
CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
ENTREPRENEURSHIP AND ENTERPRISE MANAGEMENT**

BEEM 427: FAMILY BUSINESS MANAGEMENT

STREAMS: BEEM

TIME: 2 HOURS

DAY/DATE: THURSDAY 13/12/2018

8.30 A.M – 10 .30 A.M

INSTRUCTIONS

- **Answer question one and any other two questions**

1. Read the case study below and answer the questions that follow;

SABIS-Family employment policy

SABIS is an international college preparatory education system with roots in the 19th century. Schools in the SABIS school network provide pre-k and k-12 students with a distinctively vigorous, college, preparatory education. SABIS unique educational system is currently being successfully implemented in 50 schools in countries with 40,000 students around the world. SABIS and its team of experienced professionals are dedicated to offering educational management products and services to a membership network and public schools.

The first schools in SABIS school network was founded in 1886 in the suburbs of Beirut, Lebanon . The name SABIS is actually derived from the first letter of the names of the founders the saad and the Bistany families. As of August 2007, there were 25 family members ,10 of them were working at SABIS.

Employment policy

Employment decision are based on the best interest of the organizations and not of individual family members ;

1. SABIS attracts the most qualified family and non family members.

2. A job at SABIS is neither a birth right nor an obligation for family members.
3. Once hired family members are treated as all other non family employees.
4. There is no guarantee for promotion of family employees to top management positions because they are part of the family.
5. Family members are expected to set high levels of dedication performance and conduct.

Family employment –specifics

Family member wishing to join SABIS are expected to make an official application, go through the standard interview, assessment and selection process. The final decision for hiring or rejecting a candidate rests with Board of Directors. Once a family member becomes an employee he/she is supervised, trained evaluated and promoted like other employees. Family members spouses seeking employment from SABIS go through the standard process and the final decision made by the board. However, family members are not supervised by other family members. Standard company policy requires family employees willing to continue with education to apply for financial assistance from SABIS family council.

- (a) Justify the reasons for SABIS employment policies. [7 marks]
 - (b) Explain the benefits of maintaining a team of professional at SABIS. [10 marks]
 - (c) Describe the functions of a family council. [7 marks]
 - (d) Briefly culture on the performance of SABIS. [6 marks]
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2. (a) What constitutes a family business. [5 marks]
 - (b) Describe the motivating factors for family business succession planning and continuity. [10 marks]
 - (c) Supposing you are a founder of a business and you require a sales manager. Would you promote your son? [5 marks]
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3. (a) Using the systems theory, describe the family and business overlap and its implications on family business success. [14 marks]
 - (b) Explain six disadvantages of family business as a business start-up option. [6 marks]
- marks]
4. Briefly explain the functions of the following family governance institutions.

(a) Board of directors.

[10 marks]

(b) Family assembly

[10 marks]
