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| ***Stakeholders in a business*** |

* **Topics covered (p.71-79)**
* **What is a stakeholder?**
* **Roles, rights and responsibilities of key business stakeholders**

What is a **stakeholder**?

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What is the **stakeholder** concept?

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Who are stakeholders?

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**Shareholder vs. Stakeholder!**

How are stakeholders affected by the actions of a business?

* Can have both negative and positive effects
* It also possible for a stakeholder to be affected negatively and positively from the same business decision

**Responsibilities to stakeholders** – how business decisions can be influenced by these:

1. **Responsibilities to customers**

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| Choose 10 key words from the text and write them here |

*Benefits of accepting these responsibilities:*

1. **Responsibilities to suppliers**

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| Choose 10 key words from the text and write them here |

Benefits of accepting these responsibilities:

1. **Responsibilities to employees**

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| Choose 10 key words from the text and write them here |

*Benefits of accepting these responsibilities:*

1. **Responsibilities to local community**

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| Choose 10 key words from the text and write them here |

*Benefits of accepting these responsibilities:*

1. **Responsibilities to government**

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| Choose 10 key words from the text and write them here |

*Benefits of accepting these responsibilities:*

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| Activity 5.3: |

**Corporate Social Responsibility (CSR)**

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CSR has much debate and comment (some opinions)

* Businesses should take more **re\_\_\_\_\_\_\_\_\_\_\_y**; more than just **making money**
* Businesses make their money from **so\_\_\_\_\_\_\_y**, therefore they are responsible
* Business will benefit from **good relationship** with **st\_\_\_\_\_\_\_\_\_\_\_\_\_s**
	+ Long-term benefits of **positive media** and **tr\_\_\_\_\_\_t**
	+ **Consumerpreference** over non-CSR firms (Nonfu spring vs. Pepsi products)
	+ **Efficiencies** can be gained by adopting **greener energy** for example
	+ Prevent **governments** from making expensive, restrictive **l\_\_\_\_\_\_\_s**
* Critics say that CSR **distracts** from the **key role** of a business
	+ Firms should use economic resources as **efficiently** as possible – make profits
	+ **In\_\_\_\_\_\_\_\_\_\_\_\_\_t** in CSR **meansless** for **expansion investment** and less for shareholders – less **incentive** to invest in the business etc.
	+ Why give **morep\_\_\_\_\_\_\_\_\_\_r** to already powerful businesses?
	+ Business managers aren’t **equipped**/**trained** to deal with society’s problems
	+ CSR is just **‘window dressing’** – public relations ‘spin’ to look good when they do damage elsewhere (distraction)
	+ Firms that engage in CSR have a **cost dis\_\_\_\_\_\_\_\_\_\_e** over ones that don’t (especially in developing countries)
* In **investing** in CSR, firms may encounter **higher short-term costs** (higher wages for staff, ethically sourced products (free-trade), ‘greener’ machinery, subsidies to local communities) but the **long-term benefits** will be realised through employee commitment, good reputation, cheaper energy etc.

**Examples of CSR issues:**

* Companies dealing with governments and their **human rights issues** – Shell oil
* Use of **child l\_\_\_\_\_\_\_\_\_r** - Nike
* **Fair wages** for poorer countries – Primark retail store (UK)
* Better **health** and **safety** for workers in poorer countries –clothes manufacturer in Bangladesh
* Sourcing suppliers that have **eth\_\_\_\_\_\_\_l** and legal standards in poorer countries
* Fair-trade goods – Starbucks
* Pollution issues – China, Indonesia, India

**Social audit – checking on CSR**

* *Growing for annual reporting on CSR*
* *Indicate social impact of a business*
* *Have profits been at the expense of stakeholder interests?*
* *Social responsibilities of a business – have targets been met?*

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| **Social audit:** |

**Can a business satisfy all stakeholder groups?**

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***Worksheet summary quiz and activity:***

1. Explain an example from China of a business decision that involves a **conflict** of stakeholder interests and if it was solved.

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1. What is the difference between the shareholder concept and stakeholder concept?

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True or false (mark an **X**)

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|  | **True** | **False** |
| 1. This worksheet was all about **shareholders**.
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| 1. Oil companies’ **stakeholders** include the environment, especially wildlife.
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| 1. A business will **always lose** money if it applies CSR policies.
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| 1. It could be argued that businesses shouldn’t consider **CSR** policies. That the law exists to govern business behaviour which companies should follow.
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| 1. An individual can belong to **only one** stakeholder group.
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**Summary of the worksheet in your own words (in English and Chinese):**

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*Vocabulary check:*

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| **English** | **Chinese** |
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