

**Title:** Problems Existing in the Internal Governance of Gome Electric Appliances

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**Degree:** Master of Business Administration

**Major:** Management

**Academic Year:** 2024

### ABSTRACT

Family firms play an important role in China's economy. Their internal governance has always been a key factor restricting their sustainable development. This paper takes the case of Gome Electric Appliances as an example to analyze the current situation, problems and causes of the internal governance of Chinese family firms. Through the analysis of the Gome Electric Appliances case, this paper reveals the problems existing in the internal governance of family enterprises, such as unreasonable ownership structure, opaque decision-making mechanism, and difficulties in intergenerational inheritance. The research adopts the methods of literature analysis, case study, and data analysis to explore the optimal path of internal governance in family enterprises. The results show that improving ownership structure, establishing

modern enterprise system and introducing professional manager mechanism are effective ways to solve the internal governance problems of family firms. This study not only provides theoretical support for the sustainable development of family firms, but also provides practical reference for the formulation of relevant policies.

**Keyword:** Family business; Internal governance; Gome Electric Appliances

