Journal of Business Studies
JBS-ISSN 2303-9884
Volume 13, No. 2, 121-135 (Printed in November, 2023)

# Incumbents' Ability to Delegate Power and Authority and its Impact on Succession Planning in Family Owned Firms of Bangladesh

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**Abstract**

*The present study focuses on incumbents' ability to delegate power and authority affecting succession planning in family owned firms of Bangladesh. Case studies have been conducted on a few second or subsequent generation family owned firms. Incumbents and successors have been interviewed to understand the corresponding incumbents' ability to delegate power and authority and its impact on their succession planning behavior. Interviews have been transliterated and analyzed using suggested tools. In some cases further investigations have been made to explain the specific type of relation of the variables in the case(s). Findings of the study may be helpful in understanding the importance of ability of the incumbents to delegate power and authority in succession planning in family owned firms of Bangladesh.*

***Key words:*** *family owned firms, succession planning, incumbents, delegation of power and authority.*

## 1. Introduction

In the new global economy family owned firms play significantly important role (Ibrahim, Soufani and Lam 2001). It has been observed that family owned firms account for the majority of the whole businesses in different countries. They also have strong contributions in the growth of the national economies (Chrisman, Chua and Steier 2005; Gallo 1995; Ibrahim and Ellis 1994; Lank et al. 1994; Nordqvist 2005; Poutziouris, O'Sullivan and Nicolescu 1997; Poza 1995). In every small and medium sized family owned firm succession is a common phenomenon and it is considered as the most critical issue in those firms (Ibrahim, Soufani and Lam 2001). Therefore, a proper succession process is important in selecting the most appropriate leaders for the firms and their survival in long run (Ibrahim et al. 1999; Ward 1987).

Succession is a very complex issue in family businesses (Dyer 1986; Lansberg 1999; Miller, Steier and Le Breton-Miller 2003). It has been observed from studies that succession plan helps in successful succession (Ibrahim, Soufani and Lam 2001; Lambrecht 2005). Despite of importance, many family owned firms lack succession plan, which might be caused by resistance of the incumbents. Lansberg (1999) shows that those incumbents are reluctant to empower their offspring in the family businesses in fear of losing control. Because of this nature of the incumbents, most of the family firms

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lack succession plan, which could be responsible for the failure of the family owned firms in many instances (Ibrahim, Soufani and Lam 2001).

Therefore, it is important to understand factors that are responsible for resistances of the incumbents in making a sound succession plan that is needed for successful succession in the business. This paper examines incumbents' ability to delegate power and authority and its impact on succession planning in family owned firms in Bangladesh.

## 2. Definition of Family Owned Firms

Organizational types are generally identified by industry, sector, structure (Mintzberg 1979), or strategy (Miles and Snow 1978; Miller 1983). But according to Nordqvist and Boers (2007) family firms should not be attempted to classify under the form of concentration or dominant ownership structure such as, sole proprietorship or partnership, state ownership or private, bank or non-bank organizations, etc. They may be viewed instead as an alternative organizational typology that crosses all these segments (Craig and Moores 2006).

The definition of family owned firm is ambiguous and scholars have not reached at consensus in fixing suitable criteria for defining them (Hienerth and Kessler 2006; Handler 1989). Shanker and Astrachan (1996) has defined family owned firm from three different views. In a broader type of definition they have recognized those as family owned firms in which the family has some degree of effective control over strategic direction and which is intended to remain in the family. In the middle level of definition, they have added further criteria that the founder or descendent(s) runs the company. The narrowest definition given by them says that the business should have multiple generations' involvement; direct family involvement and more than one member(s) from that family have significant managerial responsibility.

Cronqvist and Nilsson (2003) & Andersson and Nyberg (2005) stated that when a descendant or other member of the family of the founder has at least 25% of the ownership and/or control of the firm, then the firm will be regarded as a family owned firm. Miller and Miller (2006) consider one as family owned firm that is partly owned by one or more family members who together control at least 20% of the total votes outstanding. Single proprietorship firms have been defined as family firm by Santarelli and Lotti (2005) in their study. For distinguishing family firms Lin and Hu (2007) have used a criteria that consist of (a) the largest group of shareholders in a firm is a specific family, and (b) the stake of that family is no less than 10 per cent of the voting shares. On the other hand, Astrachan and Shanker (2003) have mentioned several criteria for defining family firms. Two vital criteria of them are (i) how much percentage of ownership the founder family has in the firm and (ii) if the family has strategic control over the firm.

The present study considers firms with the following criteria as family owned firms:

(i) If the founder (or the founders of the same family, in case of multiple founders) or descendant(s) of the founder (or founders of the same family) or their spouses hold more than 50% of ownership of the business;

And/or

(ii) If the founder (or any of the founders, in case of multiple founders) or descendant(s) of the founder(s) or their spouses serves as Chief Executive Officer (CEO) or Chief of the Business (COB).

## 3. Succession Plan and its Importance

Succession often considered as 'the most important and critical issue in the family business.' It is a proper succession planning process that provides the family owned firms with the opportunity to select effective leaders (Ibrahim et al. 1999). A study shows that the tension and conflict typically plague family owned firms due to the absence of proper succession planning (Ibrahim, Soufani and Lam 2001). According to Barry and Jacobs (2006), succession planning is the process through which companies plan for the future transfer of ownership. According to Lambrecht (2005), family business and succession have a close relationship and planning can play a key role for successful succession in the firm. Most of the researchers commonly believe that there is need for a long term 'formal succession plan' in the family owned firms (Danco 1982; Kets de Vries 1993; Ward and Aronoff 1992; Ward 1987; Williams 1992).

## 4. Delegation of Power and Authority and the Research Question

A few studies indicate a relation between the failures of the succession in the firms with the desire of the incumbents for authority. Sonnenfeld (1991) introduces four types of retirement styles of founders of the family owned firms. 'Monarchs' are one of those four types where the founders do not leave until they are forcefully ousted or die. 'Generals' also leave the positions of the firm only when they are forced out. But they maintain a desire to return in the name of rescuing the company from an 'inadequate successor'. 'Ambassadors' have a succession plan and they leave the firm willingly though afterwards they act as advisors to the firm. 'Governors' rule for a term and then they move on to pursue other ventures. 'Monarchs' and 'Generals' are responsible for problematic succession, while 'Ambassadors' and 'Governors' help in successful succession in family owned firms, where both type of incumbents leave the firm to successors. Therefore, for a successful succession, timely delegation of power and authority is essential. Lambrecht (2005) shows that incumbents' ability to delegate power and authority that they enjoyed the business, significantly increases the chance of a successful succession. But it has been mentioned earlier that many incumbents are reluctant to empower their offspring in the family business in fear of losing control over the business that ultimately makes the succession planning difficult (Lansberg, 1999).

According to De Massis *et al* (2016) knowledge about antecedents of intention of the incumbents in intrafamily succession is fragmented. Authors suggested examinations of those antecedents in more depth. According to De Massis, Chua and Chrisman (2008) for a successful succession incumbent must have intention to transfer leadership to the next generation who is known as successors. Very few researches have focused on incumbent related factors that affect succession planning behavior of the incumbents (De Massis *et al,* 2016). Therefore, it is important to study incumbent related factors and their impact on succession planning in family owned firms. The present study aims at exploring *how the incumbents' ability to delegate power and authority does affect succession planning in family owned firms of Bangladesh*.

## 5. Methodology

Researchers in the area of family business largely use qualitative method (Shanker & Astrachan, 1996) and this method suits best in this area of research (Haberman & Danes, 2007). Case study is considered as the best strategy of research when 'how?' and 'why?' questions are asked about the set of events (Chetty, 1996). It has been mentioned earlier that this paper explores 'how' the incumbents ability to delegate power and authority does affect succession planning in family owned firms of Bangladesh. Therefore, case study is the most suitable strategy for the present study. The study applies multiple case studies where six cases have been selected, three from Rajshahi district and remaining three from Naogaon district. The outcomes of the six cases have been compared to test whether the findings from the one replicate in the others or not.

Interview method has been used as primary means of data collection. Semi structured questionnaire was prepared with an objective to use them as a guideline to conduct the interview session. Because the fact that the interviewees of the study are the incumbents and/or the successors of the firm and as a result it was difficult to manage more than one session of interview with them, the study requested a comprehensively long session of interview from them. Five out of six interviews have been audio taped with permission of the incumbents of the respective firms. In one case permission to audio tape of the interview session was not granted by the interviewee and hence the interview was transliterated at the time of interview. In all cases interviews have been conducted in the business or factory premises of the respective cases. For analyzing the interview data the model suggested by Walker *et al.* (2008) has been used. As part of research ethics the original name of the firms have not been used here but presented as case numbers and industries they belong. Because of the same reason the interviewees' full names have not been disclosed.

## 6. Discussion

### Case 1: Silk Factory

From the study it is observed that the incumbent of this case Mr. Ali has a clear planning about which responsibilities to be delegated to others and which to retain with him. The factory was started with a single loom and during those days he used to sell his products by himself from door to door. At one stage when the factory gradually expanded to 100 looms and many showrooms outside the country during heydays of sericulture industry of Bangladesh, he had to delegate some basic works by deploying workers. The study finds that the incumbent has high ability to delegate power and authority in management related works. But those delegations are well assessed by the incumbent. He has introduced his elder son (the successor) in the management of the business in 2002 after his MBA graduation. The successor is responsible for managing supply chain of the firm. The successor is also responsible for managing almost everything outside the factory. Mr. Ali has also introduced his daughter in law, spouse of the elder son, for managing the showroom. Mr. Ali says,

*"I want that my daughter in law should not only be my son's life partner, but also a business partner."*

It is observed that Mr. Ali is satisfied with the performance of his elder son and the daughter in law. He showed his dependence on them for the roles that they perform in the firm. But when it is asked why he did not give his son the responsibility of the factory, he replied,

*"He is still not sufficiently prepared to manage production. It is very difficult…. He will not be able to handle production as efficiently as he can handle the government offices and external problems."*

Therefore, Mr. Ali is satisfied with the responsibilities he has assigned to his son. But still he does not want to give responsibilities like production to his son and he believes that his successor will not be able to handle that properly at the moment. Therefore, Mr. Ali uses planned and calculated delegation of power and authority to the successor.

For office management and accounting, he has employees. A General Manager is responsible to look after those tasks. He said,

*"I don't spend that much time for accounting. My General Manager looks after them and he is very honest."*

This part of interview shows that Mr. Ali has ability to delegate power and authority not only to his successors but also to his managers whom he thinks reliable enough. Thus the study infers that the ability of Mr. Ali to delegate power and authority is high.

**Case 2: Readymade Garments**

It has been observed that the Incumbent, Mr. Sazu, has resistance in delegation of power and authority. He has delegated only those powers and authorities which he feels he is bound to delegate due to increased volume of his tasks. He said,

*"I work as the chief of the business. Actually it is important to keep all responsibilities with myself. None of them can be delegated properly. But a few of them such as marketing have to be delegated. I have given the responsibility of procurement and marketing to others."*

According to him, CEO position of the firm is not to be delegated. He feels that everything of the business depends on that position. Thus this position should not be delegated. He said,

*"I never want to delegate the administrative responsibility to others as everything of the business depends upon this."*

It is found from the study that Mr. Sazu has delegated procurement and marketing related responsibilities to his brothers and relatives. Therefore, he relies less on employees who are not members of the family. Again he did not delegate accounts related matters to others. He manages that part of the responsibility by himself with assistance of his one long tested employee who is not from his relatives.

Again his expectations about performance from his employees are also low. He said,

*"I never expect that my employees will fulfill 100% of my expectations from their work. I expect achievement of 65-75% from them."*

When it was asked "do you take the responsibility back?" he replied,

*"Yes. I always monitor after giving any responsibility to anyone. I take them back if I find that they failed to achieve the desired target. But I provide them with all support if they are in any sort of trouble as it is my responsibility."*

From above analysis the study concludes that Mr. Sazu has lower ability of delegation of power and authority to his employees. Incumbent has selected his elder son as the successor of the business who is at present in the post graduation level of business education. The successor has not been introduced in the business yet and as a result the incumbent's ability to delegate power and authority to his successor could not be examined.

**Case 3: Garments**

Delegation of power and authority has been evident in this firm. Most of the operations at present are supervised by the successors. The incumbent Mr. Alif monitors the performances of the successors. In special situations the incumbent performs some activities related to operations on an irregular basis. One of the successors Mr. Arif says,

*"The delegation of power has been gradual. Once he (incumbent) used to do the works of tailoring. At present this has come down to monitoring and in some cases purchasing of a few specific type of raw materials."*

The most sensitive function of the business, i.e., maintaining accounts has been given at the control of the successors. Mr. Arif added,

*"The responsibility of accounts is fully on us. We look after that part. In addition, supervising the managers to workers to customers, these are all our responsibilities. Father has delegated these areas on us in full. He does not even interfere in these matters. We feel that there is no difference between our role and an owner's position in a business…."*

As the incumbent does not interfere in those matters and the successor asserts his position like the owner, this indicates that the incumbent has successfully assigned those responsibilities to his successors and he feels confidence on his successors about their performances on those assigned roles in the business. But a few roles are still at the control of the incumbent. Mr. Arif says,

*"The only difference is that he has kept a few things in his hand such as selection and firing of employees, salary related matters, expansion of business, decoration of business, etc*."

When it was asked 'did the incumbent ever took back any responsibility from you' Mr. Arif said,

*"…. I should add that before I joined my present job in the Bank, I had full authority in procuring raw materials, especially for the readymade unit. But after joining the Bank, father does it by himself. He used to take me to Dhaka for purchasing cloths. He showed me all such as from where to buy, how to select good quality cloths, how to deal with price and payments, etc. Now I have to remain busy in the bank that's why he has taken that responsibility back. I can understand this."*

Therefore, it is observed from this part of interview that the incumbent Mr. Alif has good ability to delegate power and authority to his successors. He has delegated powers and authorities to his successor(s), not to employees. Again, once he took back delegated authority from his successors. But that withdrawal of delegation of authority was because of the successor's involvement elsewhere from the business. That did not happen due to the fact that the incumbent was not confident or satisfied with the performance of the successors. By considering all these, the study infers that the incumbent of this firm has high ability to delegate power and authority to his successors.

**Case 4: Trading Firm**

It is observed that the incumbent Mr. Mondol has ability to delegate power and authority to his partner and subordinates. Operations of his firms are managed by his managers. He said,

*"I have a manager for each sector. They are employees. They are responsible for their department."*

But it is noticed that Mr. Mondol is very cautious in his selection of those managers and he believes in them. He said,

*"They (managers) are selected from our nearest ones such as my own relatives, brother or son of my friends. The benefit is, they are very reliable. Our investment in every sector is very high. A little mistake will cause huge loss. That's why we have to take this caution in the selection of people."*

From this part of discussion, it is observed that Mr. Mondol relies more on known people than on paper based skill of unknown people. His monitoring on the managers is also very close. Mr. Mondol did not delegate accounting related responsibility to managers. But his partner looks after that and he is fully confident on his ability. Mr. Mondol said,

*"….but I was never happy in giving the accounting to others. I have given that responsibility to Shushen (partner). I don't like that others take that responsibility."*

Dependence of the incumbent on his partner has been observed. At one stage Mr. Mondol said,

*"Shushen is my partner. We are together from the beginning. I shall not be able to do anything without him and he will not be able to do anything without me."*

From above discussion it is evident that Mr. Mondol has high ability to delegate power and authority to his reliable employees and partner.

**Case 5: Automatic Rice Mill**

The incumbent of this firm Mr. Mukul provides contradictory statements in response to questions intended to test his ability of delegation of power and authority. When it was asked which responsibilities he has retained with him, he said, *"I am involved with planning only. I make plans and they (workers) execute my plans."* Later it was understood that he has kept operations, accounts and other important matters to himself. When it was asked 'which responsibilities have you delegated to others', he said,

*"I have delegated nothing. I have retained everything to myself. But during my early age I used to procure rice from source riding on my own bike, which is not a case now. Now my quality manager performs those tasks. But I still negotiate with the suppliers. I personally deal with the financial matters and selling the products."*

By analyzing these two contradictory statements it is found that Mr. Mukul supervises every major activities of his business. He has assigned managers who perform tasks like procurement of raw materials or marketing of finished goods. He has delegated those tasks that have become difficult for him to perform by himself. Despite of this delegation, he still supervises those tasks.

It is found that Mr. Mukul has delegated tasks to his employees who are not his relatives. He relies on skill of his employees. He said, *"I tell the seller of rice that I am sending my employee. Give him the type of rice that he wants. I shall pay through banks."* He has confidence that his employees will be able to procure his desired quality rice.

But he does not believe his employees on financial matters. In response to the question 'which responsibility do you not like to delegate', he said, *"I shall keep financial matters and marketing in my control."* He does not want to give financial matters to his employees because he thinks that his employees are not honest enough in this respect. He is much cautious on this matter.

Therefore, it has been observed that Mr. Mukul has delegated a few power and authority to a few of his trusted employees. Still he does not believe in their honesty. And Mr.

Mukul retained most of the important matters of the business with him. Even he did not give up continuous monitoring of those tasks which he has delegated to others. Thus the study concludes that Mr. Mukul has low ability to delegate power and authority to his employees. But as he has not introduced his successors in business, his ability to delegate power and authority to his successors could not be studied. It is observed that Mr. Mukul wants his elder son in the business but does not want to bring him or second son in the business soon. When it was asked, "whom do you want to see as successor of the business?", he said, *"My elder son... I shall provide for both of my sons. But I shall not bring them into business until I have ability to look after my business by myself."* From all these low ability of Mr. Mukul to delegate power and authority has been concluded in this study.

**Case 6: Trading and Jute Manufacturing Firm**

Incumbent of this firm Mr. Rahman has delegated many of his responsibilities to his employees/managers. He has shown satisfaction with their performance. He said,

*"At this moment I have manager to supervise my other businesses. I was very careful during their appointment. They are working there for a long time. I monitored them closely after their appointment. I regularly observed their performance. The present workers' performance is satisfactory."*

Despite the fact that Mr. Rahman had to delegate a few power and authorities to his employees or managers, he does not believe in their ability or honesty. He said,

*"But it is not possible to depend on them in full. I cannot rely on them cent percent when I have to buy raw materials in bulk quantity. I don't believe that my managers/employees will carry the business on behalf of my family honestly or sincerely in my absence."*

But it is found that Mr. Rahman could delegate power and authorities more confidently if he had already introduced his successors in the business. He said,

*"There is no such problem in the case of my sons. It is the business of my sons. They are everything of the business in absence of the father. Sons must possess more attachment with the business than the employees."*

It is also observed that Mr. Rahman takes back delegated power and authority from his employees when he finds lack of efficiencies in them. A contrast has been found in case of a manager who is now responsible for managing entire operations of his original trading business. He has assigned entire power and authority to that manager of trading business. He said,

*"But the manager that I have in my trading business is efficient. I have assigned almost all responsibilities to him of that business. He is working for the last 15 years. I have trained him personally. During his initial years he used to make a few mistakes. But I kept patience and now he has become an expert. He supervises that business. Actually I don't have time for that business and I have to depend on him."*

Considering the behavior of Mr. Rahman that he has successfully delegated power and authority of his original business to one of his employees and in contrast he cannot rely on other employees or managers in full when he assigns power and authority to them, this study concludes that Mr. Rahman has moderate ability to delegate of power and authority.

## Findings

Table 1 shows that ability to delegate power and authority of the incumbent is high in Case 1, Case 3, and Case 4. It is moderate to high in Case 6 while low in Case 2, and Case 5. When this incumbent related factor is compared with succession planning and level of succession, it is found that, the incumbent of Case 1 has high ability of delegation of power and authority while there is written succession plan and the firm has achieved advanced level of progress in succession. The Case 3 also shows high ability of the incumbent to delegate power and authority and it also has well planned but not written succession plan, while the firm has achieved advanced level of succession. Another firm, Case 4, also shows high ability of the incumbent to delegate power and authority. But in this case the firm does not have any succession plan and there is no progress in succession in the firm. Case 6 shows moderate ability of the incumbent to delegate power and authority and well planned but not written succession plan with initial level of progress in succession. On the other hand incumbent of Case 2 has low ability to delegate power and authority. But the firm has well planned but not written succession plan while the firm has not achieved any progress in succession. Another firm, Case 5, also shows low ability of the incumbent to delegate power and authority. In this case the study did not find existence of succession plan and also no progress in succession has been achieved.

**Table 1: Summary of the Cases**

| | Case 1 | Case 2 | Case 3 | Case 4 | Case 5 | Case 6 |
|---|---|---|---|---|---|---|
| *Ability to Delegate Power and Authority* | High | Low | High | High | Low | Moderate |
| *Succession Plan* | Well planned and written | Well planned but not written | Well planned but not written | Not planned | Not planned | Well planned but not written |
| *Successor* | Son | Son | Sons | Not identified | Sons | Son |
| *Successors' involvement in the business* | Advanced level | Not started | Advanced level | Not started | Not started | Initial level |
| *Level of succession* | Advanced level | Not started | Advanced level | Not started | Not started | Initial level |

From Case 1, Case 3, and Case 6 it is observed that the incumbent has high or moderate ability of delegation of power and authority and the firms have succession plan and an achieved progress in succession. Exception is Case 4, where the incumbent shows high ability to delegate power and authority, while the firm does not have succession plan or any achieved progress in succession. Considering these four cases, it can be inferred that a high ability of the incumbent to delegate power and authority may positively affect the existence of succession plan and that may help achieving progress in succession in the firm. But the contrasting scenario in Case 4 may implicate that a high ability of the incumbent to delegate power and authority may not guarantee an existence of succession plan or an achieved progress in succession in the firm.

On the other hand, from the analysis of the Case 2, and Case 5 it has been found that the incumbent has low ability to delegate power and authority. Though the incumbents of these two cases commonly have low ability, Case 2 have well planned succession plan while Case 5 does not have any succession plan. In both of the cases the firms do not have any progress in achieved succession. Therefore, it can be concluded from these two cases that a low ability of the incumbent of delegation of power and authority reduces the probability of existence of succession plan. It reduces the probability of achieved progress in succession even to a greater extent. Another observation from these two cases is that, in both cases the incumbent have not introduced their son(s) in the business yet. That may be a cause of their lower demonstration of ability of delegation of power and authority. In other words there may be a social situation where incumbents of Bangladesh delegate lower power and authority to their non-offspring employees. Therefore, there may have an association between lower ability of the incumbents to delegate power and authority and delayed introduction of their offspring in the business.

It has been observed in this section that, ability of delegation of power and authority has a positive relation with succession plan and achieved progress in succession in the family owned firms. Only exception has been the Case 4, where the incumbent shows high ability to delegate power and authority, while the firm does not have succession plan or any achieved progress in succession. There is every possibility that a few other incumbent related factors might be responsible for this exception in Case 4. For this reason the study went into further investigation to explore possible causes of this outcome. This has been observed that Case 4 is a partnership business where the incumbent owns 75% and the rest is owned by his partner who is his friend. The business was established by the incumbent’s father. It has also been found that the incumbent has low ability of self reflection. He has not been successful in his previous career in politics. It has also been found that the incumbent is not satisfied with his present business performance and achievements.

An important factor that has been identified is that, the incumbent of Case 4 has three offspring, first two are daughter and the youngest one is a son. First two daughters are 22 and 18 years old respectively and the son is 11 years old. The incumbent of the business is Hindu in religion while the incumbents of other five cases are Muslims. The incumbent, at one stage of the interview said, according to conventional Hindu culture, daughters are not entitled to property of their father. That might have affected the incumbent of the business for not thinking about his daughters as successor of the business. The third offspring, who is a son, is 11 years old. He is too young to think about bringing him as a successor in the business.

To understand this situation in Case 4 the study analyzed findings of previous studies on this area. In the study of Sharma, and Rao (2000) where family owned firms of India have been compared with that of Canadian firms and the study finds lower profile and role of women in Indian family owned firms. It was also found that incumbents of Indian family firms rate successors' gender and their birth order as more important factor than that of Canadian family firms. In another study Getz and Petersen (2004) show that life stage of parents and children affects succession. Findings of these two studies explain the probable cause of behavior of the incumbent of Case 4 as both India and Bangladesh belongs to South Asia which has almost a common history and cultural background for these countries. Therefore, it can be concluded that despite of high ability of delegation of power and authority, the incumbent might not have succession plan for his business because of the fact that his first two offspring are daughter and that's why he did not want to bring them in business. His son is too young in age to think about him as successor in his business. It is also possible that the present dissatisfaction of the incumbent about his business and its future may create apathy in the incumbent that may lead to non existence of succession plan and achieved progress in succession in the business.

Because of these exceptions, Case 4 may be ignored to infer on the relationship of the factor with the existence of succession plan and achieved progress in succession in the firm. Thus considering other cases and outcomes of those cases it is inferred that, ability of delegation of power and authority of the incumbent has a positive relation with succession plan and achieved progress in succession in the family owned firms of Bangladesh.

**Conclusion**

From observations of the study from Case 1, Case 3and Case 6 it has been observed that the incumbent has high or moderate ability to delegate power and authority. Observations also reveal that these firms have succession plan and an achieved progress in succession. Exception has been observed in Case 4, where the incumbent shows high ability to delegate power and authority while the firm does not have succession plan or any achieved progress in succession. Further investigation ensures that Case 4 has a few features that may have created differences. Thus, considering three cases, it has been inferred by the study that a high ability of the incumbent to delegate power and authority may positively affect the existence of succession plan and that may help achieving progress in succession in the firm. But the contrasting scenario in Case 4 may implicate that a high ability of the incumbent to delegate power and authority may not guarantee an existence of succession plan or an achieved progress in succession in the firm because of other hindering factors.

On the other hand, from the analysis of Case 2 and Case 5 it is found that the incumbent has low ability to delegate power and authority. Though the incumbents of these two cases commonly have low ability, Case 2 have well planned succession plan, while Case 5 does not have any succession plan. In both of the cases the firms do not have any progress in achieved succession. Therefore, it has been found by the study that a low ability of the incumbent to delegate power and authority reduces the probability of existence of succession plan though a incumbent with low ability of delegation of power and authority may approach with succession plan in the business. The study further infers that a low ability of the incumbent to delegate power and authority reduces the probability of achieved progress in succession even to a greater extent. The present study also proposes a probable association between lower ability of the incumbents to delegate power and authority and delayed introduction of their offspring in the business. Further research is suggested to study such type of association between these factors.

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