

A SURVEY OF THE EXTENT TO WHICH PUBLICLY QUOTED
COMPANIES IN KENYA CONSIDER HIV/AIDS IN STRATEGY
FORMULATION //

BY:

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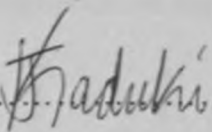


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DECLARATION

This research paper is my original work and has not been submitted for examination in any other University.

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This research paper has been submitted for examination with my approval as the University Supervisor.

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ABSTRACT

Most in the world have come to realize that HIV/AIDS is not just a health problem, but it reaches into every corner of society and has become an economic and development problem that threatens human welfare, socio-economic advances, productivity, social cohesion and businesses. Companies are increasingly incurring a wide range of direct and indirect costs due to HIV/AIDS and related illnesses and deaths.

This study sought to find out how businesses are responding to the problem. It had three objectives: to establish if Kenyan businesses are considering HIV/AIDS in strategy formulation; to establish which factors influence companies incorporating HIV/AIDS in strategy formulation, for those that do so; and to establish if there is a relationship between consideration of HIV/AIDS in strategy formulation and profitability of a company.

Data for the study was collected through a questionnaire, which was administered to forty-six companies. Both closed and open-ended questions were used to gather data. Twenty-one companies responded. The results indicated that whereas most companies acknowledged that HIV/AIDS is a threat to business, they do not see it as a very serious problem because 60% indicated that they estimate its cost to be 25% or less, 15% thought the cost to be negligible and 25% do not know the cost. As a result, 75% talk of carrying out HIV planning but actually do not factor it in when they are formulating their strategies. Those that take HIV/AIDS into account when formulating strategy indicated they do so as a result of decreased productivity, rising insurance cover and premiums, loss of key staff to HIV/AIDS, higher demand for recruitment and training, and a desire to contribute to society welfare.

The study concluded that businesses do not seem to have woken up to the realization that HIV/AIDS is a serious business problem. This is because 50% of the respondents indicated that they did not know what percentage of their staff are HIV-positive. Another 25% thought that either 5% or less of their staff have an infection rate of 5-9% or less. One would have expected that with HIV/AIDS being such a serious problem as statistics indicate, then businesses would not be spared and would find out what percentage of their staff are infected and then take drastic measures to counter its effects. They could either be underestimating the impact of HIV/AIDS or are reacting very slowly to it. Until they give the pandemic the attention it deserves, they will continue ignoring it when formulating their strategies.

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LIST OF ABBREVIATIONS

ARV	Antiretroviral
HIV	Human immunodeficiency virus
AIDS	Acquired immune deficiency syndrome
WHO	World Health Organisation
UNAIDS	Joint United Nations Programme on HIV/AIDS
NGO	Non-governmental organization
HAART	Highly active antiretroviral therapy
VCT	Voluntary counselling and testing
HMOs	Health Management Organizations
IOE	International Organization of Employers
NSE	Nairobi Stock Exchange

CHAPTER 1: INTRODUCTION

1.1 Background to the study

A lot of studies have been carried out in different parts of the world on various aspects of strategic management, including strategy formulation. Some examples of the studies include those by Thune & House (1970), Gilmore (1971), Herold (1972), Woodburn (1984), Adegbite (1986), Fubara (1986) and Hambrick (1987).

Although the studies have covered most of the aspects of strategic management, research on factors influencing strategic planning has been scanty. In addition, most of those studies have been done in developed world settings. Not as much has been done in the developing world. In Kenya, some of the researchers who have carried out studies in the area of strategic management have researched on: Corporate strategic planning in Kenyan companies (Shumbisho, 1983); Aspects of strategic planning among private manufacturing companies (Aosa, 1992) and in the financial sector (Shimba, 1993); The state of strategic management in the retailing sector (Karemu, 1993) and in the public sector organizations (Kang'oro, 1998); Strategic planning with NGOs in Kenya (Kiliko, 2001); The state of strategic management in not-for-profit organizations (Kiruthi, 2001); Strategic planning within television companies (Mwaura, 2001); Strategic planning practices of local pharmaceutical manufacturing firms (Sagwa, 2002), within hotels and restaurants in Nairobi (Sharbani, 2001) and in the agricultural sector (Njanja, 2002); Strategic planning by insurance companies (Wanjohi, 2002), and Strategy development practices of relief and development NGOs (Warsame, 2002). These researchers identify different factors influencing strategic planning practices of firms in Kenya. Some of these factors are a

company's age, size and ownership, calibre of senior management, scope of the company's business and environmental stability. None of these researchers however has identified HIV/AIDS as a factor influencing strategic planning for businesses in Kenya.

According to UNAIDS, there are currently 42 million HIV positive afflicted individuals worldwide. About 70% of them live in sub-Saharan Africa and infection rates are high with 1 in 3 adults being HIV positive in some parts. In Kenya, HIV/AIDS is claiming the lives of 700 people daily and over two million are HIV positive.

With such high infection rates, companies are increasingly incurring a wide range of costs due to HIV/AIDS and related illnesses and deaths. These costs are both direct (showing up on the income statement) and indirect (productivity losses) and run into millions of shillings every year. According to UNAIDS, the impact of HIV/AIDS on many businesses is a severe constraint on their ability to be competitive. This being the case, the researcher sought to establish whether HIV/AIDS, which is such a big threat to businesses, is being factored in the strategic planning process, and to what extent. This was done by studying companies which are listed on the Nairobi Stock Exchange (NSE).

The NSE was formed in 1954 as a voluntary organisation of stock brokers and is a market that deals in the exchange of securities issued by publicly quoted companies, corporate bodies and the Government of Kenya. As a capital market institution, the NSE plays an important role in the process of capital development by among others helping mobilise domestic savings thereby bringing about the re-allocation of financial resources from dormant to active agents; enables companies to engage local participation in their equity

thus giving Kenyans a chance to own shares and companies to also raise extra finance essential for expansion and development; and enhances the inflow of international capital. The NSE is now one of the most active capital markets in Africa. The NSE listing has attracted companies from major sectors of the Kenyan economy i.e. Agricultural, Commercial and Services, Finance and Investment, Industrial and Allied and Alternative Investment Market Segment. By making companies listed on the NSE the target population therefore the researcher hoped to get wide representation of key players in the Kenyan economy.

1.2 Statement of the problem

HIV/AIDS is one of the most serious issues facing Kenya today and poses a major threat to companies countrywide. A study carried out by Rosen et al (2003) established that companies potentially incur a wide range of costs due to HIV/AIDS and related illnesses. Their conclusions concur with Hoffman's (1997) who, in her study on the effects of HIV disease on the individual, workplace, and interpersonal contexts concluded that the costs of the disease are enormous. Direct costs include the more obvious and tangible aspects of the epidemic such as medical expenditures e.g. diagnosing and treating those with HIV/AIDS, research - Tetra Pak International offers their HIV positive employees counselling and anti-retroviral treatment at the company's cost. In contrast, indirect costs are the value lost to society due to premature disability and in many cases, death caused by HIV/AIDS. Examples include reduced productivity for persons with the disease, for their partners, friends and family members who provide care and the loss of contributions to work that those with HIV/AIDS might have made if they were not living with a chronic disease.

These types of indirect costs affect individuals, their support networks and the world of work in intangible ways that are difficult to assess.

Hoffman (1997) observed that recent changes in treatment of HIV/AIDS may mean that the disease will become both a chronic and fatal disease for many. With people carrying the virus living for a much longer period of time, the long term financial implications this will have for employers cannot be underestimated. Kenya's HIV/AIDS prevention and control Bill, 2002 which is based on recommendations of the Task force on legal issues relating to HIV and AIDS (Office of the Attorney-General and National AIDS Control Council, July, 2002) is yet to be presented to Parliament for enactment into Law. The recommendations of the Task force give all the rights and freedom and seek to see an HIV/AIDS infected person treated as if he did not have the infection. When this Bill becomes Law, it will also lead to increased costs of doing business.

According to World Health Organisation (WHO) and UNAIDS, HIV/AIDS is the greatest challenge ever to face business. In Kenya where prevalence rates are anywhere between 6 and 15 percent of the adult population, clearly HIV/AIDS is a serious issue facing the country and poses a major threat to companies countrywide. Standard Chartered Bank, The Coca-Cola Company, Barclays Bank and British American Tobacco are some of the companies which have recognized that HIV/AIDS will have a potentially devastating effect on businesses which will in turn have a direct impact on the organization itself, it's employees and all relevant stakeholders. As a result, they have initiated HIV/AIDS programs, which are aimed at fighting the pandemic among staff members and other stakeholders like the local communities.

Given the enormity of HIV/AIDS, it is not surprising that various studies have been carried out, a number of which examine the impact of HIV/AIDS on the workplace from the perspective of employers and employees. One of these is by Murambi (2002) who studied the human resource policy response to the HIV/AIDS pandemic. However, the existing body of literature seems to have virtually ignored the extent of inclusion of HIV/AIDS in strategic planning. To the researcher's knowledge, no studies could be found that looked at the issue of whether or not businesses in Kenya are incorporating HIV/AIDS in strategic planning and the extent to which they do it. This study intends to establish the extent to which businesses in Kenya consider HIV/AIDS in strategic planning by surveying publicly quoted companies and hence fill this gap.

1.3 Objectives of the study

The objectives of this research were:

- To establish if Kenyan companies are considering HIV/AIDS in strategy formulation by studying publicly quoted companies
- To establish which factors influence the companies incorporating HIV/AIDS in strategy formulation, for those that do so
- To establish if there is a relationship between consideration of HIV/AIDS in strategy formulation and profitability of a company

1.4 Importance of the study

It is anticipated that the findings of the study will be of value to the following:

- Management teams/Decision makers of businesses in Kenya

- Government authorities e.g. those involved in regulation of activities of businesses
- Pressure Groups – so they know what business Executives are doing and the challenges they are facing (this could make them more sympathetic to the cause of business)
- Academicians, scholars, researchers – important as an addition to knowledge and serve as a useful starting point for further research in various aspects of strategic management

Why a business should engage in strategic planning

2.1 Strategic

A business strategy defines the organization's long-term goals and objectives, identifies the organization's core competencies, and outlines the organization's approach to achieving these goals. It also identifies the organization's key resources and capabilities, and provides a framework for decision-making. Strategic planning is a process that involves setting the organization's long-term goals and objectives, and developing a plan to achieve these goals. It is a key component of strategic management, and is essential for the success of any organization. Strategic planning helps organizations to anticipate future challenges and opportunities, and to develop a clear and concise plan of action. It also helps organizations to allocate resources effectively, and to monitor and evaluate their performance over time.

2.2 Strategic Management

Strategic management is a process that involves the formulation and implementation of an organization's strategy. It is a key component of strategic management, and is essential for the success of any organization. Strategic management involves setting the organization's long-term goals and objectives, and developing a plan to achieve these goals. It also involves monitoring and evaluating the organization's performance over time, and making adjustments as needed. Strategic management is a dynamic process, and it is essential for organizations to be able to adapt to changing circumstances. Strategic management helps organizations to anticipate future challenges and opportunities, and to develop a clear and concise plan of action. It also helps organizations to allocate resources effectively, and to monitor and evaluate their performance over time.

(Strategic Management) involves strategic management in the formulation of long-term goals and objectives, and the development of a plan to achieve these goals. It also involves monitoring and evaluating the organization's performance over time, and making adjustments as needed.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter starts with brief definitions of 'strategy' and 'strategic management'. It then goes on to give more details of 'strategy formulation', which is one of the three main components of strategic management.

2.2 Strategy

A company's strategy consists of the combination of competitive moves and business approaches that managers employ to deliver goods and/or services, compete successfully, and achieve organizational objectives. It can be defined as an agreed-upon course of action and direction that helps manage the relationship between an organization and its environment, with the goal of achieving alignment or synergy so that an optimal flow of resources to the organization is achieved.

2.3 Strategic Management

Strategic management is a subject that has become increasingly important for businesses as they try to survive and thrive in an increasingly dynamic environment which is filled with ambiguities and uncertainties, and where new information, generated internally or externally, can create a different perspective on original strategies. Originally it was called business policy, but now encompasses long-range planning and strategy.

Chandler (1962) defines strategic management as the determination of basic long-term goals and objectives, adoption of courses of action and allocation of resources necessary for

carrying out these goals. Pearce & Robinson (1991) on the other hand define strategic management as “the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company’s objectives.” According to Harvey (1988) it is “The process of formulating, implementing and evaluating business strategies to achieve future objectives.”

These definitions are in agreement that strategic management focuses on the long term, that is, the vision and mission of the company and therefore has long term implications and that it is future oriented. Strategic management decisions are based, not on what managers know, but on what they forecast. Also, decisions for companies operating in complex and continuously changing environments have to be made e.g. customer mix and competitive emphasis. It therefore involves making decisions when situations are ambiguous and uncertain, and is about positioning – because for a firm to remain competitive, it has to offer something of value to customers that make customers come to it rather than go to the competitors.

The three components of strategic management identified by Harvey are: Strategy formulation - a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it; Strategy implementation - concerns the managerial exercise of putting a freshly chosen strategy into place; and Strategy evaluation - the process of continuously evaluating strategy and performance

As seen above therefore, strategic management involves strategy formulation. Pearce & Robinson and Harvey are in agreement that, strategy formulation is a sub-component of the strategic management process.

2.4 Strategy formulation

Pearce and Robinson (1991) state that strategy formulation guides executives in defining the business their firm is in, the end it seeks, and the means it will use to accomplish those ends. Strategy formulation is often referred to as strategic planning or long-range planning and is concerned with developing a corporation's vision, mission, objectives, strategies and policies.

Vision can be referred to as a roadmap of a company's future and clarifies the direction in which an organisation needs to move. It provides specifics about technology and customer focus, the geographic and product markets to be pursued, the capabilities it plans to develop and the kind of company that management is trying to create.

Wheelan and Hunger (1996) define an organisation's mission as the purpose of or reason for the organisation's existence. A company's mission is the fundamental unique purpose that sets an organization apart from other organizations of its type and identifies the scope of its operations.

Objectives are specific, measurable and time-bound targets that an organization tries to achieve. Objectives are vital to an organisation's success as they provide direction, aid in evaluation, create organisational synergy, reveal priorities and allow co-ordination. They

are essential for the successful management of organisations as they provide a framework for managerial strategic decisions.

An organization's strategies form a comprehensive plan stating how the organization will achieve its mission and objectives (David, 1986). They take an organization from its present position towards the goals it has defined for itself (Howe, 1993).

Policies are broad, precedent-setting decisions that guide or substitute for repetitive or time-sensitive managerial decision making. They often increase managerial effectiveness by standardizing routine decisions and empowering or expanding the discretion of managers and subordinates in implementing business strategies. From these definitions, it is clear that strategy formulation is a process, rather than a single act with a definite start and finish. A paper by Pettigrew (1977) reveals that formulation of strategy in an organization is a continuous process.

2.5 Views on strategy formulation

Different views have been advanced on how strategy in an organization is formulated and some of these are examined below.

According to Hax and Majluf (1991), the process school of research views strategy as the outcome of three different processes contributing to strategy formation. Firstly, it is the cognitive process of individuals where the rational understanding of the external environment and internal capabilities of the firm reside. Secondly, it is the political processes that address the creation, retention and transfer of power within the organization

and thirdly, it is the social and organizational processes that contribute internal communication and the development of a consensus of opinion.

Johnson and Scholes (1999) in a similar vein discuss three general explanations of strategy development in organizations. First, that strategies develop as a result of deliberate managerial intent; second, that strategies can be better explained as the outcome of cultural and political processes in and around organizations; and third, that strategy development is imposed on organizations.

Mintzberg (1973) proposed three strategy making modes – entrepreneurial mode, adaptive mode and planning mode. Under the entrepreneurial mode, he argued that strategy formulation relies heavily on intuition, experience and personal judgement and that strategy is developed by a powerful individual, like the Chief Executive Officer. However while entrepreneurial organizations can move forward quickly, decisively and successfully, they face the potential continuity threat in the face of the influential individual disappearing from the scene. On the other hand, under the adaptive mode, strategy formulation is reactive and is characterized by “muddling through”. Under the planning mode, strategy is formulated deliberately, proactively and with conscious planning ahead. Strategy is therefore the outcome of formal and deliberate planning efforts. Mintzberg explained that when the modes are seen as distinct from one another, they are a simplistic reflection of the reality of strategy making. However, when they are seen as a set together, to be used alternately by managers operating under different conditions, they constitute a realistic description of the strategy making process in organizations. Mintzberg therefore advocated for the contingency approach to strategy making.

Another view that closely resembles Mintzberg's is that which sees strategy as basically an analytical and rational process (Vancil, 1976; Porter, 1980; Ansoff, 1984; Hax and Majluf, 1988). Managers employ various analytical tools and methods to make strategic decisions. They use well defined processes to formulate the various company strategies. Examples are the visionary view to strategy formulation, which is in agreement with the entrepreneurial mode advocated by Mintzberg in the sense that strategy is seen as the outcome of influence or guidance by influential individuals. Visionary leaders with high intuitive ability use their intuition and gut feeling and are likely to see what other people do not see. They however are difficult to sustain in an organization. Another one is the natural selection view, which is also similar to the adaptive mode by Mintzberg. Strategy here is seen as the outcome of constant adaptation of an organization to its environment. This is because the environment is so dominant that it severely limits organizations' strategy choices. Therefore, organizations can only respond to it.

A competing view holds that strategies are shaped by power and behavioural forces (Lindblom, 1959; Mumford & Pettigrew, 1975; Pettigrew, 1977; Kotter, 1982; Mintzberg, 1987; Etzioni, 1989). There is emphasis on multiplicity of organizational goals (hence conflict), need for negotiation, bargaining and building networks in the strategy making process. An example is that by Quinn (1988) who advocated for logical incrementalism in strategy development. In a study of major multinationals, he concluded that organizations need to move cautiously, introducing big change as a series of several changes to avoid behavioural resistance to change. This is done through managers having a view of where they want the organization to be in years to come, and then trying to move towards this position incrementally. This makes it different from the adaptive mode advocated by

Mintzberg since proactive behaviour and conscious planning is involved under logical incrementalism.

Other important aspects of strategy formulation include: the degree of explicitness in the process, the degree of formality, and participants in the formulation process.

2.6 Factors influencing strategic planning practices

Different researchers over time have identified various factors influencing strategic planning practices of different companies. Some of those identified are power and politics, external control and managerial characteristics.

Sagwa (2002) in studying strategic planning practices of local pharmaceutical manufacturing firms in Kenya identified several factors influencing the practices as company size, age, ownership, caliber of senior management, stability of the business environment and business scope. Sagwa established that larger companies were found to have either strategic planning departments or a strategic planning function, and were found to employ more formal approaches to strategic planning, as compared to smaller companies, older companies appeared to employ a more formal approach as compared to smaller ones, which had a less formal approach and of the companies studied, privately owned ones tended to have a mix of either formal or informal approaches to strategic planning, while the publicly owned ones had a formal approach. Furthermore, in privately owned companies, strategic planning was largely the responsibility of the Board of Directors or the Chief Executive Officer. According to the same study, companies with senior managers who had some formal management training, more rational and formal approaches to strategic

planning were employed. Those with no management training tended to be more informal in approach. Also, companies operating in more unstable environments had shorter planning horizons and more frequent revision of their strategic plans, while those with external business market focus had a strategic planning function and those with a local focus only did not always have a strategic planning function.

2.7 Effects of HIV/AIDS on business

According to Rosen et al (2003), for any company doing business in any developing country in the world, AIDS is their business. They state that AIDS is destroying the twin rationales of globalization strategy: cheap labour and fast growing markets. Unlike other diseases that primarily affect young children and old people, HIV/AIDS has a devastating impact on companies because it kills young and middle aged adults in their most productive years as employees and customers. This results in the epidemic adding to companies' labour costs and slowing growth rates in many developing economies.

Indeed, HIV/AIDS has a direct impact on businesses resulting from increased costs, loss of productivity and overall threats to the foundations of the economies in which they operate. It affects a company's profits through both direct and indirect costs and declining economies. Some of the direct costs associated with HIV/AIDS are rising costs of medical care, increased insurance premiums, recruitment and training of replacement workers, accidents due to ill workers and inexperienced replacement workers, death benefits, costs of litigation over benefits and other issues and sick leave. Some indirect costs include production disruptions, reduced on-the-job productivity, reduced productivity due to

employees' absences, deterioration of labour employees and depressed morale for employees as a result of illness, suffering and loss of colleagues, friends and family.

Due to this, many companies are taking steps to deal with both the infected and affected.

According to the International Organization of Employers (IOE, 2002), actual initiatives taken by an employer to respond to HIV/AIDS in his/her company will depend on two key factors: The HIV prevalence rate within the company and the surrounding community; and The level of knowledge and awareness by the management of the real potential impact of the pandemic.

In industrialized countries where prevalence is low, workforce welfare and healthcare provision are well established and legislation is strong, employers may not feel the need to take extended action. In high-prevalence developing countries on the other hand, employers experience increased pressures regarding how to deal with employees living with HIV/AIDS. Prevalence rates are so high that nothing short of total social mobilization (involving businesses as key factors in society) could fight the pandemic. In addition, governments in such countries do not do much due to lack of resources and so companies are under pressure to take action.

Rosen et al (2003) carried out a study on six multinational companies based in South Africa and Botswana and established that the corporations studied adopted two forms of responses: prevention programs to reduce the number of employees who will get infected, and treatment programs to extend the working lives of employees who already have HIV/AIDS. Prevention and treatment were two parts of a comprehensive anti HIV/AIDS strategy, rather than being mutually exclusive. The prevention programs had four elements: educating

employees about HIV/AIDS and how it can be avoided, distributing condoms to employees, treating other sexually transmitted diseases and providing full counselling and testing services for employees and families. The six companies in Rosen's study had begun providing employees with free treatment for HIV/AIDS in the form of highly active antiretroviral therapy (HAART), either directly or indirectly. The companies had three basic treatment models or approaches. Some offered third party health insurance plans and eliminated or reduced the employee co-payment, others contracted Health Management Organizations (HMOs) to manage stand alone HIV/AIDS programs while yet others managed health care of their employees in-house through company clinics.

Rosen et al (2003) state in their report that rising absenteeism and high employee turnover due to HIV/AIDS have forced local companies in Zambia and Congo to employ and train more people than usual. Managers invest in training each worker to handle two or three tasks or they hire two or three workers for every job on the expectation that at least one will die. However despite elaborate coverage on the programs and costs of the anti-HIV/AIDS strategies documented in Rosen's study, the issue of whether or not companies considered the pandemic in formulating their strategies were not explored.

In Kenya the Federation of Kenya Employers (FKE) has developed a Code of Conduct on HIV/AIDS in the workplace (published in 2000 and revised in 2002) whose provisions are: the protection of Human Rights and dignity of HIV infected workers; avoidance of discrimination in relation to workers living with the HIV/AIDS virus; recognition of the scientific and epidemiological evidence that workers living with HIV do not pose a risk of transmission of the virus to co-workers through ordinary work-place contact, such as

shaking hands, sharing of food utensils including tea-cups, cutlery, working tools or working in close proximity; and, application of the Universal blood and body fluid precautions to protect other workers from accidental infection by their sero-Positive colleagues, where such a risk may exist such as piercing the skin by contaminated sharp objects, or handling contaminated linen, where the skin is exposed or damaged and avoidance of pre-employment screening for HIV as part of assessment of fitness to work. These guidelines are likely to have long-term financial implications for employers.

PricewaterhouseCoopers (PwC) in East Africa and Zambia carried out a study on the local business community's response to HIV/AIDS. The results were published in a report which was launched in February 2004. According to the report over half of the 216 organizations surveyed thought that HIV/AIDS costs were increasing, and that many companies would benefit from assistance in looking at this issue more closely.

The Cover Story of the November/December 2003 issue of *Market Intelligence* notes that the impact of AIDS on business is already visible in many parts of the world, and that the scourge is both a threat to humanity and broadly to the survival of businesses. It goes on to report that the psychosocial environment of the workplace deteriorates when some employees have a serious and ultimately, a terminal condition. Which leads to the conclusion that it makes good business sense for companies to adopt HIV/AIDS policies, and to encompass not only the reactive steps but also proactive measures designed to limit the spread of HIV and its effect in the workforce and society at large.

UNAIDS project that sub-Saharan Africa will lose between 29% and 35% of its workforce by 2020. This means that the most affected countries will have lost 67% of their Gross Domestic Product (GDP) in the same period, which is two thirds of the capacity of Africa to deliver and prosper.

And yet, the effects of HIV/AIDS are not limited to the business community alone. In the 2001-2002 IFPRI Annual Report Essay, Piot and Pinstrup-Andersen report that AIDS is the new challenge to food security. This is because AIDS does not occur in a vacuum. In Africa where AIDS is currently most serious, its impact has been to make pre-existing problems and their consequences far worse, and to create daunting new problems. By killing people in the prime of their lives, AIDS erodes the social capital that makes communities function including wiping out a good proportion of farm labour force hence peoples' security and livelihoods cannot be assured.

2.8 Summary of Literature Review

This review of strategy formulation and HIV/AIDS has focused on literature mainly in the last fifty years. During this period, strategic management has gained in importance for businesses, and HIV/AIDS has been discovered and turned out to be a very serious problem for businesses.

Parts one and two explored the meaning of strategy and literature on the meaning of strategic management. This provides a context for the study at hand. Part three explored strategy formulation while part four is on views of strategy formulation advanced by different authors and scholars. The fifth part explored factors influencing strategic planning

practices while the sixth and last part dwelt on the workplace effects of HIV/AIDS on employers.

The existing literature does not address the issue of whether or not the HIV/AIDS component influences strategy formulation processes of business firms in Kenya and the extent to which it is considered. It is this gap that the proposed study is intended to fill.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Study design

A census survey was undertaken to try and establish the extent to which businesses in Kenya consider HIV/AIDS in strategy formulation. The effects of HIV/AIDS are felt in virtually all sectors of the economy. The researcher opted to carry out a census survey because it would assist in applying findings to Kenyan businesses in general as the study cuts across companies in many different sectors and would therefore not be limited to any one sector. The researcher felt that the results would be representative of what was happening in other business circles in Kenya.

3.2 Population

The target population was forty-nine companies quoted on the Nairobi Stock Exchange (NSE), per a list obtained from the NSE itself dated September 23, 2003. Companies listed on the NSE fall in many different categories: agricultural; commercial and services; finance and investment; industrial and allied; and alternative investment market segment. By basing the census survey on companies that are listed on the NSE, the researcher felt that this would be a good representation of Kenyan businesses in varying sectors and therefore findings could be applied to different sectors. It turned out that two of the companies on the list were under two different names each, and by the time the study was undertaken one company had been de-listed. This reduced the companies to be studied to forty-six. All the forty-six companies were contacted, and this was done with the aim of going around the problem of non-response. As expected with a study involving HIV/AIDS which still carries a stigma in

Kenya, a 100% response rate of the target population would be unlikely. The intention was that those who would respond would constitute the group that would be studied.

3.3 Data collection

The study largely utilised primary data collected by use of a questionnaire targeted at Chief Executive Officers in their companies, because it was expected that they are the ones involved in strategy formulation. The questionnaire consisted of both closed and open-ended questions and was administered on a drop-and-pick-later method, except for five companies to which questionnaires were posted due to their long distance away from Nairobi. For the five a self-addressed envelope with prepaid postage was enclosed, in addition to a letter of introduction. A standardized questionnaire was used to allow comparison of results among various organisations. It was based on exploratory research design, where both quantitative and qualitative data was necessary, and where the survey method was the best-suited data collection method. A copy of the questionnaire is shown in Appendix 1. It is divided into two sections: Section A is on the Company profile while Section B is on Responses on the extent to which a Company considers HIV/AIDS in strategy formulation. In addition, personal interviews were used in a few cases to follow up responses which were not clear.

3.4 Data Analysis

The data collected was analysed using tables and percentages to compare results of different companies' awareness of and response to the HIV/AIDS problem.

Pie and bar charts were used to represent data. This facilitated quick and easy exploration of data to help identify the most prominent factors influencing incorporation of HIV/AIDS component by businesses into their strategy formulation process.

Qualitative techniques were also applied to analyse results of strategies being undertaken by businesses.

CHAPTER 4: FINDINGS AND DISCUSSION

4.1 Introduction

This chapter first outlines the profiles of organizations studied between March and August, 2004. The researcher targeted the forty-nine companies listed on the Nairobi Stock Exchange (NSE), per a list obtained from the NSE dated September 23, 2003. Of these four were in the agricultural sector; eight in commercial and services; eleven in finance and investment; seven in industrial and allied; and nine in alternative market segment. By the time data was collected one of the forty-nine companies had been de-listed and it turned out that two companies were listed under two different names each. This effectively reduced the companies studied to forty-six. Out of the forty-six companies contacted twenty responded adequately and one returned their questionnaire with comments that none of their staff were HIV-positive. The findings and discussions following are based on survey results from the twenty companies.

The second part of the chapter is on findings of the research study based on the questionnaires targeted at Chief Executive Officers of the respective companies. In a number of cases, these officials were not available to respond and therefore the questionnaires were filled by: senior finance, human resource and public relations personnel. The results are presented alongside discussions. Data collected was summarized using tables and percentages. It was then analysed using descriptive statistics, which entailed the use of proportions, percentages and frequency distributions.

4.2 Profiles of organizations

Majority of the companies were established in the 1960s as shown in Table 1 below, which means that they have been in operation for at least forty years. These were mainly companies in the industrial and allied, and finance and investment sectors. This is not surprising as a number of industries were established in the colonial period and have since been acquired by the public, and Kenya is a regional hub for trade and finance in East Africa.

Table 1: Number of years companies have been in operation

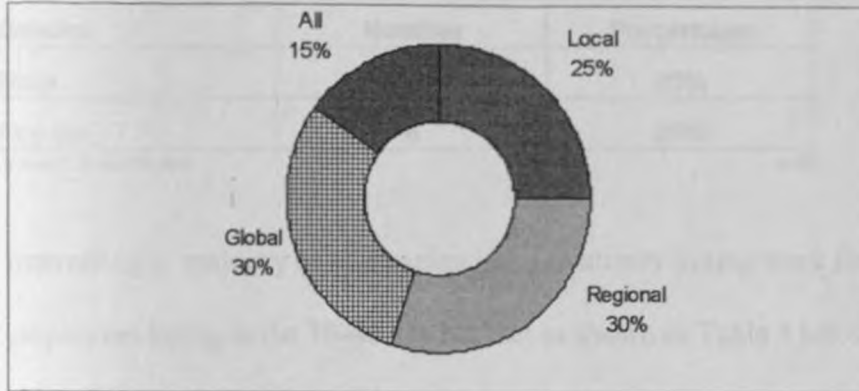
Years in operation	Number	Percentage
0-20	1	5%
11-20	0	0%
21-30	0	0%
31-40	6	30%
41 and over	13	65%

Source: Research data

n=20

In total, over 50% of the businesses operate either locally or regionally as shown in Figure 1 below. This is reflective of the general opening up of the Kenyan economy in response to the changing environment. A lot of companies have found that they have to operate in the region to widen their market as a result of increased competition locally. With a lot of international companies entering the Kenyan market, competition has become very stiff and the local public companies have responded by either improving the quality of their goods and services, but also by operating beyond the Kenyan border.

Figure 1: Scope of Business



Source: Research data

n=20

The companies are mainly large businesses, each employing over 100 people, but there are also a few which employ as few as 25 people or less as shown in Table 2 below. For companies to get listed on the NSE, they need to have a given capital base. Most of the companies which qualify are the larger ones which also happen to employ larger numbers of people.

Table 2: Size of workforce

Staff employed	Number	Percentage
0-25	1	5%
26-50	2	10%
51-75	0	0%
76-100	3	15%
Over 100	14	70%

Source: Research data

n=20

As shown in Table 3 below, majority of employees were male (71%), as opposed to female (29%). These percentages are generally reflective of the workforce in Kenya where majority of employees are male. This could be due to the fact that a higher proportion of the male population in Kenya is more literate as compared to the female population, which makes them more attractive to employers and hence more are employed.

Table 3: Gender distribution of staff employed

Gender	Number	Percentage
Male	14	70%
Female	6	30%

Source: Research data

n=20

Interestingly, majority of companies had a relatively young work force with most of the employees being in the 30-40 age bracket as shown in Table 4 below. This could be attributable to the fact that life expectancy in Kenya has generally declined especially due to the effects of HIV/AIDS.

Table 4: Age distribution of staff employed

Age Bracket	Number	Percentage
Less than 30 years	4	20%
30-40 years	10	50%
More than 40 years	6	30%

Source: Research data

n=20

4.3 Consideration of HIV/AIDS in strategy formulation

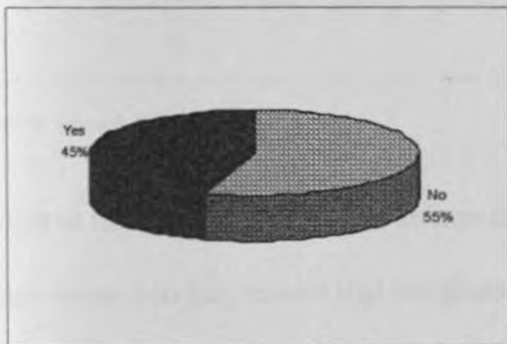
HIV/AIDS is pushing up business costs considerably and different companies are responding in different ways. Among other things, the researcher set out to establish whether or not Kenyan businesses consider HIV/AIDS at all when formulating their strategies.

The researcher considered the strategy formulation process of businesses and tried to establish through which companies were incorporating HIV/AIDS into the process. Some basic questions were asked with regards to whether or not companies carry out strategic

planning, who in the companies carries out the planning and the issue of whether or not the HIV/AIDS component is considered at all.

While 55% of the businesses involved in the study indicated that they do not have a Strategic Planning department, most businesses still carry out strategic planning as indicated in Figure 2 below.

Figure 2: Strategic Planning Department

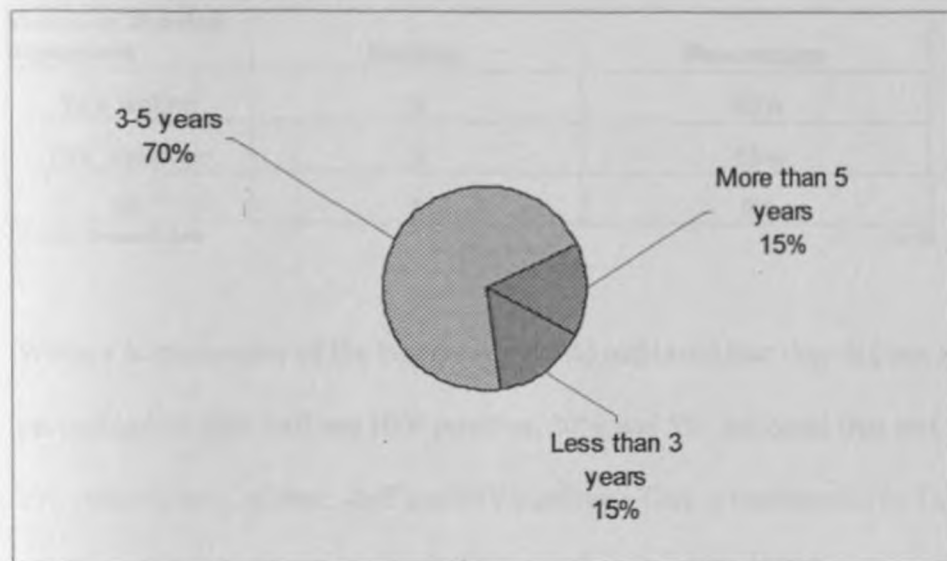


Source: Research data

n=20

As shown in Figure 3 below, 70% of the respondents stated that their strategic plans cover a time horizon of 3-5 years. Half of the remainder have theirs spanning a period less than 3 years and the other half a period of more than 5 years.

Figure 3: Time horizon of strategic plans



Source: Research data

n=20

Most of the plans are revised on an annual basis. This is done in response to the dynamic environment to help ensure that the plans are as current as possible.

Most companies indicated that they involve a number of parties in the process especially the Board of Directors, the Chief Executive Officers and Senior Managers. A few involve consultants and one involves Middle Level Managers.

Almost all the companies involved in the study have a written vision or mission statement as displayed in Table 5 below. A smaller percentage (15%) have vision or mission statements which are not written. This is expected since most companies in Kenya that do not have written down documents more often than not tend to be either family owned or small sized, which is not the case with most public companies. None of the vision or mission statements, however, have an HIV/AIDS component.

Table 5: Companies with vision or mission statements

Vision or Mission Statement	Number	Percentage
Yes, written	16	80%
Yes, unwritten	3	15%
No	1	5%

Source: Research data

n=20

While a large number of the businesses (50%) indicated that they did not know what percentage of their staff are HIV positive, 20% and 5% indicated that less than 5% and 5-9%, respectively, of their staff are HIV positive. This is represented in Table 6 below. The results could indicate that businesses do not perceive HIV/AIDS to be a serious threat to them otherwise they would take steps to try and establish the magnitude of the threat, or where they are aware that it could affect them, do not perceive the problem to be serious.

Table 6: Staff who are HIV positive

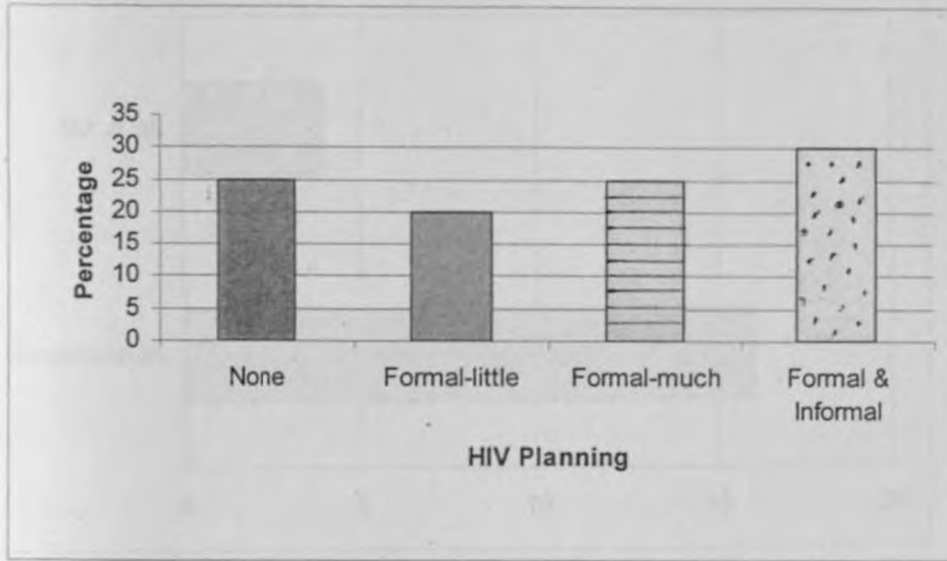
Staff who are HIV positive	Number	Percentage
Less than 5%	4	20
5 – 9 %	1	5
Don't know	10	50

Source: Research data

n=20

It is interesting to note that only 25% of respondent companies indicated that they do not carry out any HIV planning. All the others stated that they carry out one form or other of HIV planning. 25% stated that they carry out a lot of formal HIV planning, 20% carry out a little and 30% carry out a combination of formal and informal planning. In most cases HIV/AIDS is considered a threat to the company. These results are represented in Figure 4 below. They however did not give specific ways in which HIV planning is carried out.

Figure 4: Companies carrying out HIV Planning



Source: Research data

n=20

While 40% of companies indicated that their goals/objectives take the HIV/AIDS problem into account as shown in Table 7 below, they did not give further details on this. Which is a little surprising because if majority of them either do not know the percentage of their staff who are HIV-positive or perceive the numbers to be small as seen earlier, then there is no apparent reason for them to think HIV/AIDS serious enough as to take it into account in their goals and objectives.

Table 7: Companies with Goals/Objectives that take HIV/AIDS into account

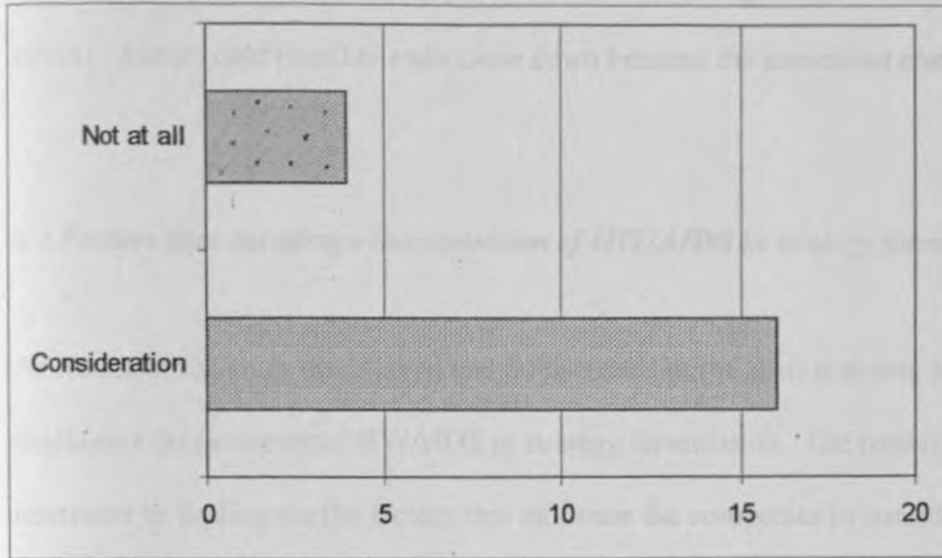
Goals/Objectives take HIV/AIDS into account?	Number	Percentage
Yes	8	40%
No/Not clear	12	60%

Source: Research data

n=20

A large number of respondent companies indicated that they consider HIV/AIDS at one stage or other when implementing their strategic plans as shown in Figure 5 below.

Figure 5: Consideration of HIV/AIDS at any stage of Strategy Formulation



Source: Research data

n=20

Even though a number of companies indicated that they incorporate HIV/AIDS into the strategy formulation process, this does not seem to be supported by some of their responses or corroborated by other research findings. The researcher arrived at this conclusion because for one, a good number of them do not even know what percentage of their staff are infected, and for those that do the percentages given are very low. In addition, they do not indicate how HIV/AIDS is incorporated in the strategy formulation process. It appears that part of the problem for businesses failing to incorporate HIV/AIDS in strategy formulation is because the problem in Kenya is mainly handled and considered as more of a moral problem as the message of the scourge is spread mainly through churches.

It is important that businesses begin to look at the issue of HIV/AIDS first and foremost as a business fundamental. It can then be tackled morally as a matter of corporate social responsibility, which is jointly beneficial to business and society. If businesses continue to

ignore HIV/AIDS as a number of them are currently doing, this could have devastating effects. Some could possibly even close down because the associated costs are enormous.

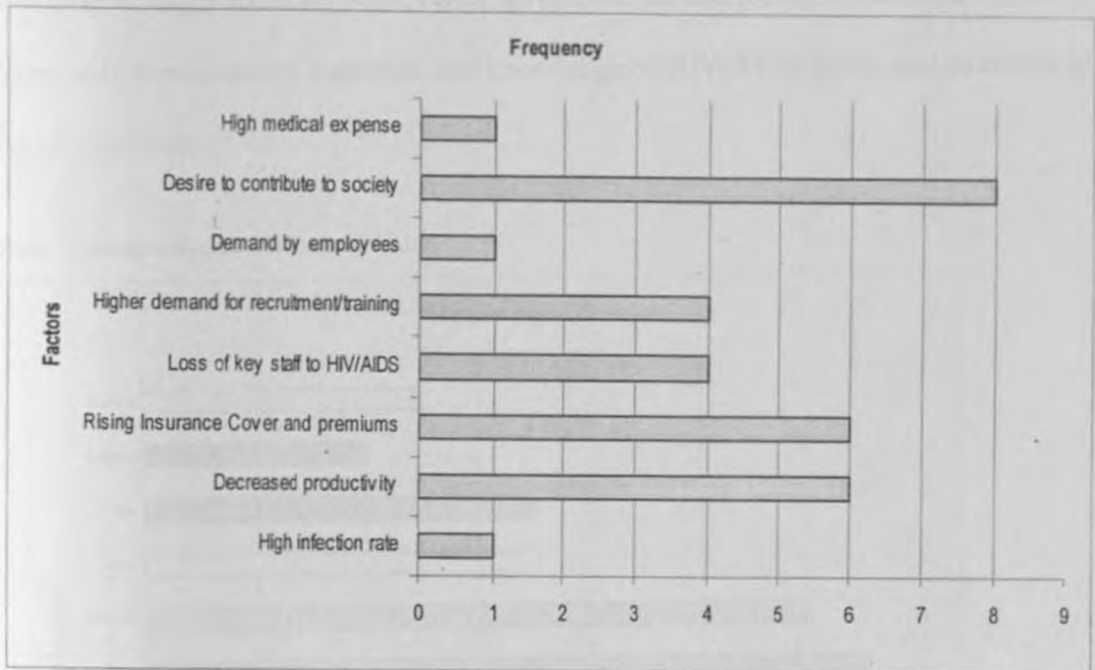
4.4 Factors that encourage incorporation of HIV/AIDS in strategy formulation

As results of the study established and as discussed in the section above, a few Kenyan businesses do incorporate HIV/AIDS in strategy formulation. The researcher was also interested in finding out the factors that influence the companies in considering it an important factor.

Companies were asked to state the factors which prompted them to consider HIV/AIDS when formulating their strategies, and also the strategies they have adopted to deal with the problem of HIV/AIDS.

Various factors have influenced different companies in their decision to consider HIV/AIDS when formulating strategy. These are shown in Figure 6 below, with the most popular ones being a desire by companies to contribute to society, effects of decreased productivity at work and rising insurance cover and premiums.

Figure 6: Factors influencing companies to consider HIV/AIDS when formulating strategy



Source: Research data

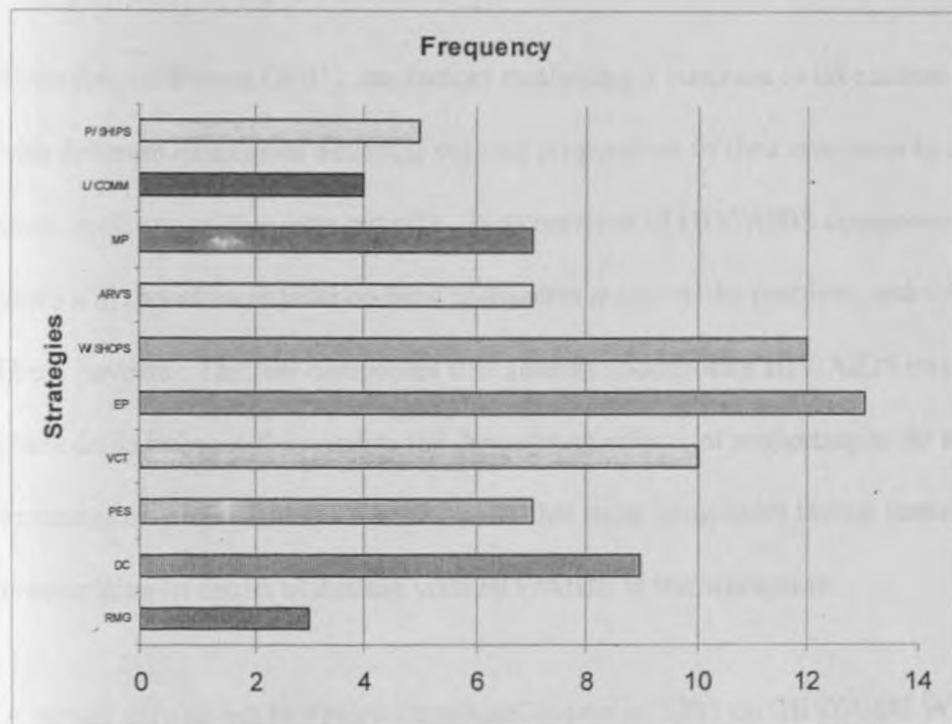
n=20

A number of businesses see the impact of the epidemic as being related to the cost of healthcare. This is not surprising as most companies that are responding to HIV/AIDS reported providing some level of medical care for employees, and HIV/AIDS was included.

A good number of companies have therefore adopted strategies to deal with the problem of HIV/AIDS and these include both care and preventive measures as shown graphically in Figure 7 below. The strategies aimed at staff care include: Putting in place medical programs for infected employees and their families; Provision of Antiretroviral (ARVs) drugs to infected staff and their families. Preventive measures put in place include: Distribution of condoms in the workplace and Involvement with local communities so as to raise awareness (societal welfare). Measures that are aimed at both care and prevention are: Education programs; Encouraging Voluntary Counselling and Testing; HIV/AIDS

workshops; and Partnering with NGOs, governmental and intergovernmental organizations to provide the necessary expertise and knowledge of HIV/AIDS issues and to enable scaling up of responses.

Figure 7: Strategies adopted to deal with HIV/AIDS



Source: Research data

n=20

KEY

- P/SHIPS - Partnerships with others
- L/COMM - Involvement with local communities
- MP - Medical Programs
- ARV's - Provision of ARVs
- W/SHOPS - HIV/AIDS Workshops
- EP - Education Programs
- VCT - Encouraging VCT
- PES - Pre-employment screening
- DC - Distribution of condoms
- RMG - Retirement on medical grounds

There are also some companies that factor cost of HIV/AIDS into their budgetary processes, carry out succession planning and implement related policy guidelines. Overall, the most popular strategies adopted are Education Programs, HIV/AIDS workshops, Encouraging Voluntary Counselling and Testing (VCT) and Distribution of condoms.

According to Bloom (2001), the factors motivating a business to take action are complex, with different businesses devoting varying proportions of their resources to actions that offer short, medium or long term payoffs. Incorporation of HIV/AIDS component in strategic plans will therefore depend on how companies perceive the problem, and what they see as likely payoffs. The few companies that actually incorporate HIV/AIDS into their strategic plans do so because they realize the devastating effects of neglecting to do so and have taken measures to counter these. It is also clear that most companies favour strategies that are preventative in nature in dealing with HIV/AIDS in the workplace.

A survey carried out by PricewaterhouseCoopers in 2003 on 'HIV/AIDS What is business doing?' arrived at the same conclusion, that businesses do not seem to be taking the impact of HIV/AIDS seriously enough. The few that have done so realize the devastating effects. Businesses that continue to ignore HIV/AIDS do so at their own peril because when AIDS related costs build up to a critical level the businesses will lose capacity to cope. In addition, most companies seem to favour preventative measures more than staff care. It is recommended that staff care measures be promoted, to take care of those employees who are already infected. This will enable them continue to be productive in the workplace.

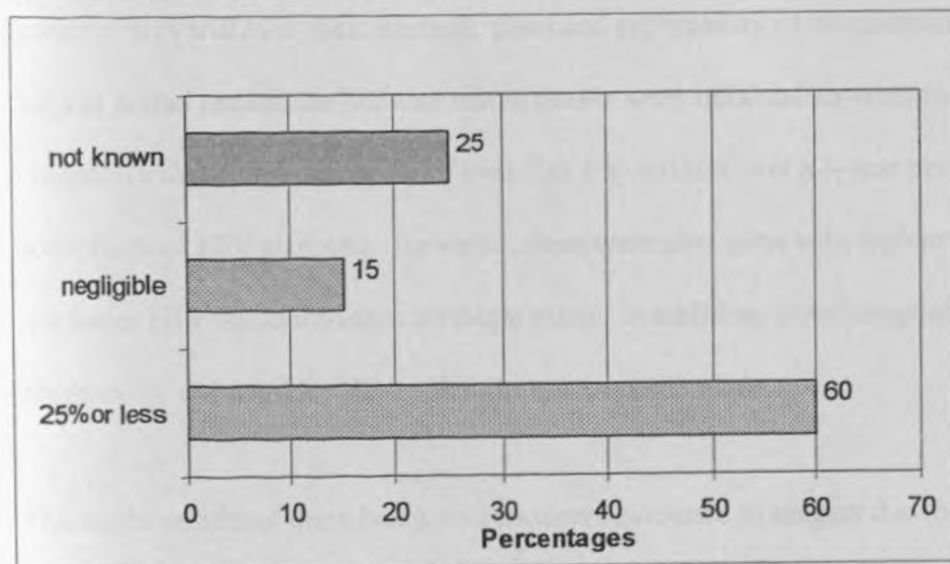
4.5 Consideration of HIV/AIDS in strategy formulation and profitability of a company

Another objective of the study was to try and establish if there is any relationship between consideration of HIV/AIDS in strategy formulation and a company's profitability.

Companies were asked to estimate the cost of HIV/AIDS to them as a percentage of turnover. They were also asked to indicate their profitability over 3 years.

Majority of the companies (60%) estimated cost of HIV/AIDS to them as a percentage of turnover to be 25% or less, while 15% estimated it to be negligible. 25% did not know their estimated cost of HIV/AIDS as shown in Figure 8 below. They did not give details of how these figure have been worked out, or even whether these are serious estimates to be relied upon.

Figure 8: Estimated cost of HIV/AIDS as percentage of turnover



Source: Research data

n=20

The companies studied appeared fairly profitable, with 40% of them posting profits of over 100 million Kenya Shillings throughout the last 3 years. Only 20% posted profits of less than 5 million Kenya Shillings consistently over the same period; 10% had profits of less than 5 million Kenya Shillings over the first two years and between 5-10 million Kenya Shillings over the third year; and 30% posted varying profits over the last three years. This is represented in Table 9 below.

Table 9: Profits posted over a three year period

Profits	Over Ksh 100mx3yrs	Less than Ksh 5mx3yrs	less than ksh 5mx2yrs, Ksh 5-10	Mixed/varying profits
Number	8	4	2	6
Percentage	40%	20%	10%	30%

Source: Research data

n=20

There was no conclusive evidence to suggest that there is any link between companies that consider HIV/AIDS in their strategic plans and profitability of the company. The researcher arrived at this conclusion because mixed results were obtained showing that some of the companies that had profitability of over Ksh 100 million over a 3-year period carried out some form of HIV planning. However, there were also some with high profitability that did not factor HIV/AIDS into their strategic plans. In addition, some companies with low profitability did consider HIV/AIDS in their strategic plans.

The mixed results of there being no conclusive evidence to suggest that there is any link between companies that consider HIV/AIDS in their strategic plans and profitability might be indicative of the fact that many companies have not attempted to realistically quantify costs. This needs to be done, to enable businesses respond appropriately.

It would be worth carrying out a study to try and establish all the factors in addition to factoring in HIV/AIDS into strategy formulation, which affect a company's profitability.

3.7.2. Implications

The findings of this study have implications for the business community and for HIV/AIDS strategies. The findings are as follows: firstly, the study has shown that HIV/AIDS is a significant concern for the business community, which has led to the inclusion of HIV/AIDS in strategy formulation. The study has also shown that there is a need for the business community to consider HIV/AIDS in strategy formulation and implementation.

The study also shows that the business community is not aware of the impact of HIV/AIDS on their business. This is a significant finding as it indicates that the business community is not fully aware of the implications of HIV/AIDS on their business. This is a significant finding as it indicates that the business community is not fully aware of the implications of HIV/AIDS on their business. This is a significant finding as it indicates that the business community is not fully aware of the implications of HIV/AIDS on their business.

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CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The objectives of this study were to investigate: whether Kenyan businesses are considering HIV/AIDS in strategy formulation by studying publicly quoted companies; which factors influence companies incorporating HIV/AIDS in strategy formulation, for those that do so; and if there is a relationship between consideration of HIV/AIDS in strategy formulation and profitability of a company.

Overall, most companies indicated that they consider HIV/AIDS at one stage or other when implementing their strategic plans which, as noted earlier, does not appear to be either supported by some of the responses or collaborated by other research findings. The researcher arrived at this conclusion because the survey showed a rather confused response among corporations including a wide variety of initiatives but a low level of actual awareness or data on the economic or financial impact.

For the few companies that take HIV/AIDS into account when formulating strategy, they stated that they were mainly motivated to do so by decreased productivity (due to increased absenteeism, increased geographical disruption), rising insurance cover and premiums, loss of key staff to HIV/AIDS, higher demand for recruitment and training, and a desire to contribute to society welfare. Rosen et al (2003) reported that HIV/AIDS has a devastating impact on companies. It would appear that despite all the publicity and government campaigns, many businesses have not woken up to the realization that HIV/AIDS poses a very serious threat to their very survival. They seem to be either underestimating the impact

of HIV/AIDS, or are reacting to it very slowly. This finding is similar to what Pricewaterhouse Coopers established in their study of the business community's response to HIV/AIDS in Kenya, Tanzania, Uganda and Zambia.

There was no conclusive evidence to suggest that consideration of HIV/AIDS in strategy formulation affects the profitability of a company. The researcher arrived at this conclusion because mixed results were obtained showing that some of the companies that had high profitability carried out some form of HIV planning. However, there were also some with high profitability that did not factor HIV/AIDS into their strategic plans. In addition, some companies with low profitability did consider HIV/AIDS in their strategic plans. This may be due to the fact that the companies that responded on the question of the cost of HIV/AIDS as a percentage of turnover might not have carried out a very thorough analysis of the actual cost of HIV/AIDS.

Given the results of previous researches which indicate that the response by businesses seems to be inadequate, I did not expect to find many companies taking HIV/AIDS into account when formulating their strategies. The results of this study confirmed my expectations. In spite of this, the serious nature of the pandemic and its devastating effect on businesses cannot be underscored enough. It is my hope that the picture I present in this survey will enable all readers and organisations realise that much more needs to be done by businesses in the fight against the HIV/AIDS pandemic.

5.2 Recommendations for Policy and Practice

From the responses obtained in this study, it does not seem as if many companies see HIV/AIDS as a major threat to them. It may be just a matter of time and they will start to feel the effects. It is recommended therefore that those that have not had to deal with the issue learn from those that have, by establishing formal HIV/AIDS policies aimed at staff welfare and also mitigating the costs of HIV/AIDS to the businesses themselves. A forum should be established for companies, NGOs or government agencies that are dealing with the problem effectively to share best practices with others. Businesses should also be more proactive in raising awareness among staff about how to avoid infection and for those that are already infected, educate them on living positively and remaining productive members of the workforce.

Most respondents indicated that the cost of HIV/AIDS to them was either negligible or very little. They might not be carrying out realistic analysis or are ignoring some important factors. It is recommended that they collaborate with other organizations which are preparing cost implications so that they get a realistic picture and take equally effective measures to counter the pandemic.

5.3 Recommendations for Further Research

Since the effects of HIV/AIDS continue to be felt in business circles, a similar study should be conducted a few years later to find out if this has affected companies' strategy formulation. I would also recommend that a study be carried out on how strategy implementation by Kenyan businesses is affected by HIV/AIDS as this study focused on HIV/AIDS and strategy formulation.

It would also be worth replicating this study in Non-Governmental Organizations (NGOs), private companies and government departments as well as in other locations other than Nairobi.

5.4 Limitations of the Study

Time was a limiting factor when it came to data collection. In most cases I had to call and visit offices several times before getting a filled out questionnaire. I also encountered the challenge of non-response. Some of the companies contacted declined to participate. They indicated that the information was confidential especially since it related to HIV/AIDS, which still has stigma attached to it in Kenya. In addition, four out of the five companies which had questionnaires mailed to them due to lack of close proximity to Nairobi did not respond. Follow up was not easy. There were also cases where part of the data requested for was not available, for example the number of staff who were infected with HIV/AIDS.

APPENDICES

A survey of the extent to which publicly quoted companies in Kenya consider HIV/AIDS in strategy formulation

Appendix 1: Questionnaire

This survey seeks to establish if businesses in Kenya consider HIV/AIDS in formulating their strategies and the extent to which they do so. You are kindly requested to be as candid as possible in your responses. We will be pleased to share the findings of this survey (Please see question 24). Your responses will be kept strictly confidential and will be used only for the purposes of the study.

SECTION A: COMPANY PROFILE

1. Year of Incorporation/establishment in Kenya _____
2. What is the scope of your business?
Local (within Kenya) _____
Regional (within Africa) _____
Global (across continents) _____
3. What is the total number of staff in the Company?
 - (i) 0 – 25
 - (ii) 26 – 50
 - (iii) 51 – 75
 - (iv) 76 – 100
 - (v) Over 100
4. What is the proportion of male to female employees?
 - (a) Males _____ %
 - (b) Females _____ %
5. What is the age distribution of these employees?
 - (a) Less than 30 years _____ %
 - (b) 30 – 40 years _____ %
 - (c) More than 40 years _____ %

SECTION B: RESPONSES TO EXTENT TO WHICH COMPANY CONSIDERS
HIV/AIDS IN STRATEGY FORMULATION

6. What is your Company's profitability in Kenya Shillings (million) over the last 3 years?

	Less than 5m	5-10m	10-50m	50 – 100m	Over 100m
Year 2001					
Year 2002					
Year 2003					

7. Do you have a Strategic Planning Department?

Yes No

8. Please indicate the extent to which the following are involved in strategic planning in your Company. Use a scale of 1 (none) to 5 (very much)

Board of Directors 1 2 3 4 5

Chief Executive Officer 1 2 3 4 5

Senior Managers 1 2 3 4 5

Consultant 1 2 3 4 5

Other (please specify) _____

9. What is the time horizon of your strategic plans?

Less than 3 years

3 – 5 years

More than 5 years

10. How often do you revise your strategic plans? _____

11. What percentage of your staff is infected with HIV/AIDS?

a) Less than 5% b) 5%-9% c) 10%-19% d) 20%-50% e) Don't know

12. Do you have a vision or mission statement?

Yes, written

Yes, unwritten

No

13. Do either your vision or mission statement have an HIV/AIDS component?

Yes No

14. If response to (13) is 'Yes', how is it beneficial?

15. On a scale of 1 to 5 where 1 is none and 5 is HIV planning, indicate the extent to which your business carries out HIV planning.
- | | | | | | |
|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Formal HIV planning | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> |
| Informal HIV planning | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> |
| No HIV planning | _____ | | | | |
16. In carrying out strategic analysis, HIV/AIDS is considered a:
- a) Strength b) Weakness c) Opportunity d) Threat
- How? _____
17. Do your Company's goals/objectives take into account the HIV/AIDS problem? _____
If 'Yes', how? _____
18. How is HIV/AIDS considered when implementing strategic plans? _____

19. At the control and evaluation stage of the strategy formulation process, how, if at all, is the HIV/AIDS problem considered? _____
20. To what extent do you consider HIV/AIDS at any stage in the process of strategy formulation?
- a) Not at all b) A little c) Fair d) Much e) Very Much
21. What prompted the Company to include the HIV/AIDS component? (Tick all the ones applicable)
- a) High infection rate in the Company
- b) Decreased productivity (due to increased absenteeism, increased geographical disruption)
- c) Rising insurance cover and premiums
- d) Loss of key staff to HIV/AIDS
- e) Higher demand for recruitment and training
- f) Demand by employees
- g) Pressure from external institutions/units
- h) Desire to contribute to society welfare
- i) Other (please specify) _____
22. What is the estimated cost of HIV/AIDS to your Company, as a percentage of turnover?
- 25 % or less 26% - 50% 51% and above

23. What strategies has the Company adopted to deal with the problem of HIV/AIDS (*Tick all the ones applicable*)

- Retirement of infected employees on medical grounds
- Distribution of condoms
- Pre-employment screening
- Encouraging Voluntary Counselling and Testing (VCT)
- Education Programs
- HIV/AIDS Workshops
- Provision of Antiretroviral (ARVs) drugs to infected staff and their families
- Medical Programs for infected employees and their families
- Involvement with local communities so as to raise awareness (going beyond the workplace)
- Partnering with NGOs and governmental and intergovernmental organisations to provide the necessary expertise and knowledge of HIV/AIDS issues and to enable scaling up of responses

24. Are you interested in receiving the findings of this survey? Yes No

Filled by _____

Designation _____

THANK YOU VERY MUCH FOR YOUR COOPERATION

Appendix 2: Companies Quoted on the Nairobi Stock Exchange

Agricultural

1. Brooke Bond Ltd
2. Kakuzi Ltd
3. Rea Vipingo Plantations Ltd
4. Sasini Tea & Coffee Ltd

Commercial And Services

5. Car & General (K) Ltd
6. CMC Holdings Ltd
7. Hutchings Biemer Ltd
8. Kenya Airways Ltd
9. Marshalls (E.A.) Ltd
10. Nation Media Group
11. Tourism Promotional Services Serena
12. Uchumi Supermarkets Ltd

Finance And Investment

13. Barclays Bank Ltd
14. C.F.C. Bank Ltd
15. Diamond Trust Bank Kenya Ltd
16. Housing Finance Co. Ltd
17. I.C.D.C. Investments Co. Ltd
18. Jubilee Insurance Co. Ltd
19. Kenya Commercial Bank Ltd
20. National Bank of Kenya Ltd
21. NIC Bank Ltd
22. Pan Africa Insurance Holdings Ltd
23. Standard Chartered Bank Ltd

Industrial And Allied

24. Athi River Mining
25. B.O.C. Kenya Ltd
26. Bamburi Cement Ltd
27. British American Tobacco Kenya Ltd
28. Carbacid Investments Ltd
29. Crown Berger Ltd
30. Dunlop Kenya
31. E.A. Cables Ltd
32. E.A. Portland Cement Ltd
33. E.A. Packaging

34. East African Breweries Ltd
 35. Firestone East Africa Ltd
 36. Kenya Oil Co Ltd
 37. Mumias Sugar Co Ltd
 38. Kenya Power & Lighting Ltd
 39. Total Kenya Ltd
 40. Unga Group Ltd
- Alternative Investment Market Segment
41. A. Baumann & Co. Ltd
 42. City Trust Ltd
 43. Eaagads Ltd
 44. Express Ltd
 45. Williamson Tea Kenya Ltd
 46. Kapchorua Tea Co. Ltd
 47. Kenya Orchards Ltd
 48. Limuru Tea Co. Ltd
 49. Standard Newspapers Group

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