**Stakeholder**

Stakeholder means all those group which have interest in a business firm. All those people who have their interest in the business or who expect some kind of benefit out of businesses are known as stakeholders. The key points which will help us to identify that who can be the stakeholders of the business organization are:

* Affect a business.
* Be affected by a business.
* Be both affected by a business and affect a business.

**Internal Stakeholder:** The groups of people who work directly within the business, such as employees, managers, owners.

**Shareholder:** They purchase share of the company and become the owner of company and also have voting rights.

**Employer:** They are the full timer owner of the firm and manage all day-to-day function of company.

**Employee:** Employees have a directly stake in the company. They interact directly with customers, earn money to support themselves, and give support to the business operations as well.

**External Stakeholder:** External stakeholders are groups outside a business for people who don’t work inside the business organization but are affected in some way by the decisions and actions of the business. For example, customers, suppliers, the local community, government.

**Supplier:** They provide raw material or finished good to the company

**Creditor:** They provide fund to the company and earn fix interest from the company

**Government:** Governments can also be considered a major stakeholder in a business as they collect taxes from the company. They provide license, rule and regulation for the firm.

**Customers:** They purchase products and service from the company. Customers expect the business to provide high-quality products and services. In general, meeting the customer’s needs is an extremely important area of concern for ensuring the success of any business. Customers are directly impacted by the product quality a business gives.

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| **Basis** | **Internal Stakeholder** | **External Stakeholder** |
| **Meaning** | They contribute organization from inside. | They contribute organization from outside. |
| **Position** | They operate from inside of the organization. | They operate from outside of the organization. |
| **Role** | Participate in management. | Do not participate in management. |
| **Investment** | Some stakeholder like employer, shareholder. | No external stakeholder to investment. |
| **Dividend** | Shareholder got dividend | They do not get dividend |