Brian Smith Spring 2014, BA 3902 Paper #1 – Stakeholder Analysis

### **Ethical Dilemmas Facing Temple University:**

- 1. The gentrification of the Temple University area in North Philadelphia remains a troublesome issue for the university. Over the past 50 years, Temple has expanded the size of its campus to meet the growing student population size. Temple's expansion was designed as a means for urban redevelopment, attempting to encourage growth and opportunity in the stagnant North Philadelphia area. However, many local residents see Temple's expansion in a different light. Many residents were displaced and forced to relocate as a result of the construction of new Temple buildings. Also, many people in North Philadelphia complain that police forces in the area are only concerned with protecting Temple students, not the local residents. Temple has grown so rapidly over the past half-century that upperclassmen are no longer guaranteed on-campus housing, which has forced many students to live off-campus. Students and local residents are now in very close proximity. The ethical dilemma currently facing Temple is the potential harm to the neighboring North Philadelphian communities, coming at the expense of campus expansions and student safety measures.
- 2. Another ethical dilemma facing Temple University is its recent elimination of 7 varsity sports programs. Baseball, softball, men's crew, women's rowing, men's gymnastics, men's indoor and outdoor track & field will all be removed from Temple's athletic program after the Spring 2014 season. The decision to eliminate these sports was met with controversy as many student-athletes have openly voiced their displeasure. The changes are expected to save Temple an estimated \$3-\$3.5 million from the athletic department's \$44 million annual budget. The dilemma is whether Temple needed to cut these programs, saving only \$3 million a year, when its football and basketball programs have higher budgets than all 7 of the sports combined.

### 1. Explain the ethical considerations surrounding the issue you chose.

Several key ethical considerations are present in this complex situation. After pursuing an aggressive expansion strategy in the 1950's and 1960's, Temple has struggled to maintain a healthy relationship between the university population and the population of local residents. Many North Philadelphia residents were outspoken against Temple's expansion in the 50's and 60's because of the displacement caused by new construction. Since then, relations have been strained between the local population and the university population.

Temple has a duty to protect its students on campus. However, students are not guaranteed oncampus housing, so more and more students are living off-campus, where there is not the same degree of protection from Temple police. Temple must balance the safety of its students with alienating the local population in doing so.

In its mission statement, Temple claims "the creation and renovation of facilities will support research and creative work, advance instruction and marshal knowledge to enhance the quality of life for Temple's fellow citizens in North Philadelphia". Temple is committed to improving the greater North Philadelphia area and improving the quality of life for its residents. This shows that Temple has an obligation to the North Philadelphia community as a whole, further complicating the relations between university and local populations.

# 2. Please identify Temple University's stakeholders (consider the Board of Trustees to be like the Board of Directors), and explain their interests and sources of power. You can answer this question in chart form and/or use bullet points.

Stakeholder(s)	Interest(s)	Source(s) of Power
Temple University	<ul> <li>Financial interest - to keep student/faculty safe</li> <li>Interest in improving the quality of life in North Philadelphia</li> </ul>	Economic power – as an organization, Temple has tremendous resources at its disposal
Temple University students	Personal safety interests (on & nearby campus)	Economic power – to leave Temple and pursue an education at another university
Temple University faculty	Personal safety interests (on & nearby campus)	Economic power - to leave Temple to teach at another school
North Philadelphia residents	<ul> <li>Interest in maintaining their property rights</li> <li>Interest in fair law enforcement</li> <li>Financial interest - Temple's success brings more money into community</li> </ul>	Power to protest against further expansion
US Government / PA Government	<ul> <li>Financial interest – grant money given to Temple University</li> <li>Expecting university growth from public funding</li> <li>Interest in improving the quality of life for its citizens</li> </ul>	<ul> <li>Economic power – to withhold funding if certain requirements are not met</li> <li>Political power – to change regulations for universities to receive public funding</li> </ul>
Temple Board of Trustees	Interest in maintaining university success and continuing tradition	Voting power – to make university-wide changes
Police Force	Interest in maintain law & order and bringing criminals to justice	Legal power – to make arrests, enforce laws, etc.
Media	Financial interest – to find stories that will receive the most attention	Power of publication – potential for information to travel quickly

## 3. Please identify the subgroups that might exist within the stakeholders you identify, as well as the stakeholder groups that might be likely to form coalitions.

Stakeholder Group	Subgroups	
Temple University students	<ul> <li>Commuters vs. Non-Commuters</li> <li>On Campus Housing vs. Off Campus Housing</li> </ul>	
Temple University faculty	Faculty that live in North Philadelphia vs.     Faculty living elsewhere	
North Philadelphia residents	<ul> <li>Alumni vs. Non-Alumni</li> <li>Residents that have been displaced by Temple's expansion vs. Residents that have not been displaced by Temple's expansion</li> <li>Residents that have been unfairly treated by local police vs. Residents that have not been unfairly treated by local police</li> </ul>	
Police Force	<ul> <li>Temple Police vs. Philadelphia Police</li> <li>Individual police districts in the area (District 22 &amp; 26) (1)*</li> <li>Police officers that live in North Philadelphia vs.</li> <li>Police officers that live elsewhere</li> </ul>	

In this complex situation, several coalitions have already been formed. Temple University has coordinated with the Philadelphia Police Department to help protect students on and off campus. Temple also has its own police force for maintaining order on campus. Temple's interest in protecting its students and faculty is matched with police force's interest in law enforcement and criminal justice. Additionally, Temple has a coalition with the government (federal and state). The government funds Temple University, like many other public universities, as a way to help encourage higher education opportunities amongst its citizens. In exchange, Temple must abide by certain regulations, including campus growth. The government has the power to withhold funding if the university does not adequately meet its requirements. In this situation, Temple's compliance with government regulations is of the utmost importance, as it relies heavily on public funding.

Additionally, a coalition between the residents of North Philadelphia and the media would likely be successful. The media can provide a platform for residents that have been displaced, or mistreated by law enforcement, to tell their story to the world. The media has a duty to inform the public about certain important issues and sharing the grievances of North Philadelphia residents is a great way to do that.

## 4. Please explain which stakeholders should be prioritized based on those you identify with the most power, with the most legitimacy and the most urgency.

Temple University should prioritize certain stakeholder groups based on their power, legitimacy, and urgency. First, the stakeholder group with the most power is the government. They have economic power to withhold all public funding for Temple University. Additionally, they have the political power to change the regulations that Temple must abide by in order to continuing receiving funding. The combination of economic and political power indicates that Temple University should certainly prioritize the government as a stakeholder.

Second, the stakeholder group with the most legitimacy is the residents of North Philadelphia. Temple's aggressive growth strategy, in accordance with government regulations, displaced thousands of families, forcing them to find a new place to live. These people are victims that have directly suffered from Temple University's expansion. Part of Temple's rationale for expanding its campus was to improve the quality of life in the North Philadelphia area. However, 50 years later very little economic prosperity has matriculated past the university border. The residents of North Philadelphia are the stakeholder group that the media is most likely to empathize with.

Finally, the stakeholder groups with the most urgency are the Temple University students and faculty. Every time a student or faculty member is the victim of a crime on or nearby campus, it speaks a message to the world that Temple University is not a safe place. The cumulative effects of these occurrences could lead to a dramatic decline in enrollment for Temple University. This would affect the ability for the university to operate at its current capacity and render all long-term growth plans irrelevant. Student and faculty safety is vital to the ongoing success of Temple University.

## 5. Please describe 2 or 3 courses of action you would recommend and how these alternatives will impact the stakeholders you prioritized.

- 1. Invest in neighboring communities. Create Temple-sponsored educational programs to partner with local elementary, middle, and high schools. This will have two important benefits. First, it will improve the relationship between Temple University and residents of the surrounding area. The locals will be encouraged to see Temple showing goodwill towards the neighboring communities. This should help calm the victimization of Temple University students and professors. Second, promoting education in the area will help to increase the number of college attendees. Public schools in Philadelphia, particularly in North Philadelphia, are shamefully underfunded and the results are a low high school graduation rate and an even lower percentage of students pursuing higher education. Investment into these schools will eventually lead to a higher Temple University enrollment, as many of North Philadelphia students would choose Temple because of its proximity. This alternative would benefit the greater community, as well as benefit Temple University with less student/faculty victimization and an increase in enrollment.
- 2. An expansion of the Temple Police force, in order to better protect students living in nearby off campus neighborhoods. Temple no longer can guarantee upperclassmen on campus housing, so the need for more off campus police exists. A relatively small expansion could really make a huge impact on student safety. Off campus student housing is largely concentrated just a few blocks from campus, on the opposite side of Broad St. Thousands of students live in this area, but Temple Police do not have a strong presence there. The Philadelphia Police Department is responsible for patrolling this area, but would benefit from some additional resources from Temple Police. This

expansion would increase the safety of Temple students, but would risk further alienating the local population. More Temple police officers patrolling off campus areas may be an unwelcome gesture for North Philadelphia residents.

6. Please make a recommendation. Please make sure you connect your recommendation to your analysis (your answers to the previous questions), and please specify which perspective you think Temple should follow (property, shared value, CSR, B-Corp), and explain your answer.

It is my recommendation that Temple start an initiative to help improve the education system in North Philadelphia. Investments will need to be made for supplies, books, Temple sponsored events, etc. This strategy will benefit all stakeholder groups involved. Temple will be helping the residents of North Philadelphia, which in turn is likely to ease student-local relations, ultimately answering the safety concerns for students and faculty members. Additionally, Temple will benefit from more students in the North Philadelphia area going to college, as many of them would likely end up at Temple. This suggestion will benefit all stakeholder groups involved.

I think Temple should follow the shared value perspective, which calls for societal problems to be addressed in a profit-maximizing strategy. Organizations using this concept focus on societal issues and sustainability, along with profitability. Temple University is a huge organization, so there must be some emphasis on making a profit in order to keep the university functioning as a business. However, Temple should take responsibility for some greater societal issues because of its vast resources. This is why I think Temple should invest in education in neighboring communities. In doing so, Temple will satisfy all of its stakeholders, while taking social responsibility and making the world a better place.

#### **Works Cited**

1. Philadelphia Police Department. *Districts*. 2014. Web. 10 Feb. 2014. <a href="http://www.phillypolice.com/districts">http://www.phillypolice.com/districts</a>.