

Stakeholders

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Difference

Shareholders  **Stakeholders**

Internal stakeholders VS external stakeholders

A **stakeholder** is any person or organization with an **interest in**, and is **affected by**, the activities and performance of a business.

Internal stakeholders	External stakeholders
Work within an organization	Not employed by an organization but get affected by its activities
Primary stakeholders	Secondary stakeholders

Internal or external?

- Customers
- Financiers/lenders
- Managers and directors
- Employees
- Suppliers
- Government
- Shareholders
- Local community

The interest of stakeholders

Stakeholders	Interests/objectives
Employees	
Managers and directors	
Shareholders	
Customers	
Suppliers	
Government	
Lenders/Financiers	
Local community	

The interest of internal stakeholders

Stakeholders	Interests/objectives
Employees	Pays, job security, good working conditions, promotion opportunities
Managers and directors	Annual bonus and perks, job satisfaction and status, profit maximization & long-term financial health, improve operational efficiency, enhance customer relations
Shareholders	Maximize profit (dividends), capital gain (a rise in the share price)

The interest of external stakeholders

Stakeholders	Interests/objectives
Customers	Product quality, price, customer service (after-sale support)
Suppliers	Price, regular orders, prompt payment
Government	Taxes; minimal spending on unemployment benefits Firms operate legally and in a socially responsible way
Lenders/Financiers	Ability to pay interest and repay debts, profitability and cash flow of the business, growth in profits and value of the business
Local community	Create job opportunities, subsidize community facilities, protect the environment, sponsor local fund-raising events