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**THE EFFECTS OF HIV/AIDS ON PERFORMANCE OF INSURANCE FIRMS
IN KENYA**

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the Masters Degree in Business Administration (HRM option), School of business,
Kenyatta University.**

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The effects of
HIV/AIDS on*



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DECLARATION

This research is my original work and has not been presented for any degree or diploma in any other university

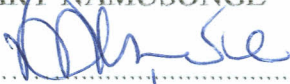
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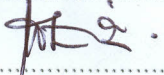
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Dedication

This work is dedicated to my husband Duncan Koech and my sons Mark and Michael.

Acknowledgement

I wish to express my sincere gratitude to my supervisor DR MARY NAMUSONGE for her assistance, guidance and encouragement during the course of this work. I also wish to thank all the insurance firms that participated in the study.

Finally I am most grateful to God for giving me good health and strength during the course of this work.

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ABBREVIATIONS

AIDS -	Acquired immune deficiency syndrome.
HIV-	Human Immunodeficiency Virus
HIV PREVALENCE-	The percentage of the adult population infected with HIV
NCAPD -	National Coordinating Agency for Population and Development.
AKI –	Association of Kenya insurers
ILO -	International labour organization
UN-	United Nations
FHI-	Family health international
WHO-	World Health Organization
NACC-	National AIDS Control Council
NCAPD-	National Coordination agency for population and Development

ABSTRACT

HIV/AIDS has detrimental effects virtually on all aspect of firm thus negatively affecting firm performance. The most affected area is the human resource. HIV/AIDS has led to decline in performance of insurance firms by reducing labour performance and productivity through absenteeism, labour turnover, increased mortality rate, ill health, stress, early retirement, and alteration of organization's culture.

The study sought to find out the effects of HIV/AIDS on performance of insurance firms in Kenya. The research has revealed the impact of the scourge on firms operational cost, performance and productivity of labour force and policy formulation.

The targeted population was 43 insurance companies operating in Nairobi area. The firms chosen were those with branches in all other major towns in the country and stratified as life and general insurance companies.

The association of Kenya insurers (AKI) was used to get a list of all the insurance firms operating in Nairobi. The 43 insurance firms were taken as the sample of the study. The research targeted the human resource managers of the sampled firms. Data was collected through questionnaires which were given to human resource managers of each firm in Nairobi. The collected data was analyzed by descriptive statistics with the aid of statistical programmes for social sciences (SPSS).

The study has revealed that all the firms under study have been affected negatively by HIV/AIDS scourge. The sampled firms indicated that the impact of HIV/AIDS scourge is serious and need to be addressed effectively.

The research has concluded that HIV/AIDS has indeed negatively impacted on insurance firms in Kenya. The effects if HIV/AIDS pandemic have been manifested in increased cost of operation due increased cost in the following areas-: Recruitment, Training, Medical cost, funeral cost, HIV/AID counseling and testing and creation of HIV/AIDS awareness among the staff. The scourge has also lowered labour productivity through absenteeism and labour turnover and has forced insurance firms to increase the cost of insurance premiums and develop new polices to counteract the effects of HIV/AIDS pandemic .

The researcher recommends that the insurance firms set up mechanism to assist the management on how best to manage and control the scourge, insurance firms need to get acquainted with the ILO polices and other government policies that protect employees who are infected against discrimination and segregation. Finally insurance firms should formulate policies that ensures all the employees are insured irrespective of their HIV/AIDS status.

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background information

Over the decades, HIV/AIDS has become the world's most devastating epidemic, particularly in developing countries where it has been declared an emergency. Worldwide, it is estimated that 39 million people live with HIV/AIDS with approximately 75% living in sub-Saharan Africa. About 22 million have already died of AIDS (Stover, 2004).

In Kenya, approximately 1.5 million people have already died from AIDS. Currently out of every eight adults in rural Kenya, one is infected. In urban areas, nearly one out of every five adults is infected. About 2.2 million Kenyans are infected with HIV virus. Most of these people infected do not know that they are infected and therefore continue to spread the virus. Most of these infected and affected range from between 15-49 years. Women in the reproductive age make more than 50% of these. The prevalence of HIV in Kenya is currently estimated to be 5.7% which is significant drop of 1% from 6.7% found in 2003. The decline in prevalence since the late 1990s does not mean that the problem of HIV/AIDS is over. The number of AIDS deaths exceeds the number of new infections (Ministry of Health, 2001).

AIDS has become an extremely serious problem in many countries. It is causing myriad devastating health, social, economic and developing problems. Former president Daniel Arap Moi declared AIDS a national disaster in November 25 1999 stating "AIDS is not

just a serious threat to our social and economic development; it is a real threat to our very existence....AIDS has reduced many families to the status of beggars.... No family in Kenya remains untouched by the suffering and death caused by AIDS.... The real solution of the spread of AIDS lies with each and every one of us. The current President, Mwai Kibaki also acknowledged AIDS as a real threat to the Kenyan society and made a personal commitment to fight against the epidemic.

HIV/AIDS has negatively affected the performance of the organization. There is much that can be done to slow the spread of HIV and reduce its impact. HIV/AIDS had adversely affected organizational effectiveness. This is due to the fact that approximately 80% of HIV infection occurs in the economically active age group of 15-49years. With high mortality and morbidity of the most productive labour force, HIV/AIDS has lowered the economic performance. The economic impact of HIV/AIDS on companies is manifested by reduced labour productivity through AIDS related deaths, absenteeism and loss of skilled labour. Other effects include increased expenditure on staff recruitment and training, funeral expenses, medical cost and increased employees benefits. These costs could be enormous for a firm depending on the HIV prevalence among its employees (Stover, 2004).

HIV/AIDS has negatively affected the performance of the organization. The economic impact of HIV/AIDS is larger in some sectors than in others. Certainly health care and insurance are significantly affected. Others are military and sectors with mobile workforce including transportation, extension services and banking. The devastating effects of HIV/AIDS on insurance industry are due to the negative effects HIV/AIDS have had on the Macro economy. HIV/AIDS has destabilized key macro economic variables. Some of these macro effects are reduction in savings and investment

as health expenditure on AIDS escalates, decline in labour productivity as a result of HIV morbidity leading to absenteeism, and AIDS mortality culminating in the loss of experienced workers (UN Report, 2001).

Since there is no cure for AIDS, this disease threatens the social and economic future of the country. However the threat can be overcome, its overcome is not inevitable if action is taken, there is much that can be done to slow the spread of HIV and reduce its impact on development (Rugalema *et al.*, 1999).

This report on effects of HIV/AIDS on organizational effectiveness is intended to provide information about the HIV epidemic in Kenya, its negative economic effects on Kenyan organization and particularly on insurance companies and suggestions on what can be done to minimize the negative economic effects on Kenyan organization and particularly on insurance companies.

1.2 Problem Statement

HIV/AIDS has negatively affected the performance and hence profitability of Kenyan companies (Ministry of Health, 2001). This is because it has adversely affected the human resource which is the most important resource of the company. The effects on human resource detrimentally affect utilization of all other resource in organization since it is people who translate other resources of capital and assets into consumable goods and services.

The insurance industry is among the sectors that are widely affected by HIV/AIDS scourge. For instance employees who are infected make the companies spend lots of money for medication, and other losses related to absenteeism amongst many (NCAPD, 1995).

HIV/AIDS infection is highest among people aged between 15-49 years. This is the age group that forms the greater number of insurance industry employees because it is the most economically productive age group (Stover, 2004). Infected employees will lose their jobs or become too weak; such employees may find it hard to work towards meeting the firms' target.

This research study therefore aims at investigating the effects of HIV/AIDS on organization and in particular insurance industry.

1.3 The objectives of the study

The broad objective of this study was to investigate on the HIV/AIDS pandemic and its impact on organizational effectiveness on business enterprises. To achieve this objective, the study was guided by the following specific objectives.

- i. To assess how HIV/AIDS has impacted on operational cost of insurance firms in Kenya.
- ii. To determine if HIV/AIDS has led to reduction in performance and productivity of labour force.
- iii. To establish if HIV/AIDS has led to establishment of new insurance policy of staff/company.
- iv. To investigate if HIV/AIDS has necessitated the need for promotion of constant

awareness campaign of the epidemic among the staff.

1.4 Research questions

- i. Has HIV/AIDS impacted on operational cost of insurance firms?
- ii. Has HIV/AIDS led to reduction in performance and productivity of the staff?
- iii. Has HIV/AIDS epidemic led to development of new insurance policy of staff/company?
- iv. Is there any relationship between HIV/AIDS and need to develop a constant communication and awareness campaign of the epidemic among the staff?

1.5 Rationale/Justification of the Study.

The study has reveal the negative effects of HIV/AIDS have on organizations in general and insurance and how the problem can be reduced.

The importance of this study cannot be over emphasized because effectiveness and profitability of organization has a direct positive effect on economic growth of a country and the standards of living of citizens.

Reduction of negative effects of HIV/AIDS can result in reduced expenditure on health care, recruitment, training and development, compensation and separation. It has in turn improve motivation, labour productivity and hence profitability of a company. A company whose profit margin is higher has be able to pay its workforce well, this in turn can result in increased savings and investment.

The result of this study can be used to deduce the negative effects HIV/AIDS have on organization particularly insurance companies. The data can be of importance to the management of companies which may intend to improve their organization effectiveness. The expected end product of the study is information and classified data to show how HIV/AIDS has affected the country, business enterprises generally and insurance industry specifically. The study has come up with suggested solutions that may be incorporated to the firms' interventions to the problems HIV/AIDS has posed to the insurance industry.

1.6 Significance of the study

The results of the research is of benefit to the firms in insurance industry in that will help them know how to manage the effects of HIV/AIDS and hence reduce the operational cost which results in high profit.

1.7 Limitation and Assumptions

The following limitations were encountered in the study.

- I. Some of the respondents were not available on the appointment day and thus delayed the study progress.
- II. Some respondents took longer fill the questionnaires than agreed.
- III. Due to the fear of stigmatization of the HIV/AIDS conditions some respondents either refused to give responses or gave partial responses in the questionnaires.

CHAPTER TWO:

2.0 LITERATURE REVIEW

2.1 Introduction

An effective organization can be defined broadly as one that achieves its purpose by meeting the needs of its stakeholders by matching its resources top opportunities, by being responsive to the environment in which it operates and by innovating to remain competitive (Dale, 1980). Human resource has a key role to play as a business partner in developing integrated human resource strategies which support the achievement of business goals (Batteman *et al.*, 1999). The impact made by the human resource function will be largely dependent on the quality of the human resource professionals and their ability to do things right (Armstrong, 2002).

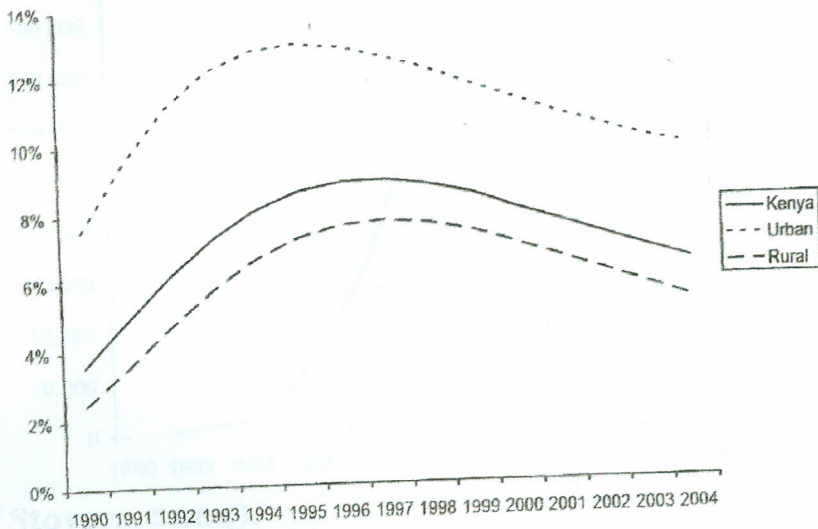
The review is organized under the following headings:

- General impact of HIV/AIDS
- Effect of HIV/AIDS on business organization
- Effect of HIV/AIDS on human resources practices
- Effect of HIV/AIDS on labour performance and productivity
- Effect of HIV/AIDS on marketing of insurance's polices
- Impact of HIV/AIDS on company and staff polices

2.2 General impact of HIV/AIDS

It is estimated that 2.2 million Kenyans are now living with HIV infection but few know that they are infected or show outward symptoms of the disease only about **200,000** have AIDS. HIV prevalence in Kenya is currently estimated to be 5.7%. This is a significant drop of 1%. HIV prevalence is the percentage of adult population aged between 15-49 years that is infected with HIV. The figure below show HIV prevalence among adults aged 15-49 years in the years 1990-2004 (Stover, 2004).

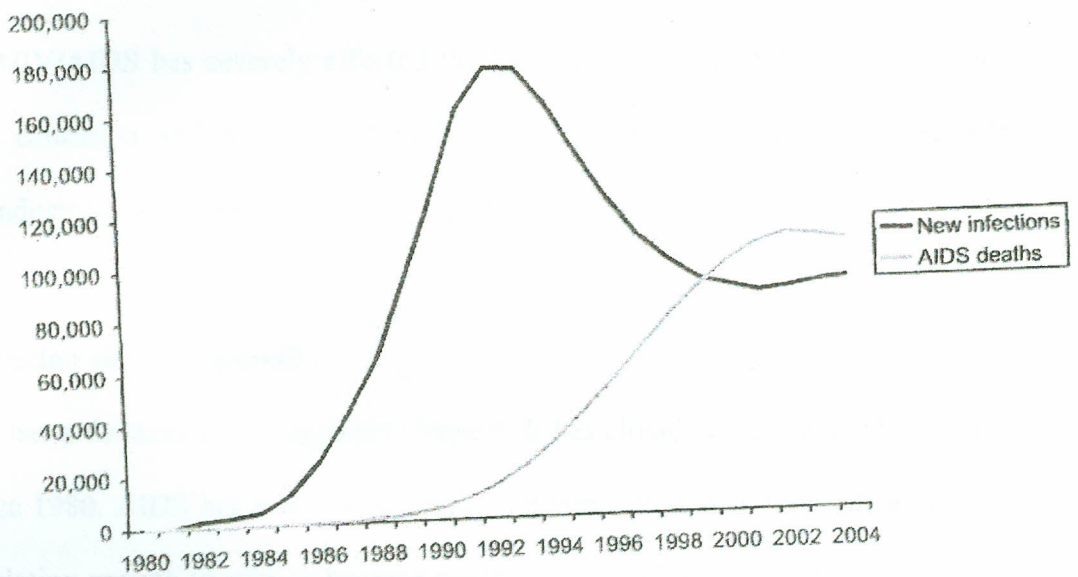
Fig 1: HIV prevalence among adults 15-49, 1990-2004.



HIV prevalence has been declining since late 1990s. The decline however does not mean that the problem of HIV/AIDS is over. The number of people infected declines whereas the number of AIDS death exceeds the number of new infection. New infections occurs everyday especially among young people. In 2004 there were about 90,000 new adults infections, approximately 250

new infections everyday. The numbers of AIDS death have been increasing rapidly as result of the rise in new infections in the mid 1990s. The annual number of adult AIDS death has probably doubled in the last eight years reaching about 105,000 per year in translating to approximately 300 deaths per day due to HIV/AIDS as shown in figure below.

Fig 2: Number of new infections and deaths



(Stovers, 2004).

HIV/AIDS affects all aspects of social and economic life and will have devastating consequences in the decades to come for virtually every sector of the society ranging from households and firms to growth of whole economies (UN report 1990).

Without an effective vaccine or cure or much more effective programmes to prevent the epidemic's spread, HIV/AIDS will cause as many as 100 million excess deaths in sub-

Saharan Africa by the year 2025. The pandemic is also projected to kill; 31 million additional people in India and 18 million in china by then.

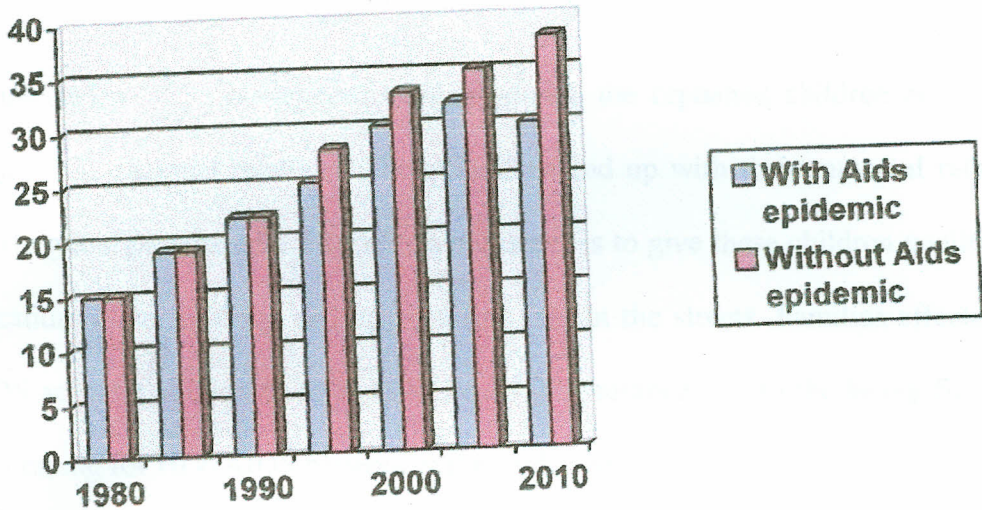
HIV/AIDS has emerged as the single most significant population concern among countries of the world, the report says. In most developing countries especially sub-Saharan Africa, the epidemic is undermining the possibility of achieving the millennium development goals adopted by United Nations assembly in 2000.

In Kenya, HIV/AIDS has severely affected the following areas: population, family and household, education and economy. This has in turn affected industries particularly insurance industry as explained below (UN report 1990).

2.2.1 Population size and growth

HIV/AIDS has a devastating demographic impact. It has already killed about 1.5 million people since 1980. AIDS has had a large impact on population size, however it will not cause population growth to stop or become negative. The following point illustrates this point; without AIDS the population would have increased from 21 million in 1989 to 38.5 million by 2010, the population would have been growing at 1.4% per year as shown by figure below (NACC, 2001). Reduction in population has affected insurance industry in that it has reduced the population of the economically active people who are normally the targeted clients of the insurance industry.

Fig 3 Effects if HIV/AIDS on population growth



(NACC, 2001)

2.2.2 Effects of HIV/AIDS on Families and Households

The burden of HIV/AIDS on families and households are staggering. During the long period of illness, the loss of income and the cost of caring for family members may impoverish the households. Adult death, especially of parents cause the break up of households with children being sent to live with relatives or even becoming homeless (UN Report, 2001).

The financial effects of HIV/AIDS on family is devastating, caring for HIV/AIDS patients both medically and nutritionally is expensive. This is made worse by the fact that HIV/AIDS patients are constantly sick and hence require medical attention frequently. HIV/AIDS victims can stay in bad health for a long time before they succumb to death; a lot of resources are therefore channeled towards their health care.

This drains the savings and investments of the household. In cases where the infected are the parents who are the earners and financial managers in the household, the children, at the time of the parent's death are left destitute with no resources to inherit from their parents.

In situations where the marriage was not legalized, the orphaned children are chased away from their paternal relatives. These children end up with their maternal relatives particularly grand parents who may not have resources to give these children quality life and education. Other orphans end up homeless and in the streets. Families affected by HIV/AIDS scourge are unable to save or invest in insurance due to the heavy financial burden of caring for HIV/AIDS patients or the orphaned children.

2.2.3 Effects of HIV/AIDS on education

The education system is affected by AIDS many ways. Children with HIV virus at birth do not live to enroll in school. Many children have to drop out of school when they become orphans or to attend to sick family members. Children are also taken out of school due to lack of school fees or to earn an income for the family. Others opt to drop out of school due to stigmatization after their parents die from AIDS. In addition, teachers are also dying of AIDS eroding the quality of education since it's the experienced teachers who are normally lost through the scourge (NACC, 2001).

HIV/AIDS scourge has also increased the expenditure in education due to frequent recruitment, training and development of teachers. Other costs are due to absenteeism, lowered labour productivity, medical bills and costs of mortality. Negative effects of HIV/AIDS on education have increased the level of illiteracy, ignorance and crime this in turn has led to reduced investments.

2.2.4 Effects of HIV/AIDS on the country's economy

According to (NCAPD) HIV/AIDS weakens the economy and has begun to stall development. Where HIV/AIDS prevalence is high, experienced workers are lost and funds for investment may be diverted to pay for health care and support of the afflicted families. Lower investment in human capital, health care, and education of the next generation will undermine prospects for developments for many years to come.

AIDS has the potential to create a severe economic impact in Kenya. It causes a reduction in the size and experience of the labour force, and reduces savings and investment. AIDS is a bigger threat to economy than other diseases because it strikes people in their most productive age group and is essentially 100% fatal, the economic effects of AIDS is felt by individuals and their families, then ripple outwards to firms and business and then macro economy.

The economic effect of HIV/AIDS is likely to be larger in some sectors than others. Certainly, health care and insurance is and will be significantly affected as will be the military personnel. Other sectors with a mobile work force are also adversely affected such as transportation, extension service and banking (NCAPD).

When someone in a family becomes sick with AIDS, it is usually the woman who cares for that person. Young girls may have to stay at home from school to help the mother with other children. The family may exhaust its savings to pay for drugs and funeral expenses. They may even be forced to sell land. The result is that the family become poorer, children's education may suffer and the standard of living of the entire family declines (FHI, 2000).

Besides sectoral effects, AIDS negatively affects the micro economy in a number of ways. This occurs when key micro economic variables are destabilized as a result of AIDS. Some of these micro effects are reduction in savings and investments as health expenditures on AIDS declines/escalates in labour productivity as a results of HIV morbidity leading to absenteeism and AIDS mortality cumulating in the loss of experienced workers.

Simulation results (Hancock *et al.*, 1996) on the micro economic impact of HIV/AIDS in Kenya refilled that the impact of AIDS would be substantial given 80% of HIV infection occurs in the economically active age group of 15-49 years with high mortality and morbidity of the most productive labour force, AIDS would lower economic performance. The author projected that the G.D.P would be 14.5% lower in the year 2005 than it would have been without AIDS while per capita income would drop by 10%. The study also predicted a 15% drop in saving by 2005. The simulation also predicted a fall in labour productivity when experienced workers with an average of 34 years would have to be replaced by relatively young workers with an average age of 25 years. These developments are detrimental to Kenyan economy. With low income growth, low savings and investment and low foreign direct investment, the challenge that AIDS possess is real and requires deliberate efforts if the effects are to be contained.

The macro economic effect of AIDS also manifests itself through increased medical expenses, absenteeism, decline in labour productivity and the costs of mortality including funerals.

2.3 Effect of HIV/AIDS on business organizations

2.3.1 Effects on operational cost

The economic impact of HIV/AIDS on companies is manifested by reduced labour productivity through AIDS related deaths, absenteeism and loss of skilled workforce. Other effects include increased expenditure on staff recruitments and training, funeral expenses medical cost and increased employees' benefits. These costs could be enormous for firm depending on its HIV prevalence (ILO Geneva 2000).

According to a World Bank strategy report (World development source 1996), a Kenyan company spent about US \$45 per employee per year for HIV/AIDS related costs 3% of company profits. The report projected that this cost would increase to US \$120 per employee per year equivalent to 8% of company profits by year 2005. It further noted that in 1992, an average company in Kenya incurred mean costs associated with AIDS of approximately US \$140,000. This cost was expected to rise to US \$403,000 by the year 2005.

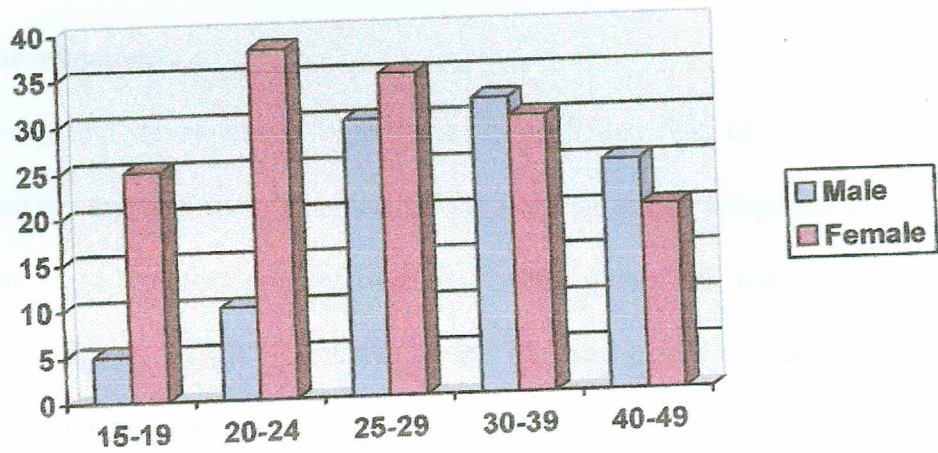
2.4 Effects of HIV/AIDS on Human Resource Practices

2.4.1 Recruitment and selection

Recruitment is the process of attracting suitable candidates to fill a vacancy in a firm. The vacancy may rise due to death, resignation, dismissal, retirement, growth or expansion. Recruitment is a costly exercise for a firm in terms of time and money. The cost associated with recruitment and selections are cost of paper work and advertisement. Other costs are for interview, inducement, and placement. Companies normally recruit externally i.e. from the general public.

In most cases firms targets youthful people of ages between 24 – 34 years to fill the vacancies who according to research done by Biggs and Shahl, (1997) are the most affected by HIV/AIDS. This situation is illustrated by the figure below

Fig 4 Effect of HIV/AIDS on peoples of aged 15-49 years.



(WHO 1997)

Research by Stover, 2001 -2004 revealed that the HIV prevalence among all adults 15 – 49 years was 6.4 in 2004, that of youth aged 15 -24 is 2.9. HIV prevalence is the percentage of the people infected in a particular age group i.e. 6.4 of adults aged 15 -49 years is infected with HIV. More than 75% of AIDS cases are in adults aged 20 -45years. The peak age for AIDS cases is 25 -29 years for female and 30 -36 for males. This translates that when a firm recruits, there is probability of 6.4 of the candidates being infected with HIV/AIDS. The situation is aggravated by the fact that it’s illegal in Kenya to subject job candidates to HIV test as a pre –condition for selection and placement.

When the recruitment candidate is HIV positive, the company incurs cost by increased healthcare, absenteeism and low productivity due to HIV/AIDS implications.

In case of the company losing a newly employed candidate through death or resignation due to HIV/AIDS the company is forced to carry out the recruitment and selection process again which is an expense to the firm in terms of time and resource (WHO 1996, series No 7).

2.4.2 Training and development

Firms carry out training and development to improve the skill and thus enhance the performance of employees and improve their motivation. Training and development are an expense to a firm. It is therefore a blow to a firm when it has lost trained and experienced personnel through HIV/AIDS at the prime of their career. Other costs incurred related to training are cost of training employees on HIV/AIDS awareness, social responsibility of people living with HIV/AIDS and children home of HIV positive children (Bloom et al 1996)

2.4.3 Motivation

HIV/AIDS has affected motivation of workers particularly those infected due to the stigmas associated with HIV/AIDS. In some cases, the infected are discriminated against by their colleagues, management, neighbors or family members, this causes stress which affect their performance (ILO 1996, series No 7) infected and affected people also suffer stress from financial difficulties and poor health, this reduces their motivation and hence lead to low productivity.

Most companies lack proper healthcare strategies for HIV/AIDS infected personnel who require more and specific medical attention than those who suffer from other ailments.

Such health care may include antiretroviral therapy, guidance and counseling, proper nutrition, support group, hygienic conditions etc. Lack of all or some of the above may cause frequent ill health and stress which may affect employee's motivation hence their productivity.

2.4.4 Compensation

HIV/AIDS has placed an enormous financial burden on firms in form of employees' benefits such as medical scheme, health insurance, accidents, funeral expenses etc which has continued to rise in with the increase in HIV prevalence rate and deaths. A 1992 study (Forsythe et al 1992) estimated the cost of hospital care for an AIDS patient at Kshs 27,000. the session paper No. 4 of 1997 on AIDS in Kenya (the ministry of health 1997) estimates the direct cost of treating anew AIDS patient at Kshs 34,680 while indirect cost (lost wages) amount to Kshs 538,560. This brings the total estimated cost of AIDS (direct and indirect) to over Kshs 573,240 per patient. The direct cost of AIDS comprises the cost of drugs, laboratory tests, radiology and hospital overhead costs while the indirect costs encompasses the average productive life years lost.

2.4.5 Separation

In companies heavily affected by AIDS, death is the leading or one of the leading causes of employees exit from the company. Illness is the second most important. Before 1990s when deaths were few, records in two of the surveyed companies in Nyanza showed that in the 1980s, companies lost an average of 2 to 5 people per year. The most important reason for employees exit then were old age retirement, resignation, termination, dismissal, illness and death in that order. Today the order has clearly changed as illness and death have become the leading cause of exit (Rugalema *et al.*, 1999).

The future is no brighter through the prevalence rate has declined since the late 1990s, the number of AIDS death has increased i.e. the number of AIDS deaths exceeds the number of new infections. The number of AIDS deaths has been increasing rapidly as a result of the new infections in the mid 1990s the annual number of adults AIDS death has probably doubled in the last eight years reaching about 100,000 per year in 2004 translating to approximately 300 deaths per day due to HIV (Chelunge *et al.*, 2005)

2.4.6 Counseling and Testing Cost

With the emergence of HIV/AIDS, doctors employed by insurance companies to carry out tests on prospective clients have to be paid more for added task of HIV counseling and testing.

2.4.7 Cost of Claims of HIV Related Cases

Sometimes the insurance companies' honor claims for people who have died from HIV/AIDS particularly in situations where the policies were bought before the AIDS cause i.e. long term policies that were bought in 1980s. This was a serious issue in the late 1990s where insurance companies paid enormous death claims which were due to HIV/AIDS the insurance company responded to this by the clause of non mandatory HIV test.

In some cases, sales people, doctors and claimant collude and conceal the cause of death when the insured was HIV positive. The company may end up paying benefits which are not supposed to be paid.

There are also indirect costs associated with HIV/AIDS. These cost include the time spent by a sales person making presentation, crossing the sale, arranging for the testing of the client who end up being HIV positive and hence his presentation is rejected.

With the emergence of HIV/AIDS and corruption on the part of some doctors and beneficiaries, the company sometimes needs to confirm the cause of death before honoring the claim. This translates to time and resource expenditure and hence added cost.

2.5 Effects of HIV/AIDS on labour performance and productivity

For a company to attain its set goals. It requires an efficient, effective and motivated workforce.

The human resource management therefore requires a strategy to guide it carrying out human resource practices since achievement of organization goals largely depend on the kind of workforce it has and its commitment to the achievement of the organizational goals. Human resource strategy is concerned with attracting, assessing motivating and retaining the right number and types of the employees required to run the organization effectively (Hacket, 1991).

HIV/AIDS scourge has adversely affected human resource of companies hence lowering the productivity and performance. HIV/AIDS scourge has increased the expenditure in companies due to frequent recruitment, training and development and promotion of HIV/AIDS awareness. Other costs are due to absenteeism, lower labour productivity and cost of mortality and increased cost of healthcare.

Absenteeism has lowered profitability by the fact that when employees are absent, they are paid for work that they did not actually do.

HIV/AIDS cause ill healthy and death which result in lowered labour output and loss of skilled and experienced labour force. This increases cost of recruitment, training and development.

HIV/AIDS has resulted in poor health since it weakens the body immunity and infected person suffers from opportunist infections thus the person keep on contracting infections and hence require frequent medication.

This increase cost and adversely affect the effectiveness of the labour force and hence of the organizations.

HIV/AIDS has reduced life expectancy and has increased mortality rate. Increased mortality translates to cost in terms of funeral expenses, terminal benefits and recruitment to replace the lost employees. Ill health due to opportunist infections and the resultant weakness together with stress associated with stigmatization may cause infected people to leave employment. Thus HIV/AIDS has lead to increased labour turnover (Armstrong, 2002)

HIV/AIDS scourge has also affected and sometimes altered the culture of organizations thus affecting the performance and productivity the workforce. Culture is a set of values and beliefs which provide people with a programmed way of seeing. It is this dominant value espoused by an organization. Therefore the term culture implies the way things are done in an organization (Pheysey, 1993)

In every organization, there evolve overtime a system of beliefs, values, norms of behaviors symbols, myths and practices that are shared by members of the organization. Value and norms specify what is important and need to be shared by everyone in the organization so that they are enforced and widely accepted. Examples of shared values in

a company can be a belief in the importance of people as individuals, being the most innovative company in the field, excellent customer care HIV/AIDS scourge has affected culture by affecting socialization system among the staff due to stigmatization associated with HIV/AIDS. Rejections of application of policy by HIV/AIDS victims due to their status affect public relation negatively (Amstrong, 2002).

Another way HIV/AIDS has affected labour performance and productivity is by causing stress. Stress is a condition of strain in one's emotions, thought process and physical condition.

When it is excessive it can threaten one's ability to cope with the environment people who are stressed may become nervous and develop chronic worry. They are easily provoked to anger and are unable to relax.

They may be uncooperative or use alcohol or drugs excessively. Stress also leads to physical disorders, the internal body systems changes to try to cope with stress. Some physical are short range such as an upset stomach while others are long range such as stomach ulcers. Stress over a prolonged time also lead to degenerative disease of the heart and other parts of the body it is therefore important that life stress both on and of be kept at a level low enough from most people to tolerate without disorders.

2.6 Effects of HIV/AIDS on sale of insurance policy

Like all other companies, insurance industry has been adversely affected by HIV/AIDS scourge. The effect on the industry particularly serious given it is a service industry dealing with health care, life and investment. Most insurance companies deal with health care, life and investment policies.

HIV/AIDS has affected all sectors thus adversely affecting the economy. Most of the money that could have been invested goes to treatment and care of the infected and affected people (Ministry of health 6th edition 2001).

Mostly, people will invest when in regular employment and good health. HIV/AIDS has led many people to resigning or being dismissed from regular employment due to their HIV/AIDS status, more often than not, this people will not invest on insurance or any other investment firm. Such people more often terminate any insurance policy they may have been holding. This is business lost by the insurance company concerned.

Another cause of foregoing buying or terminating insurance policies is ill health due to HIV/AIDS effects. When people are frequently ill, they spend lots of on medical bills thus are not able to invest in insurance companies. Despite the HIV/AIDS public awareness, HIV/AIDS is still associated with stigma, most people therefore fear to go for HIV test for fear that they may not be able to take it if they knew they ere HIV positive. Insurance companies on the other hand have a policy on HIV/AIDS which requires that a client undergo a HIV test if the sum assured is high. The other option is for the client to forego the HIV test but get a policy of low amount. In both case, if death occurs before the maturation of the policy, the death claim is not honored but the insurance companies pay portion of what could have been paid, if the death was due to other diseases or accidents. British American will pay 10% of the sum assured, most other companies return the money the client had invested. The insurance companies therefore loss business when a client either decide to do away with the policy other than be tested or buy a package of lower amount than he could have bought if the requirement for HIV

testing was not in force. HIV/AIDS has also affected human resource practices, sales and generally increased operational cost of the insurance company.

HIV/AIDS has lead to decline in sales of policies. Insurance have lost sales through the following ways:

Some prospective clients decline to buy a policy because they don't want to undergo HIV test, such people fear to know their status because of the stigma associated with it.

Some sales are lost because some clients turn to be HIV positive and hence their applications are rejected by insurance companies.

The AIDS exclusion clause for this prospective clients who wish not to go for HIV testing is not attractive AIDS exclusion clause for Madison reads in part "NO benefits shall be paid under the policy or any riders, endorsement or amendments attached there to if the insured's death is caused by an infection of malignant neoplasm or suicide if, at the time of death the insured had acquired immune deficiency syndrome..." if no benefits are Payable by virtue of this exclusion, all premiums paid minus loans and cash surrenders connected to the policy will be reimbursed to the beneficiary to the estate of the insured. If not beneficiary is on record with the company pursuant to the policy provisions at the time of the insured's death. Britak has a clause that state that only ten 10% is paid if a person succumb to death due HIV before 5 years after the enforcement of the policy.

The above clause makes investment on insurance by a person who is HIV positive not be a worthwhile investment. Even those who are HIV negative at the time of sale cannot be certain of their HIV status in future. Since there are no benefits when one die from HIV/AIDS, investment in insurance appears to be unattractive to most people.

HIV/AIDS has also resulted in high number of lapses in policies. HIV/AIDS victims are mostly in bad health and tend to spend a lot on medical bills and nutrition. In most cases they are not able to spare money to keep their policies in force.

In other cases, infected people exit from employment due to dismissal or resignation, due to poor health. Such people may not have other sources of income and may opt to terminate their policies.

2.7 Impact of HIV/AIDS on company/staff policy

The emergence of HIV/AIDS scourge has necessitated companies and particularly insurance to come up with new policies to counteract the negative effect of the scourge on company's effectiveness.

Most insurance companies have come up with AIDS exclusion clause which states that HIV/AIDS testing is not mandatory but voluntary for prospective clients. A prospective client not willing to undergo HIV test can still buy an insurance policy but of a limited amount for instance AIDS exclusion clause for Madison insurance reads in part "No benefits shall be paid under the policy or any riders, endorsement or amendment attached there to if the insured's death is caused by an infection a malignant neoplasm or suicide if, at the time of death the insured had inquired immune deficiency syndrome ..."if no benefits are payable by virtue of this exclusion, all premiums paid minus loans and cash surrenders connected to the policy will be reimbursed to the beneficiary to the estate of the insured. If not beneficiary is on record with the company pursuant to policy provisions at the time of the insured's death. Britak has a clause that state that only 10%

is paid of a person succumb to death due to HIV/AIDS before 5 year after the enforcement of the policy.

Company staffs are also required to undergo medical test which include HIV test to qualify for the maximum compensation upon their death.

HIV/AIDS has also necessitated formulation of a policy on creating HIV/AIDS awareness among the staff.

2.8 Summary and gaps to be filled by the study

Information on how HIV/AIDS has affected organization's effectiveness is scanty. There is scant documented data on how HIV/AIDS has affected business organization in the insurance industry. To improve the livelihood of the citizens the government has been encouraging people to be insured even those infected with HIV/AIDS. The HIV/AIDS prevention and control Act, 2006 terms it an offence for any insurer to compel a prospective client to undergo HIV test or disclose his HIV status for purpose of being insured. This research shot to find out how HIV/AIDS have affected insurance industry and how the industry has responded to the scourge.

2.9 Conceptual Frame Work

AIDS has become an extremely serious problem in many countries. It is causing Myriad devastating health, social, economic and developing problems. HIV/AIDS had adversely affected organizational effectiveness. This is due to the fact that approximately 80% of HIV infection occurs in the economically active age group of 15-49years. The economic impact of HIV/AIDS is larger in some sectors than in others. Certainly health care and

insurance are significantly affected. Others are military and sectors with mobile workforce including transportation, extension services and banking. The devastating effects of HIV/AIDS on insurance industry are due to the negative effects HIV/AIDS have had on the Macro economy.

The devastating effects on organizational has been due to the following direct results/variables of HIV/AIDS:-

- a) Increased operational cost
- b) Development of new policy of staff and client
- c) Reduced labour force performance and productivity
- d) Increased absentees and labour turn over
- f) Reduced sales of insurance policy
- g) Increased cost of communication and awareness campaign
- h) Change in organization culture
- i) Negative public relation

INDEPENDENT

EFFECTS OF HIV/AIDS

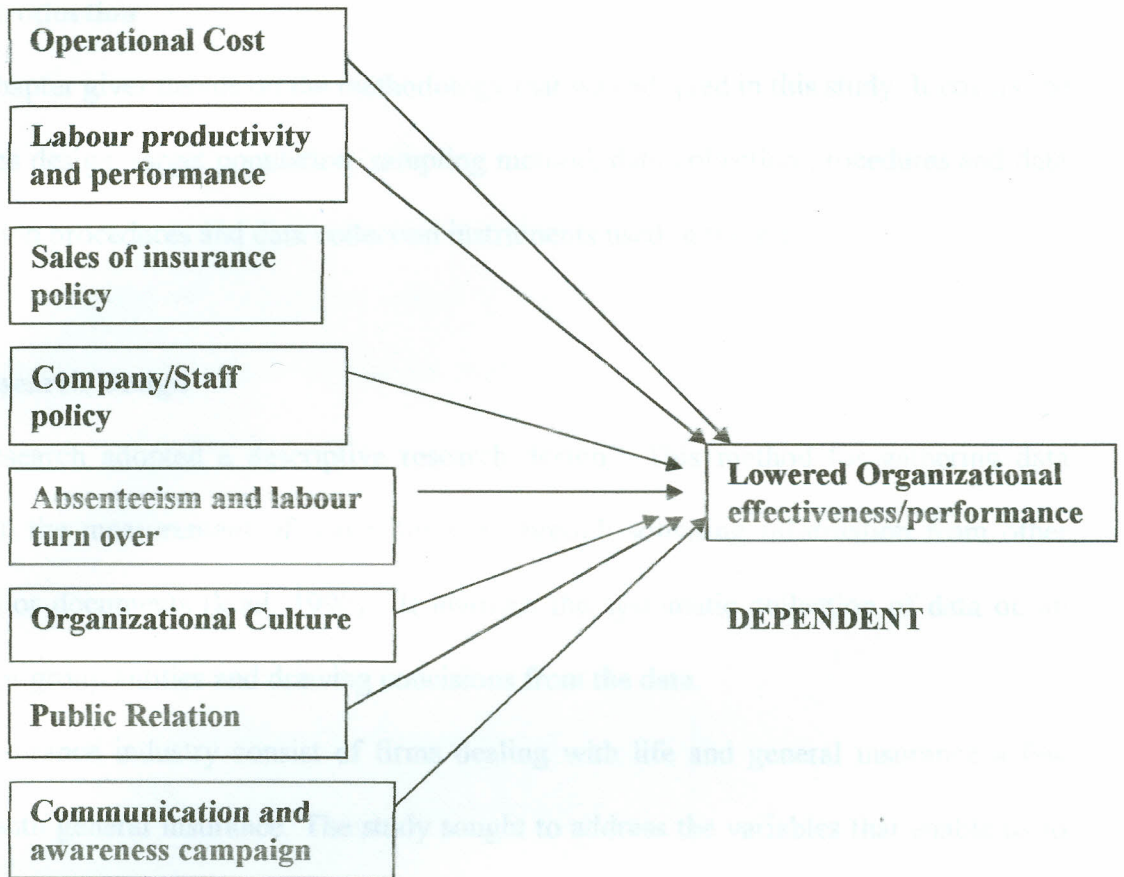


Fig 5: Schematic diagram of HIV/AIDS variables and organizational effectiveness.

CHAPTER THREE:

RESEARCH METHODOLOGY

3.0 Introduction

This chapter gives details on the methodology that was adopted in this study. It covers the research design, target population, sampling method, data collection procedures and data collection procedures and data collection instruments used in the study.

3.1 Research Design

The research adopted a descriptive research design. This method for gathering data through the measurement of some items or through soliciting information from other people or documents (Koul, 1990). It involves the systematic collection of data on an entity or group entities and drawing conclusions from the data.

The insurance industry consists of firms dealing with life and general insurance a few deal with general insurance. The study sought to address the variables that enable us to establish the aspects of the firm that are adversely affected by the HIV/AIDS scourge.

3.2 Target Population

The target population consisted of all the insurance firms operating within Nairobi area

The respondents for the study were specifically the human resource managers from each of the 43 insurance firms that were selected for the study.

3.3 Sampling Design and procedures

The association of Kenya insurers (AKI) was used to get a list of all the insurance operating in Nairobi and their location. This formed the sampling frame for the study.

All the 43 insurance firms in Nairobi were taken as the sample for the study. All the 43

insurance firms within Nairobi were taken as the sample for the study. Each of the 43 firms in as branches in all the major towns of the country and so were received to have the potential of providing the research with viable information concerning the study.

3.4 Research Instruments

The research instruments used in the study were questionnaires. The questionnaires consisted of both closed ended and open- ended questions so as to allow for further probing in view of getting in- depth responses and structured answers. The questionnaires were designed so that the question were of conformity and relevant to the study guided by the specific research objectives.

The questionnaires were designed by the researcher.

The questions sought to investigate effects of HIV/AIDS on the following

- Operational cost
- Labour productivity and performance
- New policy developed to deal with HIV/AIDS scourge
- Marketing of insurance policies

3.5 Data Collection Procedures

The researcher got a letter of introduction from the department of business administration from kenyatta university for the purposes of identification. The researcher then sought audience with the head of human resource department from each of the 43 insurance company in Nairobi. The researcher introduced her self and explained the purpose of the research and requested that the human resource manager fill the questionnaire.

The respondents gave the researcher an appointment to pick up the field questionnaire.

3.6 Data Analysis

The data was analyzed using descriptive statistical. The collected data was analyzed both qualitatively and quantitatively, this means that the researcher tabulated the responses from the research instruments and calculated percentages where necessary.

Responses that highlighted problems encountered by insurances firms due to HIV/AIDS scourge were interpreted and summarized. The resulting information was presented in form of tables pie chats percentages and brief notes.

40% of the respondents have degree level qualification, 35% diploma level qualification and 25% masters level qualification. The collected data was analyzed using descriptive statistical. The collected data was analyzed both qualitatively and quantitatively, this means that the researcher tabulated the responses from the research instruments and calculated percentages where necessary.

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CHAPTER FOUR

DATA INTERPRETATION AND PRESENTATION

4.0 Introduction

This chapter deals with presentation and analysis of data collected from the human resource managers in Insurance companies within Nairobi area. The data was collected through questionnaires. out of the 43 questiannaires distributed, 30 were filled and returned giving a return rate of 70%. Out of this 18 were female i.e. 60% and 12 were males 40%. 65% of the respondents have degre level qualification, 30% diploma level qualification and 5% masters level qualification. The collected data was analyzed through the use of descriptive statistics with the aid of SPSS, that is Statistical Programme for social sciences. The analyzed data was presented in form of frequency tables, graphs and piecharts. Percentages was also used to present data in a more understandable way. The collected data was analyzed as per the objective in the following order.

- Reported trend of HIV/AIDS scourage in the insurance firm.
- Effects of HIV/AIDSs scourage on operational cost.
- Effects of HIV/AIDSs scourage on labour performance and productivity.
- Effects of HIV/AIDSs on development of staff and company policy.

4.1 Trend of HIV/AIDS pandemic in the insurancefirms in Kenya

The respondents were asked to state the level of seriousness of HIV/AIDSs effects on their firms 98% reported that HIV/AIDSs has affected virtually all the departments of the firms.

Table 4.1 Trends of HIV/AIDS Pandemic within Insurance Firms in Kenya

	Frequency	Percentage
Extremely serious	8	26.7
Serious	14	46.7
Fairly serious	26	20
Not serious	2	8.6
Total	30	100

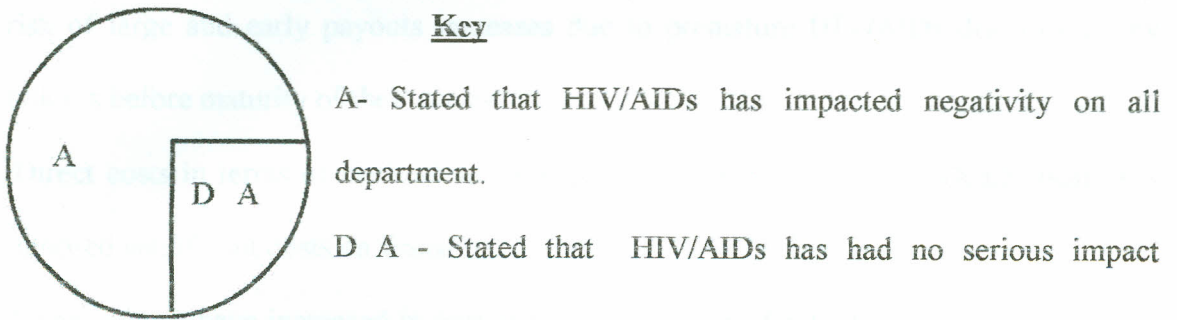


Fig. 4.1 Impact of HIV /AIDS on firm,s department

4.2 Opreational Cost

The respondents were asked to indicate wether their company had suffered an increase in their operational cost with the on set of HIV/AIDS as can be shown in table 4.2 The respondents said there has been a sharp increase in operating cost with 90% of the companies experiencing an increase in operating cost and a few i.e. 10% indicating that they were not experiencing any increase in operating costs.

Areas cited to have increased in cost significantly are medical, absenteeism, funeral and recruitment.

Operational are costs that are incurred by an enterprise during production of a product or service and delivery of the same to customers. As far as HIV/AIDS pandemic is concerned, the following costs are involved; Medical cost, funeral cost, retrenchment cost, training cost, absenteeism cost, recruitment cost, HIV/AIDS awareness campaign cost and counselling and testing cost, marketing costs and cost associated with policies that have lapsed before maturity due to premature death of clients. With the setting of HIV/AIDS pandemic, labour costs have increased and consequently added on the business operations costs. Insurance premiums on life and health have increased as the risk of large and early payouts increases due to premature HIV/AIDS death of policy holders before maturity of their policy.

Direct costs in terms of medical services provided are rising rapidly. Death itself has imposed significant costs on firms.

Areas cited to have increased in cost significantly are medical, absenteeism, funeral and recruitment.

Table 4.2 Operational cost due to HIV/AIDS

Operation cost	Frequency	Percentage
Yes	27	90%
No	3	10%
Total	30	100%

Aspect of the firm most affected by HIV/AIDS scourge.

The respondents were asked to indicate the effects of HIV/AIDS in various aspects in a decreasing order. The respondents cited medical cost as the highest with 30%, followed by

absenteeism with 26%, funeral 20%, recruitment 18%, other miscellaneous expenses was given 6%

, then funeral 20%, recruitment with 18%. Other miscellaneous expenses was given 6%

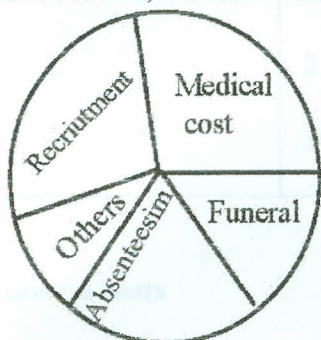


Fig 4.2 Aspect of the firm most affected by HIV/AIDS scourge.

4.2.1 Absenteeism costs.

These are costs associated with employees not reporting for duty. Firms were forced to hire casual labours at a cost to their work done. HIV/AIDS has caused absenteeism cost to rise.

4.2.2 Medical costs.

In seeking to establish as to whether insurance firms avoided medical costs or not, respondents were asked to indicate if their firms catered for medical costs of their employees. It emerged that 93.3% catered for the employees medical costs in one way or another, only 6.7% indicated that they did not cater for the medical cost of their employees

Table 4.3 Medical costs

Cater for medical cost	Frequency	Percentage
Yes	28	93.3
No	2	6.7
Total	30	100

4.2.3 Funeral costs

The respondents were asked whether their firms catered for funeral costs. 93.3% reported that their firms pay funeral expense

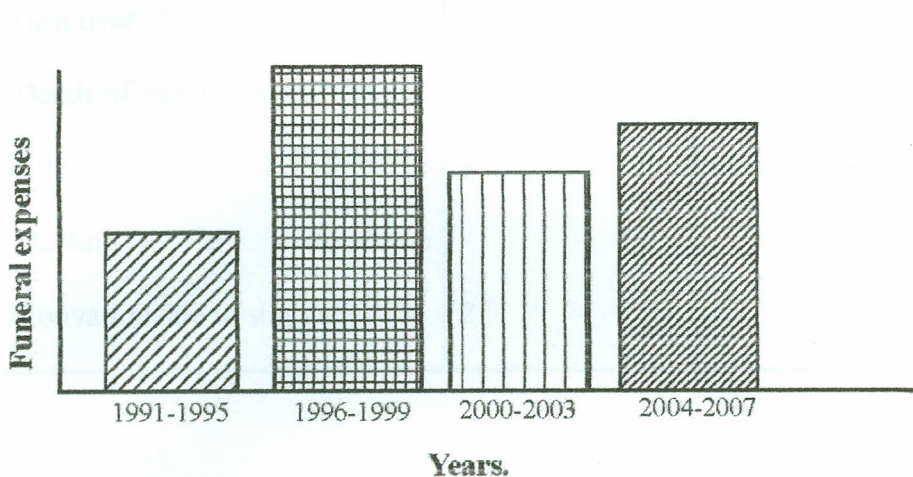
Table 4.3 Funeral Costs

Response	Frequency	Percentage
Yes	27	93.3
No	3	6.7
Total.	30	100

4.2.4. Trend of funeral cost over the last 17 years.

90% of respondents indicated that the funeral costs sky Rocketed in years between 1995-1999 since most people who had contracted HIV in 80s when the scourge emerged succumbed to death around that period. The funeral expenses reduced in the period 2000

-2004 due to intense HIV/AIDS awareness campaign and proper medical care for the infected and reduced stigmatisation of the infected by the society. The funeral expenses started to rise again from 2004 up to date., due to new infections



4.3 Effects of HIV/AIDS on labour performance and productivity

80% of the respondent said that HIV/AIDS scourge has caused the labour to skyrocket, this in turn has led to a decline in the firms productivity hence a decline in profit.

Absenteeism, sickness and premature death of workers as a result of HIV/AIDS results to disruption of the production cycle because of the underutilization of equipment thus leading to the cost of temporal staff. HIV/AIDS scourge has increased the production expenditure in firms due to frequent recruitment, training and development and promotion of HIV/AIDS awareness. Absenteeism has lowered profitability by the fact that when employees are absent, they are paid for work that they did not actually do. Sickness and death results in lowered labour output and loss of skilled and experienced labour force

Effect	Frequency	Percentage
Increased absenteeism.	15	50
Increased employee Turn over.	10	33.3
Death of employee and loss of skills.	3	10
Decline in employee Motivation due to stigmatisation	2	7.7

4.7 Trend of labour turnover over the last 17 years.

85% of respondents said that their firms have suffered loss due to HIV/AIDs to labour turn over. It was reported that the rate of labour turn over has been increasing since early 90's which coincided with the increased impact of HIV/AIDs scourge. The leading cause of labour turn over has also been changing.

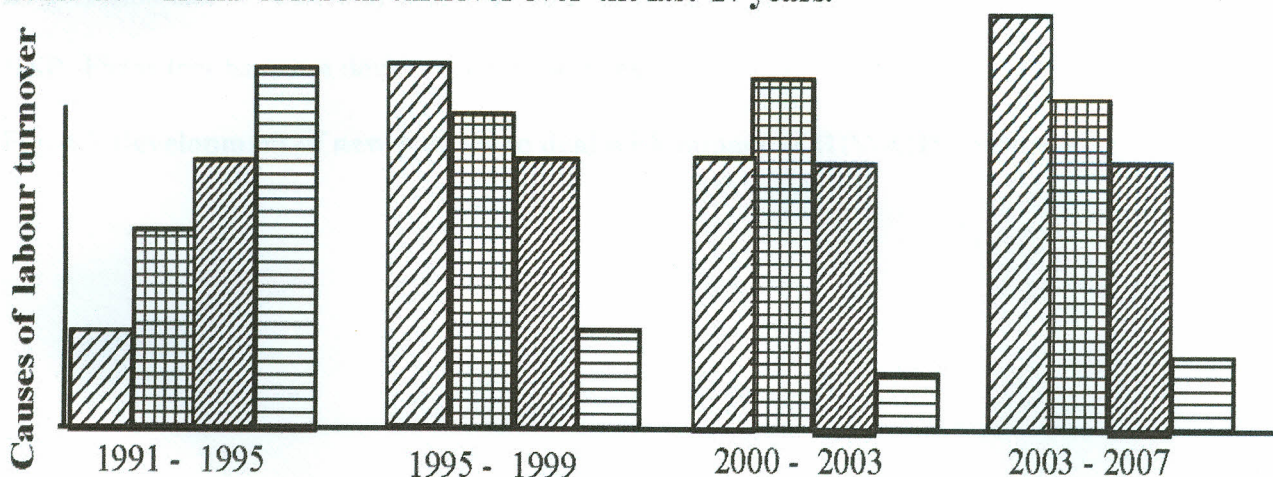
According to 80% of the respondents between 1991-1995, the highest causes of labour turn over was retirement, followed by resignation, then death and lastly sickness in the years 1995-1999 the highest cause of labour turnover was sickness followed by death then resignation and lastly retirement.

In years between 2000-2003, the highest cause of labour turn over was death followed by sickness, then resignation and finally retirement. In the year 2004 -2007, the leading





cause of labour turnover was sickness, followed by death, then resignation and finally retirement.

The respondent indicated that before the emergence of HIV/AIDS i.e. before 1990, the leading cause of labour turnover was retirement, followed by resignation then death and finally sickness. The reason for serious effects of HIV/AIDS on the firm from year 1995 onwards is that HIV/AIDS emerged in 1980s and most people contracted it in late 80s thus they developed full blown AID in between 1995 -1999, This translated to most firms losing their employees due to either AIDS or death associated with HIV/AIDS in those years

Table 4.7 Trend of labour turnover over the last 17 years.

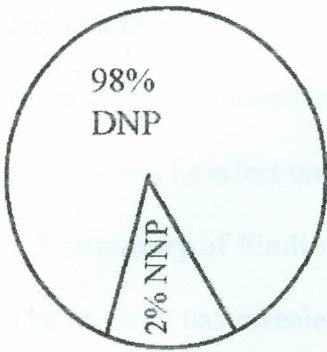


KEY

-  Retirement
-  Death
-  Resignation
-  Sickness

4.4. Impact of HIV/AIDs on company and staff policy

When the respondents were asked on the issue of development of new policies to deal with HIV/AIDs, 90% reported that their firms have come up with new policies after emergence of HIV/AIDs.



Key

DNP -Firms that have developed new policies

NNP -Firms that have not developed new policies.

Fig. 4.3 Development of new policies to deal with impact of HIV/AIDs scourge.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.

5.1 Introduction

In this chapter a summary of the findings is given and conclusions are drawn from the analysis of data. This has been done in view of the aims of the objectives of the study. From this recommendation on effective management of HIV/AIDS have been given to counter fact its effect on performance of insurance firms.

5.2 Summary of Findings.

The research has revealed that all the firms under study have been affected by HIV/AIDS courage. HIV/AIDS has impacted on all departments of the insurance firms. The insurance firms under study have stated that the trend of HIV/AIDS is Serious and thus need to be quickly and effectively addressed. 90 % of the firms have experienced an increase in absenteeism costs. Recruitment costs, compensations costs, such as medical insurance cover and funeral costs. Most firms recorded a marginal trend in the increase of the operating cost. Labour costs have sky rocked because of HIV/AIDS and leads to decline in the firm's productivity losses. 90% of the firms reported that recruitment of new employees to fill the gaps left was the most applied measure taken by the management. Other measures included increase in prices of the insurance premiums, HIV testing and limiting the cover of HIV/AIDS victims to a reasonable amount. A large majority of the firms do not provide any insurance cover related to HIV/AIDS out of the few firms that do, they only provide for health and life insurance. Despite the fact that very few firms provide insurance cover, many companies still require recruits to take medical tests prior to employment.

Majority of the firms had significantly high degree awareness and therefore an accommodation of infected employees was evident in most firms.

Most firms were moderately prepared in control of HIV/AIDS in the work place and a significant number of firms were involved in combat of HIV/AIDS in the work place. Majority of the firms stated that it is the management who should be involved in the dealing with HIV/AIDS in the work place, creating HIV/AIDS awareness and prevention programmer to the firms in insurance industry, together with counseling of both infected and non-infected employees was given as the most effective ways of controlling HIV/AIDS pandemic in the work place.

5.3 Conclusions

From the study findings it can be concluded that :

- 1 HIV/AIDS has negatively impacted on firms within insurance industry. The effects of HIV/AIDS pandemic have been manifested in increased cost of operation due to increased cost in recruitment, training, medical cost, funeral cost and cost associated with HIV/AIDS testing and counseling and creation of awareness.
2. HIV/AIDS scourage has also lowered labour productivity through absenteeism and labour turn over. The pandemic has also forced the insurance firms to increase the cost of premiums and come up with new policies to counter fact the negative impact of HIV/AIDS pandemic.

5.4 Recommendations

1. The management of insurance firms should be exposed to the ILO policies and other government policies that protect the employees so as to stop the vice of discrimination and segregation of sick employees at the work place.
2. The employees should be encouraged to go for voluntary HIV screening so as to determine their HIV status. They should be educated on importance of safe sexual practises despite their HIV status.
3. Insurance firms should be encouraged to come up with policies that ensure all the employees are insured irrespective of HIV/AIDS status.
4. The government should come to the aid of HIV/AIDS victims who wish to insure themselves by working with insurance firms to come up with appropriate insurance policy covert to HIV/AIDS victims.

5.5 Suggestion for further research.

1. Further research should be done on the response of insurance firms in Kenya in counteracting the effects of HIV/AIDS because the level of the pandemic in the firms is wanting.
2. More research also needs to be done on the effectiveness of management of HIV/AIDS pandemic by non insurance firms

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APPENDICES

5.1 APPENDIX A: QUESTIONNAIRE.

Instructions: The information given in this questionnaire will be treated as very confidential please give your option as honestly and accurately as possible

Background information

Questionnaire no:.....

Date.....

Name of the insurance company.....

Type of the insurance company: i. Life insurance

ii. General insurance

Name of the respondent.....

Position of the respondent in the company.....

Number of employees in your company.....

Informant information

1. Has HIV/AIDS scourge affected your company?

2. How serious is the HIV/AIDS effect on your company?

- Extremely serious,
- Serious
- fairly serious,
- not serious

3. Do all prospective employee need to go for HIV/AIDS test before employment

4. Are the employees counseled before undertaking the test?

5. Who does the counseling and testing of the clients?

- Company's doctor
- The employee's personal doctor
- A government's doctor

6. Who pays the expense for medical testing and counseling?

- i -The company
- ii -The employee
- iii-The government

7. If the employee turns out to be positive, who communicates the information to the client?

- Company's doctor
- Employee's doctor
- The government doctor

8. Describe the trend of the effects of HIV/AIDS over the last 17 years on the following aspects.

- Funeral cost
- Labour turn over
- absenteeism
- Medical cost

9. Has HIV/AIDS impacted on operational cost of the company?

10. State the specific areas that the cost as gone up in an increasing order

11. Does the company compensate all HIV/AIDS deaths?

b. Does the company cater for medical and funeral expenses of the employee?

12. What are the reasons that can lead to a HIV/AIDS death not be compensated?

13. Do the doctors engaged by the company confirm the cause of death of the victim?

Always

Sometimes

14. Is there a possibility of HIV/AIDS victim or their colluding with their personal doctor to report the cause of death as another ailment other than HIV/AIDS?

15. If the company suspects foul play in revealing the cause of death of a victim, what steps does the company take?

16. Does the company get into legal tussles with relatives of HIV/AIDS victims when they are not compensated?

- Always
- Sometimes
- Rarely

17. Has the rising of the cost necessitated a rise in the cost of insurance policies offered by the company?

18. Are all the employees of the company entitled to an insurance cover as the company employees?

19. Does an employee need to undergo medical test which are inclusive of HIV/AIDS to qualify for the minimum insurance cover?

20. Do all company's employees of the same grade have the same package for terminal benefit?

21. Has the rate of employee absenteeism risen after emergency of HIV/AIDS scourge as compared to before emergency of HIV/AIDS?

22. a) What is the highest cause of employee leaving employment?

I. Death

II. Retirement

III. Sickness

IV. Resignation

V. Dismissal

b) Describe the trend of the cause of labour turnover for the last 17 years

23. a) among those affected by the HIV/AIDS scourge how many are able to achieve the company's performance target?

b) For those who do not achieve the company's performance target does it have any impact on the overall output of the company?

24. What policy has the company come up to counteract the negative effects of HIV/AIDS on

the company's performance?

25. Does the company have any policy to reduce stigmatization of the infected and the affected among its employees?

26. What measures among the following has the company taken to help the infected among its staff members

- Free counseling and testing
- Distribution of condoms and antiretroviral drugs
- Special health care for the infected
- Flexible working schedule for the infected
- All of the above
- None of the above

27. Has the HIV/AIDS scourge necessitated for constant communication and promotion of HIV/AIDS awareness among its staff?

28. Who is involved in the creation of awareness among its staff?

- A section of the staff trained on HIV/AIDS and counseling
- Outsiders
- Both staff and outsiders

5.2 APPENDIX B: THE BUDGET

The following budget was the cost of carrying this research.

Description of cost	Cost in Kshs
4 rims of printing paper@Kshs.500/-	2,000/-
2 cartilages of printing ink@Kshs2000/-	4,000/-
Traveling expenses Kshs.300 per day for 60 days	36,000/-
Lunch @400per day for 60 days	24,000/-
3 copies binding @100 per copy	300/-
Miscellaneous expenses	6,000/-
Total cost	73,000/-

Appendix C: Work plan

2008					
ACTIVITY/MONTH	JULY	AUG	SEPT	OCT	NOV
Developing a research topic and literature review					
Writing research proposal, developing tools for data collection and preparing for research proposal seminar					
Field framework/ conducting interviews					
Data entry, interpretation and analysis					
Compiling of the final draft.					
Presentation of findings/ final draft					

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