

14 Lecture - MGT211

Important Subjective

1. Define the term 'stakeholder' in business and management.

Answer: A stakeholder is any individual, group, or organization that can affect or be affected by the actions, decisions, or policies of a business. Stakeholders may include customers, employees, shareholders, suppliers, government agencies, competitors, and members of the local community.

2. What is the importance of stakeholder analysis in business?

Answer: Stakeholder analysis is important in business because it helps identify and prioritize stakeholders based on their level of influence and interest in the business. This information can be used to develop effective communication strategies, build relationships with key stakeholders, and manage stakeholder expectations.

3. How can a company effectively manage its stakeholders?

Answer: A company can effectively manage its stakeholders by engaging in ongoing communication and consultation, addressing stakeholder concerns and needs, and involving stakeholders in decision-making processes. Companies can also develop partnerships with key stakeholders to create mutually beneficial outcomes.

4. Explain the difference between internal and external stakeholders.

Answer: Internal stakeholders are those individuals or groups within a company that have a direct stake in its operations and performance, such as employees, managers, and shareholders. External stakeholders, on the other hand, are those individuals or groups outside of the company that can affect or be affected by its actions, such as customers, suppliers, and government agencies.

5. How can a company balance the competing demands of different stakeholders?

Answer: A company can balance the competing demands of different stakeholders by adopting a stakeholder-centric approach that seeks to create value for all stakeholders, rather than just prioritizing the interests of shareholders. This may involve making trade-offs and compromises, but ultimately leads to more sustainable and long-term business success.

6. What is the role of stakeholders in corporate social responsibility?

Answer: Stakeholders play a crucial role in corporate social responsibility by holding companies accountable for their environmental and social impact, and advocating for greater transparency and accountability. By engaging with stakeholders and addressing their concerns, companies can demonstrate their commitment to ethical and sustainable business practices.

7. What are the potential risks of ignoring stakeholders in business?

Answer: Ignoring stakeholders in business can lead to reputational damage, legal and regulatory sanctions, and a loss of trust and confidence in the company. This can ultimately harm the company's long-term financial performance and undermine its ability to create value for all stakeholders.

8. How can stakeholder engagement be incorporated into a company's overall business strategy?

Answer: Stakeholder engagement can be incorporated into a company's overall business strategy by developing clear goals and objectives for stakeholder engagement, allocating resources to stakeholder engagement activities, and integrating stakeholder feedback and insights into decision-making processes.

9. What are the benefits of effective stakeholder management?

Answer: Effective stakeholder management can lead to improved relationships with key stakeholders, increased trust and credibility, enhanced brand reputation, greater innovation and creativity, and more sustainable and long-term business success.

10. How can a company measure the success of its stakeholder management efforts?

Answer: A company can measure the success of its stakeholder management efforts by tracking stakeholder feedback and satisfaction, monitoring key performance indicators related to stakeholder engagement, and evaluating the impact of stakeholder engagement activities on the company's overall performance and outcomes.