shareholders Ask Tough Questions on HIV AIDS*


Appendix I

RESEARCH QUESTIONNAIRE

Instructions: check (✓) or fill in the spaces provided as appropriate.

Section A: company profile.

1. What is the name of your organization
   (optional)__________________________________________________________

2. In which of the following industries does your organization belong?
   a) [ ] Agriculture
   b) [ ] Hotel and hospitality
   c) [ ] Banking/finance
   d) [ ] Manufacturing
   e) [ ] Other
      (specify)________________________________________________________

3. How long has your organization been in operation?
   a) [ ] Less than 2 years
   b) [ ] 2-4 years
   c) [ ] More than 5 years

4. How many employees do you have? (Permanent and pension able)?
   a) [ ] Less than 20 years
   b) [ ] 21-40
   c) [ ] 41-60
   d) [ ] More than 60

Section B: Programmes
   i. Internal

5. Do you have any program(s) designed within the business aimed at preventing and controlling HIV/AIDS amongst members of the staff?
   Yes [ ] No [ ]

6. If yes in (5) above, highlight them.(it)
7. Do you have specific (official) programmes in place aimed at helping members of staff who are infected and affected by HIV/AIDS?

Yes ☐  No ☐

8. If yes in (7) above, highlight them.

9. Why do you have such programmes?
   a) Because it is a governance policy
   b) Part of our human resource welfare requirements
   c) Because it is part of our corporate social responsibility
   d) Other reasons

10. If no 7 above, why?

11. What is the overall achievement of such programmes in your organization?
   a) Reduction in HIV/AIDS infection rates
   b) Increased productivity
   c) Increased profitability
   d) Decreased costs on medical and other expenses related to HIV/AIDS
   e) Others (specify)

   ii. External

12. Do you have programme(s) designed by your organization aimed at helping the external community to cope with impact of HIV/AIDS?

   Yes ☐  No ☐
13. If yes in (12) above, have you implemented any?  
Yes □   NO □

14. If Yes in (13) above, briefly explain the beneficiary(s) and the activity(s)/programs you have implemented.

a) Beneficiary(s)

b) Activity(s)(programme(s).

15. Why did you implement the aforementioned programme(s)
  a) □ To complement other stakeholders in the fight against HIV/AIDS
  b) □ As part of our marketing strategy
  c) □ As part of our overall social responsibility
  d) □ Other (specify)

SECTION C: POLICY
16. Does your organization have an official HIV/AIDS policy (internal)?
  Yes □   No □

NB If yes, attach a copy of the policy if you don't mind.

18. What pertinent areas incase if yes in (16) above, does the policy cover?

19. Have you implemented, the policy incase of yes in (17) above?  
  Yes □   No □

20. How is the policy enforced incase of yes in (18)?

21. Why did you design the policy? (Incase of yes in above)
a) To complement other stakeholders in the fight against HIV/AIDS
b) To help co-ordinate our daily business operations and human resource.
c) As part of overall social responsibility
d) Others (specify)
Appendix II

EMPLOYEE QUESTIONNAIRE

Section A: Employee profile.
Check or fill in the spaces provided as appropriate.

1. How long have you worked in this organization?
   a) [ ] Less than Five years
   b) [ ] 5-10 years
   c) [ ] 10-15 years
   d) [ ] 15-20 years
   e) [ ] More than 20 years.

2. State your position in the organization

   [ ]

Section B: Policy

3. Are you aware of the existence of an official HIV/AIDS policy in the organization?
   Yes [ ] No [ ]

4. If yes in 3 above, how did you know?
   a) [ ] The management informed us about it
   b) [ ] I received a copy from the organization’s management
   c) [ ] From fellow employees
   d) [ ] Other source(s) (specify)

5. Briefly highlight the pertinent areas the policy covers

   [ ]

6. In your opinion, how does the policy affect you as an employee of the organization?

   [ ]

66
Section C Programmes/ Activities

7. Has your organization undertaken any activity(s) within the organization aimed at helping those infected by HIV/AIDS?
   YES [ ] NO [ ]

8. If yes in (7) above, what is/are the activity(s) (highlight)
   
   
   
   
   

9. Similarly, has your organization undertaken such activities/ programmes directed to the external community?
   YES [ ] NO [ ]

10. Can you give your comment concerning the policy and programmes discussed above.
    
    
    
    
    

11. Is there any issue relevant to this study that might have been left out in this questionnaire that you would like me to know (Please indicate)
    
    
    
    
    

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