

1.5 Business objectives and stakeholder objectives

Name: _____ Class: _____ Date: _____ **Total: 20 marks**

KEY WORDS stakeholder 利益相关者 • objectives 目标 • conflict 冲突 • pollution 污染
• customer service 顾客服务

Objective

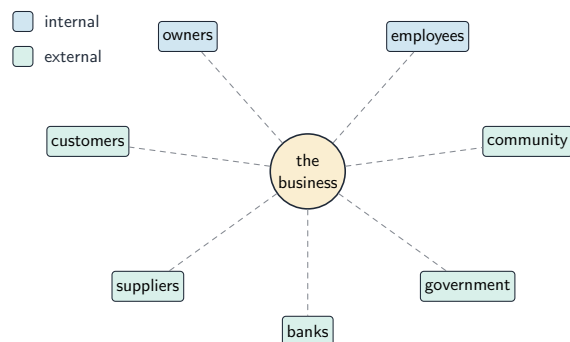
Build the skills to answer exam questions on **business objectives and stakeholder objectives** 企业目标与利益相关者目标 — common **objectives** 目标, the aims of a **social enterprise** 社会企业, **stakeholders** 利益相关者, and why their objectives **conflict** 冲突.

You must be able to:

- state common business objectives
- identify a business's stakeholders and what each wants
- explain why stakeholder objectives conflict

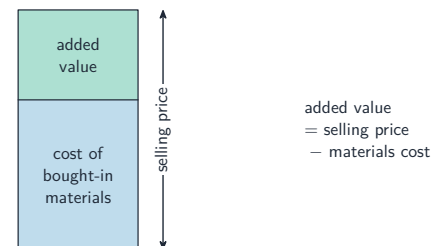
1 Worked examples

■ Stakeholders and conflict



Each group wants something different, so objectives can clash

- Objectives:** survival, profit, growth, **market share** 市场份额, customer service, social objectives.



Profit — earned by adding value — is the objective most owners pursue

- Stakeholders** 利益相关者: owners (profit), employees (pay, security), customers (quality, low price), suppliers (paid on time), government (tax, law), community (jobs, no pollution).
- Conflict** 冲突: owners want higher profit, but employees want higher pay — and higher pay lowers profit.

Answer shapes: K + App + An + Ev (a justified judgement, for “do you think” questions).

2 Practice

2.1 Define the term *stakeholder*. [2]

2.2 Identify two objectives a business might have. [2]

2.3 State one objective of (a) employees and (b) the local community. [2]

3 Exam-style questions

3.1 Identify two stakeholders of a business. [2]

3.2 Explain two reasons why the objectives of different stakeholders might conflict. [6]

3.3 A business plans to replace some workers with machines to cut costs. Do you think this is a good decision? Justify your answer, using the views of its stakeholders. [6]

Solutions

IGCSE Business answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

2.1 any person or group that is affected by a business or has an interest in it (2 for a clear definition; 1 for a partial idea).

2.2 any two of: survival; profit; growth; market share; customer service; social objectives (1 + 1).

2.3 (a) employees: fair pay / safe work / secure jobs; (b) community: jobs / no pollution or noise (1 + 1).

3.1 any two of: owners/shareholders; employees; customers; suppliers; government; local community; banks (1 + 1).

3.2 [6] For **each** of two reasons: K 1 + An up to 2 — e.g. *owners vs employees*: owners want higher profit so push for lower wages, but employees want higher pay → the two aims cannot both be met. *Owners vs community*: cutting costs may raise pollution, which the community opposes. Maximum 3 each.

3.3 [6] Both sides + judgement using stakeholders. **For**: machines cut costs and raise output → owners gain higher profit, customers may get lower prices. **Against**: workers lose jobs (employees and community suffer), and there is a high set-up cost. **Judgement (Ev)**: the decision helps owners and customers but harms employees and the community — whether it is “good” depends on the size of the cost saving and how the firm treats the workers who lose jobs.