Lesson 4: Stakeholders

🎯 Learning goals

- ✓ Explain what a stakeholder is and name the main stakeholders
- ✓ Describe the objectives of different stakeholders
- ✓ Explain how stakeholders influence a business
- ✓ Explain why conflict can arise between stakeholders

🔑 Key words

Stakeholder Any individual or group with an interest in a business.

Shareholder/owner Someone who owns part of the business and wants profit/dividends.

Dividend A share of profit paid to owners/shareholders.

Industrial action Action by workers, such as a strike, to influence a business.

Conflict When stakeholders' objectives clash.

📘 What you need to know

A business must balance the needs of all its stakeholders.

1. Who the stakeholders are

A **stakeholder** is any individual or group with an interest in a business. The main stakeholders are **owners, employees, customers, suppliers** and the **local community**. Each is affected by what the business does, and each has its own objectives.

2. What stakeholders want

Different stakeholders want different things:

- owners want profit and dividends
- employees want job security and fair pay
- customers want good quality at a fair price
- suppliers want to be paid on time

and the local community wants jobs and a minimal environmental impact

> *"Every business decision affects several stakeholders — and they don't always want the same thing."*

3. Influence and conflict

Stakeholders can **influence** a business through their actions:

- **employees through industrial action** (such as a strike)
- **customers through their choices** (buying or boycotting)
- suppliers through their pricing

Because objectives differ, conflict can arise. For example, if Maya cuts wages to raise profit, owners gain but employees lose — so what helps one stakeholder can harm another

✅ Test yourself

Cover the answers below, answer Q28–Q33, then check.

Q28 What is a stakeholder?

Q29 Name five key stakeholders.

Q30 Give one objective of employees.

Q31 Give one objective of owners.

Q32 How can stakeholders influence a business?

Q33 Why can conflict arise between stakeholders?

ANSWERS

A28 Any individual or group with an interest in a business.

A29 Owners; employees; customers; suppliers; local community.

A30 Job security and fair pay.

A31 Profit and dividends.

A32 Through actions such as industrial action, consumer choice, or supplier pricing.

A33 Because their objectives may differ or conflict.