GLOBAL HEALTH INITIATIVE

Private Sector Intervention Case Example

Reducing employee exposure to HIV/AIDS through a focus on employee behaviour change, while providing workplace rights for HIV+ employees

Case categories
Company: Nike Industry: Retail & Consumer Location: Thailand Programme: HIV/AIDS

Key questions
• Is a prevalence assessment or financial impact estimate necessary before implementing a prevention programme?
• If Nike were to expand its workplace and community programmes, what programme elements would provide the highest incremental benefit?
• How can Nike ensure the existence of similar programmes covering employees at Nike’s suppliers and factories?
Private sector intervention case example
Company: Nike
Industry: Retail & Consumer
Location: Thailand
Programme: HIV/AIDS

Overview

Company
Nike is the number one shoe company with substantive operations in Thailand.

- Nike designs, produces, and markets athletic footwear, apparel, and accessories. Nike sells its products in approximately 140 countries, operates more than 200 retail outlets, and runs nearly 700 factories worldwide. It has distribution centres in Asia, Australia, Canada, Europe, Latin America, and the United States. In 2001, Nike worldwide directly employed 22,700 employees, generated US$ 9.5 billion in revenue and generated US$ 590 million in net income.
- In 2001, Nike had 230 employees in its Nike Thailand Liaison Office, which focuses on managing the production process through suppliers and factories. In 2001, Nike indirectly employed more than 50,000 workers through 70 suppliers and factories in Thailand. Nike Thailand Liaison Office manages the export of footwear, apparel, and accessories to markets around the world, at a value of US$ 500 million per year.

Business Case
A baseline survey indicated that the conditions were present for the local HIV epidemic to spread to Nike, which would impact long term profitability. Nike launched the programme to prevent future infections and to ensure fair treatment of HIV+ employees.

- In 2001, UNAIDS estimated an HIV/AIDS adult prevalence of 1.8% in Thailand, which corresponds to roughly 670,000 adults and children living with HIV/AIDS.
- In order to gauge the risk level of Nike Thailand Liaison Office employees a Knowledge, Attitudes, Practices (KAP) assessment was conducted in September 1999. The survey assessed 9,603 employees from 125 companies, including 111 employees (48% of all employees) from Nike. A proportion of the employees were participating in high risk behaviours: (1) 17% of the male employees had sex with a commercial sex worker in the last 12 months, and of those 31% did not always use a condom; (2) 66% of married male employees had sex with someone other than their spouse, and of those 65% did not always use a condom.
- As a result of the self-reported high-risk behaviour among the employees, Nike Thailand Liaison Office estimated that it could have an increased exposure to HIV/AIDS without an intervention. Although Nike did not conduct a prevalence assessment, or a financial risk assessment, the benefits of reduced risk through employee behaviour change far outweighed the programme costs.
- Nike decided to join a joint project offered by American Insurance Assurance (AIA), the Horizons Project of the Population Council, and Thailand Business Coalition against HIV/AIDS (TBCA). This project provided Nike with access to a network of other businesses initiating similar programmes, expertise in training its workforce, and a third party assessment in changes in behaviour.
- In 2001, Nike Thailand Liaison Office’s HIV/AIDS prevention programme budget was roughly US$1,600 (US$ 7 per employee per year, or less than 1% of payroll), Also, it donated product worth US$ 40,000 to TBCA and to Father Jo at the Mercy Centre.

Programme description
Partnering with labour, management, and TBCA to increase prevention and awareness, while ensuring employee rights.

- In 2000, Nike launched its HIV/AIDS policy, which is available in English and Thai.
- Nike’s programmes focus on training, peer educators, and Voluntary Counselling and Testing (VCT).
- Nike also contributed products to be auctioned to support community projects.

Programme evaluation
Nike’s programme is evaluated through externally administered assessments.

- Nike’s employees are surveyed with a KAP assessment, and the company is interviewed by TBCA annually.
- The results are evaluated and a score is assigned by the Horizons Project of the Population Council. In 2001, Nike’s score improved from 31/100 in the first round (September 1999) to 83/100 in the second round (March 2002). Their second round score was one of the highest scores of all the companies participating in the project.

Future goals to increase workplace programme effectiveness: (1) improve behavioural change to reduce employee risk; (2) collaborate with Nike global corporate office to roll-out a coordinated international HIV/AIDS strategy.
Programme description

Policy

In August 2002, Nike launched its HIV/AIDS policy, which is available in both English and Thai.

- **Non discrimination:** (1) employees will not be dismissed on the grounds of their HIV status; (2) hiring decisions will not utilize an HIV assessment, but will rely upon statutory functional performance assessment.
- **Confidentially and disclosure:** (1) employee is not required to disclose status; (2) if status is disclosed, it cannot be disclosed to others without written consent.
- **Benefits:** (1) benefits are provided for employees; (2) benefit packages do not discriminate by HIV status.
- **Termination:** (1) when an employee is deemed medically incapacitated, the employee will accept ill health retirement; (2) the employee can submit a dissenting opinion from a registered medical practitioner at the expense of the representing labour organization.
- **Contractors:** (1) Nike does not have an explicit contractor and supplier agreement concerning HIV/AIDS; (2) Nike has a ‘Code of Conduct’ which governs a broader set of environmental and social issues for suppliers and contractors, but the code does not specifically refer to HIV/AIDS.

Prevention and Awareness

Nike’s internal prevention programme is operated through a partnership with TBCA.

- The company made HIV/AIDS a priority after TBCA approached the Nike Thailand Executive Board in March 1999 to propose joining their ASO HIV/AIDS programme. After gaining management approval, 30 senior staff, including the Country Manager, Administrative Assistant, other directors, etc, attended a two-hour executive briefing on HIV/AIDS. The objective of the session was to advocate the importance of effective workplace management of HIV/AIDS. This was achieved through content including: (1) the macro-and micro-impact of HIV/AIDS; (2) workplace interventions including programmes and policies. They then required managers and human resource personnel to participate in an HIV/AIDS policy development session.
- **Training workshops** covering 200 employees (87% of employees) with three-hour sessions covering several topics: (1) bio-medical aspects of transmission; (2) reducing risk behaviour; (3) opportunistic infections; (4) living and working with HIV/AIDS in the workplace, family, and community. The training sessions are conducted by TCBA.
- 10 peer educators (23:1 ratio) are trained through a course conducted by TBCA. The training is done in a small group setting and teaches methods to engage peers and HIV/AIDS knowledge. These peer educators conduct informal information sessions at Nike. After the initial training, the peer educators are not provided with additional support.

Nike also donated products to TBCA and Father Jo to sell at an HIV/AIDS auction.

- **Nike provided both TBCA and Father Jo with merchandise** that they used in auctions to raise money. The money was used for several purposes: care and support of community projects focusing on education support; powdered milk; occupational support; home visits for People With AIDS (PWA); and business development to support entrepreneurship for PWA.
- **Nike values the products donated at US$ 40,000 (retail value).** TBCA has already sold approximately half of their stock and distributed some of the money generated to a fund-raising programme for HIV/AIDS patients. Father Jo at the Mercy Centre has sold a portion of his stock and is in the process of selling the remainder and allocating the money.

Voluntary Counselling and Testing

Nike introduced a Voluntary Counselling and Testing (VCT) Programme in September 1999.

- The programme is offered through the **annual medical exam** at an external hospital. Nike is not directly involved in the process and but is made aware of the aggregate number of tests when it processes the reimbursements to the hospital.
- Since being offered, the programme has tested about 10 employees, corresponding to 5% of the employees in the office.
Case-specific HIV/AIDS Resources

Documents

- Nike Thailand Liaison Office Executive Interview (September 1999)
- Nike Thailand Liaison Office KAP survey I (September 1999)
- Nike Thailand Liaison Office KAP survey II (March 2002)

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This case study uses the following exchange rate: 44.5 Thai Baht to 1 United States Dollar.

The World Economic Forum Global Health Initiative Private Sector Case example was written by Peter DeYoung and developed in collaboration with the featured company, however, GHI member companies and partners, the World Economic Forum and the contributing company do not necessarily subscribe to every view expressed herein. The case is based on a self-reporting model. Although the GHI makes reasonable efforts to ensure the accuracy of the statements, this report should not be viewed as an external audit of the programme described.

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