

NARAYANA HRUDAYALAYA CARDIAC CARE HOSPITAL FOR THE POOR: LEADERSHIP CASE STUDY ANALYSIS AND KEY LESSONS FOR JORDAN

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Abstract

Narayana Hrudayalaya (NH) in Bangalore, India is one of the largest hospitals in the world. Its status as one of the largest cardiac surgery centers is becoming mythical. The rich come for better cardiac care, and the poor come for the world's merciful care.

NH was founded in May 2001 and is the pet project of the famous cardiac surgeon team led by Dr. Devi Shetty under the umbrella of the Asia Heart Foundation. NH grew quickly and was soon able to receive patients from around the world.

Internal and external environmental factors, including political, economic, sociocultural and technological aspects, have affected the case of NH.

Several lessons can be learned from the success of Dr. Shetty's project. Most impressively, we see how one person's dream can change the world. We prefer to think of Dr. Shetty's achievements as a smile that has become an attitude, not the laughter that would vanish soon afterward.

One of our primary recommendations is to start an in-situ school of management to teach the scientific basis of management and leadership. The development of candid and knowledgeable leaders with clear visions and ground-level grasps of reality is critical for our rapidly evolving healthcare system and enabling resources and efforts to be directed the right way.

Keywords: Narayana Hrudayalaya, Cardiac Care, Poor, Leader

Introduction

Narayana Hrudayalaya (NH) in Bangalore, India is one of the largest hospitals in the world. Its status as one of the largest cardiac surgery centers is becoming mythical. The rich come for better cardiac care, and the poor come for the world's merciful care. No one is refused because of a lack of money.

Some say it's a worship place; others chose to call it the saint's residence that heals, and to some, it is the last chance of survival. But it is not just a great hospital; it is a dream that came true!

This was the vision of Dr. Shetty, who believed that no patient should be deprived of the best healthcare. Merciful care, in the world's largest cardiac hospital, is set to be developing into the world's biggest healthcare city (Khanna, *et.al*, 2005).

NH was founded in May 2001 and is the pet project of the famous cardiac surgeon team led by Dr. Devi Shetty under the umbrella of the Asia Heart Foundation. NH grew quickly and was soon able to receive patients from around the world, performing over 11,228 open heart surgeries for patients from different countries half of which are pediatric (Economic Times, 2008).

Today, NH provides comprehensive health care to millions of patients' by experts at an affordable cost. The hospital has academic activities as well. It provides training programs to maintain excellence and compensate for the shortage in the post graduates (NH Group of Hospitals, 2014). It's a realistic way to overcome in a short time the deficiency in specialists that also lead to decreasing health care costs.

Nine years ago NH in collaboration with the state government created a Micro Health Insurance Program called Yeshaswini, the scheme covered 1.7 million farmers with their families. The program was also launched in several other states jointly with NH.

Telemedicine was started in 2002; a great idea of Dr. Shetty to better serve the distant rural areas. The telemedicine service of the hospital connects to countries like Malaysia and Pakistan; with most of the cases referred through telemedicine being cardiac ones (Shetty, 2002). The telemedicine network of the hospital connects ECG, MRI, CT scans and their analysis via the telephone line, broadband connection or satellite (Shetty, 2002).

Different environmental factors affected the case:

External Factors:

1- Political & Economical:

The government expenditure on public health care is approximately 1 % of its GDP. The expensive private health care share is bigger, depriving the majority of the population from receiving or having the choice of treatment. The public hospitals are not well equipped; there is 0.9 hospital bed per 1000 population. In addition to staffing difficulties, as a statistic of 2003 show that there is a 0.5 physician per 1000 population. Corruption is widely spread in the industry, almost eliminating differences between public and private health care systems in terms of equity & accessibility.

Often political and economic factors overlap; the cost of the healthcare industry contributes a major economical factor, the cost of which is considered to be one of the lowest with to similar procedures performed abroad (Irene Garcia-Subirats, *et.al*, 2014).

Flexibly priced supplies, supported by the large number of suppliers and dealers provide a good opportunity to move the balance towards minimizing costs. Along with a well-established reputation of Indian private health care industry, the concept of medical tourism was becoming more popular and feasible.

2- Sociocultural:

The sociocultural factors are diverse and complex. India's population estimation as of 2003 is 1.027 billion, ranking the country second in terms of population. Half a billion Indian citizens are under the age of 18, stressing the healthcare system, affecting middle age segment of the population. The heart disease is one of the most common illnesses in India due to genetic factors. Poverty and unhygienic conditions particularly in rural areas are strong contributing factors where around 1.6 million have no access to improved water source. The society is composed of widely spread different groups, values, and rights all of which are adding to the social inequity. Despite those poor conditions, India exports from the best-skilled healthcare professionals to the world (World Economic Forum, 2011).

3- Technological:

No technology is impossible to employ where resources are available; high-tech advances developed locally or in a corporation with multi-disciplinary companies are attainable.

Internal Factors:

Strategies employed by Dr. Shetty's organization are impressive. Expansion strategy, to reach out and serve masses has proved to be successful although it involves high risks.

The hybrid strategy for financing funds both internally and by getting sponsors has proved to be effective in sustaining the required business.

The strategic alliance between the organization and the government allowing it, to use high, expensive technology infrastructure has proven its success in telemedicine. The declaration of the insurance program for farmers under a governmental umbrella has surely driven the project to success.

The operation strategy of increasing efficiency and quality can highly sustain a reasonable flow of work. However, the human resource strategies have some limitations. Attracting highly qualified professionals is very important, while saving costs through having fixed salaries, and increasing working hours is risky.

The organization had some innovative solution, the establishment of nursing training program and new intermediate professionals minimized the high staff turnover rate affect (Shamsuzzoha & Shumon, 2007). The adoption of new drug locally developed and produced decreased drug bill significantly.

The case represents a big challenge of dream to start with, and an even bigger one to sustain. The main sensed drivers:

1- External drivers:

- The vision of creating a new health care industry model
- The aim to turn the equation inversely. High quality, high cost into low cost and no less quality through increased efficiency.

Oposing these drivers is the following restraining:

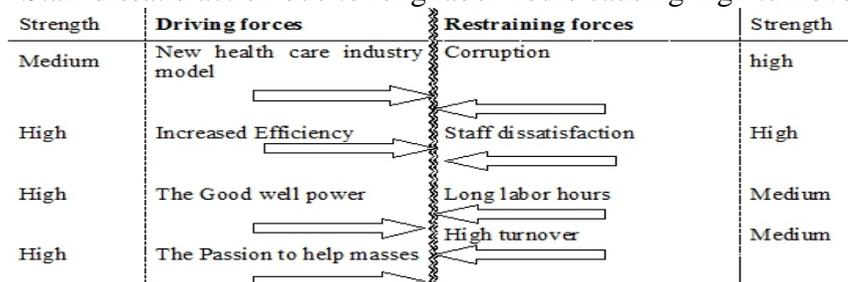
- The corruption at all levels whether in health service or other supporters.
- The vastly growing population.

2-Internal drivers:

- The good will power
- A passion for helping masses in which the following powers are working against:

*Human ego and selfishness.

*Staff dissatisfaction due to long labor hours causing high turnover.



Having all these contradicting powers affecting Dr. Shetty's venture, we couldn't but consider all those who pushed forward the launching and progress of his achievements as **leaders**:

1- Starting with those who initially inspired him and contributed to shaping the silhouette of his vision:

- The professionals at the hospital in London, who have nourished his professional experience
- Dr. Alock Roy, who shared him his initial ideas of public serving, clearly seen in co-establishing the non-profit (AHF) and later its hospital (RIT) in Calcutta.

Having a common raw vision with a peer, and then being able to realize it, must have armed Dr. Shetty with the experience and courage to dream bigger.

- Mother Theresa, who had more to do with the spiritual aspect of his entrepreneurship,

2- It is not to be ignored that some people around Dr. Shetty, who shared the nobleness of his vision could be leaders in their smaller circles because it would have been impossible for him to achieve all that alone;

- The top management of the NH, which showed high integration levels.

- The 90 cardiac surgeons & cardiologists, who work long hours, yet receive basic salaries.
- The personnel in the government who happily provided NH with the needed infrastructure & maybe political coverage.

3- Then, the star of Dr. Shetty shines. Not only because he was doing well, but because he was shining in a very dark sky as well. This is not to say he didn't do well enough, but only to highlight the fact that such achievements wouldn't have been as appreciated elsewhere with better conditions of the population.

4- A group that is usually, passively overlooked the patients and their families, who trusted the quality of the services of NH and the good intentions behind its offerings.

Dr. Shetty could get a very high rating as a leader. His traits and professional background are his raw tools that enormously helped him to formulate the **strategies** that best served his vision and his leadership:

► The expansion strategy which was very rapid made the surroundings (suppliers and health workforce) look forward for dealing with NH. This facilitated the gate for the management to get better deals and smoothed their workflow.

► The marketing strategy, targeting not only the poor majority of the population but attracting the wealthy people both locals and foreigners as

well. That's how they could fund their operations that mainly aimed at serving the poor.

►The Wal-Martization strategy, where the mass production lowers costs, was best-played through:

- Significantly decreasing the unit cost of service by performing high volumes of procedures.
- Gaining better deals from the suppliers through the purchasing alliance with the Calcutta Hospital.
- Using special technologies that helped decreasing the cost of the processes, like the digital x-ray machine
- Adopting operational management approaches of effective and efficient processes that helped cost cutting.

►The differentiation strategy that he used opened him wider doors and increased his perceived weight. The NH could be considered distinguished because of many reasons, namely but not exclusively; the highly qualified professionals in the medical practice and a very well known Indian pharmaceutical products.

►The business diversity at the NH is to be highly appreciated, not only because it constitutes a complementary entity for the service provision, but also because it grants enough room for other different leaders to show up.

His servant leadership style reflected in his practice was in the good of all the stakeholders:

- All patients; locals and foreigners.
- Competitors, who were looked at as alliances.
- Suppliers
- Employees; administrative, medical and supportive staff.
- Government, which couldn't initiate such a venture.

This way of doing things helped him gain more respect and trust of the surrounding which augmented his power even more.

Authors modest recommendations for Dr. Shetty's team:

- More concern should be given to the specialists of NH.
Highly experienced cardiologists and cardiac surgeons cannot be satisfied for a long time if they are not getting incentives especially that they have long working hours.
- Evaluation and feedback about the performance of the trained general practitioners should be given some attention. As this experience is brand-new in the health industry in general and in the NH particularly. Whose outcomes haven't been assessed yet?

- An opportunity of career growth should be offered for those intermediate specialties. Something like the possibility of earning certificate of specialty in their training field.
- Regarding the turnover issue:
The short-term solutions such as the high salaries should not be but phase one of a longer-term plan to overcome such a problem.
- The quote "... but this does not worry us ..." seems to be the clearest defect in the almost perfect image of this experience.
Some more efforts concerning the personal growth of the employees should be undertaken.
Reasonable suggestions would be:
 - Opportunity of attending international conferences after certain period of working at NH.
 - A chance of promotions & position improvement.
 - Some undergraduate students can be given scholarships, and in return they would have to work for NH for some agreed-on time
 - Existing working nurses could be offered postgraduate scholarships.
 - Workers can take advantage of some privileges, like kids-nursing services, special discounts in specific markets or facilities ...

Any institution that tends to undertake such practice is more reputable & profitable. Besides, such practices will grow a feeling of belonging to the organization, and as time passes this sense would be part of the working atmosphere, which will persuade the new comers then that they are coming to stay.

- This venture is a very rapid success, whose basis stability is to be questioned. It takes time for the new stuff to settle down, and got used to, yet Dr. Shetty is rushing in his pace of progress.
We think he should postpone the "new specialties" plan because he is increasing the risk of his gamble.
- Change should not be strongly attached to people.
Nobody denies the fact that Dr. Shetty is the godfather of this revolution in health care provision in Bangalore, yet it seems to be a fabulous solo-violin playing.
Dr. Shetty's odor smells everywhere in the practices of NH; this enhances the justified concern about the sustainability of the same levels of performance if he disappears.

Several lessons can be learned from the success of Dr. Shetty's project; followings are some:

- Most impressively, we see how one person's dream can change the world. We prefer to think of Dr. Shetty's achievements as a smile that has become an attitude, not the laughter that would vanish soon afterward.

- Faith and equity were reflected in both the name of the hospital, and the chapel with four equal divisions at its entrance. The high standard services along with low cost attracted the cash payer patients, so as to provide surplus to those who can't afford it.

- Dr. Shetty is a real model for leaders; he is a dreamer, but a realistic one. With a crystal-clear vision for the future, enthusiasm to change, and confidence in the success based on a solid background of wide range knowledge and sharply defined milestone plan. He has a strong charisma, and his personality was shaped by a worldwide exposure to different leaders and cultures.

This case showed us how much he was willing to pass his experience and success to others; he was trying to train local individuals who could become the future leaders of his NH project.

- Diversity in business:

Realizing that diversity is one of the success key factors, NH adopt it, this could be clearly noticed through:

- The hospital serves pediatric and adult people, performing different kinds of cardiology-related procedures.
- It serves in different places including even the distant rural areas through using telemedicine and mobile cardiac diagnostic labs.
- The hospital's training programs for GPs and nurses supplied the staff with a variety in levels of education and specialization. He produced intermediate level specialists and nurses in cardiology.
- Creativeness to establish systematic insurance program to insure that large number of people with middle and low income could have access to health care.
- Establishing the health city which can afford all other subspecialty health services.

- Effective, efficient, and powerful operations management:

His vision was to provide better quality of health services with affordable prices. Many factors were contributed to settle this vision on ground:

- NH performs a high number of procedures (about eight times more than other Indian hospitals) to decrease the cost.
- According to porter's approach, they can negotiate better deals with suppliers because they compose a powerful bargaining buyer due to their reputation, purchasing large amounts of seller's products and twining with another hospital.
- They have their blood and valve banks.

- Because prices in India are flexible, they don't sign long-term contract with their supplier, negotiating each purchase to avoid expensive suppliers.
 - Using new technology helped reducing cost like using digital x-ray that didn't incur recurrent cost.
 - Getting contract with new pharmaceutical company, both are winners. NH gets better prices, and suppliers will sell more due to NH reputation, so other hospitals will use same products.
 - To sustain their charitable mission, NH has unique financial system with careful planning and controlling to provide below cost care by adopting daily accounting system with immediate action if necessary.
- NH was pioneer in taking social and ethical responsibility toward their community, even more they trigger others such as government, companies and associations to take their first move toward helping their community ,this was clearly demonstrated by developing insurance program to help poor people, scanning demand everywhere even rural area through telemedicine, sometimes farer through mobile clinic, providing better care through training doctors and nurses, having charitable organization with office within hospital to help arranging funds to those patients in need.

WHAT CAN BE DONE IN JORDAN?

Just like any other culture, Jordan has its own specifications. Understanding the “black iris” of Jordan is, without any tiny doubt, a key issue in the success of any venture within its boundaries:

- 1- Using Jordan's young population is a real resource. They can be used in a way that it benefits everyone:
 - a. The young generation learns excellent marketable skills, to be used in Jordan or elsewhere
 - b. Coping with the exodus of trained staff by creating an overlap system of training. For example, if the diploma/degree takes two years, divide the class in two. Start 50% class in the first year and 50% staff in the second year. That way there always will be 50% half-trained staff available at all times and the other 50% will be in the process of recruitment. A contract like NH system can be used.
 - c. Rural recruitment same as NH strategy.
 - d. Making staff exodus profitable by “supplying” trained staff at a price to various employers, this price can be used to sustain the health services and develop a new one.

- 2- One of our primary recommendations is to start an in-situ school of management to teach the scientific basis of management and leadership. The development of candid and knowledgeable leaders with clear visions and ground-level grasps of reality is critical for our rapidly evolving healthcare system and enabling resources and efforts to be directed the right way.
- 3- Sharing of individuals and private sector in the formulation of a comprehensive health care system, through donation form individuals and organizations (fund raising), and participating in a suitable insurance system that's cover middle and low-income parts of the population.
- 4- Revision of the medical and nursing postgraduate education system, and providing a diploma or other equivalent qualifications to enrich the rural and distant area with middle-level medical and nursing specialists.
- 5- Jordan is one of the safest and stable countries in the Middle East region. The cost of living and health services are relatively low. These facts can help a lot in advancing medical tourism project if a practical and proactive strategic planning performed, that concentrate in applying international standards in all aspects of health care sectors, and providing advanced technology along with dedicated and well trained medical staff. In order to have a top quality services combined with relentless cost-effectiveness that makes it's marketable, both to the poor and the rich, thus generating a high volume that makes the sustenance of the project possible and takes it beyond to growth.

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