

## : HIV/AIDS

### INTRODUCTION:

More than twenty-five years after the first diagnosis, HIV/AIDS remains a major international public health crisis. The World Health Organization (WHO) estimates that at the end of 2007, 32.2 million people were living with HIV/AIDS worldwide.<sup>1</sup> Two-thirds of the people currently living with HIV/AIDS reside in sub-Saharan Africa, and the disease has ongoing, devastating effects on the economic and political stability of countries in that region. New infections continue to grow in the developed world as well, with different but still troubling social implications. In the United States, 35,314 new cases of HIV/AIDS were diagnosed in 2006, with rates of infection highest among historically disadvantaged groups.<sup>2</sup>

HIV/AIDS has long been acknowledged as an important business issue: companies around the world both large and small are being forced to confront the disease as a major challenge to productivity and profits, as well as a threat to the health and wellbeing of their workforce. Many companies, especially those with operations in regions heavily affected by the disease, have responded to the epidemic with innovative prevention and treatment campaigns. Some, such as Levi Strauss's decision to affix their logo to condoms in South Africa (where the brand carries a great deal of prestige), aim to affect a population at large.<sup>3</sup> Others, like De Beers campaign of prevention, education, treatment, and community involvement inspired by the credo "live up to diamonds," care specifically for a company's own workers and their families. (See the case study "[De Beers Consolidated Mines: HIV/AIDS Strategy](#)".) The AIDS crisis has even sparked innovations such as Product (Red), whose partner companies—including Converse, The Gap, Hallmark, Motorola, and Starbucks—sell specially-designed (Red) products, 100% of the proceeds from which are donated to The Global Fund to fight HIV/AIDS.<sup>4</sup>

While much MBA-level teaching focuses on the ways in which HIV/AIDS poses large-scale operational and human resources challenges to companies with operations in regions where infection levels are high, it is important to remember that any company can be affected by HIV/AIDS if HIV/AIDS affects even one of its employees. This *Closer Look* looks at teaching and resources that address the effects of HIV/AIDS from the level of a company's large-scale strategy, to the smaller and more personal level of the individual workplace.

### THE BOTTOM LINE:

- HIV/AIDS presents a major business and managerial challenge, which future managers are likely to confront at some point in their careers.
- The HIV/AIDS crisis can offer lessons and open discussion about the role business plays in the social contract, and how exogenous forces can have real effects on business.
- Teaching on HIV/AIDS can productively be integrated into courses on topics including economics, marketing, strategy, operations, human resources, and more.

<sup>1</sup> See the World Health Organization web site, <http://www.who.int/features/qa/71/en/index.html>

<sup>2</sup> See the Centers for Disease Control web site, <http://www.cdc.gov/hiv/resources/factsheets/us.htm>

<sup>3</sup> <http://www.gbciimpact.org/live/media/news/article.php?id=130>

<sup>4</sup> See the Product (Red) web site, <http://www.joinred.com/Home.aspx>

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### A FACULTY POINT OF VIEW:

[Jim Erskine](#) is an Associate Professor at the Richard Ivey School of Business at the University of Western Ontario, where he teaches Operations Management. He includes a unit on HIV/AIDS in his course “The Operating Manager,” which is available at both the undergraduate and MBA levels. “The Operating Manager” is designed to help newly-appointed managers take stock of their place in an organization, and to interact with colleagues (including peers, bosses and direct reports), while optimally managing their own responsibilities. The course addresses HIV/AIDS as it relates to managers’ responsibility to help employees maximize their productivity and do their best work, with a focus on being inclusive and accommodating. Below, Professor Erskine discusses the unit he teaches on HIV/AIDS.

“We take a session or a session and a half and raise some of the issues around HIV/AIDS. The focus is on management’s responsibilities on AIDS in the workplace. It doesn’t matter where that workplace is. My focus is simply from a manager’s point of view...

“The case we discuss is set in Vancouver, at a travel agency. The focal person in the case is the president of the travel agency. It’s a small business, with no legal or human resources department. One of the key people there—the tour director, who is second in command of the organization—comes to the president in January of a particular year, and says he’s having some personal troubles—but doesn’t come right out and say he has HIV. A year passes and the tour director misses a lot of work, and rumors start to circulate among his colleagues. Finally, at the holiday party the tour director stands up to address his colleagues and says ‘I want to thank all of you. The last year has been tough for me. I’ve appreciated your support’—and says no more. The question is how should the president of the company respond to this.

“After the students read and prepare their analysis of this case, I ask them to do three things before sharing their views in class. First, I ask them to go to the literature on HIV/AIDS and find out something they didn’t know before. It can be political, economic, social, or medical, as long as it’s new to them. Second, I ask them to think about what makes HIV/AIDS so unique. There’s nothing else like it that we’ve faced as a society. Third, I ask them to think about what management’s responsibilities are for dealing with AIDS in the workplace, more broadly even than in the context of this case.

“We start with those three questions and then spend some time talking about a case.

“As I collect commentary from the group in class, I try to establish the current state of affairs on HIV/AIDS through the discussion. We talk about the regions where it’s an especially big problem. We talk about the drugs that are available, and we talk about the economic and human costs of the disease. Then we get to the characteristics that make HIV/AIDS unique. For example, there is still no cure, and it still has a stigma attached to it. People often respond differently to someone with HIV than they do to cancer patients or people who have heart attacks. It’s transmittable and infectious, and it continues to grow unabatedly.

“Next we get to the question of a manager’s responsibility. As we talk about that I try to bring students around to the idea that there are a few areas in which managers do have a responsibility on this issue. For example, they have to be literate about it. They have to know how it affects the body, how it affects performance, and how it’s treated medically. Here in the Province of Ontario, like all Canadian Provinces, we have a human rights code in which HIV status is singled out specifically, so managers have to live up to that code. They should respect individual confidentiality. They should help to provide education to their fellow managers, and make sure that the whole managerial group has a basic understanding of their responsibilities as well. If the company is of sufficient size maybe there should be a special policy, which should be crafted with

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effort and care. Finally, managers should help to provide some education about HIV/AIDS to their employees. They should be able to make people aware of what kinds of resources are available in the community.

“Then we turn to the case. As students talk about how they would respond if they were the president of the travel agency, we typically get into a debate. On the one hand you have to respect confidentiality and follow the human rights code—but people point out that, on the other hand, it’s a small company and they’re still trying to run a business. How far do you go to be inclusive and maintain confidentiality while still managing a small business?”

“After this part of the discussion is over, I try to contextualize HIV/AIDS as being one of several workplace challenges that students may very well face over their professional careers. Others are harassment, depression, substance abuse, death, theft—these are some of the common downsides of managing other people. As a manager these things can sap your energy and enthusiasm, and it’s your tendency to want to look the other way. It’s hard to develop the skills necessary to confront these issues—after all you’re a manager, not a psychologist or a medical expert. However, it’s important not to just ignore the situation until it reaches a crisis point that forces you to respond, because by then it’s too late to deal with the problem constructively and proactively. You have to take an active role on this, and at the same time be aware of how other people can help you take an active role.

“Within the context of my course module on managing others, one of the things I try to convey is that because we all deal with other people in the workplace, our performance is therefore dependent on that of others. If they don’t do their job, you can’t do yours. Therefore it behooves you to do whatever is possible to help and allow the other person to do their very best work. So when it comes to AIDS, we have to seek accommodations. The travel agency second-in-command in the case study—who may or may not have HIV—makes a significant contribution to the company, so a good manager should make it as easy as possible for him to continue to do so. If that means setting up computer access at home, and letting him come in to work two days a week, that’s what a manager should do. HIV becomes another managerial challenge to get around in making it easy for people to produce the results they’re capable of producing.

“In the course of class discussion it’s inevitable that some people protest that the travel agency depicted in the case study is a business, not a social service agency. They question whether they truly have a responsibility to accommodate the person with HIV. That kind of push-back makes for a healthy discussion. But people on both sides of the debate generally end up modifying their positions. After all, it doesn’t take much to accommodate some of these challenges in the workplace while producing good performance—it doesn’t take much to get a laptop and let someone work from home. Students start to see that it’s about being inclusive, not exclusive.”

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### NOTABLE COURSEWORK:

The following course descriptions are drawn exclusively from the 2007-2008 edition of [Beyond Grey Pinstripes](#), a research survey conducted biennially by the Center for Business Education at the Aspen Institute.

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### ■ Columbia Business School

Economics of Health Care and Pharmaceuticals (Elective Course)

*Instructor: Frank Lichtenberg*

“The health care sector of the economy is large, and its relative importance is growing as the population ages. For several reasons, standard economic models are not adequate to understand markets for health care, so more appropriate models need to be developed. For example, it is difficult for patients to evaluate the quality of services received. Costs are very uncertain and can be very high. Insurance reduces the incentive of an individual patient or physician to seek the most economical means of treatment. We consider the efficiency of alternative health care delivery systems; analyze incentives and organizational structure of the health care system; and assess the roles of physicians, hospitals, pharmaceutical and device manufacturers, and HMOs and other contractual networks. Specific social impact management topics include: drug development and pricing, implications of direct-to-consumer advertising, roles of the FDA and the NIH, moral hazard and adverse selection issues in insurance, antitrust and competition issues and the role of not-for-profit health organizations. Discussions examine health issues facing society including obesity, whether hospital competition is socially wasteful, and guest speakers have addressed issues such as the HIV/AIDS pandemic.”

### ■ Harvard Business School

Social Marketing (Elective Course)

*Instructor: V. Kasturi Rangan*

“The course presents the many perspectives of social marketing which promotes social products, services and causes and provokes deeper thinking on management issues, including social corporate responsibility. The course begins with a module on the core aspect of social marketing which aims at a "change behavior" leading to greater social good. Cases discussed include a campaign by an environmental charity to increase awareness about Earth stewardship (e.g. through pollution reduction and recycling), a not-for-profit agency disseminating family planning information and marketing birth control products in Bangladesh, and a partnership between a pharmaceutical company and the world largest philanthropic organization to fight HIV/AIDS in Botswana. A significant part of the course deals with non-profit marketing and branding, illustrated by cases of art, cultural and humanitarian organizations, as well as municipal and state marketing (e.g. promoting a city or advocating energy efficiency). The final part of the course focuses on cause marketing (e.g. marketing an initiative to reduce heart disease occurrence among women), corporate social responsibility and the meaning of a “good company.” Cases discussed in this section illustrate how companies balance profit and social welfare.”

### ■ Stanford University, Graduate School of Business

Human Resources Management (Elective Course)

*Instructor: Robert Flanagan*

“This course examines the design and implementation of HRM systems in multinational companies and pays particular attention to differential employment norms across countries. The course focuses on four major issues faced by such companies: 1) The recruitment, selection, compensation and career management of global employees; 2) the integration of expatriate and local employees into global organizations; 3) adjusting the HR environment of the employment relationship (including legal variations in HR practice); and 4) the use of HR to develop global organizational learning systems. The course draws on the experience of U.S., Japanese, and European corporations establishing HRM systems in industrialized, transition, and developing economies. Of particular relevance to social impact management, the course addresses: 1) Labor relations and collective bargaining in different countries (case: Federal Express(A)) 2)Sensitively and successfully managing cultural differences (case: Lincoln Electric) 3)The responsibility of companies working in Africa to address AIDS (case: Heineken NV: Workplace HIV/AIDS Programs in Africa) 4)Building local human capital to minimize the need for expatriate managers (case: Applied Materials) 5)Variations in worker participation (cases: The Battle of Manneheim, Daimler Benz) 6)Challenges and

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customization of HR management for businesses in transition from central planning to market-based economies.”

For additional courses on related subjects, or to download select syllabi, search thousands of descriptions at [Beyond Grey Pinstripes](#).



## NOTABLE TEACHING MATERIALS:

Materials referenced are meant to represent the diversity of related teaching resources available at Caseplace.org. Most are available as free downloads to registered faculty members.

- **Case Study:** [A Case of AIDS](#)

*Source: Harvard Business School Publishing*

In this three-part case, the authors explore how an HIV-infected employee should be managed over time. Manager Greg van de Water must make a series of decisions regarding Joe Collins. Three AIDS-in-the-workplace experts recommend action to Greg at each decision point. They are: Lee Smith of Levi Strauss; Jim Nichols of American Security Bank; and Jonathan Mann of the Harvard School of Public Health.

- **Case Study:** [De Beers Consolidated Mines: HIV/AIDS Strategy](#)

*Source: Schulich School of Business*

De Beers' widespread corporate social responsibility initiatives were guided by the maxim 'Living up to diamonds', a symbol of love, purity and durability. At the end of 2005 De Beers had a comprehensive HIV/AIDS strategy covering all aspects of prevention, education, treatment, and community involvement. This included the implementation of the De Beers Antiretroviral Treatment (DART) Program (DART) for its employees (current, retrenched, and retired) and their spouses or life partners. In 2005, the company's success with Voluntary Counseling and Testing was recognized with an award in 2003 from the Global Business Coalition on HIV/AIDS (GBC) and the company also received an honorable mention in GBCs "Workplace Programs" category. Joy was thinking about the upcoming meeting with other members of De Beers' HIV/AIDS team. Is the De Beers' HIV/AIDS strategy sustainable in the emerging new structure? Should the HIV/AIDS strategy be reconsidered? How can we have the greatest impact within our organizational constraints?

- **Case Study:** [Gilead Sciences: The Gilead Access Program for HIV Drugs](#)

*Source: Stanford University*

This case describes the initial considerations of Gilead Sciences as it designed a strategy for delivering its AIDS drug Viread to developing nations in Africa. In October 2001, Gilead Sciences received approval from the U.S. Food and Drug Administration for the commercial sale of Viread, a significant new drug for the treatment of HIV/AIDS. Viread proved to be an immediate success, increasing rapidly in sales and market share in the United States within its first year on the market. As Gilead made plans to take the drug global in early 2003, a high priority was to make the drug readily available to millions of people in the least developed nations, where the HIV virus was having its most devastating effects. Pricing and distribution were key considerations. Gilead did not have a distribution system in place in any of these countries, and the price charged in the United States would be prohibitive in the developing world.

- **Case Study:** [The Human Face of HIV/AIDS](#)

*Source: Wits Business School*

The case discusses a South African company's efforts to develop a policy in response to the high rate of HIV/AIDS infection among its workforce from the perspective of its Human Resources Manager.

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The case addresses the company's efforts at worker education, and tells the stories of two individual employees with HIV.

- **NGO Report:** [The State of Business and HIV/AIDS, Tuberculosis and Malaria](#)  
*Source: The Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria*  
The Coalition publishes survey results annually detailing the worldwide business response to HIV/AIDS, Tuberculosis and Malaria.

### ONGOING QUESTIONS:

- What lessons can students draw from companies like Levi Strauss and De Beers that are positively addressing the world HIV/AIDS crisis?
- What are the most effective ways for business faculty to teach about the different implications of HIV/AIDS for businesses in the developing and developed worlds?
- What knowledge and skills do managers need to deal productively with HIV/AIDS as it affects their business at the macro and individual levels?

### RESOURCES:

[BeyondGreyPinstripes.org](#) – World's biggest MBA database, including detailed records on thousands of courses and information on extracurriculars, university centers, and more, for 128 schools on six continents.

[CasePlace.org](#) – A free and practical on-line resource for up-to-date case studies, syllabi, and innovative teaching materials on business and sustainability. Created for the educators who will shape our next generation of business leaders!

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*A Closer Look* is a regular series of briefing papers on topical issues in MBA education, based on the research and programs of the Aspen Institute. The Aspen Institute's [Center for Business Education](#) encourages future business leaders to innovate at the intersection of corporate profits and social impacts.

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