



## **Why Share Premises?**

# **The Organisational Development Process of the House for Health**

Annelie Beller, Michael Rutgers and Ekkehard Thümler

### **Abstract**

While demands for charities to increase collaboration are on the rise, collaboration has no value in itself; it needs to answer to specific organisational or societal needs. This article draws on a case study of the House for Health, a consortium of five charities in the Netherlands that shares a building for joint use. It asks how this particular arrangement can be made instrumental to fostering the charities' missions. We find that it is best suited to enable collective organisational learning and discuss strengths, weaknesses and options for implementation.

## **Introduction: The House for Health**

Today, demands for collaboration among charities are on the rise. The main argument is that through collaboration charities can provide better and more effective services for their beneficiaries. According to a survey by the Charity Commission in the UK, those charities which collaborate see the main benefits in sharing knowledge (59 percent), delivering joint services (49 percent) and increasing efficiency through sharing resources (40 percent) (Charity Commission UK, 2003). Even though most charities working in such arrangements are positive about their collaboration, good examples are rare. In the UK study only 22 percent of charities reported to work collaboratively in one form or another.

It is against this backdrop that the article presents an innovative instance for collaboration among charities. The House for Health (HfH, in Dutch: Huis voor de Gezondheid) is a consortium of five Dutch charities working to combat chronic diseases.<sup>1</sup> The member organisations decided to move into a shared office building in Amersfoort, hoping that this collaborative arrangement might strengthen their individual efforts. All partner organisations had moved by February 2013. In total, around 250 people work in the HfH.

The core idea behind the HfH is that, although the partner organisations focus on different chronic diseases, many aspects of their work are quite similar. Hence, the residents set out to cooperate by sharing premises, services, and experiences, with the intention of strengthening their individual work. At the same time, all partners retain their organisational independence. In particular, organisations are responsible for their individual fundraising. The single charities do not contribute to an overall budget for the house, but share some of their working capacity for common purposes and expenditures for resources like workplaces or consultants.

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<sup>1</sup> The member organisations are Alzheimer Nederland, Longfonds (formerly Astma Fonds), Diabetes Fonds, Fonds Psychische Gezondheid and Maag Lever Darm Stichting. Two more charities have indicated they will move to the HfH before 2014. In addition, there are five affiliated partners: Nederlandse Diabetes Federatie, Long Alliantie Nederland, Erfocentrum, Samenwerkende GezondheidsFondsen and Longfibrose Patientenvereniging.

For legal issues, the foundation Huis voor de Gezondheid was established as a legal body in October 2011. The purpose of this trust is to work together “for the promotion of the quality of life for the 'whole person', especially for people with, or with a risk for chronic diseases” (Huis Voor De Gezondheid 2011, own translation). This shared overall mission was developed based on the consensus that the care for chronically sick people in the Netherlands is currently “fragmented” and thus “possibly counterproductive” (Huis voor de Gezondheid n.d., own translation).

For general governance issues, a steering committee was set up. Each of the charities sends one representative to the board of the House for Health; thus, all member organisations are represented in its governance structures. The committee represents the house as a legal entity.

The HfH did not start with an existing group of organisations looking for shared offices. Rather, the idea of creating the HfH came first, followed by the search for matching partners who were willing to move offices to Amersfoort. The motivating factors for organisations participating in this process can be described as a combination of content proximity, existing professional relationships and personal sympathy.

The years of 2011 and 2012 were seen as a start-up phase for collaboratively working on more administrative aspects, including issues such as the establishment of back offices and facility management. After two years of collaboration, first results and consequences can be observed that go well beyond a reduction in overhead. For instance, the individual organisations report that their attractiveness for both funders and for employees has increased. Funders like the innovative aspect of different non-profit organisations working together under one roof. The underlying assumption is that collaboration is a sign of professionalism and innovativeness and that it will lead to a heightened organisational efficiency. HfH members have already seen that this perception translates into the willingness of donors to provide additional funding for common projects and projects oriented towards their own target population.

Employees, on the other hand, see enhanced chances for personal development. While they are working for a small organisation, the structure of the HfH offers some of the benefits of a larger company: the higher number of people working in a similar field enhances opportunities for exchanging ideas and mutual learning and for networking. Moreover, some employees are employed by more than one organisation, in order to top up part-time jobs. The HfH directors regard it as an important asset that they have counterparts in a nearby office who may be and are consulted in case of everyday leadership questions.

Besides the more administrative tasks of setting up the HfH, two common projects have been initiated: *Readable Research* and *Reducing Diagnostic Delay*. *Readable Research* aims at making academic research results obtained through research funding more easily accessible to the general public by rewriting results of scientific research into readable style and presenting them online. The starting point for *Reducing Diagnostic Delay* was the observation that certain chronic diseases are diagnosed too late, sometimes with severe consequences for patients. The idea is that in many chronic diseases the mechanisms behind the diagnostic delay are similar; hence, the project aims to provide a tool that assists individuals in risk groups in building awareness, so that a positive or negative diagnosis can be made earlier.

HfH directors also indicate the recognition of a change in position within the field of health philanthropy. Members of other charities who would not previously have visited single organisations now come for meetings to Amersfoort, and the HfH is about to become an established meeting venue in the field of health charities. The argument, “Five of us are already here” (HfH executive) has obvious organisational persuasiveness. For the members, this signifies a significant advantage in terms of efficiency, as time formerly spent travelling can now be invested otherwise. The shift also comes along with increased visibility for the individual organisations.

For the time being, the HfH is “still dealing more with [itself] than with the issues around us” (HfH executive) and an overarching rationale is currently being developed. In this phase of transition, the partners have been more concerned with logistics and getting the shared housing going than with questions of joint action towards a common mission. But, while the sharing of back offices is seen as an important opportunity for nonprofits to increase efficiency in times of austerity (Stafford 2012), the arrangement was meant right from the beginning to go far beyond a mere reduction of overhead . Rather, the partners intended it to create a platform for a broad range of options for collaboration and learning, although the precise nature of the ultimate form of cooperation was not necessarily specified in detail right from the beginning. Hence, the process of growing together was open and experimental in important respects.

However, after a start-up phase of constitution and consolidation, the issue of social purpose was put back on the agenda. In a social impact perspective, the question was: How can the HfH become more than shared back offices and shared processes? The partner organisations regard the HfH as a potentially powerful instrument that pools competencies and resources from different organisations. Yet, members were not altogether sure to what end it might best be used. The HfH directors regarded the middle of 2013 as a significant point in time and a good opportunity to shift the focus away from logistics and towards the further organisational development process (“from splendid isolation to making a difference” (HfH executive)).

## **How to Develop Beyond Shared Back Offices and Processes?**

It was in this context that the Centre for Social Investment (CSI) of Heidelberg University was commissioned by the HfH to conduct a case study into its development process, with a particular view towards the question of how the collaborative arrangement of the HfH might contribute to the generation of social impact of the individual organizations. The case study involved a phase of document analysis and open interviews with members of the HfH. Preliminary findings were presented to the HfH members in a workshop with the directors of all the HfH partner organisations, followed by a focus group inter-

view. All interviews were recorded and transcribed professionally to serve as the basis for our analysis. The case study data were interpreted in a collaborative process and against the background of CSI research on philanthropic impact and effectiveness (Thümmler et al., forthcoming). As a result, it was possible to analyse the data from a better informed and more comprehensive point of view, including all possibly relevant implications and meanings.

Three broad strategic options were identified that might be labelled as 'shared back offices', as a minimal scenario, 'collective impact', as a maximal scenario and 'learning organisation', as the middle way. In the first scenario, the organisations would leave the process of growing together at the level already achieved, only optimizing the technical details of collaboration in order to achieve the above-mentioned benefits. However, as the partners made clear right from the beginning, this was no real option, as the very rationale of the HfH is about the idea of going beyond this stage.

The alternative option was to keep growing together in order to ultimately focus on (a) common social problem(s) in order to bring about impact collaboratively. But, again, this was not regarded as the option of choice for two reasons. On the one hand, this option would have implied the need for the identification of a common problem. However, this demand could not be realized by means of the umbrella structure of the HfH, as the individual missions of the HfH partners are regarded as being too diverse to allow for the identification of a common social problem to tackle: The logic of selecting partners simply did not follow the purpose of addressing a joint problem in collaborative ways. In addition, HfH directors declined the idea of a common identity, maintaining that the HfH will not "be put in the market like a brand" (HfH executive). Obviously, willingness for active collaboration and for a continuation of the process of growing together has clear limits. Moreover, the likelihood and feasibility of finding and tackling a common problem was estimated as being rather low in the medium term, as well. However, this is not to say that the option might not become feasible in the long term.

Instead, the establishment of the HfH as a good practice for facilitating collaborative learning with a view towards organisational impact and effectiveness was regarded by

HfH directors as the option of choice. There are a number of good reasons that speak in favour of this strategy, both in theoretical and in practical terms.

## **Facilitating Collaborative Learning for Impact**

The conglomeration of different organisations active in the same industry is generally known as a 'cluster'. The main competitive advantage of these clusters is seen in rapid circulation of knowledge. The flow of knowledge and information is facilitated through collaborations which are more likely to come about when organisations are located close to each other (Porter 1990, 1998; Burt 2004; Manger 2010). However, from the literature as well as from the data, a number of qualifying prerequisites for collaborations to work well can be derived.

### **(1) Trust**

A precondition for establishing inter-organisational collaboration is seen in a high level of commitment and trust (Waddell et al., 2013). HfH directors describe their cooperation as being characterised by a high level of confidence, mutual respect and general openness towards each other. However, while a positive attitude seems to prevail on the executive level, HfH directors also report some sceptical voices amongst employees and advisory boards. They point towards the need to continuously persuade sceptics and overcome mental barriers to collaboration.

### **(2) Organisational distance**

According to our analysis, a major asset of the HfH consists in the fact that, while its member organisations are sufficiently different to not be direct competitors, at the same time, they are similar enough to be able to effectively learn from each other. In other words, due to their different thematic foci, partners in the HfH operate in a situation of limited competition, which makes open exchange possible in the first place; while at the same time, they are similar enough to learn from each other, as all of them are health-oriented charities working on issues of chronic diseases. Thus, the challenges and problems that have to be overcome in these fields, and also the more general aspects of man-

agement and fundraising, such as research, networking and advocacy efforts, are quite similar. In addition, the existing differences can be seen as an advantage for another reason: diversity is usually regarded as an important source of creativity.

### (3) Compliance with external expectations

The HfH complies with the expectations of key stakeholders, and accountability relationships are kept clear. Collaborative learning is supported by funders and board members. The HfH directors reported an explicit expectation to see increased collaboration – but no merger.

Collaborative learning entails a process of growing together. But as a crucial advantage, individual organisations can retain their autonomy, which might be an important argument with regard to the sceptical voices amongst advisory board members and employees. Hence, by means of organising for collaborative learning for impact and effectiveness, the HfH consortium responds to stakeholders' expectations; while, at the same time, organisations may improve in realising their individual missions to which they are accountable towards stakeholders.

As a further advantage, while focusing on facilitating learning for impact, ideas for bi- or tri-lateral activities may come up. These ideas can be seen as opportunities for experimentation and may stimulate the process of growing together in an organic way. In the long term, this can lead to an increased level of trust and reciprocal connections.

In order to realise the potential of establishing the HfH as good practice for collaborative learning with a view towards organisational impact and effectiveness, the following important next steps were identified:

#### (1) Organise for strategic-organic development

A 'minimally-invasive' process that 'organically' leads towards the goal of a collaborative learning organisation, without pushing for it too much, is seen as an adequate strategic answer to the above-mentioned considerations. As mutual trust is a necessary condition,



and the first priority for such a process to develop, all stakeholders will have to be involved. Particular attention will be directed toward the critical voices among advisory board members and employees. Open communication will make clear that the objective is to facilitate collaboration and not to merge. This will protect the individual organisational identities and preserve their autonomy. For the HfH directors, this implies the task of creating an inspiring and open learning environment in order to bring together people and ideas.

### (2) Create space and time for learning

Argyris and Schön (1996) pointed to the importance of creating communication channels, such as formal and informal discussion forums. Learning does not happen by itself; it needs enabling elements. Important elements of this environment are:

- An atmosphere that is error friendly and encourages all inhabitants to bring in their ideas and discuss them openly and critically (e.g., by discussing the 'failure of the month').
- Regular meetings to reflect on the process and to give the staff the chance to exchange thoughts about progress, failures and ways to improve co-operation.
- Foster active involvement of the staff in the process of learning and improvement by regarding them as experts for particular topics (Mayrshofer and Kröger 2011).

### (3) Facilitate learning as learning for impact

Overall, it is essential that a major focus is not directed towards internal issues but on learning how to foster the organisations' missions and on enhancing social impact. For this purpose, brief moderated workshops are seen as the method of choice. They might suggest issues such as the following questions:

- What is impact? How can it be defined in the field of chronic diseases?
- How should programmes and projects be evaluated in order to make sure that informed decisions on the further course of interventions may be made? What are the limits of evaluation?

- What can be learned from best practices and successes of single organisations? Are they replicable or instructive for the partner organisations?

## **Conclusion**

There is a tendency among charities, funders and society at large to regard collaboration and partnerships as a value, per se. However, simplistic notions like these certainly cannot do justice to the broad diversity of non-profits and the situations in which they work (Ostrower 2005). If collaboration is not the panacea for all kinds of organisational challenges, what is needed is a more situation- and problem-specific approach that takes into account the strengths and weaknesses of inter-organisational collaboration in more systematic ways.

The case of the HfH provides insights into an uncommon approach towards collaboration. It highlights important advantages but also the limitations of this particular type of consortial organisation. Furthermore, it illustrates important trade-offs of collaboration, on the one hand, and the particular requirements that need to be fulfilled for organisations to make use of this kind of collaboration. As the consortium is still in an early phase, tracking its further development will be worthwhile, in order to better be able to assess how this particular arrangement will develop over time, if and how it can make use of the strengths that were posited above, and how members will adapt to the challenges to collaboration in times of austerity.

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## **Acknowledgements**

Our case study was made possible by a grant awarded by ABN AMRO. This support is gratefully acknowledged. The authors are thankful to the board members of the House for Health, Gea Broekema (Alzheimer Nederland), Hanneke Dessing (Diabetes Fonds), Ronald Gorter (Fonds Psychische Gezondheid) and Marian Verasdonk (Maag Lever Darm Stichting), who participated in the focus group interview that was an essential part of this project. It was their kind willingness to offer their time, share information, sometimes confidential in nature, and to expose their work to public discussion that made our publication possible in the first place.