

Subject Content	What students need to learn?
1.5.1 Business stakeholders	<p>Who business stakeholders are and their different objectives:</p> <ul style="list-style-type: none"> <li>shareholders (owners), employees, customers, managers, suppliers, local community, pressure groups, the government.</li> </ul> <p>Stakeholders and businesses:</p> <ul style="list-style-type: none"> <li>how stakeholders are affected by business activity</li> <li>how stakeholders impact business activity</li> <li>possible conflicts between stakeholder groups.</li> </ul>

### Stakeholders

Individuals or groups of people who have an interest in a business  
 A stakeholder will be **affected** by the decisions and actions of a business.  
 Stakeholders are important to businesses as they can have a big **influence** on them.

### CONFLICT

A disagreement or argument between people / groups.  
 As Stakeholders all have different objectives, businesses need to minimise the conflict between the groups.

Stakeholder	Objective
<b>Shareholders</b>	Private limited companies - long-term organic growth Public limited companies – high share price in short term, as much profit as possible for big dividends
<b>Employees</b>	Employment security, opportunities for promotion / career development, fair pay, good fringe benefits (e.g. pension, holiday, company car)
<b>Customers</b>	Consistently high quality, value for money, honesty, fairness, innovative products
<b>Managers</b>	Employment security, opportunities for promotion / career development, fair pay, good fringe benefits (e.g. pension, holiday, company car)
<b>Suppliers</b>	Honesty and fairness, especially on pricing and credit terms, good communication, regular orders, loyal customers
<b>Local community</b>	Honesty and fairness, especially on plans that affect local employment and the environment.
<b>Pressure groups</b>	Honesty and fairness, especially on plans that affect customers and the environment
<b>The government</b>	Honesty and fairness, especially on paying tax, high levels of employment

These stakeholders all have different objectives (expectations) of the organisation. It is important that organisations are aware of who their KEY stakeholders are, so they can meet their objectives.