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Stakeholders Contribution to the Financial and Operational Success of the Organization

Organizational Affiliation: Stakeholders Contribution to the Financial and Operational Success of the Organization

Stakeholders refer to the group of people who can affect or be affected by the organization. They can have direct or indirect influence on the organization both in operation and financially depending on the organization's objectives. The stakeholders are very crucial in the organizational set-up in as far as its financial and operational success are concerned. Stakeholders to an organization include employees, customers, investors, managers, suppliers, distributors, government, creditors, trade unions, and in some cases, the public.

In many cases, both the stakeholders and the organization have a common goal in respect of the success of an organization according to Edward and Reed, (2005). For instance the employees offer labor in order to have a good pay, good work conditions, and security. Through their labour, the organization operates to meet its financial and operational objectives (Post, 2002). Shareholders or business owners contribute their investments to the organization even as creditors offer financial or non-financial support in case the organization experiences a shortfall in resources. This way, investors and creditors ensure that the organization has the resources necessary for its successful operation. Managers and directors contribute to the organization by overseeing its activities and performance and in formulating policies and strategies as noted by Edward and Reed (2005). Suppliers provide the organization with the resources such as raw materials that it needs to produce its products. Without certain supplies, in spite of the organization

rich endowment, no production can be effected. Yet again, without customers, the organization's activities would be in vain. Customers pay for the goods and services that the company produces thereby contributing to the profitability of the organization. The government and trade unions somehow regulate the activities of the organization. While they may contribute to the organization's operational and financial success, the two may also negatively impact on its profitability as a result of such factors as taxes and higher pay demands (Post, 2002).

In conclusion, achievement of the organization is assessed in small parts, by reports of financial success and conformity, and partly by meeting the prospects of its stakeholders. Therefore, the stakeholders give the organization the challenge of working extra hard in order to meet their expectations as well as those of the organization. An organization's success is important to its stakeholders hence the stakeholders usually try to have a positive influence on the organization for its operational and financial success.

References

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