STRATEGIC PLANNING AND FAMILY BUSINESS PERFORMANCE IN GHANA: MODERATING ROLE OF IT CAPABILITY

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ABSTRACT

One ability that has been generally expressed as basic for firms' survival and sustenance is information technology (IT) capability. The purpose of this study is to investigate the moderating role of IT capability on strategic planning and financial performance of family businesses in Ghana. The research is generally a quantitative research which attempts to explore the causal effect of the interaction of IT capabilities and strategic planning on the performance of family businesses in Ghana. The study explores the use of both primary and secondary data sources as the bases for extracting relevant information to answer the research questions. The sample size of 80 family businesses was selected using purposive sampling techniques. Statistical package for social sciences (SPSS) was used as the main analytical software to conduct this research. The data analysis employed the hierarchical multiple regression technique to explore the relationship between the key variables of this study. The study revealed that most of the family businesses in Ghana have attained moderate levels of performance. It is further revealed that strategic planning activities are not widely pursued among the family firms in Ghana; however, the findings of this study showed that there is a significant positive relationship between strategic planning and family firm performance. Moreover, the study has revealed that there is a strong relationship between IT capability of the family businesses in Ghana and their performance. Pertaining to the moderating effect of IT capability, it was found that the integration of strategic planning activities with IT capabilities enhances the performance of family firms in Ghana.

Keywords: Strategic Planning, Financial Performance, IT capability, Moderating.

INTRODUCTION

The subject of firm performance has been the focal point of strategic researchers in recent times. A continuous move from industrial sources of manageable competitive advantage to firm particular sources has been noted as of late (Spanos & Lioukas, 2001). One overwhelming contemporary approach that has been broadly used to clarify the commitment of firms' internal features on maintainable competitive advantage is the resource-based view (RBV). A focal premise of the resource-based view is that performance differentials among firms in an industry can be clarified by their capabilities and resources (Peteraf & Bergen, 2003). The synergetic combination of rare, valuable, inimitable and non-manageable resources that firms had is pertinent to realise competitive advantage and greater firm performance (Barney, 1991).

One ability that has been generally expressed as basic for firms' survival and sustenance is information technology (IT) capability. The connection between IT capability, competitive advantage and firm performance has been generally explored in the literature (Augier & Teece, 2007; Barney & Arikan, 2001; Helfat, 2007). The essential conclusion from this flood of research is that there is no direct connection between firm performance and IT capability; yet is followed up on by other mediating variables. Firms must send their IT on various organisational mediations before the impact of IT capability on firm performance can arise. Strategic management experts recommend that strategic planning is one of the key mediation that organizations can implement to accomplish competitive survival (Rummler & Brache, 2012).

Strategic planning implies a chain of taking expectable steps that includes defining mission, goals, performing environmental investigation, strategy formulation, performance and control (León-Soriano, Jesús Muñoz-Torres & Chalmeta-Rosalen, 2010). A strategy coordinates the objectives of the firm's policies and order of activities into an interconnected entire. It is in this manner exceptionally essential to the survival and long term achievement of the business. The biggest firms in the world are family firms (Basco, 2014). Family firms constitute an excess of 90% of all businesses around the world (Acquaah, 2013). The position possessed by family firms as far as percentages in some of the critical economies are: Australia-75%, USA-96%, Germany-60%, Brazil-90%, Netherlands-74%, Belgium-70%, Finland-80%, (Timmons & Spinelli, 2009).

Family-firms may be the most established kind of business organizations; notwithstanding it is only lately that the family business research has been thriving (Dana & Smyrnios, 2010). Family businesses are generally recognized to assume a critical part in economies everywhere throughout the world (Sageder, Duller & Mitter, 2015). The family business segment is assessed to considerably add to job generation, wealth creation and national competitiveness (Beaver & Prince, 2004).

Also, family businesses have been known as a means of innovation and industrial change and a main source of economic growth as well as job-creation (Kuratko, 2005). In spite of the significance of family firms, the survival rate among them is very low because of insufficient endowments of organisational capabilities and absence of suitable strategic planning. It is projected that only 13% of family firms survive through the third generation, while fewer than 66% survive to the second generation (Grant, 2016). In Ghana, family businesses experience challenges in getting credit, function under an unfavourable policy and lack strong innovative, controlling environment and IT integrated process level framework (Aryeetey, Baa-Nuakoh, Duggleby, Hettige & Steel, 1996). Despite the fact that this statement was made years back, the circumstance has not changed. The above issues have prompted the powerlessness of family businesses to acquire assets and capabilities to create appropriate plans to accomplish long term survival.

In spite of the fact that the difficulties and challenges of family firms have been counted in the literature and various theoretical viewpoints have been progressed, there still remains more to comprehend. Most particularly how the deployment of IT capabilities and strategic planning influences the performance of family businesses has not been essentially investigated. In reality, few researches have concentrated on the role IT capabilities influences the competitive survival of family firms in Africa and in Ghana, specifically. Indeed, even in the advanced economies where some researches have been done on family businesses, few investigations, if any, have studied the interactive effects of IT capabilities and strategic planning on the performance of family businesses.

In Sub-Saharan Africa, family businesses work in a generally tough and unpredictable macroeconomic condition; this requires that firm put in more effort in their operations in order to flourish (Robertson, Langston & Price, 2014). However, family firms have a tendency to avoid away from accepting an aggressive position in the market (Gallo & Vilaseca, 1996). Research demonstrates that family firms are normally risk averse, inappropriate human resource development, utilize out-dated tools and technologies (Levy & Powell, 2000). Could this posture in the market be a reflection of a possible limitation in their organisational capabilities and strategic activities? Literature battles that the use of IT has become an essential component in strategic operations in recent competitive markets (Bharadwaj, 2000). This study takes the firm position that the application of IT with clear strategic planning activities will bolster the performance of family businesses in Ghana. Particularly the study hypothesizes that IT capabilities will positively moderate the influence of strategic planning on performance of family businesses in Ghana.

LITERATURE REVIEW

The Concept of Strategic Planning

Strategic planning is an extensively utilized tool in management that specifies the possibility of strategy formulation (Rigby, 2001). It includes conveying key facilitators in the businesses that are in charge of gathering information, conceptualizing, demonstrating and strategizing for unpredictable alternative future circumstances, assess them and discover answers to key questions concerning the real and desired position of the firm. Strategic planning has been characterized severally in the literature. In any case, the underlining conclusions are that strategic planning includes the task of making arrangements and taking actions today for the future flourishing and competitiveness of a firm in its condition with the best practice of available resources (Marquardt, 2011).

Schendel and Hofer (1979) defined strategic planning as the step by step process that includes the making of a business's mission, recognizing long-term goals, scanning of the environment, formulation of organizational strategy, strategy implementation and control. As indicated by the researchers, it is the evolution of managerial response to environmental change moving from inward structure and production effectiveness, to the coordination of strategy and multinational expansion structure and production innovation and diversification. It is therefore the controlled effort to create essential choices and actions that shape and guide what the business is, what it does and why it does it (Bryson, 2004).

Information Technology (IT) Capability

The strategy literature and the RBV of the firm specifically, give the hypothetical establishment to look into information systems administration. Most researchers who have endeavoured to coordinate the resource based view in IT study have endeavoured to conceptualize IT capabilities and its components. For example, Pavlou and El Sawy (2006) and

Bingham et al. (2007) characterize IT capabilities as high performing hierarchical procedures relating to the securing, arrangement and use of IT resources (i.e., technical resources and human resources). Bharadwaj (2000) additionally characterize IT capability as the "capacity to assemble and send IT-based assets in mix or co-present with other resources and capabilities ". Cases of IT-based resources are simply the innovation, human IT resources, (for example, technical and managerial IT skills) and immaterial assets, (for example, knowledge resources, client orientation and synergy).

In this manner, IT resources include human skills in working with IT, IT infrastructure and organization's capacity to control IT, which consolidates to form an immaterial resource, called IT capability (Bharadwaj, 2000). Bharadwaj (2000) offered a theory of IT complementarities to contend that the underlying impacts of IT ought to happen at the level of organizational procedures that utilize the IT resources. The theory recommends a two-stage process through which IT resources affect firm performance: in the first place, IT resources could upgrade the efficiency and quality of organizational procedures where they are organized; thus, these IT-empowered procedures improve organizational performance.

Resource-based view of IT proposes that businesses can and do separate themselves from competitors by means of their IT resources (Chen & Tsou, 2012). Then again, while it is hard to get or imitate each particular IT resources, businesses can accomplish competitive edge through figuring out how to join their current IT resources adequately (Bharadwaj, 2000). IT capability is needed for synergistic process of IT resources. This organizational ability is a progressive system of "composite operant assets" (Chen & Tsou, 2012; Madhavaram & Hunt, 2008) and its constituents can be either intangible or tangible.

The Effect of Strategic Planning on Family Firm Performance

Researchers have additionally reliably demonstrated the need for enterprises to effectively get ready for future operations and development for them to successfully contend and survive in contemporary market environments. The strategic management literature contends that where strategic planning exists and very much actualized, a firm will have no or slight challenge in supervising outside changes. The reason is that firm survival is subject to how well the business can accomplish a strategic arrangement between its inside operations and the unpredictable external environment.

Businesses adjust to uncontrollable environmental powers as they design and do strategic exercises. It is through strategic planning that a firm can foresee changes in the environment and act proactively (Adeleke, Oyenuga & Ogundele, 2008; Uvah, 2005). Several researches have decided that the relationship between firm performance and strategic planning is positive (McIlquham-Schmidt, 2010; Owolabi & Makinde, 2012). Veskaisri, Chan and Pollard (2007) suggested that without well stated policy, a firm will have no justification for forming and keeping a competitive edge in the industry that it operates.

Various research works in organisational management have distinguished the presence or absence of strategic planning as a key element of firms’ success for privately-owned companies. Available research reliably demonstrates that majority of family businesses' fail to sufficiently integrate strategic planning into its organizational management. Family businesses are regularly recognized for being strategically myopic and for the most part inadequate with regards to a long-term vision (Wang, Walker & Redmond, 2011). It is therefore hypothesized that

H1: The involvement in strategic planning exercises will positively influence the performance of family firms in Ghana.

The Effect of IT Capabilities on Family Firm Performance

Literature have highlighted the importance of IT capabilities on business performance. Tian, Wang, Chen and Johansson (2010) contended that the capacity of a firm to convey IT resources supports the business to rapidly adjust to market changes. In this way IT resources shape and support the organization's strategic decisions and firm activities. Nonetheless, information systems that need adaptability and does not encourage a strong connection between the business units and the environment may progress toward becoming deterrents for organizational changes. Improved IT capabilities will consequently empower firms to position their IT resources and information and data services to capture clients' data and in addition disperse data to clients through the Internet, virtual groups and customized data channels (Nambisan, 2002) which will increase performance as well as market share.

Family own companies have been recognized to build strong social ties with clients. With the organization of IT capabilities family businesses are expected to build, preserve and support stronger social network with clients so as to accomplish higher performance. The capacity to utilize IT applications and frameworks will likewise extensively decrease the workload and reduce the lead time of provisions and competently manage inventory. This will help the family business to be rapidly and cost-effectively applies cutting edge innovations to meet client requests and accomplish solid brand image. It is therefore hypothesized that

H2: There is a positive relationship between IT capability and family firm performance.

The Moderating Role of IT Capability on the Strategic Planning-Performance Linkage

Tian et al. (2010) set that an effective IT deployment is considered by actualizing suitable information technologies to help and shape organizations strategies and value chain activities. Tallon (2008) have also contended that the incorporation of IT into formal strategic plans is significant for firms. Tian et al. (2010) additionally contends for a bidirectional procedure arrangement such that not only should IT be utilized to help organizations, yet additionally the business ought to capitalize by strategic potentials of IT.

As per literature, for strategic planning to be powerful and helpful, there must be responsibility and participation over all levels of the business, overcome inherent issues, for example, projects, resistance to change, rivalry among departments, resources allocation resource requirement and so on (Ahlstrand, Lampel & Mintzberg, 2001). Though, this can be effectively accomplished with the massive incorporation of IT capability and resources. When IT is effectively incorporated with the family business' strategic plans, the IT plans become essential to the business' strategic plans which guarantee strong business-IT arrangement. Without a doubt family businesses in Ghana have been noted to take an interest in little strategic activities which influence their performance; nevertheless with the mixing of IT resources and capabilities, the impact of strategic planning is projected upon to be improved as the degree and size of the firm expand through the onslaught of the IT in the firm operations. It is therefore hypothesized that

H3: *IT capability positively moderates the relationship between strategic planning and family firm performance in Ghana*

CONCEPTUAL MODEL

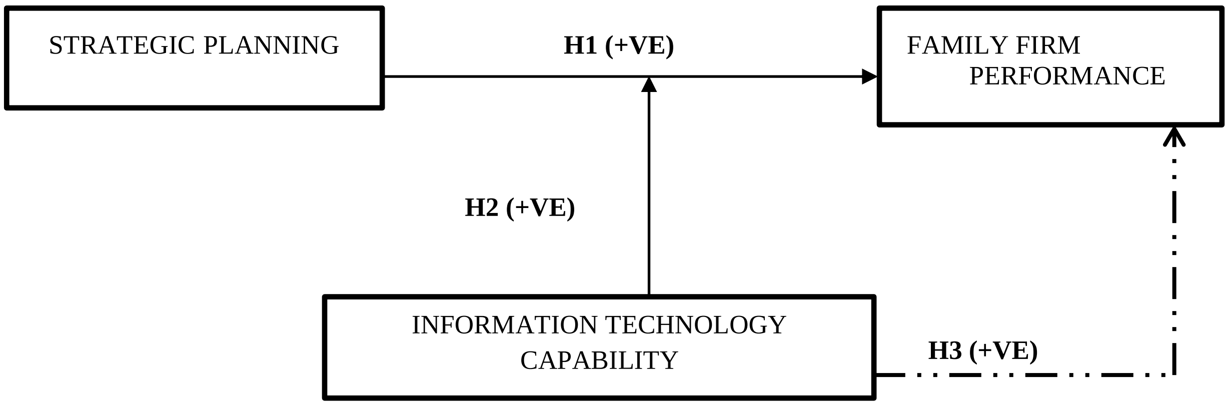

Figure 1

METHODOLOGY OF THE STUDY

This study is generally a quantitative research which attempts to explore the causal effect of IT capabilities and strategic planning on the family businesses performance in Ghana. The study explores the use of both primary and secondary data sources as the bases for extracting relevant information to answer the research objectives. The sample size of 80 family businesses were selected using purposive sampling and information about their strategic operations were received from the Chief Executive Officers or top management of the selected family firms. Similar studies conducted focusing on family firms within the African context have also used similar sample size (Acquaah, 2011).

Moreover, the study found the use of purposive sampling more convenient than alternative sampling techniques due to the fact that although family businesses are widespread in Ghana, they are usually found in the informal sector and are usually unregistered. This makes it difficult to acquire any credible official information about their operations, total number and locations. Given this difficulty, it was feasible to use purposive sampling technique.

Structured questionnaires were designed and all the variables were measured with 7-point Likert scales. The moderated self-administered structured questionnaires were pilot tested and final adjustments made to obtain more credible instruments and administered to the research participants. The data was collected through personally administered surveys with the assistance of three (3) research assistants. To ensure a high response rate the owners and/or managers were promised that any information they provide will not be shared with anybody or organization and that only the members of the research team will have access to the data.

In order to minimize the problem of common method variance (CMV), the strategic planning and IT capability items were intermingled with and firm performance measures. Moreover, some of the scales were reversed coded, so that one end of the responses did not always correspond to a larger effect. The scales used to draft the questionnaire were also adopted from literature; for instance Powell (1992) for strategic planning measures; Huo (2012) for firm performance measures and Pavlou and El Sawy (2006) for IT capabilities measures. This ensured that only valid measures which have been empirically tested in other studies were employed for this work. To ensure that responses were genuine and valid, the owners and/or managers who responded to the questionnaire survey were assured of the anonymity of their responses and company information in any published document. These techniques have been used in other studies to minimize CMV problems (Oyewobi et al., 2016).

RESULTS OF THE STUDY

Table 1 reports the descriptive statistics and correlation statistics of the principal variables. The outcomes of the research showed that generally the level of strategic planning among the family businesses is moderate. This is revealed by the overall mean of 4.648 with a standard deviation of 1.09. The implication is that significant variation exists among family firms in terms of the level of participation in strategic planning practices. Table 1 also reveals that some family businesses rely on information technology whilst others do not. However, the study shows that most (mean=4.59, SD=1.806) of the respondents agreed to relying on information technology in pursuing innovation. Concerning the level of performance, results indicate that the general performance of the sampled family businesses were also moderate (mean=4.90, SD=0.76).

Meanwhile, the correlation statistics as presented in Table 1 shows that IT capability amongst family businesses has a strong relationship with performance (r=0.448, p=0.01). This shows that IT capability places a vital role in the advancement of performance in family businesses. The study reveals that as IT capability increases, performance increases alongside by 44.8%. This shows a tremendous boost for the organisation. Furthermore, the strategic planning and performance evidenced to be positively related (r=0.162, p=0.05). Like IT capability, strategic planning contribute to 16.2% increase in performance as management of family businesses engage strategic planning in their businesses. As strategic planning increases, firm performance increases alongside as consequent of the input. The level of family involvement, firm maturity and industry type were used as control variables in this work. As shown on the Table 1, involvement (r=-0.162, p=0.05) and industry type (r=-0.378, p=0.01) have negative relationship with performance. Maturity shows to have a positive relationship with performance (r=0.028) yet proves to be weak and insignificant.

Table 1
CORRELATION MATRIX

	1	2	3	4	5	6	Mean	SD
1. Involvement	1.00						0.741	0.447
2. Maturity	0.052	1.00					2.45	0.841
3. Industry Type	0.113	0.091	1.00				0.451	0.345
4. IT Capability	0.011	0.111	0.418**	1.00			4.65	1.09
5. Strategic Planning	0.123*	0.505**	0.129*	0.104*	1.00		3.85	1.08
6. Performance	-0.162*	0.028	-0.378**	0.448**	0.162*	1.00	4.90	0.76

Source: Field Survey, 2017 *p<0.05 (2-tailed); **p<0.01 (2-tailed)

Now that the relationship between the variables for the study has been recognised, it was essential to decide the extent of the said relationships. The impact of the variables on performance was determined with the hierarchical multiple regression analysis. The regression analysis involved four interconnected models in which variables were hierarchically included in the estimation. The details of the four models given as follows: Model 1 focused on exploring the direct effects of the firm specific variables such as involvement, maturity and industry type (control variables) on performance.

The second model then examines the impact of IT capability on performance whereas controlling for the firm specific variables. In third model, strategic planning was added to the variables in the second model to capture the incremental effect of strategic planning on performance. The fourth and last phase comprised finding out the interaction effect of strategic planning and IT capability on family firm performance. The interactive term (IT capability x Strategic planning) was constructed based on centred values of the moderator (IT capability) and the independent variable (strategic planning) as applied in the empirical literature (Acquaah, 2011).

The model fitness test results as presented on Tables 2 reveals that all the four models estimated were robust and reliable for estimating the relationship between IT capability, strategic planning and family firm performance. Table 2 reports the regression analysis of the four estimated models. As discussed model 1 captures the direct effect of the control variables on family firm performance. Model 1 shows that the level of family involvement in the business has a positive influence on the performance ($\beta=0.168$, $p<0.05$); however, the number of years the business had been in operation (maturity; $\beta=-0.120$, $p>0.05$) and industry type ($\beta=-0.016$, $p>0.05$) did not have any substantial influence on family business performance. For the estimation of model 2, IT capability was added to the regression analysis whiles controlling for the firm specific variables.

The results of model 2 also indicates that the firm specific variables: IT capability has a strong positive effect on family firm performance ($\beta=0.344$, $p<5\%$). The implication is that an increase in information technology capabilities enhances family firm performance. Aside that model 2 results show that family involvement ($\beta=0.202$, $p<5\%$) has a positive effect on family business performance whereas maturity ($\beta=-0.253$, $p<5\%$) and industry type ($\beta=-0.022$, $p<5\%$) have a significant negative influence on the performance of family businesses. The model fit findings display that the total R-squared of the second model is 0.093 which shows that the model explains about 9.3% of the performance variations of the sampled family firms. The R-square change results however show that IT capability only explains 5.2% of the total variation in family firm performance. Furthermore, model 3 was estimated by adding strategic planning to the list of independent variables in the model estimation. The purpose is to find out the incremental contribution of strategic planning on family performance. The study results for model 3 show that strategic planning has a positive impact on family business performance ($\beta=0.374$, $p<1\%$). The implication of this results show that improvement in strategic planning activities are beneficial to the success of family firms in Ghana. Meanwhile it was realised that family involvement ($\beta=0.185$, $p<5\%$) has a positive and significant influence on family firm performance whereas, maturity ($\beta=-0.256$, $p<5\%$) and industry type ($\beta=-0.022$, $p<5\%$) has a negative influence on the family business performance of the sampled firms in Ghana. The model fit outcomes show that the total R-squared of the third model is 0.331 which point out that the model explains about 33.1% of the performance variations of the sampled family firms. The change in R-square outcomes though shows that strategic planning only explains 24% of the total variation in family firm performance.

To find out the moderating effect of IT capability, model 4 was estimated. This required the inclusion of the interactive variable; IT capability and strategic planning, in the model estimation. The interactive variable (IT capability × Strategic planning) also proves a strong significant positive effect on performance ($\beta=0.450$, $p<0.000$). This result indicates that the influence of information technology competence on family business performance is enhanced when management also pursue strategic planning activities. Thus, the integration of IT in strategic planning programmes and activities bolsters the performance of family firms in Ghana. The change in R-square of model 4 indicates that the interaction of strategic planning activities with IT capabilities accounts for an additional 11.2% impact to the projected control of the model. Thus hypothesis 3 which states that IT capability positively regulates the association between strategic planning and family business performance in Ghana was supported. Meanwhile, it is observed that IT capability also has a direct effect on family business performance (β=0.225, p<5%). Thus, hypothesis 2 which states that there is a positive association between IT capability and family business performance was also supported. Similar result was also obtained in relations to the influence of strategic planning on family firm performance (β=0.300, p<5%). Thus hypothesis 1 is also supported.

TABLE 2
DETAILED REGRESSION ANALYSIS RESULTS

Variables	**Model 1**	**Model 2**	**Model 3**	**Model 4**	**VIF**
	Beta (Std. Error)	**Beta (Std. Error)**	**Beta (Std. Error)**	**Beta (Std. Error)**	
Constant	4.969(0.330)***	2.903(.368)***	2.668 (0.433)***	3.224(0.448)***	-
Involvement	0.168 (0.089)*	0.202(0.082)**	0.185 (0.084)**	0.158(0.083)*	1.245
Maturity	-0.120 (0.127)	-0.253(0.119)**	-0.256(0.119)**	-0.286(0.117)**	1.018
Industry Type	-0.016 (0.010)	-0.022(0.010)***	-0.022(0.010)**	-0.018(0.009)*	1.508
IT Capability		0.344(0.049)***	0.376(0.079)**	0.225(0.057)***	3.191
Strategic Planning			0.374(0.057)***	0.300(0.059)***	3.967
IT Capability x Strategic Planning				0.475(0.086)***	1.258
Diagnostic Tests					
Mean VIF	1.012 1.513		1.981	2.031	
R-Squared	0.039	0.093	0.331	0.449	
Change in R-square	-	0.052	0.240	0.112	
Change in F-Statistic (sig.)	4.035 (0.047)	5.713 (0.019)	35.156 (0.000)	10.014 (.005)	

Source: Field Survey, 2017 Note: *p<0.10 (2-tailed); **p<0.05 (2-tailed) ***p<0.01 (2-tailed)

DISCUSSION OF RESULTS

This study explores the effect of IT capability and strategic planning on the performance of family firms in Ghana. The significance of the research lies in the fact that although the problems and challenges of family firms have been enumerated in the literature and a number of theoretical perspectives have been advanced, there still remains more to understand. Most especially how the deployment of IT capabilities and strategic planning affects the performance of family businesses has not been necessarily explored. Indeed, few studies have focused on the role IT capabilities plays in the competitive survival of family firms in developing countries and in Ghana, in particular (Keupp & Gassmann, 2009; Wright, Filatotchev, Hoskisson & Peng, 2005). Indeed, even in the advance countries where a few research works have been carried out on family own businesses, little researches, if any, have studied the moderating roles of IT capabilities and strategic planning on the competitive survival of family businesses.

Owing to this, the study explores the influence of strategic planning activities and IT capabilities on the family firm performance. The study focused on a unique dataset, family firms in Ghana. A hierarchical multiple linear regression technique was employed to arrive at the research objectives. The study results supported the assertion that improvement in IT capabilities leads to improve business performance. The findings of this study corroborate the conclusions of Tian, Wang, Chen and Johansson (2010) who argued that the ability of an organisation to deploy IT resources helps the firm to quickly adapt to market changes. Better IT capabilities will therefore allow businesses to position their information administrations and IT assets to catch data about clients and in addition disperse information to clients through the virtual communities, Internet and customized data channels (Nambisan, 2002) which will increase market share and performance.

Family businesses have been acknowledged to build strong social ties with customers. With the deployment of IT capabilities family firms are expected to develop, maintain and support stronger social network with customers in order to achieve superior performance. The ability to use IT applications and systems will also significantly lessen the workload of and cut the lead time of supplies and efficiently manage inventory. This will assist the family firm to quickly and cost-effectively apply cutting edge technologies to meet customer demands and achieve strong brand image.

The relevance of strategic planning implementation is also emphasized in this study. The findings of this research supports results from several research works which established a positive connection between strategic planning and firm performance (McIlquham-Schmidt 2010; Robbins, et al., 2008). Veskaisri, Chan and Pollard (2007) likewise found that without a well-defined strategy, a firm will have justifiable reason for making and keeping up a competitive edge in the industry where it operates. Although family firms are often acknowledged for being strategically myopic and mostly lacking a long-term vision (Wang, et al., 2011); the implication of this research suggests that strategic planning implementation is beneficial to firm performance.

CONCLUSION

In view of the results of this research, it can be established that the deployment and enhancement of IT capabilities in the operations of family businesses in Ghana will lead to superior performance. This is very crucial given the fact that family businesses are widely acknowledged as sources of innovation and change in global markets. Indeed, owing to the limited nature of the Ghanaian market and the onslaught of competition due to the influx of foreign firms in the Ghanaian markets, the development of IT capabilities and resources within the organisation will enable the firm to take advantage of potential expansion of the industry brought about the virtual market (internet).

Moreover, it is observed that aside the improvement in IT capabilities, engagement in strategic planning also draws positive organisational outcomes to family firms. Indeed, the findings of this work show that though the applicability of strategic planning is not widespread among family businesses; albeit, those who vigorously pursue it achieve superior performance than family firms who do not. More importantly the results of this research have underscored the complementarity of strategic planning practices and IT capabilities in the family business sector and show that the integration of strategic planning with IT capabilities is possible and family firms who pursue it can expect further enhancement in the level of performance.

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