

**THE INFLUENCE OF HIV/AIDS ON SUCCESSION PLANNING
WITHIN THE SALES AND MARKETING DEPARTMENT AT
COCA COLA FORTUNE, FREE STATE**

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Assignment presented in partial fulfilment of the degree

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DECLARATION

“I declare that the Field Study hereby submitted for the degree Magister in Business Administration at the UFS Business School, University of the Free State, is my own independent work and that I have not previously submitted this work, either as a whole or in part, for a qualification at another university or at another faculty at this university.

I also hereby cede copyright of this work to the University of the Free State”

Name: AN February

Date: 20 November 2014

Acknowledgements

My deepest gratitude goes to my wife, she was the rock through the duration of this task and it is to her I say thank you for the support and understanding throughout this journey.

To my Mother for always keeping me true and motivating me until the end – “Mamma jou legend”.

To Clayton, Angelique and the kiddies, thank you for the support and assistance.

To my study leader for his guidance and motivation to complete this last “chapter” of my MBA studies.

To my colleagues for their support during my endeavour

Lastly to the man up there, thank you for allowing me the opportunity to complete this task.

Abstract

The primary objective of the study is to investigate the perceived impact of HIV/AIDS on succession planning at Coca Cola Fortune, Free State within the sales and marketing department. This topic was prompted by the high prevalence rate of HIV/AIDS in South Africa and the anticipated impact that this would have on the labour force. The cost associated with recruiting new staff in relation to the time it takes to obtain talent has bearing on this study.

A quantitative approach and methodology was used, with a structured questionnaire as data collection method to obtain responses from the population. The questionnaire was divided into three sections, biographical, succession planning and HIV/AIDS. The responses were used to draw conclusions. Non-probability sampling was used in the research design and more specifically convenience sampling. The population was 57 and 53 respondents responded.

The findings found from the questionnaire are divided into two sections, succession planning and HIV/AIDS. The succession planning scores were very high indicating a culture of strong succession planning within the organisation. This creates a dynamic platform for opportunities within the organisation. The HIV/AIDS scores were lower and more works needs to be done around education, this will lead to perception of HIV/AIDS being replaced with a factual knowledge base.

The following recommendations were made at the organisation:

- Employment discussion needs to reach a wider audience.
- A greater number of middle management succession planning candidates to be identified.
- Training and education needs to be increased at the organisation.
- A platform needs to be created in order to freely speak about HIV/AIDS and where people feel safe.

Keywords: HIV/AIDS, succession planning, human capital, talent management, human capital theories, wealth maximisation.

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CHAPTER 1

INTRODUCTION AND PROBLEM STATEMENT

1.1 INTRODUCTION

“Nobody doubts that Human Immunodeficiency Virus (HIV) and (Acquired Immunodeficiency Syndrome (AIDS) is the plague of the twenty-first century” (Kalemlı-Ozcan, 2012).

“In the time it takes people to read this paper 1600 more people will be infected with the HIV virus” (Ferreira, Pessia & Dos Santos, 2011).

HIV/AIDS impacts business and commerce in a significant way and the business community needs to deal proactively with the implications this holds for growth and productivity. In the modern economy firms have to invest in human capital to ensure growth (Almeida & Carneiro, 2009). Human capital is defined as the investment which is put into an employee that would ultimately lead to a higher output by that employee due to the investment (Currie, 2009). In order to maximise the investment in human capital staff need to be retained. This is the reason why companies such as Coca Cola Fortune (Pty) Ltd (CCF) have formal succession plans in place to retain promising candidates.

It is the company’s mandate to maximise shareholders’ wealth. Investing in human capital is paramount to ensure that this objective is achieved through a viable succession planning process. In other words, in order to maximise shareholders’ wealth, it is imperative to retain staff and to have an adequate succession plan in place.

According to Firer, Ross, Westerfield and Jordan (2008) the primary function of the business is to maximise shareholders’ wealth. There is an inverse (proportional) relationship between high HIV/AIDS prevalence in the business and productivity (Asiedu & Jin, 2011). In other words as the impact of HIV/AIDS increases, productivity decreases with a significant impact on businesses. The mandate of CCF is no different to other companies, and thus the objective is to maximise shareholders’ wealth.

It is clear that HIV/AIDS is not only a health catastrophe, but a major crisis. In Botswana life expectancy in 1985 was 60 years and in 2004 this decreased to 34.7 years due to HIV/AIDS (Ferreira et al, 2011). The impact is particularly severe as

HIV/AIDS affects the majority of the population group that should be economically active. Companies are faced with the dilemma that in order to achieve economic growth it is imperative to invest in human capital, but with the increase in mortality rate and related loss of productivity in many ways, due to HIV/AIDS, companies become less prone to investing in human capital (Almeida & Carneiro, 2009). The World Health Organisation (WHO) no longer deems health as a by-product of growth, but a key contributor (Lamontage, Haacker, Ventelou & Greener, 2010). The interpretation is simple: the healthier people are, the more likely they are to be more productive at work, less prone to absenteeism, and the greater the return on investment.

1.2 BACKGROUND TO RESEARCH

There are currently 39 million people living with HIV/AIDS in the world, of whom 65% live in Sub-Saharan Africa (Ferreira *et al*, 2011). In South Africa 5.38 million people currently live with HIV/AIDS (Stats SA, 2011). This has a grave impact on the economy of South Africa and by extension all entities, such as the CCF Company. Some of the poorest countries on the planet are in Sub-Saharan Africa, where the HIV/AIDS prevalence rate is the highest in the world (Weil, 2010). These countries are at an enormous disadvantage due to the high HIV/AIDS prevalence (Global HIV Crisis, 2013). In 2012 there were 1.6 million HIV/AIDS deaths worldwide, with 2.3 million newly infected people with HIV/AIDS (UNAIDS, 2014). Of the newly infected people 260 000 were under the age of 15, and these are the people who are set to join the labour force (UNAIDS, 2014).

According to Almeida and Carneiro (2009) investment in human capital is imperative for business growth and future investment returns. Retention of staff and succession planning in key positions allow firms to be competitive in the market to achieve their primary objective, which is to maximise shareholders' wealth.

The growth rate of HIV/AIDS in Sub-Saharan Africa hampers businesses' willingness to invest in human capital (Van Wyk, 2012). Firms lose valuable human capital resources due to the pandemic, and the negative growth experienced by the country filters down to individual businesses (Gow George & Grant, 2012). Firms suffer due to the HIV/AIDS pandemic, resulting in loss of skills, additional sick days, and financial cost. The total cost of sick leave in 2011 was R 3.9 billion in South Africa (Adcorp, 2013). These are the type of costs that firms need to carry due to the impact of

HIV/AIDS in South Africa, and the CCF Company is faced with exactly the same challenges. In addition sick leave has increased by 397% over the past 10 years in South Africa (Adcorp, 2013).

How should CCF function within a global and national context where both the extent and impact of HIV/AIDS is increasing? How can the company function productively, ultimately leading to further job creation and sustainable growth? Economic growth is achieved through investment in human capital - it is said that a company's people are their most prized possession. An economy is comprised of a multitude of firms, and all these firms employ many people which form part of their human capital element. At the CCF Company employees need to be at the top of their game to ensure that strategic objectives are met. The burden of HIV/AIDS will affect any company's strategic goals and impede their achievement of objectives. The impact of HIV/AIDS is changing humanity as we know it. It is regarded as the single biggest threat in the 21st century for humanity (Kalemlı-Ozcan, 2012). Increasing prevalence rates of HIV/AIDS affect global markets, which in turn affect local markets, and local markets affect individual businesses.

1.3 PROBLEM STATEMENT

Based on the above, HIV/AIDS could have a major impact on the CCF Company and its existence, which provides many jobs for the citizens of South Africa and neighbouring countries. The company places great value on succession planning. If succession planning is lacking, the business growth will suffer.

According to Almeida and Carneiro (2009), in order for businesses to grow in the modern economy, investment in human capital is an imperative component. These investments refer to succession planning, retaining of staff and post-school investments in staff. The most important asset in any business is its human capital, and the HIV/AIDS pandemic places an enormous strain on this through mortality, lower productivity and extensive sick periods. Through this, valuable human capital resources are lost to the business and this impedes the company's growth. These factors impact on the success of succession planning, as objectives can only be met if the person invested in is alive and healthy.

Research Questions

Primary research question

Within this context, the primary question that arises for the CCF Company is the following:

- What is the influence of HIV/AIDS on succession planning at the CCF Company in the Free State?

Secondary research questions

- What are the views of different authors regarding HIV/AIDS?
- What are the views of different authors regarding succession planning?
- How does the CCF Company manage the impact of HIV/AIDS?
- How do company employees view the importance of succession planning?

1.4 RESEARCH OBJECTIVES

The primary objective of this study is to:

Evaluate the influence of HIV/AIDS on succession planning within Sales and Marketing at Coca Cola in the Free State. Recommendations will be made to Coca Cola regarding the findings of the research. These could then be incorporated into the strategic plan of the business.

The secondary objectives of this study are:

- To provide an overview of HIV/AIDS
- To provide a discussion on succession planning
- To determine the current management of HIV/AIDS at CCF
- To determine the views of staff regarding succession planning at CCF

1.5 PRELIMINARY LITERATURE REVIEW

It has been over three decades since the discovery of HIV/AIDS and the body of knowledge regarding the disease is growing rapidly (World AIDS Day, 2013). Today research on the topic not only covers the disease itself but also a wide range of topics, from medical studies to social economics to the impact on society. Studies are also

geared towards prevention and awareness around HIV/AIDS. This topic is much published and has a worldwide recognised day - 1 December - since 1988, since discovery (World AIDS Day, 2013).

HIV/AIDS was discovered by the Centres for Disease Control and Prevention (CDC) on 5 June 1981. The CDC published a report that young homosexual individuals had an unusual disease that affected the immune system. These men had other symptoms as well but the most prevalent one was immune deficiency. By the end of 1981 a reported 270 cases of this unusual disease was referred to the CDC. A high prevalence of cases was found to be gay males and by the end of that year 121 of those individuals had died (AIDS, 2014). The virus belongs to an extensive family of viruses (Wittenberg, 2009).

“The Human Immunodeficiency Virus (HIV) belongs to a large family of related retroviruses” (Wittenberg, 2009). Members of the retrovirus group have been known to cause immunodeficiency, malignancy and central degeneration in other animals. The first cases of HIV/AIDS were discovered in West Africa in early 1983. Since then the virus spread rapidly, and affects every country in the world. HIV/AIDS is more serious in Africa as 70% of the world’s HIV/AIDS burden is carried by Africa (Global Statistics, 2013).

Since HIV/AIDS was discovered in 1981 the pandemic grew rapidly. To date more than 25 million people have died because of the disease (Global Statistics, 2013). In 2008, 2 million deaths were reported due to HIV/AIDS and another 2.7 million people were newly infected. While HIV/AIDS is a global pandemic, 97% of those infected live in low and middle income countries, especially Sub-Saharan Africa. According to the World Health Organisation (WHO) those living with HIV/AIDS do not have access to prevention (Boutayeb, 2009). In many countries where the HIV/AIDS prevalence is high, other diseases are also of great concern (Global Statistics, 2013).

The economic impact of HIV/AIDS is reflected through two main areas, namely health and human capital. HIV/AIDS reduces life expectancy and leads to a less productive labour force, which in turn leads to an increase in health care expenses. The World Health Organisation (WHO) no longer deems health to be a by-product of growth, but a key attribute to sustainable growth that will in turn lead to a reduction in poverty (Lamontage *et al*, 2010). The WHO describes the correlation between health and

economic growth by looking at productivity over a period of time and by having continuity in the workplace (Lamontage *et al*, 2010).

In most studies investigation into the macro-economic impact of HIV/AIDS has adapted a neoclassical method to account for losses suffered because of HIV/AIDS (Lamontage *et al*, 2010). Typically these neoclassical studies show a 1 - 2% decline in the Gross National Product due to a high HIV/AIDS prevalence (Lamontage *et al*, 2010). These losses are most felt in Sub-Saharan Africa as this is some of the poorest countries on earth.

The statistics on HIV/AIDS and the impact of the disease worldwide is frightening. In Botswana the average population age decreased from 60 to 34 years, leading to the loss of valuable resources that grows a business and ultimately leads to growing an economy (Ferreira *et al*, 2011). In 2011 the number of people living with HIV/AIDS in South Africa was 5.2 million, the majority of them between the ages of 15-49. This age bracket has the highest rates of prevalence among active workers in South Africa. Between 1985 and 1999 the average life expectancy decreased by nearly 10 years (Ferreira *et al*, 2011). The enormity of the pandemic is clear in South Africa where 1 in 10 people live with HIV/AIDS (Stats SA, 2011). The burden is felt by all, families lose mothers and fathers due to the illness and children have to fend for themselves.

The HIV/AIDS pandemic affects women more and in Africa women already carry a heavy burden. From a purely medical perspective women are at greater risk to contract HIV/AIDS. More often than not when women become HIV/AIDS positive their partners leave, and they are left to run the household alone. According to Stats SA (2011) 19.4% of the total female population between the ages of 15-49 was HIV/AIDS positive, and this number has increased by over 12% in the past 10 years. Currently in South Africa 10.6% of the population live with HIV/AIDS (Stats SA, 2011); while in the past 10 years an additional 1.1 million became infected with the disease. The labour force is decreasing to a large extent and skills are lost due to the impact of this disease. This has a material impact on companies and they need to be prepared for it.

In the constitution of 1994 no one has the right to discriminate against another, which means that no employer may discriminate against any employee on any basis, including HIV/AIDS. With this in mind companies need to address this matter through

their policies. Numerous companies have a formal policy on HIV/AIDS in the workplace. These policies are there to create awareness and encourage voluntary testing which is seen to have a positive impact on the reduction in HIV/AIDS infection due to the awareness raised by such programmes in which companies are getting more involved (*Bidvest HIV/AIDS Policy, 2009*).

Non-discrimination: Businesses cannot discriminate against those who are HIV/AIDS positive, and once an employee becomes infected and the company becomes aware of this, his line manager should be informed. This is to ensure no prejudice befalls the employee.

Confidentiality and Disclosure: All employees have a right to keep their HIV/AIDS status confidential in accordance with the South African constitution

Management Responsibility: Management has a responsibility to show that they are leaders when addressing the issues of an HIV/AIDS positive staff member. They need to ensure confidentiality about the person's HIV/AIDS status as this could create differential treatment towards that person

Employee Responsibility: Affected employees need to take responsibility and enrol in an antiretroviral program as quickly as possible to afford themselves the best possible opportunity in prolonging their life.

Education: Companies seek to inform staff on HIV/AIDS through various programmes:

- Communicate basic knowledge of the disease
- Create acceptance of those living with HIV/AIDS
- Provide information on counselling
- Encourage HIV positive staff to enrol in an ARV program
- Disperse free condoms to promote safe sex

HIV/AIDS is a fatal disease (Grobler *et al*, 2011) and has now reached 5% of the sexually active population of South Africa. This makes it clear that HIV/AIDS prevention programmes are imperative for the workplace and can no longer be delayed. Failing to be proactive against this dilemma will result in the following:

- Absenteeism from work
- Employees will need more time off work to care for the sick/infected
- Family responsibility leave will increase
- Productivity will decline due to time off work
- Supply of labour will decline between the age categories 20-50
- Increase in recruitment and training

Considering the above, human capital is valuable as it leads to and will business profits (Labour Economics, 2013). Human capital is defined as the investment which is put into an employee that will ultimately lead to a higher output by that employee due to the investment (Currie, 2009). These employees, who are invested in, need to be retained in the business as they will ultimately lead the company to higher profits (Labour Economics, 2013). The CCF Company views succession planning as a top priority to ensure future growth in the business.

According to Rothwell (2010), the world labour force is getting older and companies need to find suitable talent to replace retiring employees. Before the untimely departure of Apple Incorporated Chief Executive Officer Steve Jobs he chose a successor. This move renewed the discussions on succession planning (Katz, 2012). Succession planning can be integrated with career development planning and is a long-term process of identifying key individuals and grooming them for replacements for key positions in the company in the future (Grobler *et al*, 2011). Succession planning is usually set out in the company charter in terms of who will be groomed for which position once it becomes available. This is a way for a business to ensure the transition between an incoming employee and an outgoing one. Talent management is a sub category in succession planning and it also attempts to ensure that business talent is properly managed.

According to Farashah, Nasehifar and Karahrudi (2011) succession planning is divided into three steps, namely identifying key jobs, evaluating and assessing candidates, and drafting the correct individual for the job. Top management together with the human resources department use the above three steps to ensure that the correct candidates are found and guided to the next level. The first step in the selection process is to ensure that the correct candidate is recruited and placed within the organisation (Rothwell, 2010). After selecting the correct candidate the development

plan for that employee needs to be put in place. The third step is to ensure that the candidate is then appropriately developed for the next level job. Individuals invest in their own human capital over their entire lifespan, through formal schooling or other studies. In a modern economy a business can no longer ignore investing in their staff, but despite this there are not enough incentives for firms to invest in staff. Almeida & Carneiro (2009) state that an additional 10 hour's training per annum leads to a 0.6% increase in productivity. In addition, an increase in productivity costs less than 25% of the training. It is with this in mind that firms needs to make decisions when training human capital for the future.

This foregone investment erodes very quickly when an employee becomes infected with HIV/AIDS. The average life expectancy is less than seven years, and usually staff investments are over a number of years, meaning the firm will never get the benefit of the investment due to HIV/AIDS.

As stated in the introduction HIV/AIDS is reducing the life expectancy, chewing into the human working potential that is educated and moulded by businesses. Due to the HIV/AIDS pandemic the human capital employed by businesses may never reach their full potential. Businesses need their staff to reach their potential in order to be financially relevant and able to compete in the economy. In order to understand the impact of HIV/AIDS, one needs to understand the flow of the disease and its life-span. Gow *et al* (2012) depict the virus over a 12 year time span as shown in Table 2.1 on page 25.

The illustration in Table 2.1 indicates the various impacts on a business - financial and other. It also depicts the timeline from becoming HIV/AIDS positive to death. This is a certainty as there is no cure for HIV/AIDS (Gow *et al*, 2012). By using the above extract the impact of HIV/AIDS on the business can be divided into three major cost impact areas, namely retirement and medical, recruitment, and training.

1. Retirement and medical costs: Most companies belong to a group scheme cover for their labour force in order to obtain more competitive cover rates. The HIV/AIDS pandemic changes the risk profile of the labour force and alters the payment plans. This pandemic changes all employees' contributions. The cost of the medical scheme is associated with the risk of the labour force, and premiums are calculated based on

the profile of the group, so the higher the risk the higher the premium (Group Health insurance, 2013).

2. *Recruitment costs:* The disease leaves employees facing certain death and the company needs to fill positions of employees who have passed away. Firms need to recruit suitable employees as replacements and incur costs for this recruitment.

3. *Training costs:* We have established that investment in human capital is imperative. Training also leads to an increase in productivity as stated by Almeida and Carneiro (2009). There is no cure for people living with HIV/AIDS, and the investment the firm makes in this employee will never yield its full potential (Gow *et al*, 2012). These training costs are a real expense to a firm which seeks return on this investment. The secondary angle to training costs is that employees who become HIV/AIDS positive will eventually need to be replaced, and when that happens there will be training costs involved to get the new employee ready to fulfil the job done by his/her predecessor (Gow *et al*, 2012).

1.6 RESEARCH METHODOLOGY

The research design is structured to obtain answers to the problem questions. Deductive reasoning was used to analyse the perspectives of employees at CCF with regards to HIV/AIDS and the impact it has on succession planning. There is a strong relationship between the two due to the fact that there is no cure for HIV/AIDS. The study makes use of a quantitative method to explore the impact of perceptions on HIV/AIDS in the workplace on succession planning.

1.6.1 Quantitative approach

The approach relies on structured questionnaires as data collection method – these were sent out to staff within the Sales and Marketing division of the company. The staff compliment in Sales and Marketing is 57. According to the Sekaran table, 51 questionnaires need to be returned in order to achieve an adequate response rate (Sekaran & Bougie, 2011). Questionnaires were distributed to account managers to ensure that all staff completed the questionnaire. The questionnaires utilised a Likert scale approach (Cooper & Schindler, 2009). The Likert scale had four options in order to avoid a median option.

The guidelines below were followed when formulating the questionnaire for this population:

- a) Questions were constructed taking the research objectives into consideration;
- b) Easy legible phrases were used so as not to confuse the respondents;
- c) Questions were set out chronologically and in a specific order, allowing the respondents to complete the questionnaire with ease. There were four options to the scale: agree, strongly agree, disagree and strongly disagree.

Primary data was obtained through the questionnaires. This would give substance to the research and answer the questions posed. A positivistic model for research was followed, which was derived from the quantitative approach (Baxen, 2008).

1.6.2 Sample strategy

Sampling was done on the total population available within the Sales and Marketing division at Coca Cola Bloemfontein. The department comprises of 57 employees and therefore 51 completed questionnaires were needed to ensure that the findings were credible, and for the findings to be considered representative of the population under investigation (Sekaran & Bougie, 2011). Non-Probability sampling was used (Cooper & Schindler, 2009).

Non-probability convenience sampling was selected as a sampling method because of the ease of access to and the availability of the selected population. The advantage of this method is the speed at which data can be gathered. Non-probability sampling allows the researcher to calculate numerical findings, and assists in the descriptive statistical method used to show and analyse the results.

1.6.3 Data Collection

The questionnaires were distributed between 25 July 2014 and 25 August 2014, which is a quieter time for the specific business. The questionnaires were pre-numbered to ensure that all the data was accurately captured. The questionnaires were distributed to all team leaders, who facilitated the collection of the questionnaires. The purpose of this was to ensure that there was no miscommunication or misalignment of the

research. The questionnaire was very basic, and ease of use was important for the respondents.

A four point Likert scale was used to avoid respondents picking the middle option. The perceived ease of use (PEOU) also facilitates the Likert scale as the respondents were asked to respond to the questionnaires as follows: 1 = strongly disagree, 2 = disagree, 3 = agree and 4 = strongly agree. The advantage of using the Likert scale approach is that data is quickly available for compilation as well as relative ease of use by respondents.

The researcher made use of a quantitative research design, and questionnaires were distributed amongst the target population. The questionnaires were designed to be easily understood as there are many different skills levels in the organisation. The questionnaire was divided into three sections to make it more user-friendly. These were:

- Background information – Section 1
- Succession planning information – Section 2
- HIV/AIDS questions – Section 3

For sections 2 and 3, the Likert scale approach was used for the questions where respondents had to tick which answer they mostly agree with. This made it easy to use and facilitated the process of capturing the data from the questionnaires. Section 1 comprised of biographical questions, this will be used as part of the analysis in chapter 4.

See Appendix 1, 2 and 3 for the full questionnaires.

1.6.4 Statistical methods

Statistics is a broad discipline using mathematical techniques for the collection, analysis and presentation of data. Data which is gathered forms the foundation of scientific inference (Larson, 2006). Data was obtained via a sampling method. In order to gain a statistically relevant answer 51 people needed to complete questionnaires. Once the data was gathered the following two methods were used to present the data:

Descriptive statistics: Data was presented in a table form or graph which is used to describe distributions (Cooper & Schindler, 2009; Larson, 2006). This determines how

strongly data is correlated. When data is presented in a graph format one can easily see the visual display of the bar chart.

Inferential statistics: This method draws a conclusion about the population in order to prove a hypothesis. As a hypothesis won't be proved during the study, this method will not be used.

For the purpose of this study descriptive statistics were used to analyse the data, upon which conclusions were derived. There are presented in Chapter 4.

1.7 Ethical considerations

“Ethics are the norms or standards of behaviour that guide moral choices about our behaviour and our relationship with others” (Cooper & Schindler, 2011:116). It is with this in mind that the following ethical considerations were applied while conducting the research:

- **Objectivity**
The researcher made every attempt at objectivity through the development and application of an unprejudiced research design. Data collection and processing was done scientifically using scientific tools. Data was captured from the questionnaires without any data manipulation.
- **Voluntary participation to the study**
All participation in the study was completely voluntarily and no-one was forced in any way to participate. All staff who took part in the study was informed prior to the study that their participation would be voluntary and that they were free to withdraw their participation at any time.
- **Informed consent**
All respondents were informed about the purpose of the research and the benefits the research holds, and were asked to sign a consent form highlighting that they understood the purpose of the research.
- **Right to privacy**
All respondents have the right to remain anonymous and were treated as such; no particulars of any participant will be published.
- **Confidentiality**

All the replies gathered in the research will be anonymous and the respondents kept anonymous.

- Data integrity

Data was monitored to ensure accurate results - this was done during the data collection phase.

At the CCF Company ethics is valued highly and the privacy and confidentiality of all respondents was protected by the researcher.

1.8 DEMARCATION

The study aims to test the impact of perceptions on HIV/AIDS on succession planning at the CCF Company, with the Sales and Marketing Department within the Free State. This limits the findings to CCF Limited only as the sample population for the study was gathered from this company exclusively.

The area affected by the study is human resources management and talent management. A firm's most valuable and most adjustable asset is human capital, and HIV/AIDS testing of this valued asset is imperative. It is the duty of the company officers to maximise the interest of the shareholders and to maximise their profits (Masood, 2011). By understanding employee perceptions on the impact of HIV/AIDS on succession planning, this will allow the company to make better decisions regarding succession planning.

The study includes a sample of the entire Sales and Marketing Division of the Free State CCF.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter aims to familiarise the reader with HIV/AIDS in the South African and Southern African context. It includes a brief overview of HIV/AIDS in Southern Africa with the focus on South Africa. Secondly it focuses on succession planning and the role it plays in business sectors, emphasising the importance of succession planning.

The HIV/AIDS pandemic as we know it today can be divided into four main stages. The first stage represents its discovery where it was first recognised and mainly restricted to rural areas (Quinn, 1996; Mendoza, Bello, Mewa, Martinez, Gonzales, Garcia-Morales, Avila-Rios & Reyes-Teran, 2014). The infection was believed to be spread mainly through sexually promiscuous groups (sex workers and homosexuals) to the urban areas. The second stage involved the rapid spread of HIV/AIDS (as we know it today) to the entire world through the migration of people across the globe. Other factors such as the declining moral fibre of society, commercialising of sex and lack of health care services have added to the burden of this disease. In addition, poverty further makes individuals more vulnerable to HIV/AIDS. These factors resulted in the third stage i.e. escalation of the infection. We are currently in the fourth decade of the pandemic, where we have reached a plateau (fourth stage) as evident through current statistics which show that HIV/AIDS prevalence and HIV/AIDS deaths have started to level off (Quinn, 1996).

First National Bank in South Africa is experiencing a high profile step down with the retirement of CEO Michael Jordaan (Ndzamela, 2013). In a press conference Jordaan said “the bank does not have any candidate in mind, but there are many options available” (Ndzamela, 2013). The change in leadership has great financial implications for this institution, and succession planning is imperative to facilitate the change process in the organisation. What is evident in the above is that succession planning is paramount to continuity in the business.

2.2 HIV/AIDS

The literature review gives a broad overview of HIV/AIDS from its discovery up to its current status. The researcher gives some background perspectives about HIV/AIDS, then familiarises the reader with the state in the world currently, followed by an overview of Sub-Saharan Africa and then South Africa.

2.3 DISCOVERY OF HIV/AIDS

2.3.1 Background

The source of HIV/AIDS was identified in groups of chimpanzees from West Africa, who carry the HIV viral precursors (Flint, 2011). These viral precursors were identified as Simian Immunodeficiency Virus (SIV) which, based on its biology, is transmitted from chimpanzees to humans via cutaneous or mucus membrane exposure of infected ape blood or body fluids (Mendoza et al, 2014; AIDS Theories, 2013).

The first recorded human case of HIV infection was discovered in a blood sample collected from Kinshasa in the Democratic Republic of the Congo (AIDS Institute, 2014). HIV/AIDS was first reported in 1983 in South Africa. In the early part of the pandemic (from 1982 - 1987) HIV/AIDS was mainly associated with homosexuality (Karim & Karim, 2008; Essex *et al*, 2002). This was due to the fact that the first cases presented at the Centre of Disease Control (CDC) were gay men.

Prior to 1985, when blood products were not screened for HIV/AIDS as little was known about the disease, several haemophiliacs acquired HIV/AIDS through transfusions of Factor 8, a component of blood (Karim & Karim, 2008). The number of male homosexuals admitted to HIV/AIDS clinics reached a plateau in 1989. A rise in the number of heterosexuals seeking treatment was noted with predominantly young women and older men affected (Mendoza et al, 2014).

2.3.2 The virus

HIV was recognised for the first time as a new disease in 1981 (CDC, 1981). The disease was found to be transmitted through contact with infected blood or body fluids via sexual intercourse, mother to child (perinatal) and intravenous routes (Quinn, 1996). HIV/AIDS is thus primarily a sexually transmitted disease (Flint, 2011). HIV belongs to the family Retroviridae and the genus Lentivirus. Lenti refers to the word

slow, illustrating the long time it takes from infection to disease. HIV is further divided into two types, namely HIV Type 1 (HIV-1) and HIV type 2 (HIV-2)

(Essex *et al*, 2002). HIV 2 is less destructive than HIV 1 and is limited to West Africa (Kalipeni *et al*, 2004). HIV 1 is classified into three groups, namely M, N and O, of which M is currently dominating the global pandemic (Karim & Karim, 2008). The global AIDS pandemic is diverse, as is reflected by the different viral subtypes. Group M contains 9 genetically unique subtypes (A-D, F-H and J-K) (Mendoza *et al*, 2014). Subtype B is mainly found in America and Europe, whilst subtype E predominates in Central Africa, and B in Thailand. For a vaccine to be effective it will have to induce protection against all these subtypes (Quinn, 1996). Since the identification of HIV/AIDS three decades ago 60 million people have been infected (Sharp & Hahn, 2011).

2.3.3 Pathogenesis of HIV/AIDS

As “Acquired Immunodeficiency Syndrome” suggests, AIDS is not a specific disease per se. It is brought on by the Human Immunodeficiency Virus (HIV) which invades the body’s immune system over a number of years (Flint, 2011). HIV/AIDS slowly breaks down an individual’s ability to fight off opportunistic infections, including pneumocystis pneumonia and mycobacterial diseases (Flint, 2011; Essex, Souleyman, Kanki, Marlink & Tlou, 2002). HIV/AIDS also leaves the body vulnerable to cancers such as Kaposi’s sarcoma and lymphoma (Mendoza *et al*, 2014). HIV attacks two forms of the body’s white blood cells - the CD4 cells and macrophages, both which are crucial for maintaining a functional immune system. AIDS occurs when, after a number of years, these CD4 cells and macrophages have been destroyed to the point that the body can no longer fight infection (Essex *et al*, 2002 and Mendoza *et al*, 2014). A person is generally said to have AIDS once either your CD4 count drops to below 200 or you begin to display signs of opportunistic infections or cancer (Flint, 2011).

Infection with the HIV virus is followed by a rapid increase in the viral load and a concomitant decrease in the CD4 cells. An immune response occurs within a few weeks, attributed to killer cells named cytotoxic T lymphocytes, which curtail viral replication and result in a rise of CD4 cells back to near normal levels. This immune response renders individuals clinically well (asymptomatic) for many years. During this asymptomatic period the virus continues to replicate, particularly in the lymph

nodes, causing a gradual decrease in the CD4 cell number. This drop in CD4 cells makes the individual susceptible to various opportunistic infections, marking the onset of AIDS (Karim & Karim, 2008). Without HIV treatment the median time from HIV infection to developing AIDS is 8 – 10 years. In Africa this may be one or two years shorter due to differences in viral types and socio economic factors (Karim & Karim, 2008). Widespread use of antiretroviral (ARV) could substantially increase life expectancy and reduce the rate of new infections (Tanser, Barnighausen, Grapsa, Zaidi & Newell, 2013).

2.3.4 Testing and ARVs

Knowledge of your HIV status is very important to combat the spread of infection and initiate treatment where indicated. The quality of communication about HIV/AIDS has a greater impact on HIV/AIDS risk behaviour than access to health facilities (Ransom & Johnson, 2009). The most common screening tests for HIV/AIDS are the ELISAS and rapid assays which detect an immunological response to the virus through the production of antibodies or cellular responses (Essex et al, 2002).

Since the advent of ARVs in the mid-1990s more than 8 million people in lower socio-economic countries have had access to life saving treatment. In 2011, 6.8 million of about 34 million were eligible for treatment but had no access to ARVs which have been shown to reduce viral load and infectiousness (De Cock & El-Sadr, 2013). The distribution of ARVs was associated with a decline in mortality in a study on platinum miners in South Africa, but this has not been maintained, however. Contributing factors include the changing environment of the workforce, growth of the HIV/AIDS pandemic, poor uptake of ARVs and an increase in deaths exacerbated by opportunistic infections, especially tuberculosis (Lim, Dowdeswell & Field, 2012).

Drug resistance has been rising in certain areas of Sub-Saharan Africa since ARVs were made available. This is attributed to poor supply chains resulting in drug stocks running out, treatment interruptions, poor monitoring of patients, and no access to alternative drugs, to name a few (Gupta, Jordan, Sultan, Hill, Davis, Gregson, Sawyer, Hamers, Ndembi, Pillay, & Bertagnolio, 2012). ARVs have a positive impact on patients' health-related quality of life (Robberstad & Olsen, 2010). Despite all these advances, there is still no preventative vaccine or medical cure for this deadly disease (Ferreira *et al*, 2011).

2.3.5 HIV/AIDS statistics - overview

Since the first cases of HIV/AIDS were identified in the late 1970s and early 1980s, 60 million people have contracted the disease and 23.5 million have died because of it (Africa HIV Statistics, 2011). Currently 35.3 million people in the world suffer from HIV/AIDS, and the greatest burden of the illness is carried by Sub-Saharan Africa (UNAIDS, 2013; Weil, 2010). Sub-Saharan Africa houses some of the poorest populations and yet bears the biggest brunt of HIV/AIDS with 65% of the people infected with HIV/AIDS residing here (Global HIV Statistics, 2014).

2.4 HIV/AIDS IN THE WORLD

2.4.1 Statistics

In 2012 an estimated 35.3 million people were HIV/AIDS positive. This indicates a rise in numbers compared to previous years. Due to more people getting antiretroviral therapy the number of new HIV infections is declining (2.3 million compared to 3.4 million in 2001). The number of HIV/AIDS related deaths is also decreasing - 1.6 million AIDS deaths in 2012 compared to 2.3 million in 2005 (UNAIDS, 2013).

Progress was made in getting financial resources for HIV/AIDS in 2012. About US \$18.9 billion was made available for HIV/AIDS programmes in lower socio-economic countries, representing a 10% rise when compared to figures for 2011 (UNAIDS, 2013). The increase in awareness, testing and other related matters are directed to create a change in the perception of HIV/AIDS.

2.4.2 Perception

Studies have shown that three out of five people do not have adequate knowledge of HIV/AIDS (Christianson *et al*, 2010). There is a growing consensus in Europe to conduct HIV/AIDS testing. In a Swedish context, the population is mostly risk free, and therefore early detection is hampered due to a naive approach (Christianson *et al*, 2010). Political activist Susan Sontag wrote she “hoped HIV/AIDS would one day be an ordinary illness” (Persson, Newman, Hopwood, Kidd, Canavan, Kippax, Reynolds & De Wit, 2014). Due to effective treatment, HIV/AIDS in the developed world is more manageable than elsewhere in the world. In developed countries HIV/AIDS is perceived as a mainstream disease on par with diabetes and asthma, although

HIV/AIDS carries some stigma in the community (Christianson, 2010). The developed world sees HIV/AIDS as a manageable illness where the developing world views it as a burden (Christianson *et al*, 2010). Due to the long time lapse between HIV infection and an AIDS-related death, many people seem blasé about the impact of the disease. HIV/AIDS is perceived to be distant, which in turn worsens stigmatisation and denial (Fourie, 2006).

2.4.3 Economic impact of HIV/AIDS in the job market

The disease mainly affects young people who are at their most productive (Anand *et al*, 1999). Mortality trends show that the skilled and semi-skilled segment of the labour force is bearing the brunt of HIV/AIDS (Harman & Lisk, 2009). The major concerns for business in relation to HIV/AIDS prevalence is reduced productivity and increased costs due to the following (Grobler *et al*, 2011):

- Absenteeism from work
- Employees will need more time off from work to care for the sick/infected
- Family responsibility leave will increase
- Productivity will decline due to time off work

2.5 HIV/AIDS IN SUB-SAHARAN AFRICA

2.5.1 Statistics

Sub-Saharan Africa is the region which has been affected the most by HIV/AIDS (Weil, 2010). About 23.5 million people are infected with HIV/AIDS, representing two thirds of the world's cases. In 2010, 1.2 million people died from HIV/AIDS in Sub-Saharan Africa and 1.9 million people became HIV/AIDS infected. Since the start of the pandemic 14.8 million children have become orphaned (Africa HIV Statistics, 2011).

The socio-economic implications of the HIV/AIDS pandemic is experienced in a broad way as it not only affects our health sector but also impedes on education, industry, agriculture, transport, human resources and the economy (Boutayeb, 2009). The HIV/AIDS pandemic in Sub-Saharan Africa continues to cause destruction, crippling decades of developmental growth (Boutayeb, 2009).

2.5.2 Perceptions

HIV/AIDS education plays an important role in shaping opinions about HIV/AIDS.

Even though Sub-Saharan Africa harbours the highest infection rate of the HIV/AIDS pandemic in the world, only 40% of the population tests voluntarily and know their HIV/AIDS status (Musheke, Ntalasha, Gari, Mckenzie, Bond, Martin-Hilber, & Merten, 2013). People refrain from testing due to an impression that they are at low risk of contracting the disease; the stigma and discrimination associated with HIV/AIDS, the perception that the results of their tests are not kept secret and the long distances people must often travel to testing facilities (Musheke *et al*, 2013).

A large proportion of people strongly believe that HIV/AIDS is due to witchcraft, which is deeply rooted in their cultural beliefs. This hampers strategies of prevention as people don't perceive HIV/AIDS to be related to sexual behaviour (Flint, 2011).

2.5.3 Impact on life expectancy of HIV/AIDS in Sub-Saharan Africa

AIDS has wiped out years of progress made in extending longevity in Sub-Saharan Africa. The average life expectancy is currently 54.4 years, and in some of the countries in this region life expectancy has declined to 49 years (Africa HIV Statistics, 2011). The effect of the HIV/AIDS pandemic on families is destructive. They lose their primary providers, and people have to provide and care for sick relatives, causing them to earn less income for their families. Those dying from HIV/AIDS have their immediate partners also battling the disease themselves (Kalipeni, Craddock, Oponng, & Ghosh, 2004). Directly and indirectly HIV/AIDS causes sickness, absence from work, low morale due to a stressful working environment, work overload, limited staff and low income (Delobelle, Rawlinson, Ntuli, Malatsi, Decock, & Depoorter, 2009).

HIV/AIDS has had a major impact on labour, resulting in a decrease in economic activity and social progress. Most people living with HIV/AIDS in Africa are between 15 and 49 years of age - in the prime of their careers (Guariguata, De Beer, Hough, Bindels, Weimers-Maasdorp, Feeley, & De Wit, 2012). Literature reveals that many persons from Sub-Saharan Africa who are affected by HIV/AIDS remain at home, with the most burden of care being placed on elderly family members who are the least economically productive (Lekalakala - Mokgele, 2011).

2.6 HIV/AIDS LEGISLATION IN SOUTH AFRICA

2.6.1 Occupational Health and Safety Act, No. 85 of 1993

The general purpose of legislation is to provide protection. This can range from protection against an employer, unfair treatment or unfair practices. It is there to regulate and facilitate the market it is protecting. Labour acts protect both the employer and employee and is paramount to a sustainable working environment. The Consumer Protection Act was signed into law to protect the rights of consumers and to regulate the market - its purpose is protection (Consumer Protection, 2014). The same applies to the Occupational Health and Safety Act as it regulates the workplace.

The Department of Labour Employment Equity Act, No. 55 of 1998, provides the employer with a code of good practice on fundamentals of HIV/AIDS in the workplace. It identifies that the HIV/AIDS pandemic affects every workplace with issues like prolonged staff illness, absenteeism and many other related consequences. It protects the employee from unfair discrimination based on his/her HIV/AIDS status. The aim of these guidelines is to assist employers to contribute towards HIV/AIDS standards.

Aspects highlighted in Section 6 of the Act on promoting a non-discriminatory work environment are as follows:

“No person infected with HIV/AIDS shall be unfairly discriminated against within the employment relationship or within any employment policies or practices with regard to recruitment procedures, advertising and selection criteria; appointments, including job placement...”

The Act protects employees against discrimination, and therefore a company cannot discriminate against an HIV positive employee with regards to training and development.

2.6.2 Mine Health and Safety Act (MHSA), No. 29 of 1996

The MHSA concentrates more on the safety of working conditions and promotes a safe environment to all involved. The reason for this is because of the working conditions at mines, and the risks associated with working in a mine shaft. The MHSA promotes a strong code of reporting incidents in mines to ensure employees are safe

at all times. HIV/AIDS is covered under the section relating to safety to all employees, and discriminatory practices are against the law as stated in the Occupational Health and Safety Act (Le Roux, 2011).

2.7 HIV/AIDS IN SOUTH AFRICA

2.7.1 Statistics

South Africa has more HIV positive people than any other country on the globe, where one in five people are HIV positive (Nattrass, 2004). The number of people living with HIV/AIDS, according to a 2012 estimate is 5.38 million (Stats SA, 2011). The HIV/AIDS prevalence is estimated to be around 10.6% and the new HIV/AIDS infections for 2011 is 380 500 (Stats SA, 2011).

2.7.2 Perceptions

The burden will persistently be spread unevenly in South Africa due to the unemployment rate and the strong relationship between unemployment, poverty and HIV/AIDS infection (Nattrass, 2004). There is an uneven distribution of HIV/AIDS among the poor in South Africa. The poor is further hampered by lack of HIV/AIDS information and access to facilities for HIV/AIDS testing (Wabiri & Taffa, 2013).

The stigma attached to HIV/AIDS leads to prejudice and discrimination of people living with HIV/AIDS (Dos Santos, Kruger, Mellors, Wolvaardt & Van der Ryst, 2014). Even after extensive information campaigns there is still a negative stigma attached to those infected with HIV/AIDS. This stigma is a deterrent to testing, diagnosis and treatment (Dos Santos *et al*, 2014; Brinkley-Rubinstein & Craven, 2012). The stigma is caused by many factors: lack of understanding the disease, lack of treatment, irresponsible media reporting and the incurability of HIV/AIDS (Ferreira *et al*, 2011). In 2006 the South African government started to roll out ARVs, and mobile testing clinics were to follow.

When the ARV programme was rolled out in 2006, 250 000 people received the drugs. It is believed that South Africa has 5.4 million people living with HIV/AIDS (Stats SA, 2011). Ignorance about the disease is a major reason for its rapid spread (Delobelle *et al*, 2009). The perception exists that people aren't educated adequately on HIV/AIDS, and that this is a significant reason for its rapid growth. Government

hospitals test nearly half of all inpatients for HIV/AIDS (Delobelle *et al*, 2009), leading to increasing numbers of people on ARVs. The increase in health costs places great strain on the South African economy (Ransom & Johnson, 2009). There is a growing gap between knowledge and action with regards to HIV/AIDS prevention among the youth and professionals in South Africa. In spite of access to information and resources young people remain at risk. This phenomenon has been referred to as “AIDS fatigue” (Shefer, Strebel, & Jacobs, 2012).

2.7.3 Impact on ordinary life

Stigma and discrimination experienced by people living with HIV/AIDS have a negative impact on their work and family life and their access to education and health services, according to studies by Dos Santos *et al* (2014) and Jones *et al* (2011). The annual mortality rate of HIV/AIDS or related symptoms exceeds 300 000 (Basset *et al*, 2014). The South African government, through policy changes, has increased the number of people on ARVs by conducting more extensive testing. It is the government’s goal to have 15 million people tested by 2011. HIV/AIDS mobile clinics have been set up to conduct these tests. As low and middle-income countries work to compete in the global market, their employees’ health is vital to enhance productivity (Guariguata *et al*, 2012).

The major concerns for business in relation to HIV/AIDS, is reduced productivity and increased costs due to the following (Fourie, 2006 and Grobler *et al*, 2011):

- Increased absenteeism – not only due to ill health of employees, but staff, particularly women, will need more time off to care for sick relatives or children. Attendance of funerals of family members passing away from HIV/AIDS will further add to absenteeism;
- An increase in replacement costs in order to recruit new staff;
- Ill health at work will impact workers’ productivity making them unable to perform more physically demanding jobs; and
- Increased training costs to replace those lost through HIV/AIDS as recruitments may be less skilled and need more training.

In addition to the negative economic impact there will be a rise in the number of families without adult breadwinners, putting further strain on the state as elderly and

children need to be cared for. HIV/AIDS also has a major impact on the lives of people touched by the sufferers of the disease (Fourie, 2006).

There will be an increased burden of HIV/AIDS orphans which could give rise to increased national crime rates as these orphans need to fend for themselves. As this disease invades society, everyone will become the victim of HIV/AIDS in one sense or the other: All South Africans are affected by HIV/AIDS (Fourie, 2006).

2.8 COST AND TIMELINE ASSOCIATED WITH HIV/AIDS

Sub-Saharan Africa has some of the poorest countries on earth and the impact and burden of HIV/AIDS is felt most here. The cost related to the treatment of HIV/AIDS is substantial, and the cost burden on the government and private businesses of those countries are astronomical. South Africa has 5.38 million people living with HIV/AIDS, so the burden is significant on the government and businesses. Below is a timeframe model, depicting the cost associated with the virus.

Progression of HIV and timeline of costs

Table 2.1: Progression of HIV and timeline of costs (Gow, et al, 2012)

Timeline	Progression of HIV/AIDS	Cost to company
Year 0	Employee becomes infected with HIV	No cost to company at this stage
Year 0-8	Employee remains productive	No cost to company at this stage
Year 1-8	Sickness starts, early deaths	Illness-related costs (absenteeism, productivity decline)
Year 7-12	Employee leaves workforce - death or retirement	Termination-related costs, death benefits, funeral expenses
Year 7-12	Company hires replacement employees	Turnover, recruiting and retraining costs.

Below are some things to consider - their impact on the business model and the costs related to succession planning with necessary up-skilling:

- Cost of HIV/AIDS
- Cost of tertiary qualification
- Years to study a tertiary degree part time
- Will investment ever be returned?

2.9 SUCCESSION PLANNING

2.9.1 Definition

Succession planning is a process through which potential successors for key positions are identified and trained through a systematic approach, to ensure that one day when the position becomes available they are ready (Hubbard, 2013 and Farashah *et al*, 2011). To simplify the process a highly potential candidate is identified through line management and groomed to be the next line manager to take the company forward. Companies need to plan for talent to assume key positions in the future according to Rothwell (2011) and Farashah *et al* (2011). One of the first writers who saw the need for succession planning was Henri Fayol. His fourteen points of management first became apparent in the early 20th century (Rothwell, 2011). Succession planning needs to be accompanied by succession management.

Succession management is building talent in real time while the business is running and the trainee is in the workplace. Succession planning encourages long time learning. It creates talent from the existing staff compliment to ensure you have tomorrow's leaders on a path to succeed the current leaders (Rothwell, 2011). Succession planning is ensuring the business runs effectively tomorrow, by making sure the right processes are followed today. The benefit of succession is a long-term one.

2.9.2 The importance of succession planning

Succession planning caters for uncertainty. It does not matter how secure your labour force is, a key person can vacate and there could be panic. Businesses have evolved and uncertainty about replacements needs to be secured within the organisation. The different departments of organisations do not operate in silos, but work together as a

unit. The longevity of the unit needs to be secured so that the business can continue without hiccups long after a key employee has left the organisation (Simply HR, 2014). It is simply irresponsible not to have a successor for your role should you want to leave one day. King III also confirms the importance of succession planning (Institute of Directors Southern Africa, 2009).

Industrial giant Bidvest announced in 2013 that they are busy planning for the successor to Brian Joffe (Bhuckory, 2014). Brian Joffe started Bidvest in 1988 with R8 million share capital. In October 2013 the value was R86 billion (Bhuckory, 2014). The growth they experienced under Joffe needs to be carried forward and that's why Bidvest is already busy planning for Joffe's successor and why they deem it a priority. The importance of succession planning is reiterated with this bold move by Bidvest as they are aware of the impact the loss of one person in the organisation could have. The importance of succession planning is also highlighted by other examples, such as the sudden retirement of Manchester United manager Sir Alex Ferguson (Sparket, 2013). The long-time boss of Manchester United led them to many glories, and their fall from grace was apparent in the following season as they are currently hovering in the middle of the league, which they won in 2013. This shows the importance of succession planning, with inadequate succession leading to great falls from the top to mediocrity.

In a leadership survey conducted by the Bose Leadership Institute Forum, inadequate succession planning, ranked second to poor leadership (Giber, Carter & Goldsmith, 2000). The key to succession planning is how well the review process is managed. The Bose Leadership Institute Forum highlights that an effective career path should be communicated with employees as this gives them greater ability to achieve objectives. When new staff is on board, it is imperative that their growth path and objectives are clearly communicated to avoid any confusion.

2.9.3 Talent management

Talent management is recruiting the right talent, getting them on board and developing this individual in the organisation (Velsor, Maccaulley & Ruderman, 2010). Talent management is a very lucid term, and if you asked multiple Human Resource (HR) Practitioners in the room they'd all have different responses to what talent management is. It is simply about recruiting correctly, bringing the correct candidate

on board and grooming the individual (Rothwell, 2011; Chabault, Hulin & Soparnot, 2012). According to Hughes and Rog (2009) there are three primary concepts:

- Talent management comprises of a typical HR department function namely recruiting, career planning and succession planning. From this succession planning is trend orientated. This further suggests that talent management is across the entire organisation.
- The second concept is more specifically engineered towards predicting the flow of human resources in an organisation, where talent management becomes less connected to human resource management but more connected to the environment.
- The third is sourcing and rewarding talent. Many HR practitioners believe the more favoured employee reaps greater benefit from this.

(Original authors: Lewis & Heckman, 2006)

Talent management needs to make every effort to align HR practitioners to the strategic partners to ensure the talent is properly engaged with to ensure success. Talent management forms part of HR's strategic weapon to ensure key objectives are achieved (Hughes & Rog, 2009). It is strategic as well as philosophical in design, and more research needs to be done on the subject field (Hughes & Rog, 2009) and related frameworks to ensure potential of newly acquired talent are reached (Velsor *et al*, 2010).

Talent needs to be acquired after careful planning and evaluating business needs, ensuring sustainability for the business. The right talent needs to be acquired at the right time to ensure the business remains sustainable (Chabault *et al*, 2012). Sustainability relates loosely to meeting current needs without jeopardising future operations - planning today for tomorrow (Hitchcock & Willard, 2006). Talent models are pivotal to sustainability for businesses.

2.9.4 Talent management models

A fundamental part of a succession planning model is talent management. A talent management model includes recruitment, talent acquisition, integration strategy and workforce planning (Deloitte's, 2014). Below is a model constructed by consulting firm Deloitte's. This depicts the steps an employee needs to go through to ensure talent is

properly managed and succession planning can take effect. This model applies once the person is in the company's employment. According to Deloitte's talent management was only initiated five years ago and has increased in importance in a business context. The goal is to drive efficiencies for HR and become more effective as an organisation.



Figure1: Deloitte's New Talent Framework

Below is a model of the vital steps in the integrated management process. This depicts the strategy from inception to final remuneration. The model incorporates skills with remuneration. It shows the different areas of the employee's development necessary to achieve the desired results. The HR practitioner aligns company strategy to the individual goals to ensure they complement one another. The outer area of the graph indicates the objectives and the inner area of the graph is the company's responsibility to ensure that the employee is on the correct career path to facilitate the employee reaching his/her full potential within the organisation.

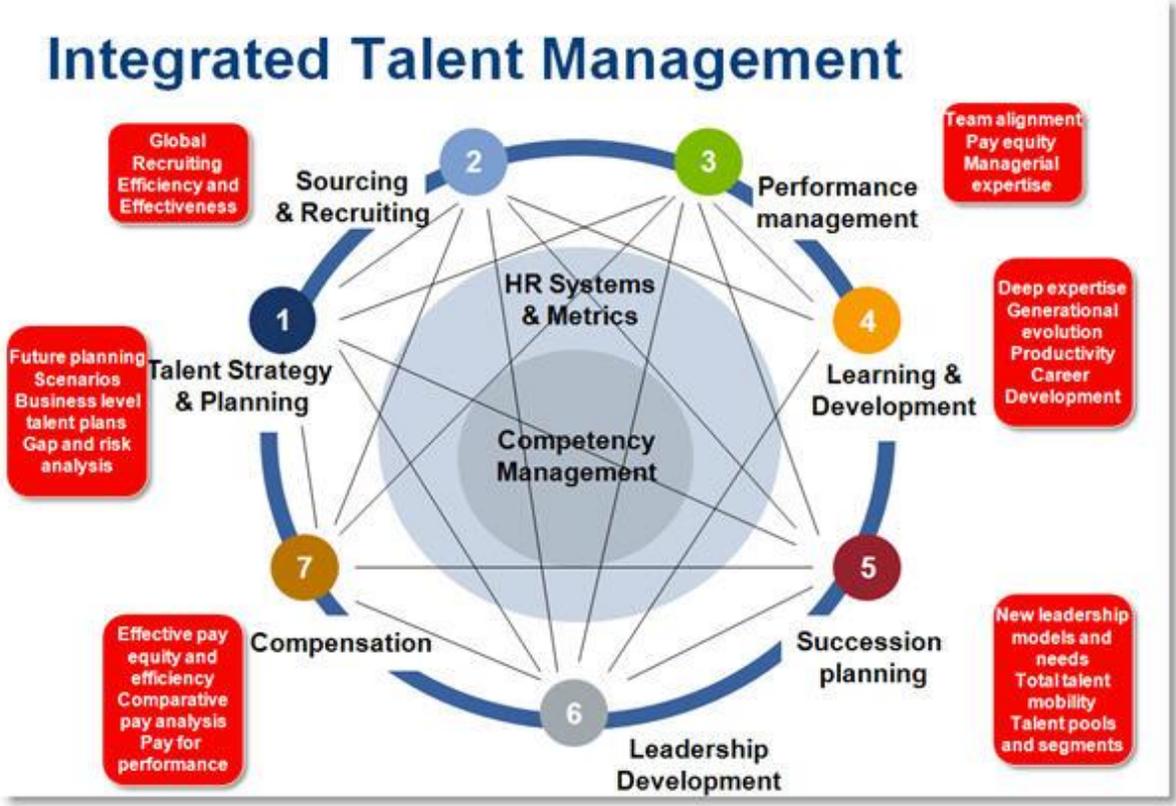


Figure 2: Deloitte's Integrated Talent Management

2.10 THE IMPORTANCE OF TALENT MANAGEMENT

The previous models depict talent management, but what is its importance? Apart from the value talent management adds, there are two primary reasons for it. In the first place talent management allows the organisation to acquire the correct talent and retain this talent. Secondly, talent management concerns employee engagement and forms an integral part of an engaged employee (Deloitte's, 2014 and Christensen & Rog, 2008). A study conducted by Deloitte's has found that attracting and retaining new talent is the most critical aspect in business today. The same study also found that employee retention was based on a company's success, managers understanding of employee needs, job satisfaction, and employee benefits (Christensen & Rog, 2008). Employee engagement plays a significant role in the retention of employees and ultimately talent management. A key driver is that employees understand their career paths and the growth available in the company (Christensen & Rog, 2008).

It is important that the talent management process is linked to the management decision process as this will ensure the company's goals are aligned to the talent

management process (Vaiman et al, 2012). The reason for the alignment is that non-HR managers would align themselves to business goals, which is not aligned to HR manager goals. In the past this process would be championed by HR, but in an evolving world it is championed by the line manager (Vaiman, Scullion, & Collings, 2012). We have clarified the importance of talent management as a role player of succession planning, but how does this impact the South African economy and how do South African companies plan for succession?

2.11 SUCCESSION PLANNING IN SOUTH AFRICA

According to John Hammer 50% of South African Blue Chip companies have clear succession planning processes in place (Hubbard, 2013). The engineering sector and Fast Moving Consumer Goods (FMCG) have much better processes in place for succession than most of the other sectors. What Hammer was referring to was the fact that transition needs to be smooth to ensure that there are no obstacles when one person steps out of a role and is replaced by another (Hubbard, 2013). In the South African context most executives have long notice periods, therefore the search for a replacement is not rushed. In most cases the second in command simply assumes the role, but being the executive is a very different style of leadership than support leadership in the previous role. It is also important to note that modern succession planning is not sentimental, but it should ensure that the right candidate is placed.

2.12 INVESTMENT IN HUMAN CAPITAL – THEORIES

Labour economics views human capital skills / characteristics as a mechanism to increase output or productivity (Currie, 2009). All companies wish to maximise profits, and investment in its most important assets are imperative to returns. In the 21st century companies view people as their most important assets and to develop these assets will lead to increased output (Almeida & Carneiro, 2009). In a manufacturing concern investment in machinery leads to higher output, and the same applies to investment in human capital. Like all theories human capital investment has different views to it. Some theories about this will now be mentioned.

According to Becker (1964) human capital improves workers' output and leads to an increase in the number of units of goods produced. The additional skills which were obtained can now be used to complete tasks quicker, thereby contributing positively

to productivity. Becker said that a Y increase in skills would lead to an X increase in output, leading us to believe that investment in human capital is important. With this in mind, investment in human capital is vital for better efficiency in any business model (Becker, 1964).

Furthermore Nelson and Phelps (1966) say that human capital can adapt to situations and is especially helpful where situations are not at equilibrium (Nelson & Phelps, 1966). Due to the thirst for knowledge of human beings, a labour force can adapt to the situation. An example of this is emails. The same people who were employed in the mid-90s when emails started was in the labour market five years later when emails became a way of life, so they simply adapted to the new requirements of the job.

Lastly, Bowles and Gintis (1975) indicates that human capital has the capacity to work, take orders and adapt to life in organisational hierarchies (Bowles & Gintis, 1975). Most firms around the world work are hierarchically structured, so people need to know who leads them and where they are going. They will follow a leader whose views are aligned to their own, but they should be able to adapt to leadership changes.

Despite these different views, human capital will be valued and will ultimately lead to higher business profits (Almeida & Carneiro, 2009).

2.13 SUMMARY

One can surmise that investment in human capital through appropriate methods of talent management and related succession planning is paramount for business growth and success in the future. On the other hand the mortality rate from HIV/AIDS in Sub-Saharan Africa, together with the number of people living with HIV/AIDS, is astronomical compared to the rest of the world. This places a huge burden on these governments and private organisations in these countries. The high prevalence of HIV/AIDS in South Africa brings one to an important question, namely how do people perceive succession planning in relation to employees who are HIV positive? This study aims to answer this through the use of a questionnaire. In chapter 3, focus will be placed on the techniques which will answer the research questions raised in Chapter 1.

It is important to understand that a collection of people make up an organisation. Their perspectives on the impact of HIV/AIDS on succession planning are critical as this

influences a firm's general attitude and propensity towards the investment in human capital, which is vital to a firm's existence. Do they think this will have an impact on future operations and the longevity of the firm?

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

Chapter 3 follows the literature review in Chapter 2, isolating the two primary areas of the study identified in the title. The literature regarding HIV/AIDS and succession planning forms the basis of the research questions and this chapter provides the framework needed for further chapters.

This section of the study provided an outline of the research design, sampling process and framework needed to achieve the primary and secondary objectives. The population under investigation consists of employees from the Coca Cola Fortune Bloemfontein Sales and Marketing division. The primary and secondary objectives of the field study are communicated in this chapter. Data was gathered through questionnaires in line with a quantitative approach. All employees had a choice whether to take part in the study or not. The role of ethics and the rights of the target population should never be compromised when gathering data.

3.2 RESEARCH OBJECTIVES

3.2.1 Primary objective

The primary objective of this study is to evaluate the perceptions of the respondents regarding the influence of HIV/AIDS on succession planning at Coca Cola. The responses gained from the questionnaires are the perceived impact of HIV/AIDS on succession planning in the organisation. This becomes extremely relevant as succession planning is implemented in so many organisations.

3.2.2 Secondary objectives

- To provide an overview of HIV/AIDS;
- To provide a discussion on succession planning;
- To determine the current management of HIV/AIDS at CCF; and
- To determine the views of staff regarding succession planning at CCF.

3.3 RESEARCH DESIGN

Research methods are usually divided into two main paradigms, namely quantitative and qualitative. Qualitative methods relate to specific answers, or percentage correlations between variables (Bryman & Bell, 2011). Qualitative research gathers subjective data as opposed to numerical data. Quantitative research uses numerical results to express the findings from the subjects tested. In Chapter 4 these numeric values were used to express the conclusions drawn from the questionnaires.

The data was gathered at one site over a 1 - month period. Panel studies will not be used as all respondents will only have one opportunity to form part of the study. More than one opinion from the same participant will bias the outcome of the study, therefore the questionnaires was well controlled to ensure singular participation.

Upon the completion of the data collection, final analysis was done in chapter 4. The Sales and Marketing staff compliment was verified with HR to ensure the population used for the study was complete. The number of people working in the Sales and Marketing division at CCF in Bloemfontein was 57.

The questionnaires aimed to gather information about respondents' perceptions on HIV/AIDS and succession planning. The questionnaires are structured questionnaires, and no interviews were conducted. The questionnaires were scored on a scoring matrix to compare all data against each other and to gather perceptions. There are three sections in the questionnaire, namely background information, understanding the perceptions regarding HIV/AIDS, and understanding the perceptions regarding succession planning.

It is the opinion of the researcher that the quantitative approach would best answer the search questions. The longitudinal design is satisfactory for the timespan of the target population, given that not all data will be gathered at one point in time due to scheduling. The quantitative approach allows the responses to be compared based on a variety of variables, such as gender and race.

3.3.1 Sampling strategy

The sampling method that was used for this study was non-probability sampling and more specifically convenience sampling. The study is demarcated to a specific group

and on that basis the respondents partaking in the study is confined to a specific population. A concern of non-probability sampling is the bias attached to it and field workers can show bias to the respondents selected for the study (Cooper & Schindler, 2009). To overcome this, all questionnaires were handed out by the researcher or team leaders at CCF. Only 57 copies were made, this correlates to the amount of staff in the department. To minimise the bias, 53 of the 57 participated in the study, this high number of respondents minimises the bias associated with non-probability sampling. The method chosen was convenience sampling, all the people participating in the study is known to the researcher (Cooper & Schindler, 2009).

The reason for this is that convenience sampling allows the researcher to draw a conclusion about the population, and he can generalise the findings of the population (Cooper & Schindler, 2009). Convenience sampling gives estimates of precision which facilitates the study as the aim of the study is a conclusive finding (Cooper & Schindler, 2009). The major advantage of convenience sampling is that it is quick and results are readily available.

The population size of respondents was 57 - this is the entire Sales and Marketing department of CCF Bloemfontein. The final number of responses obtained was 53, and this is judged to be statistically relevant (Sekaran & Bougie, 2010).

3.3.2 Data collection strategy

The questionnaires were distributed between 25 July 2014 and 25 August 2014, which is a quieter time for the specific business. The questionnaires were pre-numbered to ensure that all the data was accurately captured. The questionnaires were distributed to all team leaders, who facilitated the collection of the questionnaires. The purpose of this was to ensure that there was no miscommunication or misalignment of the research. The questionnaire was very basic, as ease of use was important for the respondents.

A four point Likert scale was used to avoid respondents picking the middle option. The perceived ease of use (PEOU) also facilitates the Likert scale as the respondents were asked to respond to the questionnaires as follows: 1 = strongly disagree, 2 = disagree, 3 = agree and 4 = strongly agree. The advantage of using the Likert scale approach

is that data is quickly available for compilation and for the ease of use of the questionnaires.

The researcher made use of a quantitative research design, and questionnaires were distributed amongst the target population. The questionnaires were designed to be easily understood as there are many different skills levels in the organisation. The questionnaire was divided into three sections to make it more user-friendly. These were:

- Background information – Section 1
- Succession planning information – Section 2
- HIV/AIDS questions – Section 3

For sections 2 and 3, the Likert scale approach was used for the questions where respondents had to tick which answer they mostly agree with. This made it easy to use and facilitated the process of capturing the data from the questionnaires. Section 1 comprised of biographical questions, this will be used as part of the analysis in chapter 4.

See Appendix 1, 2 and 3 for the full questionnaires.

3.4 STATISTICAL METHODS

Statistics are a broad discipline using mathematical techniques for the collection, analysis and presentation of data. Data which is gathered forms the foundation of scientific inference (Larson, 2006). In order to gain a statistically relevant answer 51 people needed to complete questionnaires. Once the data was gathered the following two methods were used to present the data:

Descriptive statistics: Data was presented in a table form or graph which is used to describe distributions (Cooper & Schindler, 2011; Larson, 2006). This determines how strongly data is correlated. When data is presented in a graph format one can easily see the visual display of the data.

Inferential statistics: This draws a conclusion about the population in order to prove a hypothesis, (Cooper & Schindler, 2011). As a hypothesis won't be proved during the study, this method will not be used.

For the purpose of this study descriptive statistics were used to draw conclusions and analyse the data, which are presented in Chapter 4.

3.5 RESEARCH AREA

The data was collected from the Sales and Marketing division of Coca Cola Fortune Bloemfontein. The results will facilitate an opinion of the Bloemfontein area and close surroundings as most staff resides within 30 kilometres from work. This ensured a manageable testing area and results should be conclusive of the target population. The target population were the 57 staff members at Bloemfontein Coca Cola depot Sales and Marketing division, of which 53 respondents completed questionnaires.

3.6 RESEARCH ETHICS

Cooper and Schindler (2011) define ethics as follows, "Ethics is the norms or standards of behaviour that guide moral choices about our behaviour and our relationship with others". It is with this in mind that the following ethical considerations will apply when conducting this research:

- **Objectivity**
The researcher was objective and did not show any prejudice in the research design. Data collection and processing was done scientifically using scientific tools. The sensitivity of the topic steered the researcher in a direction of great anonymity and objectivity.
- **Voluntary participation in the study**
All participation in the study was voluntary and none of the target population was forced in any way to participate. People are sometimes hesitant to participate for fear of consequences, though there were none in this study.
- **Informed consent**
All respondents were informed about the purpose of the research and its potential benefits, and were asked to sign a consent form demonstrating they understood the purpose of the research. The consent form will form part of the questionnaire
- **Right to privacy**
All respondents have the right to remain anonymous and were treated as such - no particulars of any person in the study will be published. No names were

recorded throughout the questionnaire phase, and questionnaires were never completed individually, always in batches of three or more. This protected the privacy of the respondents.

- Confidentiality

All the replies gathered in the research were anonymous.

3.7 DATA INTEGRITY

The integrity of the data is paramount to the study, so all questionnaires were pre-numbered. The researcher ensured that 53 questionnaires were received out of a population of 57. This is important because there cannot be more questionnaires than respondents. The data was monitored in the collection phase to ensure accuracy.

3.8 CONCLUSION

This chapter provides an overview of the research design of the study, which will be conducted and reported on in Chapter 4. The paper has an extensive literature review to support its constructs, but needs the questionnaires to gauge the perceptions of the respondents. The quantitative research methodology is deemed to be most applicable for this study.

CHAPTER 4

RESULTS AND ANALYSIS OF THE RESULTS

4.1 INTRODUCTION

Chapter 4 implements the methodology constructed in Chapter 3. The data was collected from staff in the Sales and Marketing division of Coca Cola Bloemfontein, and was obtained in line with the research design set out in Chapter 3. The total population of the Sales and Marketing division is 57, and 53 completed questionnaires were received.

This chapter follows three basic outlines: Section One concentrates on biographical information while Section Two concentrates on the questions themselves which directly addresses the primary objective. In addition Section Two is divided into Part A (Succession Planning) and Part B (HIV/AIDS). The former was the responses obtained from the questions related to succession planning and the latter the responses on HIV/AIDS. Section Three comprises of interactive responses between background data and specific questions in the questionnaire. The importance of this was to interpret specific biographical responses to specific questions.

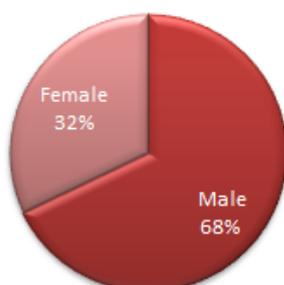
4.2 FINDINGS

The findings will be presented in the order of the questionnaires.

4.2.1 Section 1 – Biographical information

This section provides information regarding the biographical information of respondents, namely: gender, age, language, and ethnicity.

Figure 4.1 provides a graphical representation of the gender distribution of the respondents in this study.



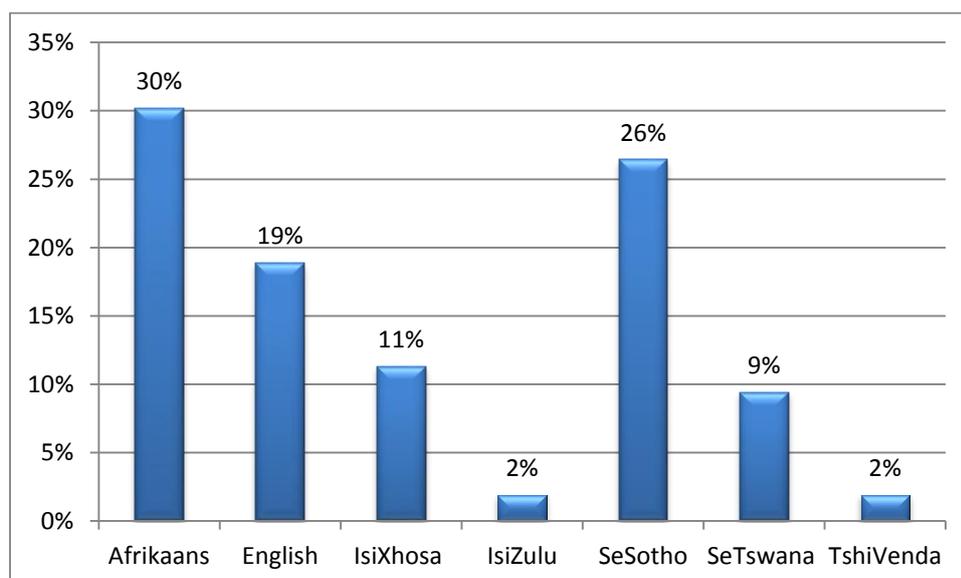
From figure 4.1 it can be concluded that 68% of the respondents were male while 32% were female. The population of respondents is dominated by males.

Figure 4.2 provides a graphical representation of the age of the respondents.



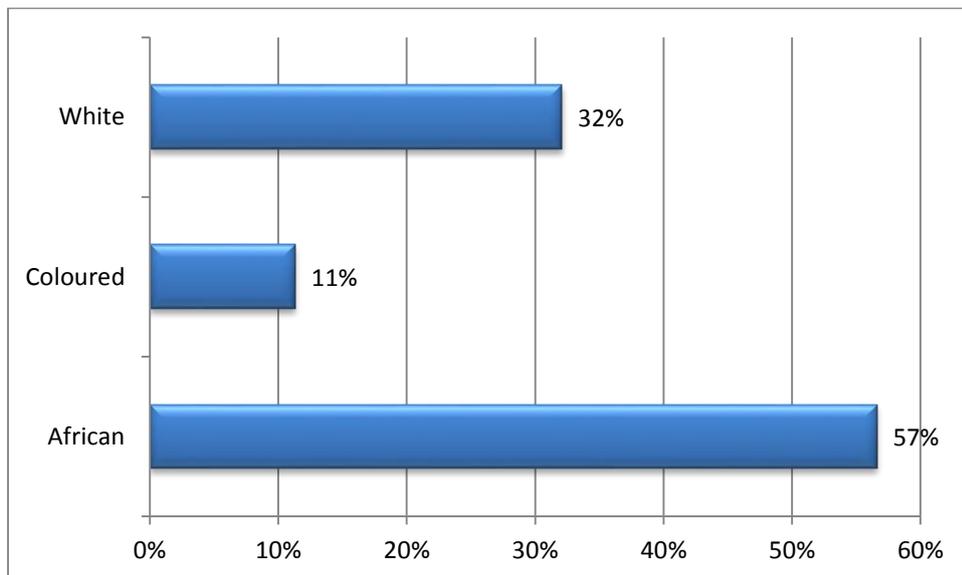
From figure 4.2 it can be surmised that the labour force has a balanced age classification with respondents distributed fairly even through the three identified age categories. Should all staff be retained, this labour force creates a good succession planning culture for themselves, purely due to the amount of respondents in each age classification. In many countries aging labour forces are a problem, but this is obviously not the case here.

Figure 4.3 provides the language preference of the respondents.



From figure 4.3 one can ascertain that the home language of the respondents is different from the business' language, which in this case is English. The respondents with an English preference represented 19% of the population of respondents. The majority of respondents are Afrikaans speaking (30%), followed by Sesotho which makes up 26% of the respondents. The importance of this data is that the communication medium used is English and that most HIV/AIDS information in the organisation is therefore communicated in English. However the greater population indicate that they are comfortable in another African language. This is an area of recommendation to the organisation which will be elaborated on in Chapter 5.

Figure 4.4 provides the ethnicity of the respondents.



From figure 4.4 it is clear that the majority of the respondents in the Sales and Marketing division are African (57%). The second largest ethnic group is White (32%). These two groups will be focussed on in the interactive responses to certain questions, as these two are by far the largest groups in the target population. It is important to acknowledge the respondents' ethnicity as this will provide insight into their responses.

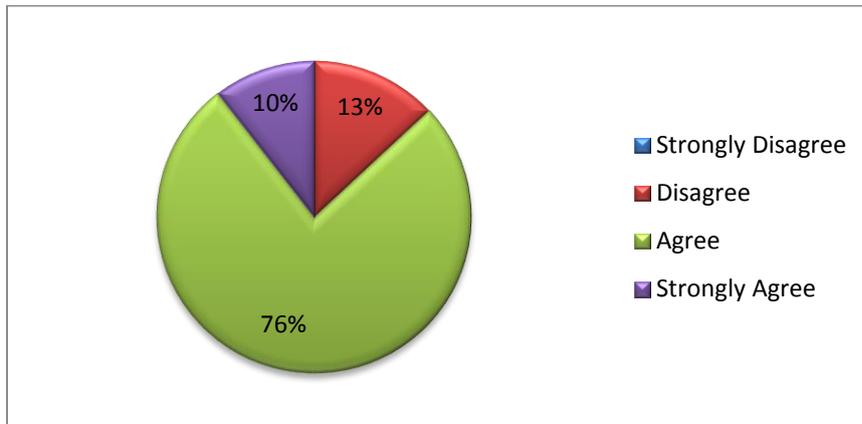
4.2.2 Section 2 – Part A Succession Planning

The following section focuses on the responses gained in the succession planning section of the questionnaire. This section comprised of nine questions of which seven were selected for presentation. The questions range from succession planning from a broad perspective up to the point where subordinates are developed for the next level role.

Table 4.2: Succession Planning Section of Questionnaire

Category	Strongly Disagree	Disagree	Agree	Strongly Agree
1. The organization has included succession planning in the strategic or other planning processes.	0%	13%	76%	10%
2. The board of directors initiates discussions about leadership legacy planning with the chief executive.	3%	24%	56%	17%
3. The District Manager initiates talent development planning discussions with the board.	3%	26%	54%	17%
4. Legacy leadership discussions include all staff.	2%	24%	57%	17%
5. Senior staff is engaged and visible to external partnerships and constituencies	2%	16%	65%	16%
6. The organization evaluates and manages employee performance.	0%	6%	74%	20%
7. The organization identifies potential talent and develops staff at the senior and middle levels	1%	25%	58%	17%
8. Staff members in the organization have access to opportunities to develop their leadership potential (i.e. coaching, education, experiences).	1%	13%	59%	28%
9. Team leaders are held accountable for coaching and developing their direct reports.	0%	6%	63%	31%
Grand Total	1%	17%	63%	20%

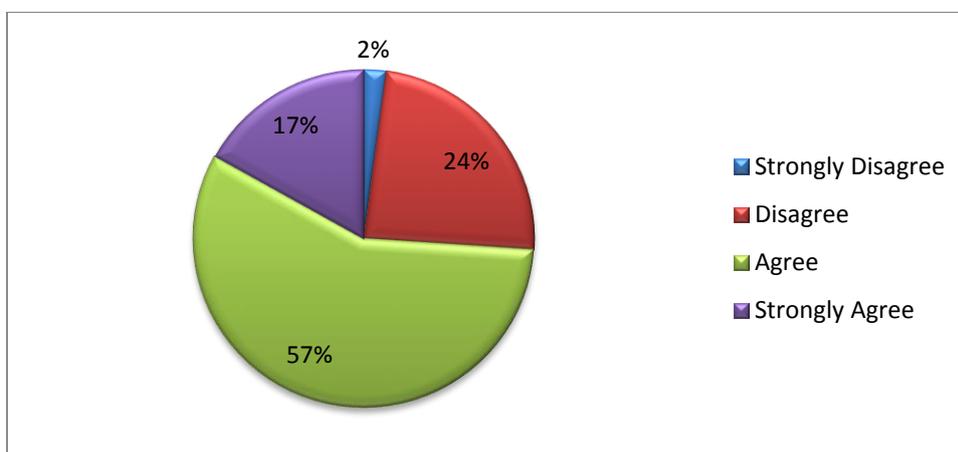
Figure 4.5 the organisation has included succession planning in the strategic or other planning processes



From figure 4.5 it is evident that the respondents overwhelmingly agree or strongly agree with the statement as these two responses account for 86% of the responses. It creates comfort in the organisation that the respondents feel succession planning is a cornerstone of the business. It is very comforting to know that in a country where succession planning is very slow, the respondents feel very strong towards succession planning and that it is discussed at strategic level. Strategic planning is conducted at a high level in the business and the respondents being aware of this indicate the importance of succession planning for the business.

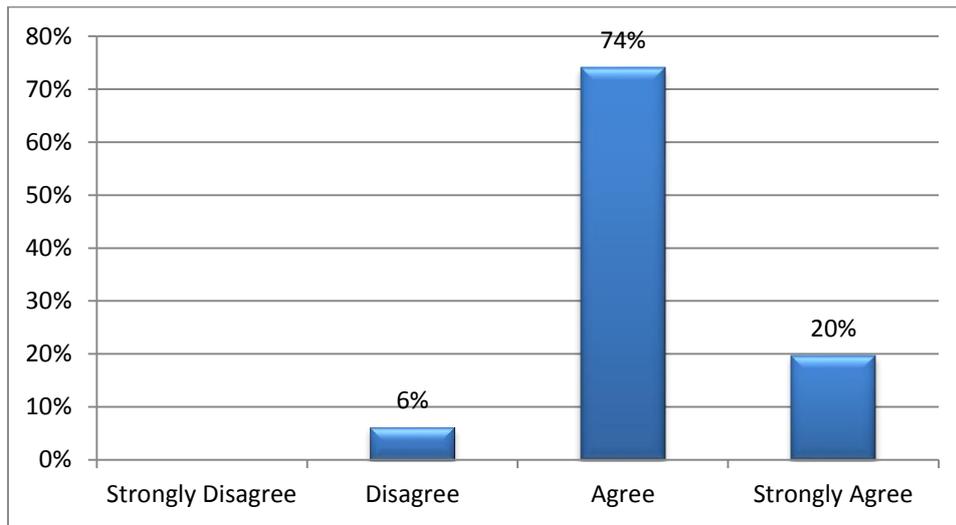
Succession planning in the organisation, derived from the employee and employer discussions, shows that the organisation is healthy in this regard and that the overwhelming majority agrees to this fact.

Figure 4.6: Leadership discussions include all staff



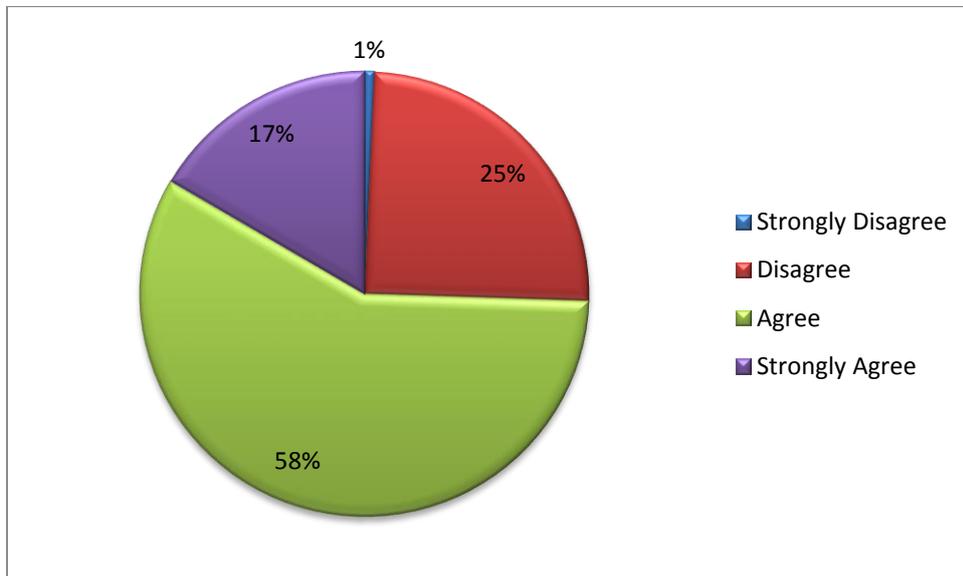
The primary driver for future career development is the people plan discussion. From figure 4.6 it is clear that 74% of the respondents are happy with the discussion and know where their careers are heading. The concerning fact is that 26% of respondents have a negative response to the question.

Figure 4.7: The organisation evaluates and manages employee performance



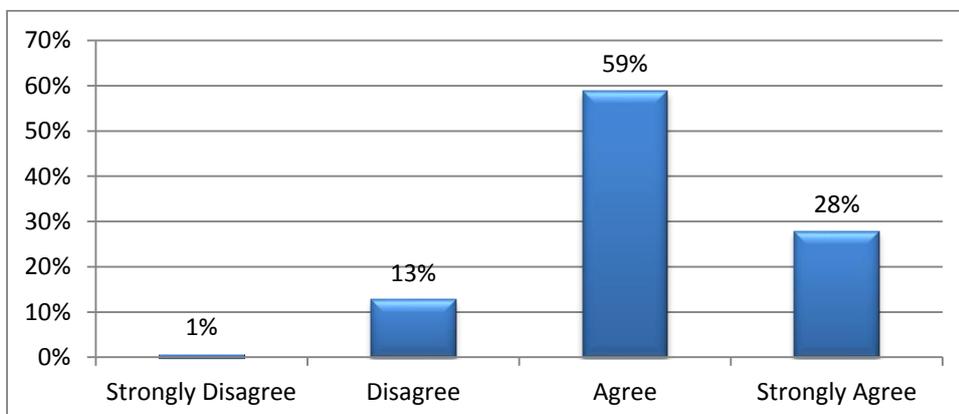
From figure 4.7 it is apparent that 94% of the respondents either agree or strongly agree with the statement that the organisation manages and evaluates employee performance. The measuring of employee performance is a key fundamental of succession planning as set out in Chapter 2 in the succession planning model. This supports question 1 as succession planning is a strategic level objective. At operational level it is executed as managers evaluate staff to ensure their development plan is on track. For the organisation the satisfying aspect is that an overwhelming number of respondents agree leading one to believe that succession is well and truly vested in this organisation.

Figure 4.8: The organisation identifies potential talent and develops staff at the senior and middle levels



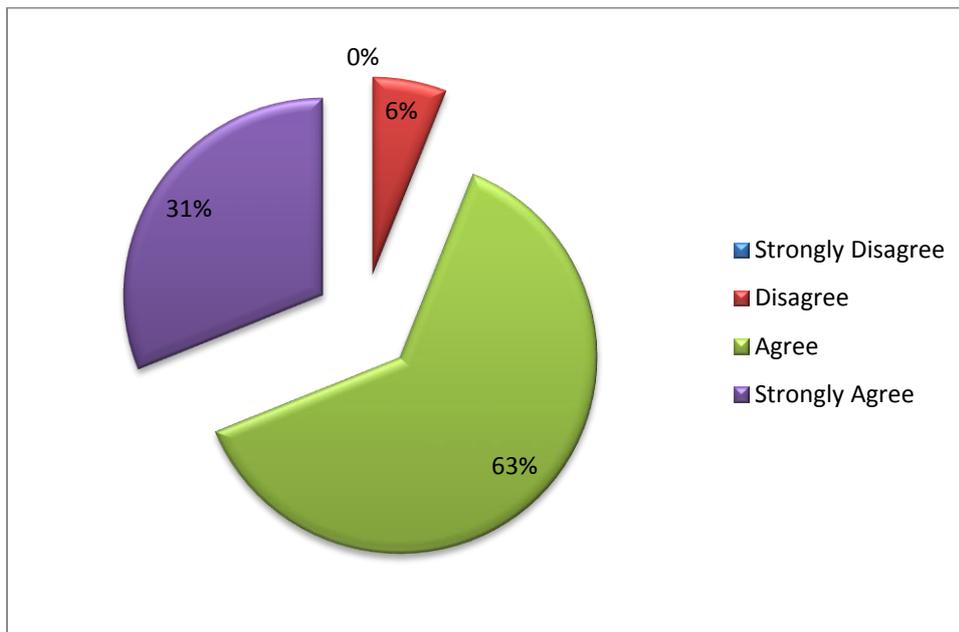
From figure 4.8 it is clear that 75% of the respondents agree positively to this statement. This indicates a strong talent development through the management levels, which tells you the organisation is ready when candidates vacate jobs. There is adequate replacement within the organisation. The concern however is the 25% of respondents who do not agree, or even strongly disagree. This will be brought under management's attention as a recommendation point in Chapter 5.

Figure 4.9: Staff members in the organisation have access to opportunities to develop their leadership potential (i.e. coaching, education, and experiences)



From figure 4.9 it is clear that the respondents' feedback on this statement was very positive, as 87% of the respondents agreed. The respondents confirm that there is a place in the organisation to develop their skills and to develop themselves into succession candidates for next tier positions.

Figure 4.10: Team leaders are held accountable for coaching and developing their direct reports



It is clear from figure 4.10 that development plays a significant role in the succession planning process. The respondents agreed that line managers spend enough time with their staff to ensure that they are ready when the next level job becomes available. The response was overwhelmingly positive, as 94% of the respondents agree to this. This response speaks well to the succession planning policy of CCF and the execution thereof.

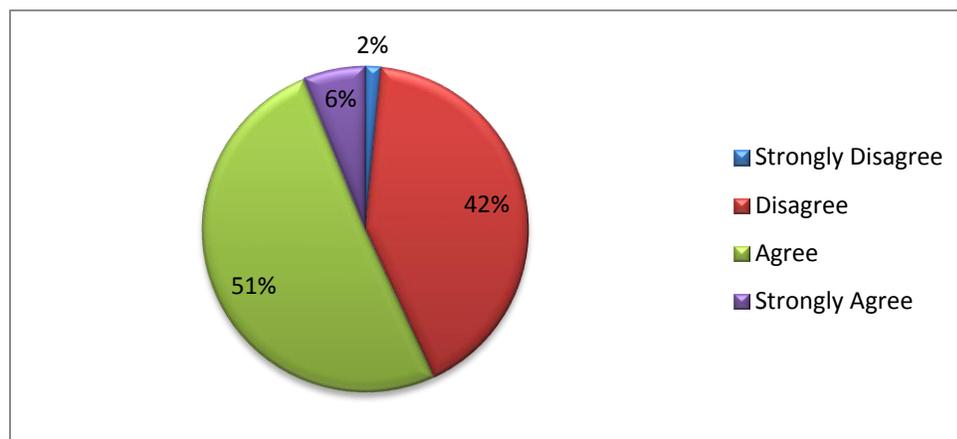
4.2.3 Section 2 – Part B HIV/AIDS

The following section focuses on the responses gained in the HIV/AIDS section of the questionnaire. This section comprised of nineteen questions of which thirteen was selected for presentation. The questions range from HIV/AIDS policies, to education within the organisation, to perception of HIV/AIDS.

Table 4.2: Part B HIV/AIDS

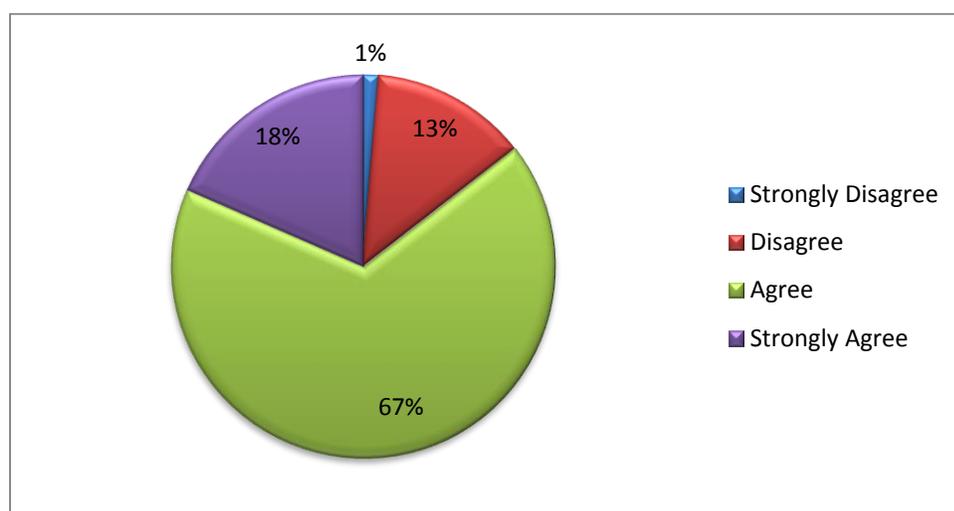
Category	Strongly Disagree	Disagree	Agree	Strongly Agree
10. I know the CCF HIV/AIDS workplace policies very well	2%	42%	51%	6%
11. I know some of the details of the HIV/AIDS workplace program, but would like to know more about it	1%	13%	67%	18%
12. I understand the work place rights with regards to be infected with HIV/Aids	2%	21%	55%	22%
13. I have attended one of CCF HIV/AIDS workshops or awareness campaigns in the last 12 months	21%	57%	13%	9%
14. There is enough Education displays around HIV/AIDS in the building	6%	31%	50%	13%
15. People on antiretroviral treatment die sooner than those not taking them	3%	78%	19%	0%
16. HIV-infected person cannot transmit the virus when taking antiretroviral treatment	4%	77%	19%	0%
17. Antiretroviral treatment reduces the quantity of the HI virus in the person's body	38%	16%	45%	0%
18. A person can be infected with HIV and still live a long and healthy and productive life	73%	13%	14%	0%
19. The CCF HIV/AIDS program increased my knowledge	19%	29%	52%	0%
20. Fear of stigma and discrimination at the workplace prevents people in CCF from seeking treatment for HIV and AIDS	3%	15%	43%	39%
21. CCF employees are reluctant to join HIV/AIDS support groups because of fear of stigma and discrimination	2%	11%	64%	24%
22. The CCF HIV/AIDS workplace program has remarkably reduced signs of stigma and discrimination amongst the personnel	1%	41%	50%	9%
23. Is it a waste of resources for CCF to develop employees living with HIV/AIDS	28%	49%	13%	9%
24. Some of CCF personnel display negative attitudes towards people living with HIV/AIDS	2%	36%	50%	12%
25. Do people openly talk about their HIV/AIDS status at the workplace	20%	45%	31%	4%
26. Should people living with HIV/AIDS be employed at CCF	0%	3%	51%	45%
27. Do you think an HIV positive employee should be promoted to senior positions	0%	3%	55%	41%
28. AIDS should be treated like all other chronic diseases	0%	0%	44%	56%
Grand Total	8%	27%	44%	20%

Figure 4.11: I know the CCF HIV/AIDS workplace policies very well



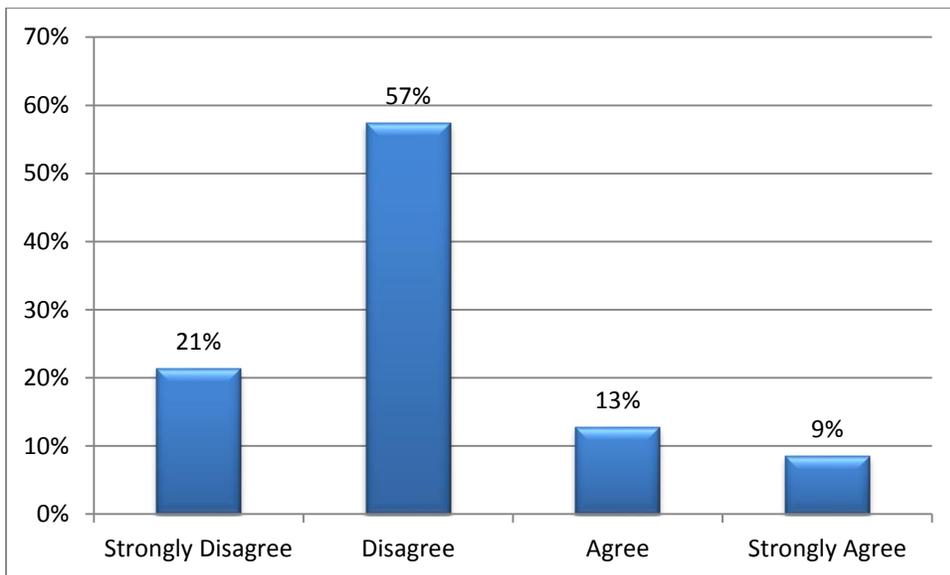
From figure 4.11 the policies at the organisation are not adequately communicated to staff, as only 57% of the staff understands the policies and 43% of the staff do not know the policies. This becomes more apparent in figure 4.12 where 85% of the respondents would like more information about the policies. These results lead one to ask whether there is enough emphasis on the policies, and whether they are advocated widely enough. More awareness campaigns need to be developed to inform the respondents about HIV/AIDS policies.

Figure 4.12: I know some of the details of the HIV/AIDS workplace program, but would like to know more about it



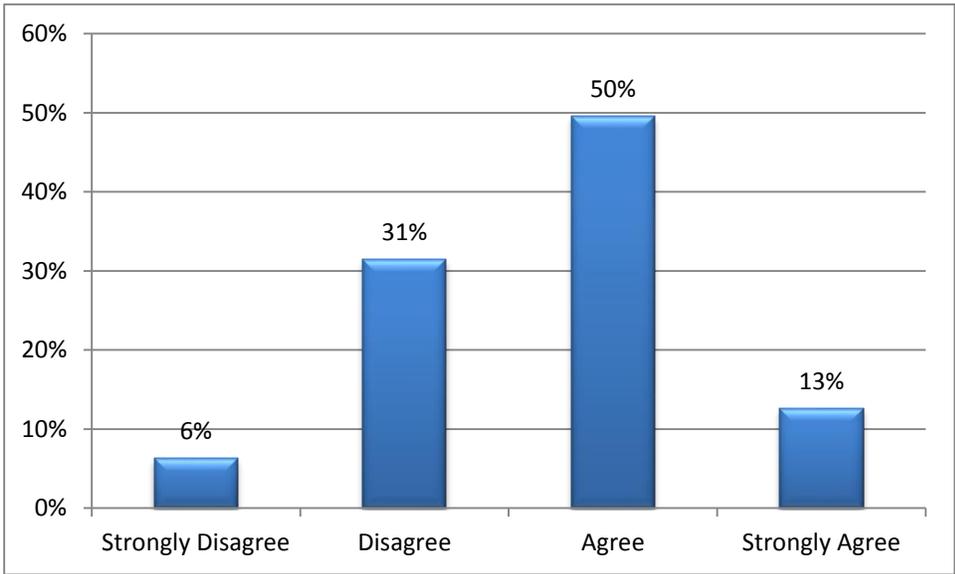
From figure 4.12 one can derive that the respondents want more information around the HIV/AIDS program in the workplace. An opportunity for education is presented and this will be recommended in Chapter 5 to senior management.

Figure 4.13: I have attended one of CCF HIV/AIDS workshops or awareness campaigns in the last 12 months



From figure 4.13 it is apparent that 78% of the respondents have a negative view of the statement as the respondents did not attend a HIV/AIDS workshop over the last 12 months. Only 22% of the respondents attended a workshop. In Chapter 2 it was established that there is a direct correlation between HIV/AIDS campaigns and the slowdown rate in HIV/AIDS infections.

Figure 4.14: There is enough education displays around HIV/AIDS in the building



From figure 4.14 it is clear that 63% of the respondents agreed that there is enough visual material displayed on HIV/AIDS. Although this is a positive response, 37% of the respondents indicated that not enough material is displayed. This will be addressed in the recommendations section as well.

Figure 4.15: People on antiretroviral treatment die sooner than those not taking them

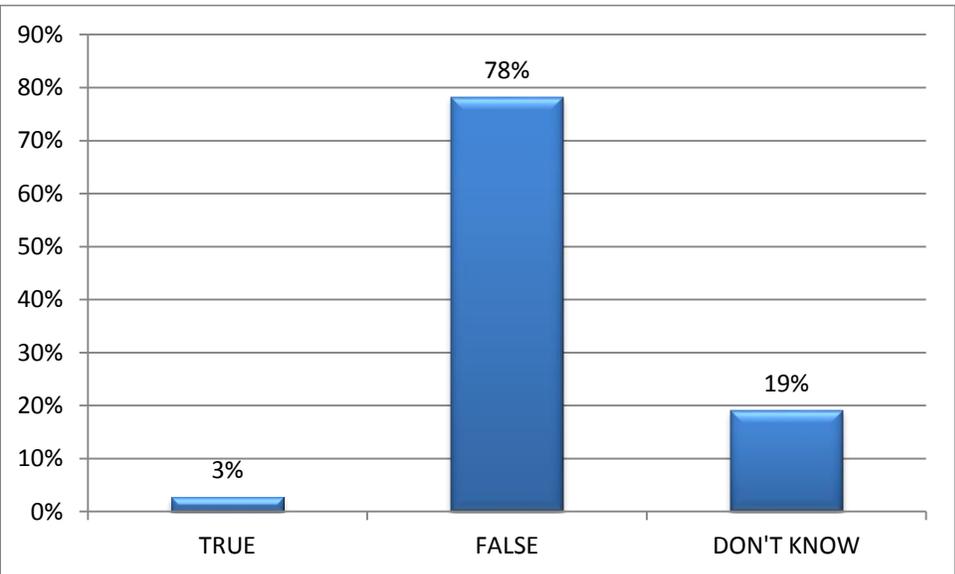
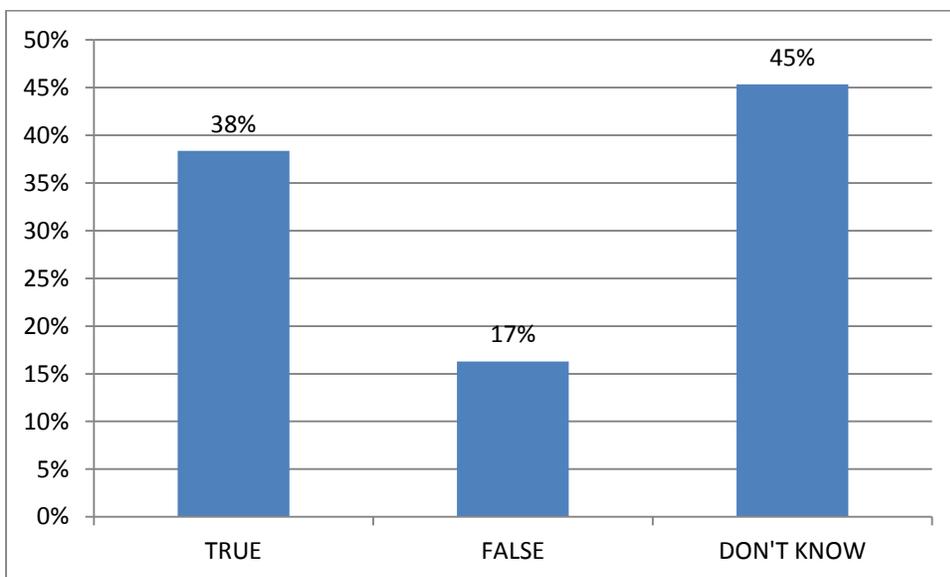


Figure 4.15 evaluates whether the respondents understand the impact of ARVs on a person infected with HIV/AIDS. 78% of the respondents agree that taking ARVs would indeed prolong your life. It is however disconcerting that 22% of the respondents weren't sure or had a negative view of ARVs, which supports the results displayed in figure 4.13 that more workshops need to be attended.

Figure 4.16: Antiretroviral treatment reduces the quantity of the HIV virus in the person's body



From Figure 4.16 it is clear that 38% of the people agree that ARVs decrease the quantity of HIV virus in a person's body. This means that a majority of 62% are still questioning whether ARVs make a difference to someone infected with HIV/AIDS. More information sharing is needed as literacy regarding the prophylactics needs to be increased and awareness about treatment needs to be advertised. Of the respondents who completed the questionnaire, the overwhelming majority agrees that ARVs will not reduce the HIV virus. This is a knowledge gap which needs to be closed to ensure that all staff is aware of the positive impact ARVs have on living a long life.

Figure 4.17: A person can be infected with HIV and still live a long, healthy and productive life

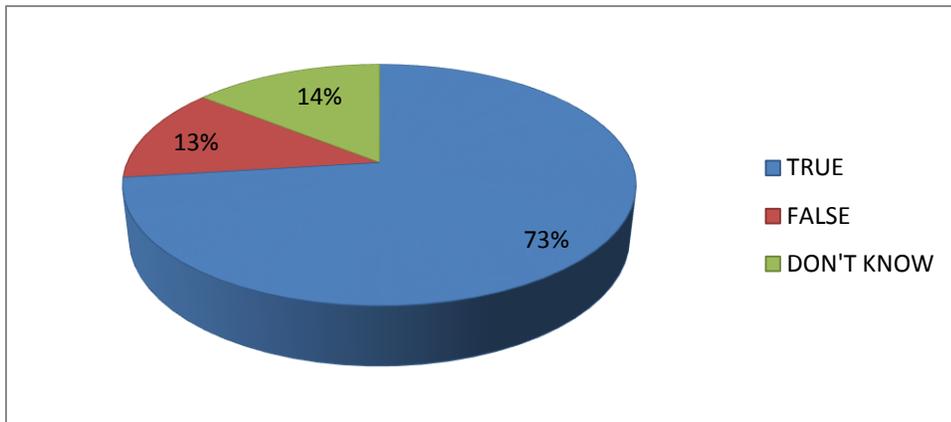


Figure 4.17 show that the respondents had a positive response about people living with HIV/AIDS and living a healthy and productive life. The perception of the respondents is that people who are infected with HIV/AIDS can indeed have a normal life. Shortage on knowledge about question 16 will hamper the results of question 18, so it is imperative that the organisation bridges the knowledge shortcomings addressed in question 16.

Figure 4.18: Fear of stigma and discrimination at the workplace prevents people in CCF from seeking treatment for HIV/AIDS

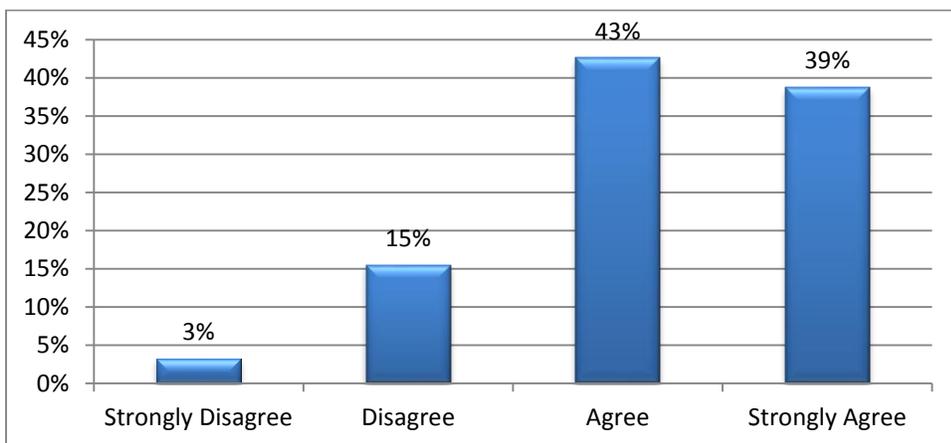
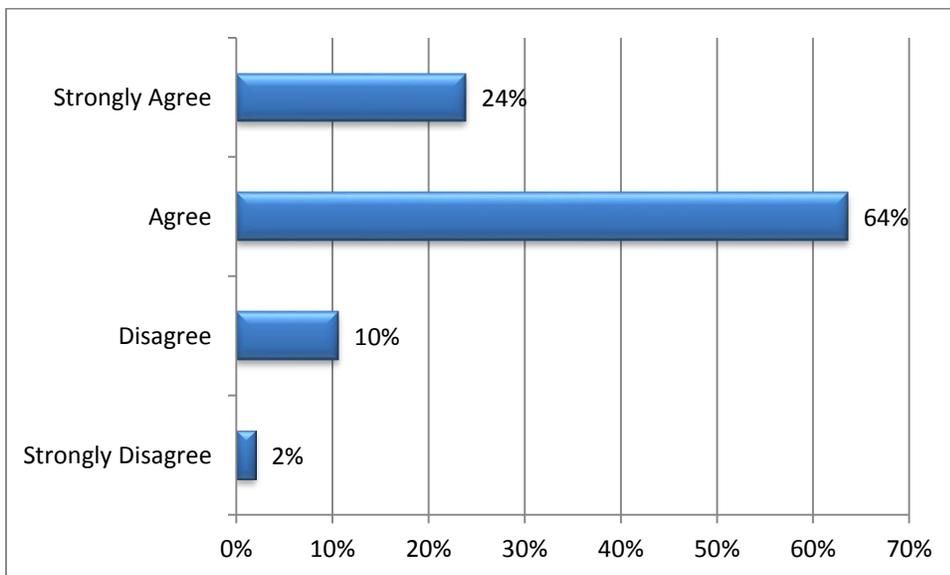


Figure 4.18 is a key to the primary objective of this study, namely to determine the perceptions of the respondents about HIV/AIDS. 82% of the respondents agree that due to perceptions about HIV/AIDS infected people would rather not seek treatment.

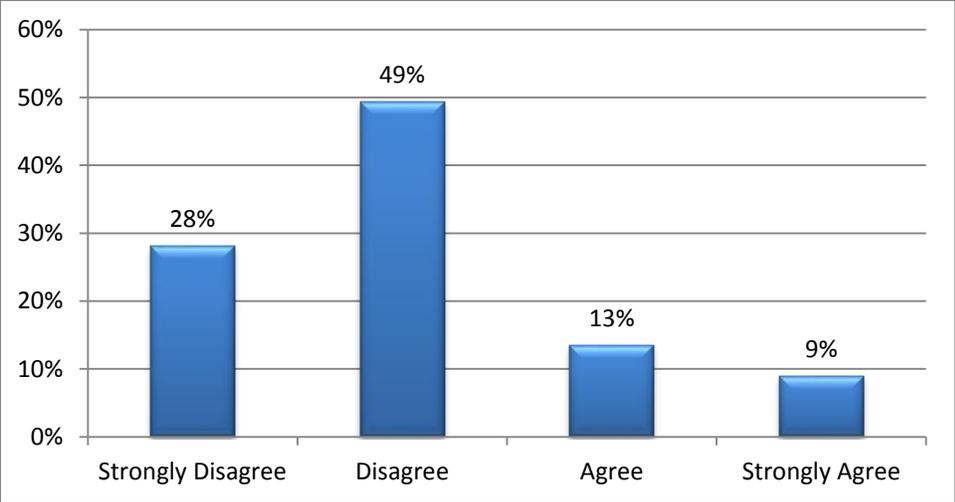
The majority of the respondents feel that people will be discriminated against if they seek treatment. The greater portion of the respondents would then not be seeking medical advice regarding their HIV/AIDS condition due to the stigma attached to the disease.

Figure 4.19: CCF employees are reluctant to join HIV/AIDS support groups because of fear of stigma and discrimination



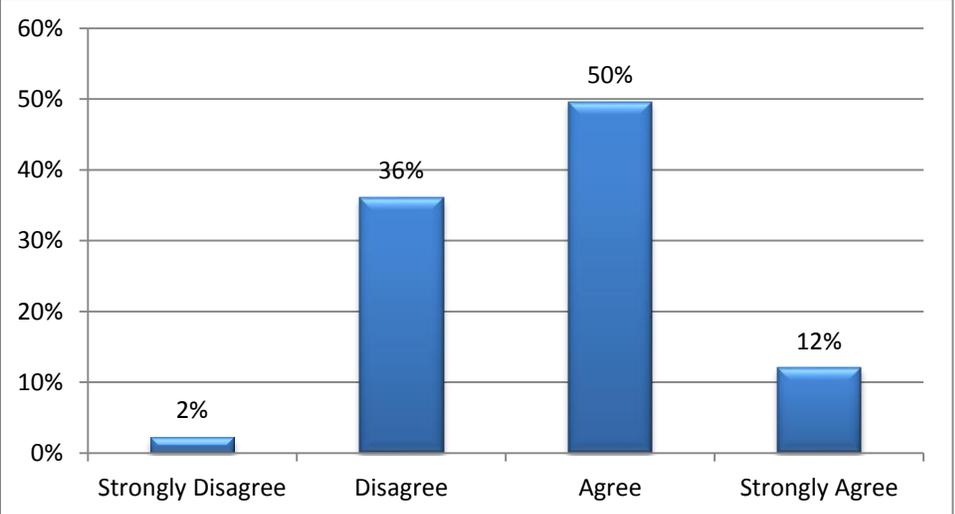
From figure 4.19 it is clear that there is an overwhelmingly negative attitude towards joining support groups. 88% of the respondents would not join a support group due to the stigma attached to HIV/AIDS and the discrimination they would suffer because of joining a support group. This will become a key point to emphasise in the conclusion as this perception needs to be changed.

Figure 4.20: Is it a waste of resources for CCF to develop employees living with HIV/AIDS



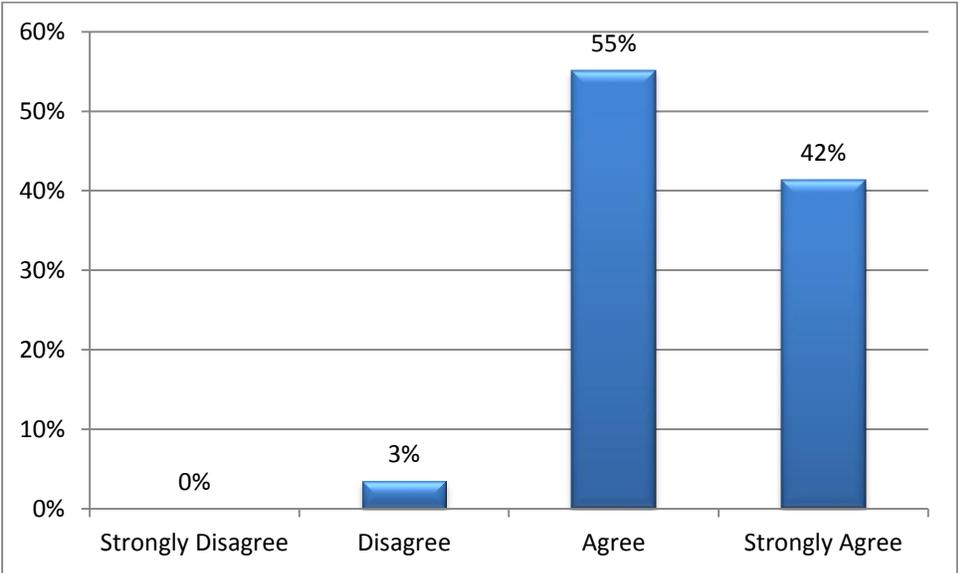
From figure 4.20 it is clear that 77% of the respondents agree that it is not wasteful to develop an employee who is HIV/AIDS positive. One key aspect to note is that this aligns with the stigma of HIV/AIDS, as 22% of people agree that it is a waste of resources to employ people with HIV/AIDS. This indicates that more needs to be done in this organisation to reduce the stigma attached to HIV/AIDS.

Figure 4.21: Do people openly talk about their HIV/AIDS status at the workplace



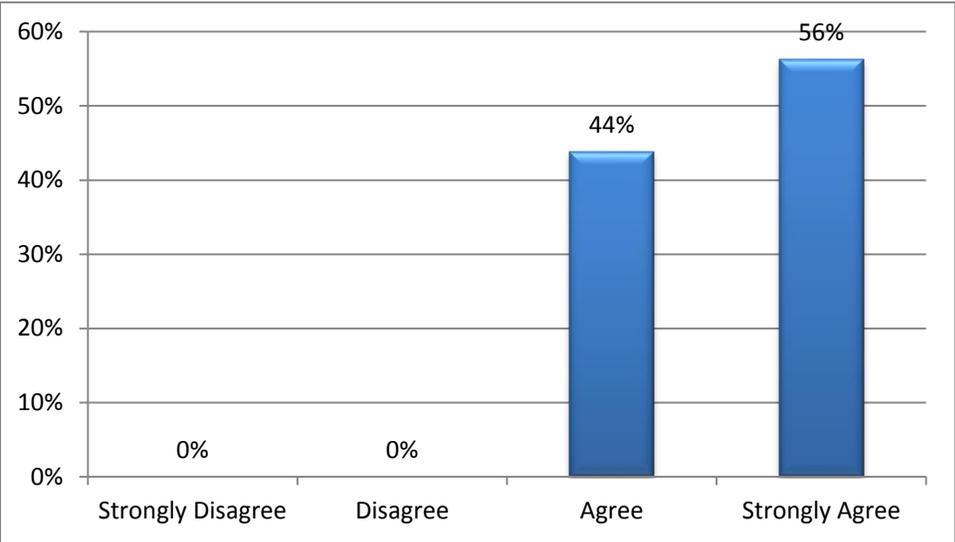
From figure 4.21 it is clear there is a positive attitude by respondents towards people living with HIV/AIDS. The environment in the organisation facilitates openness regarding the disease, as 62% of the respondents agree that people talk openly about HIV/AIDS status at the workplace. This again indicates the perception of people living with HIV/AIDS and the stigma attached to living with it. These responses are the key to addressing the problem statement as the perception of the population is tested.

Figure 4.22: Do you think a HIV positive employee should be promoted to senior positions



From figure 4.22 the majority of respondents agree people living with HIV/AIDS can be promoted to senior levels. The perception towards people living with HIV/AIDS has been mostly negative up to this point, but in this figure 97% of the respondents agree people living with HIV/AIDS should be promoted to senior positions.

Figure 4.23: HIV/AIDS should be treated like all other chronic diseases

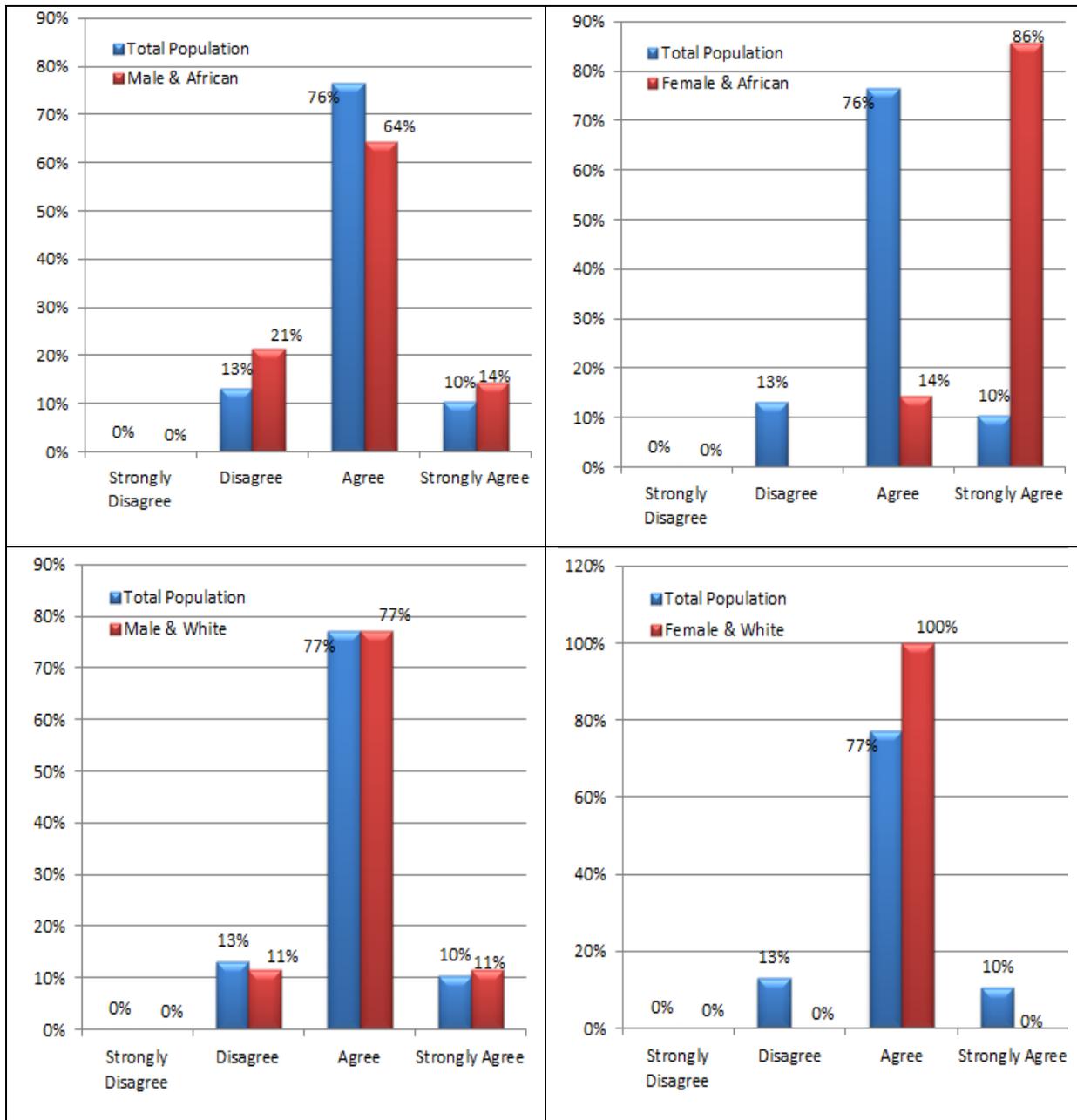


The respondents were asked whether HIV/AIDS should be treated as any other chronic disease. From figure 4.23 it is clear that all respondents agree to this. This could pave the way to change the stigma attached to HIV/AIDS. This will also form part of the recommendations in Chapter 5.

4.2.4 Section 3 - Interactive responses

The following section focuses on the responses gained in the succession planning and HIV/AIDS sections of the questionnaire. These are interactive responses to the questions.

Figure 4.24: The organisation has included succession planning in the strategic or other planning processes



It is clear from figure 4.24 that 86% of the respondents reacted positively to the question, though of the Black Male (BM) respondents only 78% reacted. BM is therefore below the total respondent average.

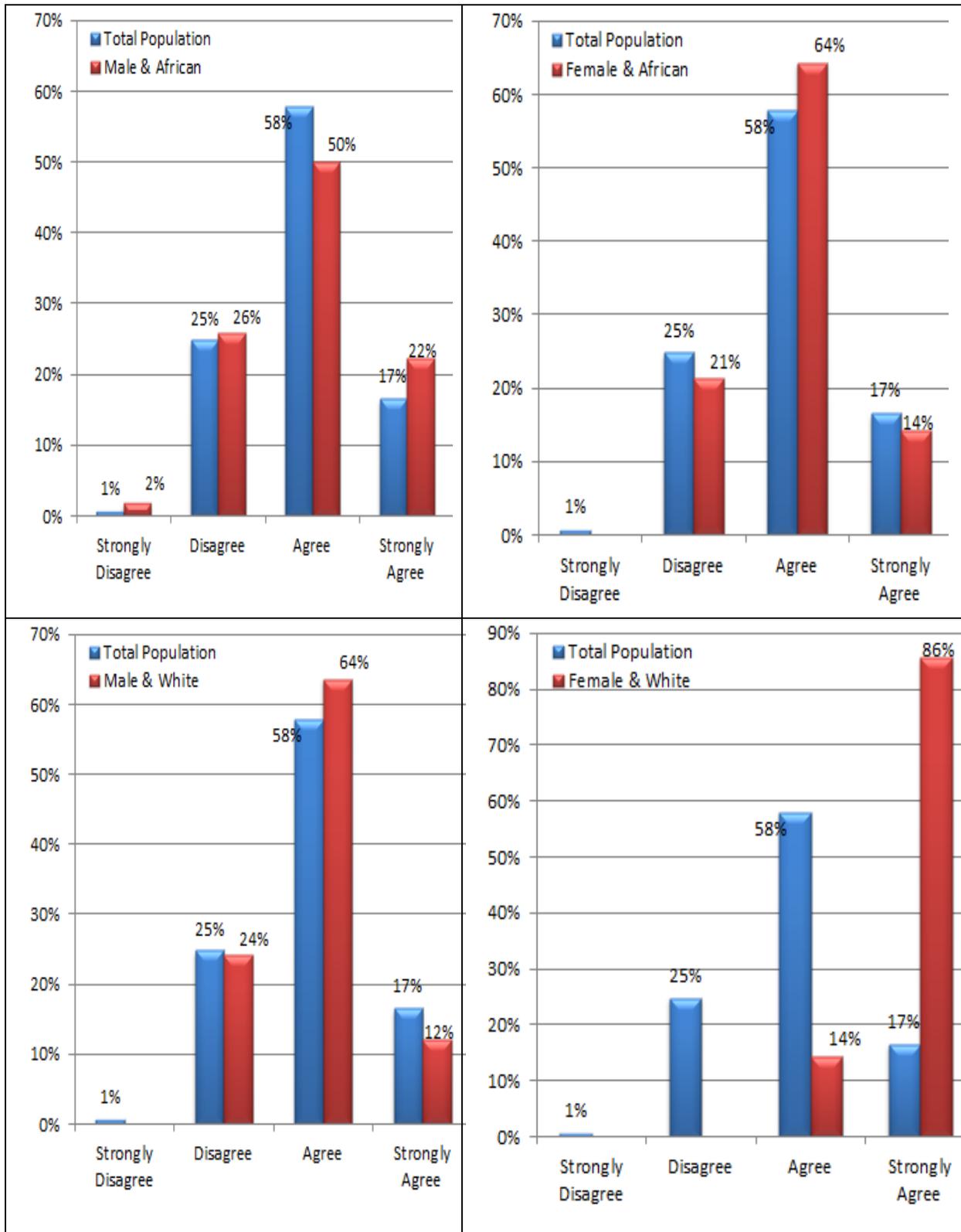
Black Females (BF) reacted positively to the question (100%), also placing them below the BM, but in line with the White Females (WF).

White Males (WM) responded positively to the question (87% of the respondents), placing them above the respondent population average.

The group who experienced this question most positively was the White Females (WF). They reacted 100% positively to the question, placing them way above the population average.

The differences between White and Black respondents indicate that the Black respondents are below the population average and the white candidates above it. The black candidates are less informed about succession planning than the white candidates.

Figure 4.25: The organisation identifies potential talent and develops staff at the senior and middle levels



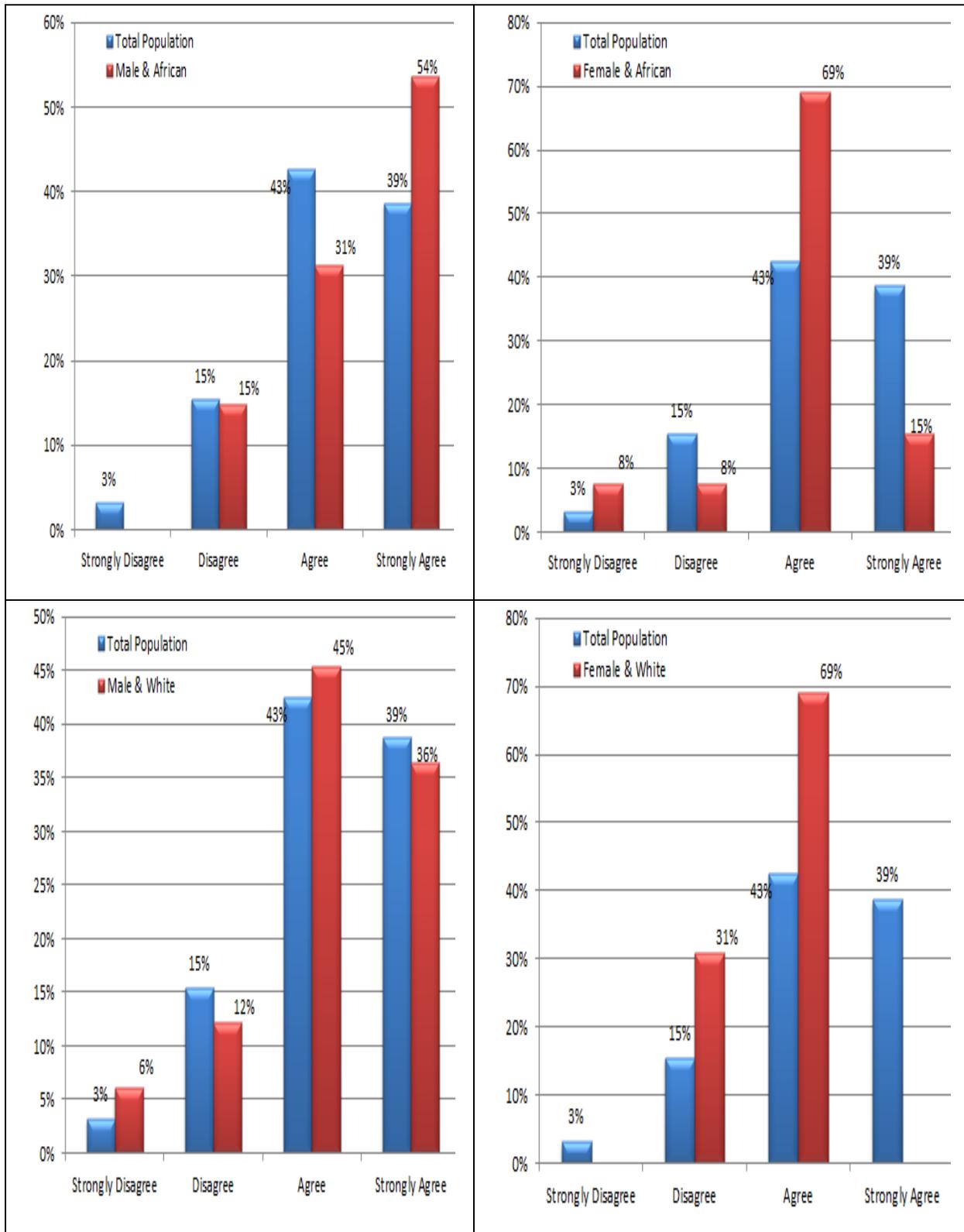
From figure 4.25 it is clear that 75% of the respondents agreed to the question about the organisation identifying talent and developing it. The perception of specific groups is important to know.

The BM population are again below the group's average score, so in comparison to the other groups they agree least to the question. The BF exceeds the respondents' average score as their responses were 78% positive regarding this question.

The WM respondents gave positive responses which exceeded the respondents' average of 76%. The WF agrees the most with the question with a 100% positive response.

An area of concern is the BM who agrees with the question the least. Although still positive, they have more negative responses than any other ethnic group.

Figure 4.26: Fear of stigma and discrimination at the workplace prevents people in CCF from seeking treatment for HIV/AIDS



From figure 4.26 it can be inferred that fear of the stigma attached to HIV/AIDS prevents people from seeking help against the disease. Of the respondents 82% of the people agreed with this. 85% of the BM agreed with this, placing them above the group average. Of the BF 84% of the respondents agreed with this, also placing this group above the group average.

The WM was at 81%, in line with the respondent average, but WF is way below the group average at 69%. The WF feels less likely that there is a stigma attached to HIV/AIDS, while the BF feels most likely there is a stigma attached to HIV/AIDS. Between the males, the BM feels that it is more likely that a stigma is attached to HIV/AIDS than WM. The gap between the WM and BM is smaller compared to the gap between WF and BF.

Figure 4.27: Is it a waste of resources for CCF to develop employees living with HIV/AIDS

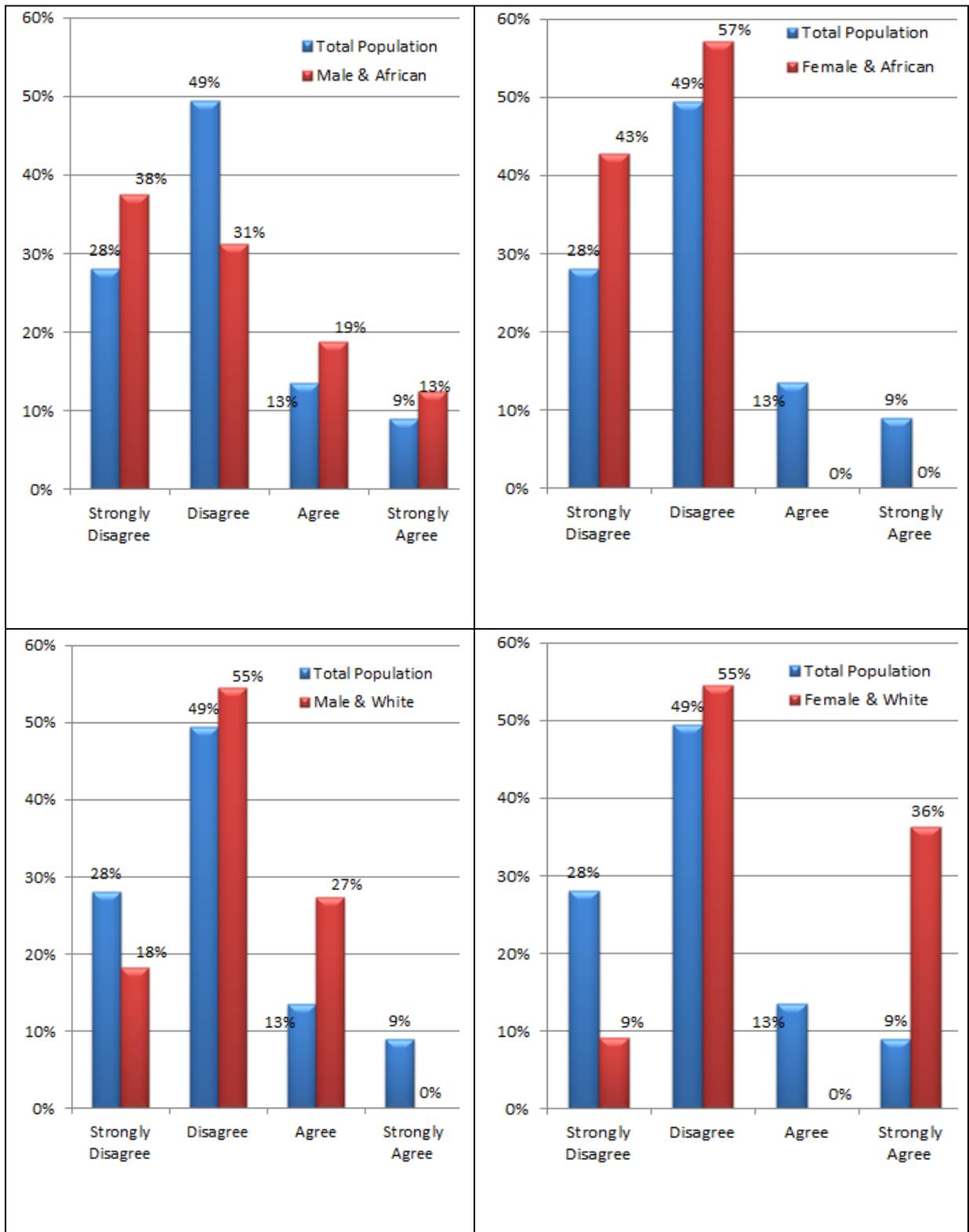
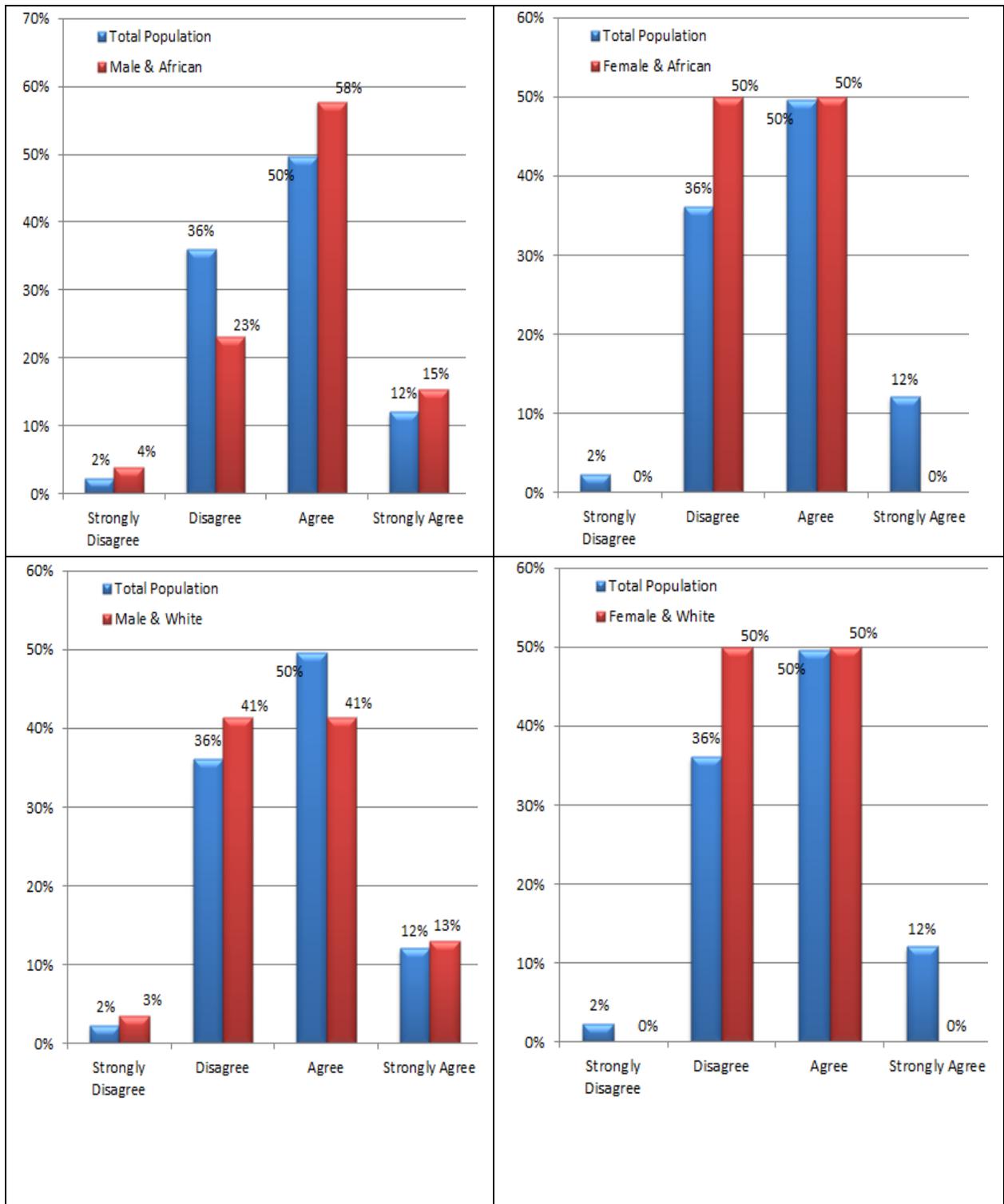


Figure 4.27 evaluates whether the respondents think that it is a waste of resources to invest in a candidate who is HIV/AIDS positive. Once again we are measuring the total response against certain aspects of the biographical questionnaires.

The percentage of respondents who said it is not a waste in resources to invest in HIV/AIDS positive candidates are 77%. The BM respondents are 69% positive to investing in candidates who has HIV/AIDS, which is below the group average. The BF, on the other hand, agrees 100% that it is not a waste of resources to invest in employees who have HIV/AIDS. This is significantly higher than the average as well as higher than the BM group.

The WM indicated by 73% that it would not be a waste to invest in HIV/AIDS positive employees. This is below the group average but higher than the BM perception. The WF is 64%, the lowest in the segment of biographical data. Although they are positively correlated towards investing in resources, they score significantly lower than the group average.

Figure 4.28: Some of CCF personnel display negative attitudes towards people living with HIV/AIDS



From figure 4.28 it is clear that the group average is 62%, so that is how many respondents' agree to the perception of a negative stigma about people living with HIV/AIDS. The BM population has a higher stigma percentage at 73%, so this means that 73% of the BM thinks staff within the organisation treats people differently and with prejudice if they have HIV/AIDS.

BF and WF are both at 50%, so neither agreeing nor disagreeing with the question. WM agrees with the question (54% of the respondents), which is lower than the group average. The concerning part is how strongly BM feels they are being judged by fellow colleagues should they have HIV/AIDS. This again relates to question 20 regarding not getting help because of the stigma attached to HIV/AIDS and being judged. BM feels strongly about this and it shows in their scores. This would also need to be addressed in the findings.

4.3 ANALYSING DATA

Tables 4.1 and 4.2 summarise all the questionnaires, while only specific data was used to extrapolate the graphs used in Chapter 4. The author found these more useful for analysis to obtain the answers to the primary and secondary research questions.

4.4 CONCLUSION

This chapter presented findings obtained from the research conducted at Coca Cola Bloemfontein in the Sales and Marketing division. The results overwhelmingly suggest that succession planning is in a healthy space in the organisation and that it is considered at all levels in the business. Employees are adequately groomed for the next job and a strong talent pipeline is developed in the organisation.

The other construct, which is HIV/AIDS, needs some attention in reference to education, knowledge, perceptions and stigma attached to the disease. The negative impact attached to HIV/AIDS results in staff not obtaining treatment. The next section focuses on the recommendations of the study.

CHAPTER 5

RECOMMENDATIONS OF THE STUDY

5.1 INTRODUCTION

The aim of this study was to establish the perceptions around HIV/AIDS on succession planning within the Sales and Marketing division at Coca Cola Fortune, Bloemfontein. These results can add great value to the organisation in planning for the future. The questionnaires were specifically divided into the two constructs namely HIV/AIDS and succession planning. The perceptions of the respondents were measured on their perceptions of both succession planning and HIV/AIDS. In the problem statement Almeida and Carneiro (2009) states that in order for a business to grow, investment in human capital is imperative. The study aims to link the questionnaire responses to the problem statement in order to ensure that a comprehensive outcome is delivered.

In the concluding chapter the objectives are unpacked in terms of the primary and secondary research outcomes as presented in Chapter 1. The evidence gathered in the study will provide empirical data to answer these questions. Recommendations will be made in the conclusions, and limitations will be highlighted in order to conclude the study.

5.2 FINDINGS

5.2.1 Succession planning

The questionnaire comprised of 9 questions measuring the respondents' perceptions of succession planning in the organisation from the highest level to the line management level. The perception of all respondents is that succession planning is executed and included in the strategic planning at the highest level. Furthermore, the perception is that succession planning is in high regard and a long-term goal of the business. The responses to the 9 questions were 82% positive.

Legacy leadership refers to discussions held by line managers and subordinates to determine their growth plan in the work setting. 26% of the respondents felt that the leadership discussions are inadequate. However the majority of respondents perceived

that there are adequate measures in place, and talent development responses were positive as well.

The framework set out at strategic level by the board is cascaded down to the Human Resource management team, and objectives are set up in conjunction with line managers to ensure that succession planning is incorporated. Over 94% of all respondents perceive their line managers to engage them in career path discussion, again affirming that the vision set out at strategic level is implemented at operational level. This shows a healthy organisational structure for career development as this is important at operational level.

In conclusion to succession planning, Rothwell (2011) states that succession planning needs to be accompanied by succession management, which is evident in this organisation. Having successful succession planning in the organisation creates talent within the organisation, ensuring the successful running of the business tomorrow by investing today. Based on the analysis of the data, it is clear that the Coca Cola Fortune business understands the importance of succession planning and makes adequate investment in securing its place and purpose in the organisation.

5.2.2 HIV/AIDS

The HIV/AIDS section of the questionnaire comprised of 19 questions which investigated policy frameworks, questions about the virus and perception of HIV/AIDS in the workplace. The questions addressed whether people living with HIV/AIDS should be employed at CCF and whether they should be promoted. The responses to the 19 questions were 64% positive.

One of the secondary objectives relates to policies. In this question nearly half of the respondents answered that they do not know the policies within the organisation. The majority of the respondents do know about the HIV/AIDS program. More focus needs to be placed on the policies to increase awareness among staff. This is highlighted in an answer where nearly 25% of the respondents do not know their rights with regards to HIV/AIDS in the workplace. This is a high number if you consider that the prevalence rate of HIV/AIDS is nearly 1:10 (Stats SA, 2011).

There is a direct correlation between the HIV/AIDS rate of infection and promotion of anti-HIV/AIDS campaigns (UNAIDS, 2013). Education about HIV/AIDS plays a significant role in the combat against HIV/AIDS. Since the launch of HIV/AIDS programs the rate of infection has decreased. The importance of this is that the respondents perceive that there are not enough visual displays around the workplace on HIV/AIDS. 37.8% of the respondents agreed that the visual displays are inadequate. There is a direct link between inadequate HIV/AIDS material on display, respondents and ARVs. 20% of the respondents answered that ARVs cannot prolong your life - they actually believe that one would die sooner whilst being on the treatment. Nearly 20% of the respondents further believe that someone using ARVs cannot spread the infection. A lack of education is clearly illustrated by these responses. Lastly a person living with HIV/AIDS can live a healthy and productive life, while 14.29% of the respondents perceive that you can't live a productive and healthy life.

A question that frames the perception of HIV/AIDS in society today and which relates to the study population is the fear and stigma attached to HIV/AIDS. 81.29% of the respondents fear HIV/AIDS and this prevents them from obtaining help, clearly illustrating the continued stigma associated with the disease. Due to this fear HIV/AIDS treatment is not obtained quickly enough and thus influences a healthy and productive life. In addition 41.35% of respondents perceived that the CCF workplace program does not reduce the stigma of living with HIV/AIDS.

An interactive response is found in question 23, which asks: Is it a waste to develop candidates who are HIV/AIDS positive, 77% of the respondents disagreed with the questions and felt investment in HIV/AIDS positive employees would not be wasteful. This draws a direct correlation between HIV/AIDS and succession planning and the perception of people. 10 respondents felt that it is a waste of resources to develop HIV/AIDS infected people. In question 24, the stigma attached to HIV/AIDS, negatively affects the organisation. In addition 61.65% of respondents present with negative attitudes towards people living with HIV/AIDS. This perception needs to be changed in order to combat the disease. This is further reiterated as over 65% of the respondents do not speak about their HIV/AIDS status. The majority of respondents agree however that people living with

HIV/AIDS should be employed at CCF. All respondents agreed that HIV/AIDS should be treated like any other chronic disease. This is contradictory to the fact that CCF displays negative attitudes towards people living with HIV/AIDS.

5.3 RECOMMENDATIONS

The recommendations from the study will be presented in two subsections, namely succession planning and HIV/AIDS.

5.3.1 Succession planning

Succession planning, although very well received from strategic level to operational level, needs to be advocated more by the District Management Team. More engagement is needed from senior management teams to lower level staff as some disconnection is present.

Legacy leadership, which entails the people plan discussion, needs to involve a wider audience, this again stems from the above recommendation.

Inadequate middle management identification is experienced by more than 25% of the respondents. A greater number of succession planning candidates need to be identified at middle management stage to facilitate the continuous pipeline of recruits for the business. This would be in line with the talent management ideals discussed.

Succession planning in the organisation is at a healthy level.

5.3.2 HIV/AIDS

Training and education needs to be increased as there is a lack of knowledge that has led to respondents having the wrong perception about HIV/AIDS. The respondents agree that there is not enough visual material on display with regards to HIV/AIDS. This would be an easy task to address and needs to be implemented in the organisation.

Induction training needs to be sharpened, as the respondents do not know the HIV/AIDS policies in the organisation, and nearly 25% of the respondents do not know their rights. This confirms the need for more training and education in the organisation. In addition to

education on the policies and visual material, training needs to be conducted on the disease and the medication. What is the impact of ARVs and what role does this play in a person's life that has contracted HIV/AIDS? A substantial percentage of the respondents do not know that ARVs can increase the lifespan and that that is actually the main purpose of the medication.

The perception and stigma attached to HIV/AIDS can only be addressed by creating a safe environment for sharing on the matter. Respondents do not feel safe about speaking about the matter in public, at work or while engaging with their colleagues. A platform needs to be facilitated to engage people and to make them feel comfortable to address the matter. This is again due to a lack of education and training on the matter.

The purpose of support is to assist and help people. Of the respondents at CCF the overwhelming majority would not join a support group at work due to the fear and stigma attached to it. It implies a culture where the sick gets labelled and treated differently. An opportunity is beckoning here to unify the staff as this could lead to increased employee engagement.

The negativity displayed towards people living with HIV/AIDS is what is fundamentally wrong in society, and this needs to be corrected to ensure staff have a platform to address this problem. The organisation follows a hierarchy culture with a strict chain of command. With this in mind this perhaps does not allow dialogue between senior staff and other staff on the matter of HIV/AIDS.

The term education cannot be stressed enough, the more informed people are the greater and more correct their views are on HIV/AIDS and the effects thereof. Support groups need to be encouraged to ensure the organisation survives the impact of this terrible disease.

5.4 LIMITATIONS OF THE STUDY

The study may not cover all the views of the organisation as it was conducted at one division of Coca Cola and only reflects the perception of the Bloemfontein staff. Therefore the study is

limited to Bloemfontein and the responses will also be limited to the specific company and department, as such.

The responses attained in the questionnaires will form a valuable part in combating the stigma attached to HIV/AIDS, and ensuring succession planning is rolled out further in the organisation.

5.5 SIGNIFICANCE OF THE RESEARCH

This study contributes towards:

- A. better understanding of succession planning within the organisation;
- B. a framework to engage succession planning from strategic level to final implementation;
- C. an understanding on the lack of education of HIV/AIDS and what needs to be done to ensure staff knowledge on the matter; and
- D. identifying the shortcomings in existing training and development which will help fight against the stigma of people living with HIV/AIDS.
- E. Identifying the perceptions of employees on HIV/AIDS and implications for succession planning

5.6 CONCLUSION

The primary objective of the study was to evaluate the perceptions of HIV/AIDS on succession planning at Coca Cola Bloemfontein. The secondary objectives address how HIV/AIDS is managed within the organisation through its policies. What were the perceptions of the respondents on the company's view of succession planning in the organisation? In Chapters 4 and 5 the above objectives were addressed. What is clear is that the lack of comprehensive knowledge on HIV/AIDS prevention and treatment is a significant area for intervention in the company. This should contribute positively to the discourse around succession planning in the company.

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APPENDIX 1: BIOGRAPHICAL DETAILS

1. HOW LONG HAVE YOU BEEN WITH THE COMPANY?

1-5 Years	
6 – 10 Years	
11-15 Years	
More than 15 years	

2. AGE:

20 – 30 Years	
31 - 40 Years	
41 - 50 Years	
More than 50 years	

3. GENDER:

Male	
Female	

4. MARITAL STATUS:

Single	
In a relationship	
Married	
Divorced	
Separate	
Remarried	

5. EDUCATIONAL LEVEL:

Matric or less	
Matric + 1 year	
Matric + 3 years	
Matric + more than three years	

6. LANGUAGE:

Afrikaans	
English	
Sepedi	
SeSotho	
SeTswana	
TshiVenda	
IsiZulu	
IsiXhosa	
Other	

7. LEVELS OF MANAGEMENT:

Manager/Supervisor	
Employee	

8. CULTURE GROUP:

ASIAN	
AFRICAN	
WHITE	
COLORED	

APPENDIX 2: SUCCESSION PLANNING

	Strongly Disagree	Disagree	Agree	Strongly Agree
1. The organization has included succession planning in the strategic or other planning processes.				
2. The board of directors initiates discussions about leadership legacy planning with the chief executive.				
3. The District Manager initiates talent development planning discussions with the board.				
4. Legacy leadership discussions include all staff.				
5. Senior staff is engaged and visible to external partnerships and constituencies				
6. The organization evaluates and manages employee performance.				
7. The organization identifies potential talent and develops staff at the senior and middle levels				
8. Staff members in the organization have access to opportunities to develop their leadership potential (i.e. coaching, education, experiences).				
9. Team leaders are held accountable for coaching and developing their direct reports.				

APPENDIX 3: HIV/AIDS QUESTIONNAIRE

	Strongly Disagree	Disagree	Agree	Strongly Agree
10. I know the CCF HIV/AIDS workplace policies very well				
11. I know some of the details of the HIV/AIDS workplace program, but would like to know more about it				
12. I understand the work place rights with regards to be infected with HIV/Aids				
13. I have attended one of CCF HIV/AIDS workshops or awareness campaigns in the last 12 months				
14. There is enough Education displays around HIV/AIDS in the building				

HIV - LEVEL OF KNOWLEDGE AND UNDERSTANDING

	True	False	Don't know
15. People on antiretroviral treatment die sooner than those not taking them			
16. HIV-infected person cannot transmit the virus when taking antiretroviral treatment			
17. Antiretroviral treatment reduces the quantity of the HI virus in the person's body			
18. A person can be infected with HIV and still live a long and healthy and productive life			
19. The CCF HIV/AIDS program increased my knowledge			

HIV – STIGMA AND DISCRIMINATION

	Strongly disagree	Disagree	Agree	Strongly Agree
20. Fear of stigma and discrimination at the workplace prevents people in CCF from seeking treatment for HIV and AIDS				
21. CCF employees are reluctant to join HIV/AIDS support groups because of fear of stigma and discrimination				
22. The CCF HIV/AIDS workplace program has remarkably reduced signs of stigma and discrimination amongst the personnel				
23. Is it a waste of resources for CCF to develop employees living with HIV/AIDS				
24. Some of CCF personnel display negative attitudes towards people living with HIV/AIDS				
25. Do people openly talk about their HIV/AIDS status at the workplace				
26. Should people living with HIV/AIDS be employed at CCF				
27. Do you think an HIV positive employee should be promoted to senior positions				
28. AIDS should be treated like all other chronic diseases				

APPENDIX 4: CONSENT FORM



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Tel: +27 (0)41 261 4000 • Fax+27 (0)41 2614004

www.coca-colabeverages.co.za • a member of the P&G SA Group

Participant Consent Form

Date: _____

Organization: *Coca Cola Fortune*

- The purpose of the research has been explained to me, and I choose to participate by filling in of the questionnaire.
- I understand that my participation in this research project is voluntary. |
- I have the right to not answer any question I do not like, or withdraw at any stage without having to explain the reason.
- I agree to some of my comments or statements being quoted in the report.
- I understand that if I have any further queries I can contact the researcher.

Declaration:

I agree to take part in this research exercise; signature (not full name) _____

Date: _____

Chairman: MW Ruzane Managing Director: PL Ntshani
Directors: PH Gusché, SR Gusché, GJ Royston, NG Dondolo, J Vermeulen, S McLeod, R. Gamrat, D.J. Jackson
+ Britch

Reg No: 1999/005200107