Compare and Contrast Paper

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Stakeholders are individuals who have a common interest in an organization or gain/benefit from an organization. They are often affected by the objectives, policies, and action of the group. Examples of stakeholders are directors, employees, union, creditors, government, and suppliers. Managers are workers with certain duties and assigned to a particular level on an organizational chart (Pearlson & Saunders, 2004). They have diverse responsibilities for people and functions. They report to the directors’ level.

In comparison and contrast to managers and stakeholders perception of risk taking the following will count;

Both managers and stakeholders take the risk because taking risk is critical to the culture of innovation. In today’s very competitive market innovation is a powerful strategy for success which requires managers to embrace risks and that failure can occur. If managers take the risk, stakeholders equally are likely to take the risk and try out new ideas (Marchewka, 2014).

Managers and stakeholder embrace risk taking because it spawns new ideas which are essential for revenue growth which will be helpful for the company as it generates income and high profit. From risk taking, they can take their business to a higher level. This what defines a successful business (Marchewka, 2014).

Risk taking enhances the confidence of the managers and stakeholders. Through this managers can believe in their capability especially when a risk taken results in high revenue return. Similarly, the trust of stakeholders is boosted when they take a risk to enhance their performance and to be better than they were initial.

Risk taking improves customer’s satisfaction which is the desire of both the manager and the stakeholder which encourages both the manager and stakeholders to innovate and venture in new ideas which are paramount to the success of any business. Making the customers satisfied means high returns for the organization (E. Cantor, Blackhurst,, Pan, & Crum, 2014).

Managers reason that great opportunities are often unseen therefore they take the risk to maximize the profit of a corporate while investors fear to take hidden opportunities and to invest in them. They regard them as dangerous and unwise decisions.

Taking risks on the managers’ side is a sign of confidence and help them stand out as leaders. On the stakeholders side gambling on the unknown may crush their trust and, therefore, maintain their normal status in which they are already satisfied they better not take the risk in the unknown (Vasi & King, 2012).

Managers presume that they learn from taking the risk and provide them with an opportunity for internal growth while stakeholders think that they can learn and grow without taking the risk.

Managers know that they to work and pursue success, they have to go an extra mile regardless of all the challenges they have to face. They have to venture into the unknown. On the contrary, the stakeholders only invest on what is proven to give success without necessarily taking risk or venturing into the unknown.

Managers believe that they don’t achieve their dream by playing it safe. They believe that risk taking help them open up a world of possibilities they had not yet thought of. On the other hand, stakeholders believe that playing safe contribute to achieving their goals without taking the risk that would otherwise shut their dream (Vasi & King, 2012).

In conclusion, risk taking is very tactical and requires weighing its benefits and disadvantage, risk-taking not only affects the managers and stakeholders but the organization as a whole. Whereas it boosts confidence, culture, innovation, embraces new idea and growth of an organization. It also negatively leads to the collapse of society. Therefore, they gain from risk taking overrides the fear and sanitation associated with risk taking. It is better to take the risk than not to take the risk at all. Managers, stakeholders and the organization as whole benefits from risk-taking in the long run.

References

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