Your notes

GCSE Business: revision notes

Stakeholders

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Who stakeholders are

- A **stakeholder** is anyone with an interest in a business.
- Owners and **shareholders** want profit and dividends. Employees want good pay, job security and good conditions. Customers want quality, low prices and good service. Suppliers want regular orders and prompt payment. The local community wants jobs and little noise or pollution. The government wants taxes paid and laws obeyed. Lenders want to be repaid.
- **Internal stakeholders** are inside the business (owners, managers and employees); **external stakeholders** are outside it (customers, suppliers, the community, the government and lenders).

Conflicting interests

- **Stakeholders** often want different things. Owners want lower costs and higher profit, while employees want higher pay. A community may object to the noise of a new factory, even though it brings jobs.

How stakeholders influence businesses

- **Shareholders** vote at the annual general meeting (AGM); employees act through **trade unions**; customers can buy elsewhere; the government passes laws; and local communities can protest or object to planning applications.

Key terms

Stakeholder	Anyone with an interest in a business.
Shareholder	A person who owns shares in a company.
Internal stakeholder	A stakeholder inside the business, such as an employee.
External stakeholder	A stakeholder outside the business, such as a supplier.
Conflict	When stakeholders want different, incompatible things.

Trade union	An organisation that represents workers.
AGM	The annual general meeting, where shareholders can vote.

Quick questions

Cover the answers and test yourself: remembering is what makes it stick.

1. What is a stakeholder?
2. Which of these is an internal stakeholder?
3. Which of these is an external stakeholder?
4. What do shareholders mainly want?
5. What do suppliers want from a business?
6. What does the local community want from a business?
7. Why might owners and employees disagree?
8. How can employees influence a business?

Answers

1. Anyone with an interest in a business
2. Employees
3. Suppliers
4. Profits and dividends
5. Regular orders and prompt payment
6. Jobs, with little noise or pollution
7. Owners want lower costs, while employees want higher pay
8. Through trade unions

What to do next

Practise 12 questions on this topic

Try 4 exam questions, with mark schemes

Read the lesson, one step at a time

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