



E-PARCC

COLLABORATIVE GOVERNANCE INITIATIVE

Syracuse University

Maxwell School of Citizenship and Public Affairs

Program for the Advancement of Research on Conflict and Collaboration

The Health Careers Institute Collaboration

Teaching Note

Purpose of the Case

The purpose of this teaching case is to analyze informal cross-sector collaborations involving business, governmental, philanthropic, educational and nonprofit organizations. These groups came together to combat a neighborhood's deterioration. This case focuses on the development and evolution of the Phillips Partnership and its Health Careers Institute collaboration over time. It also compares the Phillips Health Careers Institute with the East Metro Health Careers Institute in an adjoining county.

Key questions covered include:

1. What key factors stimulate the formation of cross-sector collaborations?
What contributes to the collaborations' success?
2. What different types of leaders and leadership are needed to develop and maintain successful programs of cross-sector collaboration?
3. How can programs be sustained when demands and needs change?

This case was an honorable mention winner in our 2007 "Collaborative Public Management, Collaborative Governance, and Collaborative Problem Solving" teaching case and simulation competition. It was double-blind peer reviewed by a committee of academics and practitioners. It was written by Jay Kiedrowksi and Allison Rojas of the University of Minnesota, and edited by Laurel Saiz. This case is intended for classroom discussion and is not intended to suggest either effective or ineffective handling of the situation depicted. It is brought to you by E-PARCC, part of the Maxwell School of Syracuse University's Collaborative Governance Initiative, a subset of the Program for the Advancement of Research on Conflict and Collaboration (PARCC). This material may be copied as many times as needed as long as the authors are given full credit for their work.

Case Summary

The Health Careers Institute case takes place in Minneapolis and St. Paul, Minnesota from the fall of 1997 to the summer of 2007. The case follows the actions of the Phillips Partnership's Health Careers Institute and the East Metro Health Career Institute. The first program successfully sustains itself over time, while the second fails after a demonstration period. The case has two parts: A and B.

Case A starts with a 1997 meeting in the Minneapolis mayor's office involving two of the key leaders of the Phillips cross-sector collaboration, Mike Christenson, the head of a hospital system foundation, and Peter McLaughlin, a county commissioner. They brought together other community leaders to form the Phillips Partnership, a collaboration dedicated to addressing the growing problems of the Phillips neighborhood in south Minneapolis. Detail is provided about the deterioration of neighborhood.

The formation of the Phillips Partnership, an employer, government, and philanthropy collaboration, is described with its emphasis on "public safety, jobs, housing, and infrastructure." The case then turns to understanding the first jobs collaborative effort of the Phillips Partnership, the Train to Work program. Through Christenson's leadership, Project for Pride in Living (PPL), a neighborhood nonprofit, agreed to start an innovative program to train the hard to employ for entry-level jobs in two community hospitals, which were part of the Phillips Partnership. The Partnership helped raise the funds necessary to train and graduate 93 individuals in 1998.

With the success of the Train to Work program, Christenson proposed the development of a second jobs program collaboration called Health Careers Institute. This program was designed to move Train to Work graduates and existing low-level hospital employees into higher-paying medical positions. Metropolitan Community and Technical College (MCTC), a local two-year public higher education institution, became a further partner in this program collaboration, and offered college credit health care education and training courses in the Phillips neighborhood for students to qualify for medical certificates, such as in nursing and phlebotomy. McLaughlin became the chair of the Health Careers Institute board and convinced the Hennepin County Medical Center to join the collaboration.

Two individuals were instrumental in developing the program in five months time: Jane Foote, the dean of nursing services at Metropolitan Community and Technical College, and Mary Rosenthal, a contract coordinator hired to administer the demonstration program. On August 28, 2000, 69 students enrolled in rented office space located between two of the partner hospitals in the Phillips neighborhood.

Having the Health Careers Institute located in the Phillips community near the hospitals and having the participating hospitals guarantee job offers after graduation helped the program exceed expectations. By reducing barriers to students, such as lack of transportation or fear of

attending school in a strange neighborhood, the Health Careers Institute successfully served its target population. By September of 2003, the Health Careers Institute enrolled its 900th student. A story is presented about one of the graduates who first participated in Train to Work and then in Health Careers Institute. Phillips Health Careers Institute was nominated for two national awards and won the prestigious Bellwether Award, which recognizes cutting-edge, trendsetting programs nationally, in the category of workforce development.

After Phillips Health Careers Institute's first year of success, Christenson urged Rosenthal, the coordinator of the institute, to work on a half-time basis with four medical institutions in St. Paul to develop their own East Metro Health Careers Institute (EMHCI) in August of 2001. She worked with various entities to form another collaborative health care training effort. United Hospital, Regions Hospital, Gillette Children's Specialty Healthcare, Health East Care System, Century College, St. Paul College, and Workforce Solutions, a worker development agency of Ramsey County, were all involved.

Funding for the East Metro effort for the first three years included \$750,000 from the employers, a \$400,000 Minnesota Jobs Partnership Grant, and \$650,000 from area foundations. With the demonstration funding assured, Rosenthal left the Phillips HCI and became a full-time employee of the EMHCI.

From the summer of 2001 when East Metro Health Careers Institute enrolled its first students until the summer of 2004, the program met many of its goals. The institute enrolled 395 hospital employees and community residents in college credit classes, and 181 individuals completed EMHCI programs and were trained as nursing assistants, health unit coordinators, phlebotomists, and licensed practical nurses.

Several problems developed for both Health Careers Institutes. First and foremost, the general economy had gone into recession after 9/11. There were fewer openings for medical staff as many returned to employment, others increased their hours, and turnover slowed. Second, state government revenues had dropped significantly and the Governor put through a two-year budget for 2003-2005 with major cuts in programs, including higher education and job training. Third, the foundations that gave money in the early years to fund the demonstration projects were reluctant to provide funding beyond the demonstration. Finally, the hospitals, which found it easier to recruit employees, had less desire to contribute to the Health Careers Institute.

By the fall of 2004, a new round of funding was needed to continue the East Metro Health Careers Institute. The Phillips Partnership faced similar problems. Additionally, the entire Phillips Partnership board with the exception of McLaughlin had changed, and of the original eight Phillips Health Careers Institute board members, only McLaughlin and Davis, the president of Metropolitan Community and Technical College, remained.

The following questions are asked at the end of Case A:

1. Given the changes, should the Health Careers Institute collaborations continue?
2. If not, what alternatives should be pursued?
3. If the institutes should continue, who should take the lead?
4. What should the ongoing strategy be for the HCIs?
5. How should the HCIs take into account the interests of each of their partners?
6. Will the experience of the Phillips HCI be any different from the experience of the East Metro HCI?

Part B of the case attempts to answer the previous questions. It opens with an update of the situation for the East Metro Health Careers Institute. By 2004, one of the four medical employers decided to discontinue contributing to the program because the job market had tightened significantly. Some job training funds were still available from the state and the county. While a few foundations were willing to continue their contributions, three refused more support. They believed that the program should have been self-sustaining after three years. In November of 2004, the lack of adequate funding forced Rosenthal to recommend that the East Metro collaboration board “fire” her and end the collaboration. They approved.

At about the same time, Christenson, the new director of strategic partnerships for the City of Minneapolis’ Community Planning and Economic Development Department, asked several people to develop a strategic direction for health care training in Minneapolis. They included Steve Studt from Project for Pride in Living and both Davis and Foote from the Minneapolis Community and Technical College.

As the Phillips Health Careers Institute board chair McLaughlin indicated, “We need a way to keep everyone at the table working together. Keep our commitment to the community residents and to career laddering in the hospitals, be responsive to the job market, and make the collaboration efficient and flexible.”

Project for Pride in Living and Minneapolis Community and Technical College worked on a Memorandum of Understanding for a new organization. Key points included the Health Careers Institute being renamed Health Careers Partnership (HCP) to better reflect its informal collaborative status, and being joined with PPL’s Train to Work program. PPL would be the program manager, fiscal agent, and recruiter with the college providing the certified academic training. PPL would take responsibility for fund raising.

This new collaboration was similar to the original Phillips Health Careers Institute with business, government, education, and philanthropy participating. A difference was the primary leadership role of a nonprofit agency. Although the partners never signed the Memorandum of

Understanding, they used it as the foundation of their operations.

By 2007, the Health Careers Partnership/Train to Work program had stabilized and was growing again. Train to Work graduated 45 students in 2006. Thirty-eight incumbent workers received training through the Health Careers Partnership work of MCTC. Three new job programs were initiated. The budget for 2007 for all the programs was nearly \$900,000.

Case B concludes showing the significant progress made in the Phillips neighborhood by the summer of 2007 in new business development, reduction in crime, improved housing, and an improvement in the attitudes of the residents toward their neighborhood.

The questions at the end of the Case B include:

1. What were the driving forces that sustained Phillips HCI?
2. What is unusual about the new collaboration?
3. Compare the East Metro and Phillips HCI's. How are key driving and constraining forces similar and different? How about the role of leadership?

Use of the Case

The Health Careers Institute case can be used in public/nonprofit introductory graduate courses in management and leadership or in an advanced graduate course on organizational change. It can also be used in a graduate business school course in social responsibility.

Depending on the class, different aspects of the case can be reviewed and discussed. The case objectives at the beginning are used here to analyze the case.

1. What key factors stimulate the formation of cross-sector collaborations? What contributes to the collaborations' success?

The Health Careers Institute case is an excellent example of businesses working with government, philanthropy, an educational institution, and a nonprofit organization to improve their neighborhood. Why was the Phillips Partnership created? It satisfied the self-interests of all of the collaborators, and leaders who saw an opportunity were willing to make it work.

The businesses were shown an effective way to improve the neighborhood in which they were located while meeting a demand for more workers, diverse workers, and workers who would take responsibility for the neighborhood. As a result, they had less reason to move out of the neighborhood. One of the partners, Allina Health Systems, ultimately relocated its headquarters into the Phillips neighborhood.

City government was able to stabilize and improve a neighborhood through reduced crime, improved housing, more jobs, and better roads and transit. County government effectively moved individuals from welfare to work and met a demand for more employees and diverse employees for its hospital. Metropolitan Community and Technical College found a better way to educate poor and diverse students. Finally, the nonprofit Project for Pride in Living was able to meet its mission of helping people with their self-sufficiency by broadening its job training efforts beyond Train to Work.

An interesting aspect of the Phillips Partnership and both Health Careers Institute collaborations was that they were informal. They were not 501(c)(3)s. They were not part of government or business. They had temporary staff. They simply existed to meet their common objectives. These cross-sector collaborations discovered a way to use their member strengths and avoid their member weaknesses to do more than they could have done separately.

The informality of the collaborations made them more flexible. In the case of the East Metro HCI, it was easier to terminate the activity. In the case of the Phillips HCI, the informality allowed it to more easily transition to an organizational arrangement that better met the demands of its stakeholders. The flexibility also allowed the collaborations to respond more quickly after a decision was made, which was consistent with the operating style of the industry CEOs.

When the need for the Health Careers Institutes diminished, one failed and one succeeded. For the Phillips HCI, it wasn't the usual members that rescued the program. It was an entrepreneurial nonprofit organization. Because of its mission focus, Project for Pride in Living stepped forward and renegotiated the terms of the collaboration to sustain it during a low job demand environment and do that so it could be expanded rapidly if the health care job market became tight again. The East Metro HCI can be used to suggest how an almost identical collaboration failed because no neighborhood collaboration existed. No neighborhood nonprofit was willing to own the problem.

2. What different types of leaders and leadership are needed to develop and maintain successful programs of cross-sector collaboration?

The Health Careers Institute case demonstrates the importance of leaders. Christenson clearly took a risk and tried to do something for his organization and for a deteriorating neighborhood. He had a vision, an ability to network across sectors, a knack for finding the leverage points in organizations to make things work. He is an example of an "integrative leader," one who leads across boundaries for the common good.

Christenson's vision, that employers could train and employ hard to reach individuals in living wage jobs in their own neighborhoods, was an important motivator for the other leaders in this case study. McLaughlin shared this vision from his community work on job

development. Foote from MCTC was energized by the vision and the opportunity to open a whole new campus in a short period of time. Rosenthal was inspired by the vision because it fit so well with her past experiences, values, and need for meaningful work. Studt at PPL had a similar, but more general vision for the jobs program he led.

It took more people than Christenson to make these collaborations work. In fact many leaders came together to create the initial and ongoing success of the Phillips Health Careers Institute. What if McLaughlin had not been available at critical junctures throughout the 11 years of the case to provide visible political and county financial support? What if the CEO of Honeywell hadn't drawn the napkin target with such clarity and determination? What if PPL's Studt had not responded to Christenson's inquiries? What if the key people at MCTC had been too busy for a new initiative?

Was the East Metro HCI's ultimate demise a demonstration of a lack of individual leadership at its most crucial time? Perhaps, but another view would suggest that it lacked institutional leadership as well. Where was the Project for Pride in Living equivalent in the East Metro? While Studt was critical to PPL's involvement with the new Phillips Health Careers Partnership, ultimately it was the organizational strength of PPL in understanding needs and in fundraising that sustained the Phillips collaboration.

3. How can programs be sustained when demands and needs change?

Many start-up businesses and nonprofits often fail in their early years. Collaborations may succeed initially but cannot sustain themselves, especially when key individuals leave or institutional supporters lose interest. Collaborations also can fail to change when needed and some don't have the flexibility to sustain themselves. Sustainability of change is an important issue.

The Phillips and the East Metro Health Careers Institutes both had solid financial support for their "demonstrations." One developed a strategy for the long-term and the other failed. PPL knew that with the drop in demand for health service employees the new Health Careers Partnership's primary focus had to change. While fewer health service positions were available, there was still a shortage of diverse employees in the hospitals so that became a more important part of the new partnership's mission. The need and purpose of the program changed.

PPL also developed a financial strategy for HCP that was sustainable. It had a very good understanding of what donors would be willing to fund, and broadened the support to individual donors in addition to foundations. Finally, PPL helped develop a more flexible HCP, one that would monitor the health services job market more carefully in an attempt to match trained diverse candidates with current openings. HCP could ramp-up its training rapidly or keep it at a low level until the next job market shortage occurred.

While community economic development was not an original purpose for developing this case study, it quickly became a highlight. The Phillips neighborhood in 2007 was substantially different than the deteriorating neighborhood of 1997. While many actors were responsible for the resurrection of the neighborhood, the Phillips Partnership was a key change agent. Its focused commitment to changing “public safety, jobs, housing, and infrastructure” made an early and substantial contribution to the improvement in Phillips. The HCP/TTW reflects its efforts in the job portion of its focus. The before and after statistics were added to the case to make this point, but the authors can attest from driving through this neighborhood regularly for years that it has changed positively. Further, the momentum seems to be leading toward further improvement.

The Phillips partners also understood that each of them could not improve the community alone. It took McLaughlin and the mayor to reach out to business and philanthropy. Business connected with higher education and PPL. PPL and higher education redesigned the entire jobs effort at a critical time. The new Health Careers Partnership has a broader board than the original Health Careers Institute because of its desire for even more collaboration.

Suggested Timing for the Case Discussion

The case can be covered well in a two-hour class. It can also be used over two one-hour classes. Students should read and prepare Case A, including watching the video that accompanies the case. Cases B should be handed out and discussed during the class if it is two hours. Or, Case B can be the assignment for the second class of two one-hour classes.

A review of the facts of the case is a good place to start in discussing this case. Bringing out the subtleties is important at the beginning:

- No formal agreements were developed for anything that happened.
- Christenson had a broad vision for the jobs effort from the beginning that was shared by the collaboration leaders.
- All the collaboration members contributing resources and getting results they individually desired was important.
- Having a neighborhood education facility and job offer guarantees helped the Health Careers Institute succeed.

After the initial discussion of the facts, one can break the class into smaller groups to discuss what should be done to sustain the Health Careers Institutes and what will likely happen to each HCI. After bringing the groups back together, students will likely have divergent views of what should be done and what happened. Will any of the groups anticipate that the nonprofit steps forward to lead the effort in Phillips?

The class discussion should then focus on one of the major emphases: cross-sector collaboration, leadership, or change sustainability. The East Metro HCI provides a useful comparison with the Phillips effort. Finally a discussion of what the prospects are for the Phillips

Health Careers Partnership can be discussed. Progress can be monitored by going to the Project for Pride in Living website: <http://www.ppl-inc.org/>