

# Fundamentals of management essay sample

[Literature](#), [Russian Literature](#)



Any individual or groups who have an interest in the organization's activities is considered to be a stakeholder. A stakeholder is typically concerned with an organization delivering intended results and meeting its financial objectives. In general, stakeholders are classified as internal, external or connected depending on position relative to the organization. It is extremely important to identify and balance the demands of these stakeholder groups and to act responsibly to all of them in order to keep the license to operate, which is necessary for good business.

In a budget hotel of the big city, different groups of stakeholders have different expectations or demands on the organization. Firstly, internal stakeholders are the stakeholders within the organization and are directly involved in developing the project. One example of internal stakeholders is employees. Employees want to be given opportunities to develop their skills and to advance their career. For example, they will be appreciated if the organization can provide opportunities for them to develop through skills assessment programs. Employees want job security.

They want to feel confident about their organization's future and they want stability work so they can meet their financial obligations. Employees want to be compensated fairly for the work they do and the contribution they make through pay rises, bonuses and benefits. For example, an organization may give a \$500 bonus to an employee two weeks after they land a new client, or after the client makes their first payment. Besides, employees want a job that's interesting and challenging. They want a sense of accomplishment and they want to feel the time they've spent at work has been worthwhile.

Employees are significantly more likely to feel excited about their work if they are learning something new, or if they're involved in a pioneering project or if they are empowered to operate with autonomy. Employees also want a well-equipped environment that is comfortable, healthy and safe. For most, the social working conditions are even more important than the physical conditions. For example, social activities that organized by companies to employees can promote interaction and teamwork of employees. And another example of internal stakeholders is managers.

Managers want to develop their capabilities, and grow their knowledge and careers. They will appreciate if organization making developmental opportunities available to them and demonstrate commitment to helping them develop their careers. Managers want financial rewards for generating ideas for the business of the organization. Managers who feel valued tend to work harder, in part because the hope for additional financial rewards in the future, and also because they feel that their contributions are recognized and important.

For example, an organization can give bonuses to managers upon the completion of a special project or at the end of the year. Managers also want job satisfaction. They want to enjoy the job they're performed and are satisfied with the hours and working conditions, leadership and their overall employment relationship with supervisors and coworkers. For example, a manager's job satisfaction can be increased through a goal to increase departmental production to get the executive team to allow for necessary upgrades and changes to departmental equipment.

Job satisfaction also may be tied to personal status. For example, the higher the rank, position or standing within the company, the greater a manager's overall job satisfaction. Secondly, external stakeholders include government and pressure groups. They are involved with the company but not employed by the company. The government is interested in businesses as they set out the regulations and need the businesses to do well to keep the economy healthy. This is because businesses provide people with employment, and pay tax to the government.

The more profit a business makes, the more money the government receives. Overall, successful businesses mean a healthier economy. The government also expects business to be socially responsible and successful as it will create wealth for the country. The government wants companies to obey the rules of fair competition. They want companies to obey rules and laws concerning the treatment of employees and other social and economic issues. Moreover, pressure groups consist of individuals who have a common interest in demanding change in an organization.

Pressure groups have very different expectations from most of the stakeholders. Examples of pressure groups are Friends of the Earth, SPCA (Society for the Prevention of Cruelty to Animals), Labor Unions, Women's Right Movement, and Greenpeace. Pressure group such as Greenpeace seeks to promote environmental issues. Greenpeace does not accept any sponsor or donation from political parties because they want to be free in their activities. For example, they made their activities about forests, genetic

engineering, global warming, nuclear powers, oceans and toxic pollution in America.

In addition, pressure groups such as Friends of the Earth desire an improvement in the ' quality of life' through the reduction of pollution, the maintenance of an ecological balance by ceasing to rely on non-renewable resources, the minimization of poverty, assistance with local community projects and help with the young and elderly. For example, the development of the catalytic converter as part of a car's exhaust system reduces engine performance and adds to the overall purchase price of a car. Managers, however, have no choice but to take into account today's current climate of broad and genuine concern for the environment.

Thirdly, connected stakeholders include customers, suppliers and shareholders. They are closely related to business core marketing and economic functions. Customers are vital to the survival of any business, since they purchase the goods and services which provide the business with the majority of its revenue. It is therefore vital for a business to find out exactly what the needs of the consumers are and to produce their output to directly satisfy these needs. The goods and services must then be promoted in such a way as to appeal to the target market and to inform them of the availability, price, etc.

It is essential that after-sales service is offered and that the customer is happy with his/her purchase once the goods and services have been purchased by the customer. The business must try to keep the customer loyal so that they return in the future and become a repeat-purchaser. Apart

from that, shareholders have a clear financial interest in the performance of the business. They have invested money into the company through purchasing shares and they expect the company to grow and prosper so that they receive a healthy return on their investment.

The return that they receive can come in two forms. Firstly, they can sell their shares at a higher price than the purchase price by a rise in the share price. Secondly, the company issues a portion of this to each shareholder for every share that they hold based on the level of profits for the year. The shareholders are also entitled to vote each year at the annual general meeting to elect the Board of Directors, who will run the company on their behalf. Furthermore, a supplier is individuals, groups or organizations that sell their goods or services to other business to make money.

A supplier keeps an interest in the business so that they know how the sales of their goods are doing in the business. Suppliers are interested in the business' financial condition to determine the extent of credit discounts and grace periods they will grant. They also want long-term guaranteed contracts and to be paid promptly. Even though the sales of their goods would not be making as much money as the business thought the suppliers would keep selling them their goods to make their own money, or they would try to enhance their goods to make better sales.

If they would not do this and take this interest, the business would take their money somewhere else and buy goods from another supplier. Last but not least, stakeholders are the individuals who are affected by or can influence a budget hotel in a big city throughout its life. These individuals can be

managers, employees, customers, suppliers, shareholders, government and pressure groups. It is hard for an organization to survive, as organizations and stakeholders are mutually interdependent without the ongoing participation of stakeholders.

Thus, stakeholders and their engagement are important in helping a company express its values, carry out its mission, develop strategies, implement processes and improve relationships on a continuous basis. It is very important for organizations to identify and understand the demand and expectations of each stakeholder because they determine the degree to which the business attempts to accommodate the stakeholder in the course of planning its actions.