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ARAVIND EYE CARE SYSTEM: RETAINING THE LEGACY

Nearly 40 years had passed since Dr. Govindappa Venkataswamy ("Dr. V") had set up a small 11-bed hospital in Madurai, in the southern Indian state of Tamil Nadu. He had set up the hospital in 1976 with his sister, Dr. G. Natchiar; her husband, Dr. P. Namperumalsamy ("Dr. Nam"); his brother, G. Srinivasan; and Dr. P. Vijayalakshmi ("Dr. Viji"), Dr. Nam's sister. His mission of "eradicating needless blindness" and providing free treatment to anyone who could not afford it served as the inspiration for all those who worked at the hospital and had made him a legendary figure. Dr. V passed away in 2006, and Dr. Nam took over the reins of the organization. After a few years, he also stepped down and handed over the management of Aravind Eye Care System (Aravind) to the second generation. The other founders had also withdrawn from active management, although they were still associated with Aravind and served in an advisory capacity. Management had passed on to the younger generation and to more non-family members. With such changes taking place, the case author, who had been associated with Aravind Eye Care System since 2003, was interested in understanding how the hospital planned to retain its legacy and unique culture of service, what mechanisms it had put in place to ensure its smooth continuance as an institution, and how important its top executives considered it that the family retained control.

In the intervening 40 years, Aravind had expanded considerably, with 11 hospitals in Madurai, Theni, Coimbatore, Tirunelveli, Pondicherry, Tirupur, Salem, Tuticorin, Udumalpet, a "City Center" at Coimbatore (essentially an outpatient and ambulatory surgical center), and a small unit in Dindigul, all in the state of Tamil Nadu (see Exhibit 1 for a timeline of Aravind). It had acquired land for a new hospital in Chennai, the state capital, and had planned a new hospital at Tirupathi in the state of Andhra Pradesh, near the border with Tamil Nadu. It had also set up 59 "Vision Centers," which were units manned by paramedical staff or technicians but equipped with facilities for telemedicine.[1]

[1] In these centers, patients would sit in front of the remote camera, and doctors in the base hospital would examine the patients remotely and recommend the course of action for each patient.

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Some units were headed by family members, some by people who had married into the family (the present Chairman of Aravind Eye Care System, Dr. Ravindran, was one such person), and some by non-family professionals (the Pondicherry and Theni hospitals, for example). Some members of the third generation had also been inducted into positions of responsibility, both medical and non-medical.

For though Aravind hospitals excelled in medical competence, continued to give free treatment to every patient who opted for it (in 2015, nearly half the surgeries performed were free), and offered competitive pricing for paying patients, the executives at Aravind strongly believed that the true point of uniqueness that would stand Aravind in good stead in the years to come would be its distinctive culture and values. Aravind sought to inculcate these values in all its staff, from doctors and paramedics down to the lowest categories of staff. Could these values be preserved across generations?

Dr. V: The Compassionate Visionary

Dr. V's humility and compassion for the sufferings for others could be traced to several factors — his modest village background, the responsibility placed on him to provide for his family at a very young age, and his own sufferings due to arthritis, which led to his being discharged from the Indian Army Medical Corps. He had been inspired by the ideals of Mahatma Gandhi and Sri Aurobindo since childhood, and these had driven him to pursue his mission of eliminating needless blindness almost like a man possessed. He never married. In Aravind's early years, family members who joined him did not fully understand his mission, but they trusted him and followed him, and, over the years, they imbibed the same idealism and spirit of service.

From the beginning, all the activities of Aravind were run by the Govel Trust, a not-for-profit trust established just for this purpose and named after Dr. V's parents. This was the holding legal entity, and all the revenues of Aravind System went to this trust. It was a family trust with a few outsiders from such organizations as Sight Savers International and Rotary Club. In 2016, it had nine members.

Everyone in Aravind Eye Care System, right from the top, family member or not, was paid only a salary (Dr. V himself never took a salary, living only on his small government pension), and no one, including core family members, was allowed to draw from the holding trust for his or her personal needs. There was no distribution of profits or dividends. Thus, for everybody at Aravind, it was a salaried job rather than a business.

Vision, Values and Culture at Aravind

Dr. V considered it his privilege to serve all people, poor or rich, and give the most precious gift of sight to the sightless. For him, every patient who got her vision back was not a statistic but an individual whose life had been transformed, and every case that was too late for treatment (such as many young boys who had lost their vision due to Vitamin A deficiency) was a tragedy. Every person was treated as an individual, whose self-esteem and dignity mattered. His objective was not merely to provide high-quality and highly professional treatment for all, it was to provide high-quality treatment with compassion. It was considered very important that doctors treated nurses, staff and patients, however poor they were, with respect and dignity, and nurses and other hospital staff were expected to do the same for patients and visitors. All staff were required to speak softly and gently, and instances of improper behavior were taken seriously.

Dr. Narendran, Head of Aravind Hospital, Coimbatore, recalled, "Dr. V was a deeply spiritual person. He imbued the organization with spirituality. He ensured that there was no real conflict between personal and organizational objectives. "

Another value Dr. V had instilled across the organization was a total commitment to the cause. In the early days, the core group worked for more than 12 hours a day, starting the day at 5.30 a.m., with eye camps to occupy their weekends. Though this was a tough calling, especially for the younger family members, Dr. V was always ready to inspire them by explaining to them the meaning of what they were doing. The team grew into the values and absorbed them rather than being told or taught anything explicitly. Dr. Narendran said, "We learnt from example. No one taught us anything. For example, Dr. V would always be there at 7 a.m., and the operations would start sharp at 7.30 a.m, and we would be there just in time. Dr. V would pick up trash from the floor, and we started doing it."

Dr. Ravindran, Chairman, Aravind Eye Care System, echoed these sentiments, "Nobody taught us values, but we picked them up from our role models. We just understood the values. Dr. V imbued the organization deeply with those values. There was no contradiction between personal and organizational values. "

Punctuality was sacred, and Dr. V set the example. Surgeries started at 7.30 a.m. on the dot, and doctors had to be in position at least 15 minutes earlier, so that they could review the patient list, disinfect their hands, and be in the operation theater when the first patient was wheeled in. Nurses had to arrive about an hour before surgery to sterilize the theater and prepare the patients, with local anaesthetics administered, the first patients rolled into the theater, and even the microscopes focused and ready for surgery. It was a rule that no patient would be turned away saying "time was up". This meant that doctors would often attend to patients until as late as 7 p.m. on some days.

There were no formal codes of conduct, but there were some unwritten rules that everyone at Aravind always followed. These were:

1. Punctuality
2. Not turning any patients away
3. Not compromising on quality
4. Utmost courtesy to patients and visitors, whatever their station in life.

No one, not even family members, was exempt from these rules. The same norms applied to all.

When the case writer asked doctors and mid-level ophthalmic personnel (MLOP), as Aravind referred to its nursing and paramedical staff, about what, in their view, were the core values of Aravind, the responses were, by and large, similar:

> "Empathy, compassion, discipline." — Dr. Deeba Isharath, not from the family
> "Simplicity, passion, efficiency." — Dr. Preethika Gandhi, not from the family
> "Punctuality, compassionate treatment, attitude towards patients, hard work, taking up ownership and responsibility, being a team player, respecting seniors, and accepting what one does not know." Dr. Ashok, Medical Officer, Theni, married into the family

Staff were expected to dress "decently", though there was no rigid dress code. MLOPs, however, wore the prescribed uniforms for their functions. No one, including doctors, was permitted to use mobile phones during working hours. All were expected to do some extra work on certain Sundays, such as going to eye camps, and the top management also shared this work on the same terms.

There was a system of rotating doctors between free and paying wards, so that no doctor would be identified as a "paying ward doctor" or a "free ward doctor". Also, there was no link between the quantity of surgeries performed and the remuneration of any doctor. There was no target for "converting outpatients into surgeries", a common practice at private hospitals. At Aravind, the norm was that no surgery would be performed unless necessary.

Dr. V was able to attract many of his family members (meaning the children of his siblings and their spouses) to join Aravind, but not all were doctors. Dr. V's sister's son-in-law, R. D. Thulasiraj, the chief executive of Lions Aravind Institute of Community Ophthalmology (LAICO),[2] was an MBA from the Indian Institute of Management, Calcutta. He was instrumental in establishing hospital systems at Aravind, organizing training activities and managing its communications with the outside world. There were others who handled non-medical activities such as communication, coordination with eye camps, outreach programs, and so on. And there were still others who were not connected with the Aravind system but contributed in their own ways (one such person, Pavithra Mehta, wrote a book on Dr. V and produced a video on Aravind titled *Infinite Vision*). Whatever their role, they all shared the basic values and vision of Dr. V.

Transparency was another feature of Aravind's operations. Information on the performance of doctors in terms of details of surgeries performed, number of outpatients seen, quality of surgeries (complication rates), research output, and other achievements was posted openly and visible to all. Further, people could report "incidents" and unexpected or undesirable happenings on Aravind's website. In the previous year, more than 1,000 "incidents" had been reported. These served as a quality monitor and also as a pointer to latent issues.

Aravind gave a great deal of consideration to the personal lives of its employees. For example, it adjusted the working hours of people who were pregnant or had a baby. Dr. Deeba Isharath recounted her personal experience, saying, "When I had a baby in 2011, they gave me a special time of 9 a.m. to 3 p.m. We also have a crèche facility. They gave me this schedule for one full year. Even now, I have a special time of 8 a.m. to 5 p.m. with a shorter break."

The following poster was displayed prominently at a number of places in the outpatient department (OPD), and it was titled "Mission of the OP Department":

> *When the patients come to General Units for eye care, listen carefully to their complaints, perform the necessary investigations accurately as advised by the doctor and help to provide compassionate care without compromising quality and time.*

Towards the last years of his life, Dr. V concentrated on grooming his successor. It was Dr. Nam he selected from within the family to become the chief executive. Dr. V continued as Chairman for some time but he progressively detached himself from active management and spent more and more time

[2] Lions Aravind Institute of Community Ophthalmology was the training and consulting arm of Aravind Eye Care System.

in Pondicherry, where a new hospital was being set up and the famous Aurobindo Ashram was located. When he passed away in 2006, the transition had already taken place fully.

Aravind Eye Care System post Dr. V

Although Dr. V steered Aravind for nearly 30 years, he wanted to ensure that the organization was not solely dependent on him. He built traditions and systems that would ensure the uniqueness of the organization. Dr. Nam, who was also a Padma Shri[3] awardee like Dr. V and had been featured in *Time* magazine as one of the world's 100 most influential people in 2010, succeeded him as the Chairperson (though he had already served as CEO for some years). He also ensured that the values would endure, and his wife, Dr. Natchiar, was deeply involved in ensuring that the people in the organization, especially new recruits, understood the "Aravind Way". Dr. Nam was already 66 years old at the time of Dr. V's death, and his tenure was therefore relatively brief. In 2009, he decided to hand over the reins to the next person. He gave the task of choosing his successor to the Family Council and gave its members a notice period of one year to finish the task. He detached himself from the succession question.

The successor chosen was Dr. R. D. Ravindran, a second generation family member, and he took charge in 2011. It was now up to him to carry forward Dr. V's vision and legacy. Dr. Ravindran was the husband of Kannamma, daughter of Dr. V's sister, Janaki.

Preservation of Values and Culture

With the growth of Aravind, it was inevitable that most of its doctors were not from the family or connected to it in any way. Out of its 11 hospitals, five were headed by non-family persons. For example, Dr. Venkatesh, the Head of the Pondicherry hospital, a large unit, was not connected with the family at all, but was a complete "outsider". So were Dr. Krishnadas, presently working as the Head of Human Resources and Dr. Dipankar Dutta, the Head of the Theni unit. Many other heads of different units (large and small) were related to the family by marriage rather than in the direct line of descent, such as Dr. Ravindran, Chairman of the Aravind Eye Care System; Dr. Narendran, Head, Coimbatore unit; R. D. Thulasiraj, Head of LAICO; Dr. P. Balakrishnan, Head of Aurolab; and Dr. Nam himself. It was clear that more family members through marriage, as well as "outsiders" (non-family members) would be in charge of important positions in the coming years. It was expected that as the hospital expanded further, more non-family members would take up leadership positions.

In these circumstances, the question of how to preserve and transmit Aravind's values assumed great importance. In the following pages, we describe the mechanisms Aravind had developed to transmit and perpetuate its core values and culture across generations.

Recruitment and Induction of Medical Staff, including Family Members

Residencies for postgraduates formed the entry point for most doctors to Aravind. Aravind treated all residents as potential recruits and they were trained in the Aravind way from the day they arrived. Unlike most private medical colleges, Aravind did not charge residents additional fees such as admission fees, capitation fees, etc., which were typically quite large sums of the order of several hundred thousand rupees.

[3] A national award given by the government of India to persons of outstanding merit or who have rendered distinguished service to the country.

There were 48 seats in the postgraduate program. Of these, a quota of 10 seats was set aside for individuals chosen at the discretion of the management. These could be given to the children of their doctors (not necessarily family members). According to Dr. Ravindran, only one or two children of the family joined the program over three years. He added:

> Children from the family need to really feel motivated to join Aravind. Not all the children even want to take up medicine as a career. They are not forced in any way. But from their childhood, they are given formal and informal exposure to the organization and what it seeks to do. It is thus that the motivation to join is built up. But there is no conscious attempt to influence them into joining.

All residents underwent a three-week long orientation program, during which they learned only about Aravind's mission and values. During this period, they were introduced to the mission of Aravind, the history of its founding, the values of Dr. V and their expected behavior towards patients, MLOP staff, other doctors and even the people accompanying patients. They visited different Aravind hospitals; Aurolab, which manufactured intraocular lenses and other products needed in eye surgery and treatment; the Research Center; LAICO; the outreach center and eye camps, to understand how they all fit into the Aravind system as a whole. Dr. Natchiar conducted a day-long workshop on values. They also met the Chairman and other senior doctors such as Dr. Nam more than once during this period and thus got a good idea of what the core values were and how they fit into the mission.

The residency program was quite intense, and all residents were carefully observed and evaluated, both on their competence as well as on aspects such as punctuality, discipline, willingness to take feedback and their desire for improvement. They learned from lectures and seeing other doctors work, and then they worked on their own. The residents considered training at Aravind to be a very high value addition whether they ultimately chose to join Aravind or not (many were from other states and preferred to go back to their home states), and hence, the stakes involved in performing well were very high. Though the work was hard and the standards of behavior expected were very high, most residents felt comfortable after a while and settled well into the system. Dr. Natchiar said:

> [The residents] are always watching what we do: giving free treatment, not giving anyone VIP treatment, all of us including senior doctors treating patients with respect, being on time, and so on. We make it clear to them that pride in working here is more important than money.
>
> Every year, we have different programs. The postgraduates are expected to attend them. Each batch also has to adopt an old age home, an orphanage, etc., as part of their social responsibility.

Residents also went to about three or four eye camps every month. Dr. Preethika Gandhi, a former resident of Aravind who went on to become a doctor there, explained, "Only when you go to an eye camp do you see reality."

Dr. Krishnadas, Head of HR, explained the importance of the residency program in these words, "Inculcation and reinforcement of values is done in the residency program. It also helps [the residents] see the opportunities for growth."

After completing their residencies, graduates selected by Aravind under its quota had to serve a bond of two years and were expected to join Aravind as Medical Officers immediately. The others had no

such bond, but many chose to stay on and become Medical Officers. Medical Officers were carefully selected, based on their competence as well as their attitude. Non-family members and non-quota candidates could also apply to the Fellowship Program, a super speciality program that gave them the opportunity to focus on areas such as cornea, retina, uvea, glaucoma care, etc., either after completing their residencies or at a later date. Family members, on becoming ophthalmologists, could apply to the Fellowship Program only after they had worked for three years in one of the units (usually one of the smaller hospitals) to gain "an overall rounding". During the fellowship period, candidates received full salaries as Medical Officers. Non-family postgraduates could leave after completing their fellowships, but many chose to stay; family members were expected to stay on at Aravind. The author was told that there had never been a case of a family member completing the postgraduate and/ or Fellowship Program and not staying on.

Selection of candidates for the Fellowship Program was entirely at the discretion of the hospitals and applicants were screened carefully since they were potential permanent recruits. Most of the Fellows selected had done their residencies at Aravind, and most eventual recruits (though not all) were from Aravind's own pool of Fellows. The duration of the program was between one and a half to two years depending on the area of specialization. Those who were appointed as doctors were placed under probation for a short period. They were rotated among various departments for about four days and all the senior doctors reported on each candidate. The opinion of the senior nurses in the wards on the competence and behavior of these recruits under probation was also sought before their confirmation. The Head of the hospital also met them on the first and last days of the probation period. Said Dr. Narendran, Head of Coimbatore hospital:

> We ask the new doctors to work in different departments for some time. During this period, they are employees, but on probation. Many do not fit into the system and they go away. Only 50% of those called for four days make it. Some leave in less than two years, due to various reasons. But once they stay on for two years, they tend to stay on permanently.
>
> This process helps us to judge the suitability of the candidate and also provides an opportunity for the recruit to examine his/ her own fit with the organization.

About 40% of the Fellows joined Aravind. "No one is asked, as a general rule, to leave after the Fellowship, but no one is asked to stay either," one doctor remarked. But unless they had some compulsions, such as going back to their home state, or felt they would not fit into the system, most chose to take up a permanent position at Aravind.

While confirming the appointment of new doctors (including family members), inputs were sought from MLOPs regarding their competence and behavior, and these were taken into consideration when confirming a candidate or giving them feedback.

These procedures were equally applicable to those from the family. In fact, family members were expected to know these values and to serve as role models for others; in practice, this meant there was even less tolerance for unacceptable behavior from family members.

Recruitment and Induction of Paramedical Staff

Paramedical staff (MLOPs) could be either those working in clinical units (the operating theater, wards or OP) or those engaged in other duties such as housekeeping, catering, etc.). Generally, for such positions, candidates had to have completed high school (12th standard), with the exception of catering where a 10th standard education was sufficient. They were mostly recruited from rural areas and most were women (about 85% of Aravind's total staff were women), quite often from poor families, who were willing to take up a hospital job. For most MLOP recruits, this was often their first job. Recruitment was at the hospital level. Candidates were interviewed with their parents present (a practice peculiar to Aravind), and all aspects of the job were explained to them. Selection was based almost entirely on their attitude since they generally did not have any hospital related skills. Aravind believed that they could all be trained to perform their jobs, and even the staff working at Aurolab, manufacturing IOLs, sutures and various eye medicines, were recruited and trained this way. In fact, 85% of all Aurolab staff were women. Aravind did not recruit its nursing MLOP staff from nursing colleges, but believed in training fresh recruits on site. It was mandatory for them to stay in MLOP hostels during the two years of training and they were not allowed to visit home during this period, except during major festivals or emergencies (though their parents could visit them every Sunday). After two years, they could go home twice a year.

The selected candidates underwent an orientation of six weeks. During this period, they were told about their role, expected behavior, dealing with patients, etc., and were taken around different facilities such as Aurolab and LAICO. They were taken to eye camps to better understand the communities in which they would be working. They all met the Chairman/ Head of the hospital, and Dr. Natchiar conducted a week-long course for them on Aravind's culture and values and the standards of behavior expected of them (she did this training in all the units). The emphasis during these sessions was on the right attitude to work and patients, not merely on a high quality of care but a high quality of care with compassion. Doctors also took part in the orientation of nurses.

In their first two years at Aravind, MLOPs underwent intense training in the areas of refraction, counseling, assisting in the operating theater, outpatient departments (OPDs) and wards, etc. They were tested regularly during the two years of training as in any good academic training program, and had to take a final test to graduate. On completing training, they were posted in an area where they were considered to be the "best fit". They were expected to stay on and work as employees for at least another three years. After five years, MLOPs were posted on "sabbatical" to a unit in another geographic location for a short time (about one month) to observe the procedures and differences there, if any, as a way to both learn from and contribute to best practices. When new units were established, a core group of MLOPs from other hospitals was invariably posted there to train new recruits and serve as role models.

Usually, MLOPs were considered for supervisory positions after about five years at Aravind. Since many recruits left the organization before completing this period because of marriage or relocation, the number of MLOPs eligible for these supervisory positions actually fell short of requirements. Despite this gap, Aravind held fast to its five-year promotion criteria to ensure that MLOPs promoted to supervisory roles were, in fact, capable of shouldering the responsibilities of the job. These consisted not only of direct responsibility for their units, but also the training and grooming of new recruits. They also got an increase in pay and a one-time bonus of INR 20,000. Many used this sum towards their marriage expenses and though many women left as soon as they collected their bonus, Aravind considered this a goodwill gesture that not only helped their employees, but also ensured that they stayed with the organization for five years.

Recruitment and Induction of Administrative Staff

Aravind recruited certain categories of administrative staff in areas such as general administration, HR, training, accounting, etc., some of them with MBA degrees. LAICO had a Fellowship Program (Fellowship in Eye Hospital Management) for Eye Care Managers of one-year duration, in which two months were devoted entirely to culture, values and observing how everyone in the system worked. The remainder of the program was structured as follows: four months on different aspects of administration such as cost management, manpower analysis and training curriculum development for different personnel etc., followed by one month working in different departments, two months at other Aravind hospitals, and, finally, two months at hospitals outside the Aravind system. They were expected to see their function as part of the larger purpose of Aravind Eye Care System.

Members of the "Family"
(See Exhibit 2 for the family geneogram).

What did it mean to be a member of the "family"? The executives the case writer spoke to expressed very similar views: Being a "family" member conferred no particular advantages, but only meant additional responsibilities. Dr. Nam said, "We have to develop trust in people who have worked with us for a long time, who have imbibed our values. Whoever has the right values of Aravind will be considered for any position."

Of the approximately 500 doctors across the system (225 excluding residents), about 30 were from the family. In addition, family members also served in various administrative positions. It was a cardinal principle at Aravind that no family member was treated any differently from other employees; in fact, special care was taken to apply the same rules to everybody. However, family members had a special role in carrying forward the legacy. G. Srinivasan remarked, "We treat family members and non-family members the same. No discrimination. In fact, family members are expected to have a greater sense of ownership and to shoulder more responsibilities."

From a young age, family members were conscious of being a part of this family and what that meant. Dr. V. R. Vivek, a third generation family member and doctor at the Madurai hospital, recalled:

> When I was still a child, I was indeed spoken to many times about my career and joining Aravind. I had made up my mind to be a doctor. As children, most of the cousins were in Madurai, and we had those fun Sunday meetings where my grandfather [Dr. V] was also present. We were quite aware of what the family stood for.

Dr. Sathya, Thulasiraj's daughter, also had a similar experience:

> In school, I never felt compelled to join Aravind. Only when I was doing my MBBS did I start feeling that I belonged to this special family. From then on, I did not explore any other options. I did my postgraduate work and fellowship here. Values were never explicitly spelled out or laid down, but we all knew what they were.

From the extended family, only about one or two members entered the job market each year, and there was no pressure on any of them to study ophthalmology or join Aravind; indeed, many did not.

Some contributed in their own way, and they were welcome to do so.[4] But for those who wanted to join Aravind, it was by no means an automatic entry for family members. Their attitude and behavior had been observed by watchful eyes while they were growing up, and in the words of Thulasiraj, "Senior people were there to see whether any of their activities raised a red flag. But, on the whole, the younger generation seems to be a good fit."

Dr. Natchiar described the process to the case writer:

> Before inducting family members, we do a lot of homework. When they get ready, we ask them to take up peripheral and rural postings where they have to discharge additional responsibilities. They work with somebody for at least two years and learn the values of modesty, responsibility, and so on, but have no power. We mold their personality. After some years (usually around three years), we put them in charge of some small center, closely monitor them and give them feedback on different parameters. For example, the newly opened unit at Udumalpet is headed by Dr. Janani and her husband, Dr. Sankarananthan.[5] I talk to every new family person once a month. Then early on, we assign them to activities such as eye camps, vision centers, etc., and expose them to the community. The training is not so much on the clinical side as on human relations, handling people, handling patients and their relatives with compassion, and so on. We also arrange get-togethers and they all are expected to attend them.
>
> You need to constantly talk about values and culture. You need reinforcement. We have developed some people who are good at mentoring, for example, Dr. Prajna, Dr. Usha Kim and Dr. Ravindran.
>
> With sons-in-law and daughters-in-law, we have to screen them well because they may not share our values. We talk to them to understand them better; we also discuss them among ourselves. They must understand that unless they do well, they are not recognized.
>
> But we do not bypass non-family members. If they are going to stick with us, we also give them the same non-clinical training. If they do not subscribe to the Aravind way, we ask them to leave, even if they are very good on the clinical side. But some who have stayed on are even better than some family members in the values dimension.

Dr. Srinivasan reflected:

> We have a good crop of family members who are in their thirties. We need to develop them as leaders. Leadership should be viewed not as a burden but as an opportunity. We develop their leadership by exposing them to different situations and opportunities.

[4] For example, Pavithra Mehta, daughter of Dr. Balakrishnan (Managing Director, Aurolab) was a journalist settled in U.S., but had contributed by producing the video and writing a book, both titled *Infinite Vision* on the life and work of Dr. V.
[5] Dr. Sankarananthan was the son of Dr. R. D. Ravindran Chairman, AECS.

> We need to be more articulate regarding our values and goals, and draft guidelines that will retain the right people. We need to push people to find a purpose by creating an enabling environment.
>
> With growth, the pressure on the organization is growing. We might have to develop more depth in leadership. We might even have to change the governance structure.
>
> We are too insulated and internally focused. In Chennai and Tirupathi, we may be exposed to different forces.

Dr. Natchiar emphasized the importance of working for the mission rather than for money.[6] She narrated an instance of one family member leaving Aravind to join another chain at a better salary. He later realized that he did not fit in there and wanted to come back, but Aravind did not take him back.

Asked whether enough members of the younger generation were likely to join Aravind, Dr. Natchiar's view was:

> Our personal lives change due to our being with Aravind. Family life becomes more meaningful. We have less time to do things that are not necessary. The younger generation wants to share in the glory of Aravind. They take pride in joining. If Aravind was not doing so well, maybe they would not be so keen to join.

Family members (and non-family members who had absorbed the values and culture of Aravind) played a crucial role in the setting up new units, such as in Tirupur, Salem, Udumalpet and Dindigul. The initial staff at the new hospitals — doctors as well as MLOPs and administrative staff — consisted entirely of experienced people from the existing units. They gradually increased their staff (except doctors and nurses) through recruitments and training. They also set up systems that could conform to Aravind's existing systems, but there were no lateral entries for doctors and nurses. Only those who had completed their residency at Aravind were absorbed at the new units.

Like Dr. V, Dr. Natchiar believed that spirituality was integral to serving people better. Hence, the family forum members (those from the family serving in the Aravind Eye Care System) were also taken to places such as Ramakrishna Math and Pondicherry Ashram to experience the ambience of these spiritual centers. She thought this would "put them in the right groove".

Dr. Nam told the case writer:

> For a family member, it is not an eight to five job. You have to be in it all the time. We are not forcing anyone to become doctors or join Aravind, or take up any responsibility. Improper delegation can kill.
>
> When we expand, we will need to bring in more family members. But they need not be doctors. Enough people will be interested in different activities and develop their interests from childhood. There will be enough scope for their contributions in different areas.

[6] The salary scales at Aravind were generally comparable to those prevalent in the industry.

How did non-family members, doctors in particular, feel about their place in the system? Did they feel not quite at par with family members? The case writer spoke to some doctors who said they did not experience any discrimination. Everybody got opportunities. Senior doctors felt that the retention rate of non-family doctors was lower than that of doctors from the family (generally, family members who joined rarely ever left); however, when non-family doctors clearly showed their commitment to stay on for a long time, they were considered at par with family members. Said Dr. Krishnadas, a non-family doctor and Head of HR:

> Some people may see family members as more powerful. They may feel that you can get things done quicker if you are a family member or know one. In fact, this is not true. But sometimes, such perceptions are formed. For instance, senior executives are very careful about approving a family member's participation in a conference. The fact is that opportunities are given to all. The important factors that matter at Aravind are competence and alignment with the values.

The Decision Making Processes and the Family

There were three levels of decision making in the Aravind system. First, there was a family forum which consisted of all family members employed in Aravind Eye Care System (about 30 of them). Thulasiraj said this body was "purely to maintain family harmony". They met once in about six months[7] and discussed various issues pertaining to the family and the hospitals. Typically, the senior people, with the exception of Thulasiraj, did not attend these meetings. In Dr. Nam's words, "They were basically for youngsters," but they served to reinforce their bond and values.

The next level was the Senior Management Group (SMG), which comprised of senior family and non-family members, mostly heads of units, about 12 in number. Since many heads of units were non-family, a substantial percentage of its members (about 40%) were not from the family. This was the main decision making body and met once in three months.

At the third level was the Board of Trustees. This was the apex body and was akin to the Board of Directors in a company, but in reality, all its members (except two) were also members of the SMG, and hence, only a few decisions were endorsed separately by this body.

There were some advisors to the organization, but they were not formally a part of any of the above groups.

The emphasis was on consensual decision making, where views were discussed and thrashed out, before reaching a consensus. Even the Chairman was seen as more of a coordinator than a hierarchical boss laying down the final decisions.

Could control of these bodies be passed on to non-family people? According to Thulasiraj, this was "Perfectly possible. But as we see now, there is enough interest among family members in joining this institution."

Dr. Natchiar emphasized that the Govel Trust must have the right people: "We should not have people coming into the trust with the wrong values. What the trust does is to exercise stewardship."

[7] The case writer was told that earlier, the frequency of meetings was higher, once in about three months.

Could there be a Board of Trustees independent of the operational executives with its own chairperson, who would be different from the operating chairperson? Dr. Ravindran said: "This can be disastrous in our context."

Dr. Nam and Thulasiraj also agreed with this view.

The culture at Aravind laid great emphasis on relationships, both within the family and for others belonging to it; the stress was not on authority but on developing consensus. One year before stepping down, Dr. Nam gave notice to the board to find his successor. He then dissociated himself from the process of selecting his successor. The family forum, the senior management team and the board debated the issue over a number of meetings and eventually chose Dr. Ravindran, who had experience in building and then heading all the major hospitals — the Tirunelveli, Coimbatore and Pondicherry units. Dr. Nam went by the decision and handed over the reins to Dr. Ravindran, but continued as President of the research unit at Madurai. He relocated to his birthplace near Theni and involved himself in a variety of community and eye care related activities in the area. Dr. Natchiar also relocated to Theni but continued her involvement in the grooming and training of new recruits (doctors as well as MLOPs), especially in matters relating to culture and values. Dr. Nam said, "Some people ask me, 'Why did you have to retire?' I say, 'I want the institution to be young. All ideas must find their way.'"

There were no formal mechanisms for documenting the roles and responsibilities of the family members (such as a family constitution). It was the opinion of the top executives that the informal system was good enough and there was no need to formalize it any further. Said Dr. Nam, "Our whole success has been due to the family members living together and successfully sorting out differences in opinions. We share an ideology and values; norms are laid down for everything. It is this common vision that serves as the guidepost."

Thulasiraj also thought that a family constitution would be "dysfunctional in our context" though he added, "Maybe we can formalize it a little more, internalizing the purpose." Dr. Nam was also of the same view, saying, "A formal family constitution will do more harm than good."

The Future

There was complete agreement among Aravind's executives that what made Aravind unique was its core values, and hence, perpetuating these values was considered vital. Thulasiraj observed:

> There is increasing recognition on the part of the organization regarding the critical role of values. Regarding the alignment of our central mission (eliminating needless blindness), it is working well. We have to make efforts to make everyone conscious of these values. It is really a process of osmosis.
>
> In our audits, most of the discussion is on "hard core performance parameters," but one parameter always gets discussed: "Are we walking the talk?"

Dr. Krishnadas, a non-family member, was of the view that:

> Constant reinforcement of values is necessary. We have developed some mechanisms, for example, Dr. V's anniversary is observed as Mission Day. Maybe we need more of these programs for all people to understand the core values. In the

> coming years, with expansion, we will have many more non-family members. Hence, creating and sustaining the emotional connect is necessary. We would also need to develop a feeling of equality among all. Now Dr. Nam and Dr. Natchiar do this. We need to continue this. My being made the Head of HR is itself a signal.

Dr. Kim, Chief Medical Officer, Madurai, and a senior family member, said:

> The family now does control many key decisions. But this control is not so much in terms of control as such or power but in managing the values. Thus, we see ourselves as the custodians of the values. These should not be diluted, especially with growth.
>
> What about those with the right attitude but lacking in adequate competence? They would have to be accommodated somewhere.

It would also be necessary to deal with ethical issues, especially as the organization grew larger. A senior executive related one such instance:

> We have a property in Chennai that we acquired about two and half years back for a new hospital. We were not getting the necessary approvals from the government. Gratification [a pay-off] was expected. We faced the problem of whether to give in or not. If we held on, we were not delivering our mission. If we gave in, we were compromising now and forever. We chose to hold on.

The approval came eventually, just before the 2015 visit by the author.

Thulasiraj continued, "The best way to transmit values is through systems. But they could result in people conforming to the systems without understanding the core values."

Dr. Ravindran said:

> Most of our values are institutionalized in our systems, but there is much that cannot be done that way. The value systems need to continue. The spiritual orientation is a challenge. There must be a willingness to sacrifice a lot of material comforts and family life. This willingness comes from a spiritual awareness.

Dr. Aravind Srinivasan, who, in addition to being a practicing doctor was also the Administrator of the Madurai hospital and the only doctor at Aravind with both a medical degree and an MBA, said:

> When organizations become big, systems take over, and the issue of how to maintain the culture and values needs to be tackled. We need to find ways to manage systems and at the same time preserve the values.
>
> We do give a lot of freedom to our staff. But everyone may not share the values. We have created an ecosystem in which it is advantageous for people to stay on (both family and non-family). We do not know whether they have internalized the values. We need to create an exit strategy also. This is important. People who stay on and subtly create havoc can be a big problem.

> The family can, at times, be too conservative. People like me have an entrepreneurial spirit.[8] The family needs to be supportive of innovative ideas and venture into new areas.

G. Srinivasan said:

> The generation gap is still there. The younger ones do not object to anything but may dilute the purpose during implementation. The older generation still fully believes in the core values (propounded by Dr. V). For example, we have not revised the charges for OP consultation from INR 50, which had been established a long time ago. Also, except for free vs. paying patients, we do not charge differently for different patients. But there are many among the younger generation who feel that patients would be happy to pay higher charges.

However, he was confident that, "We will be able to maintain this for the next 30 to 40 years."

In Dr. Nam's view:

> Growth will bring big challenges. We need growth but growth with caution. Our brand name is our mainstay, creating a reputation for quality and evoking respect. This should be maintained by selective training of people. We are not creating competition among family members but cooperation, and this is how we develop consensus.
>
> We should keep self-support and sustainability as our watchwords. We should, however, not get into a corporate mode. We have to keep a close watch on our charges and fees.
>
> We are confident that we won't have any problem for the next 10 years or even 20 years. What I want not to happen is that we become a corporate hospital.

[8] Dr. Aravind had started his own rehabilitation center outside the Aravind ambit.

Exhibit 1

Aravind Eye Care System: A Timeline

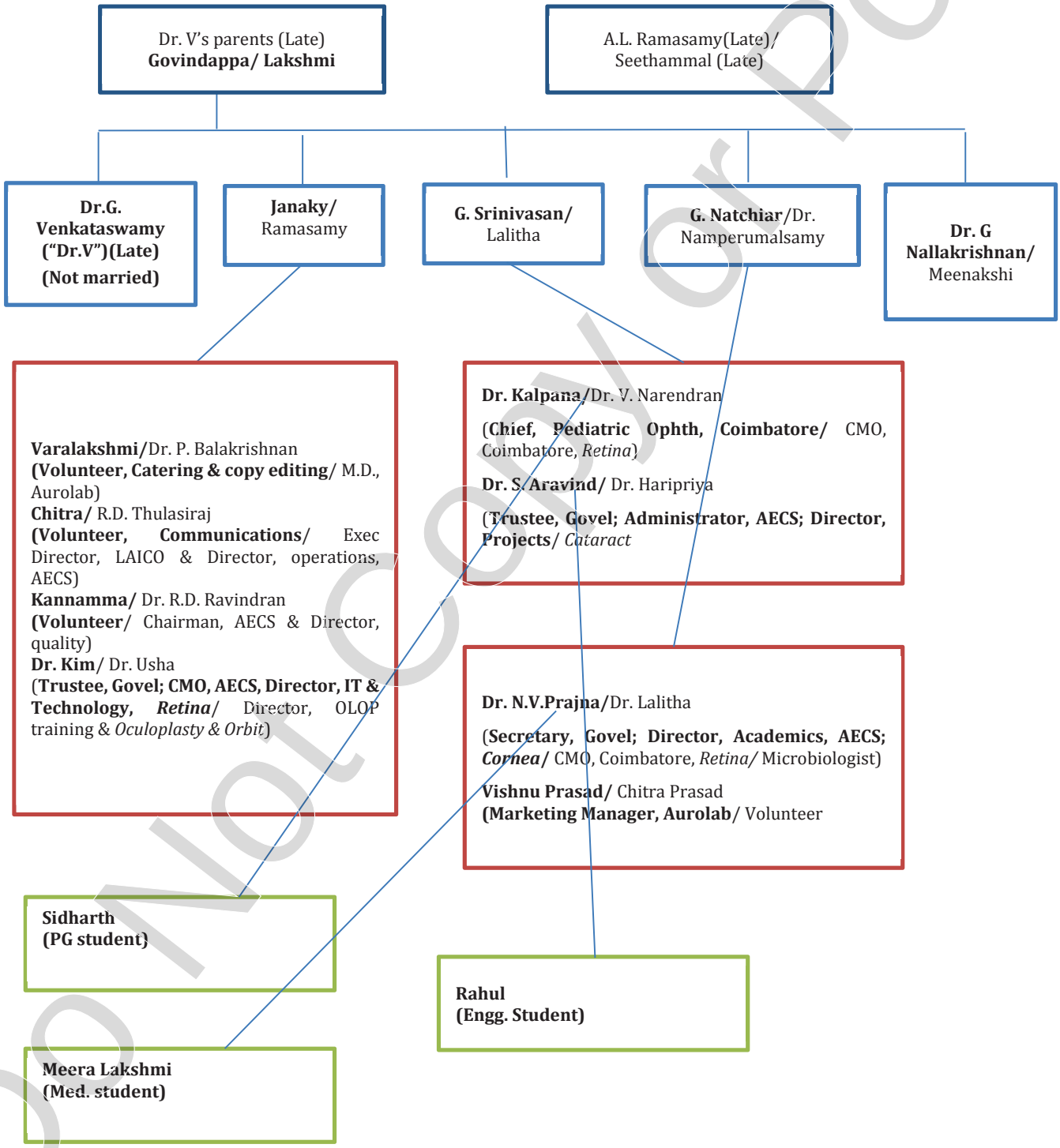
Year	Event
1976	Dr. V founds the hospital with his retirement savings
1977	30-bed hospital is set up
1981	250-bed hospital opens at Madurai
1984	A separate 350-bed free treatment hospital is set up
1985	100-bed hospital is set up in Theni
1988	400-bed hospital is established in Tirunelveli
1997	874-bed hospital is set up in Coimbatore
2004	750-bed hospital is set up in Pondicherry
2006	Dr. V passes away, Dr. Nam becomes the Chairman
2009	Dr. Nam passes on the Chairman position to Dr. Ravindran
2010	10-bed hospital at Dindigul and 23-bed hospital at Tirupur are established
2011	50-bed hospital is set up at Salem
2014	City Centre is established at Coimbatore
2015	Small hospitals open at Tuticorin and Udumalpet (capacity to do about 12 surgeries per day)

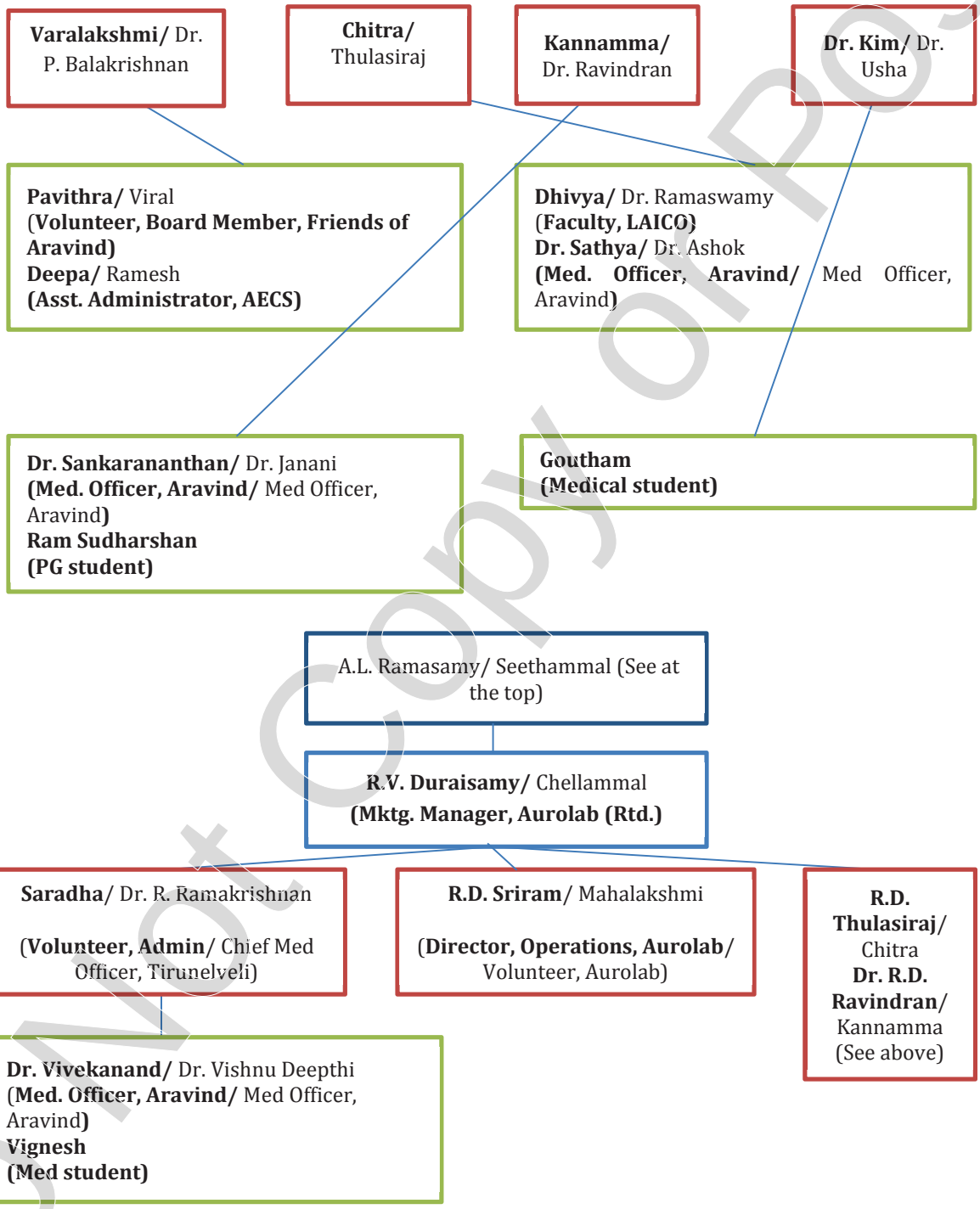
Note: The recent trend in eye hospitals is to measure size/ capacity not in terms of number of beds but in terms of number of surgeries per day. This is because with advances in surgery, many patients, especially cataract cases, are treated as outpatients and discharged the same day; therefore they do not occupy "beds".

Source: Information given by AECS.

Exhibit 2

Family Geneogram





Notes: 1. Dark blue bordered boxes 0th generation, light blue 1st; brown 2nd; green 3rd generations.
2. Direct family members shown in bold, married into the family, in plain. Same with designations. Family members who are still children not shown.
Source: Information given by AECS.