

Strategic management Practices in private IT firms in Uganda: Examining the impact of Retrenchment and growth strategies on Competitive Advantage.

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Strategic management Practices in private IT firms in Uganda: Examining the impact of Retrenchment and growth strategies on Competitive Advantage.

Abstract

The study sought to examine the application of Strategic management Practices in private IT firms in Uganda particularly investigating the impact of Corporate Strategies (CS), growth and retrenchment strategies on the Competitive Advantage (CA). A quantitative study in which the research takes on an interpretivist approach using survey questionnaires was done. The researcher conducted a cross sectional research, over a samples size of 80 start-up IT firms in Uganda, using senior and mid-level managers as the units of analysis. A purposive sampling technique was used, and data analysed using SPSS. Findings were analysed discussed and areas for further research be submitted and conclusions drawn. There was strong indication of a positive relationship between the corporate strategies (growth strategies: acquisition strategy and retrenchment: restructuring strategy) and competitive advantage (financial profitability, financial performance and increased barrier of entry for the competitors).

1.Introduction

Organizations are able to achieve desired outcomes by means of strategic management and is critically fundamental process to the success of the organisation. A set of managerial actions and decisions that influence that formulation and implementation of strategy with intent to attain the firm's objectives (Apollo, 2020). Managers use strategic management toe stablish the organisation's long-term direction, performance objectives as well as development strategies to achieve the overall firm objectives in respect to the external and internal circumstances of the firm (Fauzi etal., 2021).

2. Back ground

Uganda was ranked most entrepreneurial country in the world in the 2015 GEM report. In the in a report by B2B marketplace Approved Index, the research looked at 73 countries and the results are based on the proportion of adults who have started a business. In Uganda 28% have done so, which is almost twice as many as have done in the second ranked country Thailand (16.7%). The high entrepreneurial spirit was mostly evident in the youth, and thus 55% of the youth are entrepreneurs with startups (GEM Report ,2015). With only 28% of the adults participating in the business. the youth continue to venture into small business startups and contributing to the job creation, taking advantage of opportunities, and obtaining high economic compensation levels. The Global start-up ecosystems index ranked

Uganda in the 97th positions (Global startups ecosystems index, 2021) while Uganda ranked 101 on the GSEI having a total of 78 startups (Makai, 2021)

2.1 Problem statement

Although Uganda entrepreneurial has a high entrepreneurial level, the ecosystem is saturated with relentless challenges that facilitate the diminishing success rate of startups in Uganda. The IT sector although fairly new had a substantial number of new entrants, from big FinTech's starting up to the local domestic IT services company on the high street. The easy of entry for the small and medium IT firms into the market has created opportunities for them to start up. Although the challenge remains with the start-up IT firm's ability to gain and later on sustain competitive advantage as the success rate of Tech startups in Uganda is presently rated at 42% partly due to misread market demands among other factors. It is reported that 70% of the in Uganda fail within the first 5 years as a result of mismanagement of resources and business planning.

2.2 Research aim

The research aims to investigate the application of Strategic management Practices in private IT firms in Uganda by examining the impact of Retrenchment and growth strategies on Competitive Advantage.

To investigate strategic management practices IT firms in Uganda.

To investigate the impact of growth strategies on competitive advantage of a start-up IT firm.

To investigate the impact of retrenchment strategies on competitive strategies of an IT firm

To attain the objectives following research seeks to answer the following research questions.

2.3 Research questions

1. Is there a relationship between growth strategies and Competitive advantage (CE) financial performance.
2. Do retrenchment strategies increase the barriers to entry of the IT industry?
3. Do growth strategies increase the IT Firm's profitability?

2.4 Research gap

Strategic management is fairly concept in Uganda and therefore, there is limited literature on strategic management IT startups indicates a contextual evidence gap in the literature related to application of strategic management practices, particularly in the areas of

corporate strategies and competitive advantage. It is therefore from this perspective that this research intends to cover the Ugandan practical application of strategic management and the contextual evidence gap in Corporate strategies (growth and retrenchment strategies) & Competitive advantage literature within the start-up IT firms.

2.5 Significance of the study

The research will make both practical and theoretical contributions to the area of strategic management, particularly when it comes to corporate strategies and competitive advantages seeking in start-up IT firms. The research also provides the scarcely maiden contextual evidence about the start-up IT firms in Uganda. The research also provides a practical perspective, and framework for entrepreneurs and managers to address Corporate Strategy and Competitive advantage alignment deficiencies.

3. Literature review

3.1 Firm's Resources

The resources-based view (RBV) perspectives tend to create the need to the adoption of strategies and principals to support management activities that foster success of the entire organisation. The RBV perspectives have evolved over time from Wernerfelt (1984), through several authors explaining how the firms use of different capabilities to attain economic rents and competitive advantage as it manages its assets, knowledge, and other internal resources. The resource-based theory complements a more outward-looking set of theories about competitive advantage, such as the popular Porter's (1980) Five Forces approach when it comes to industry analysis.

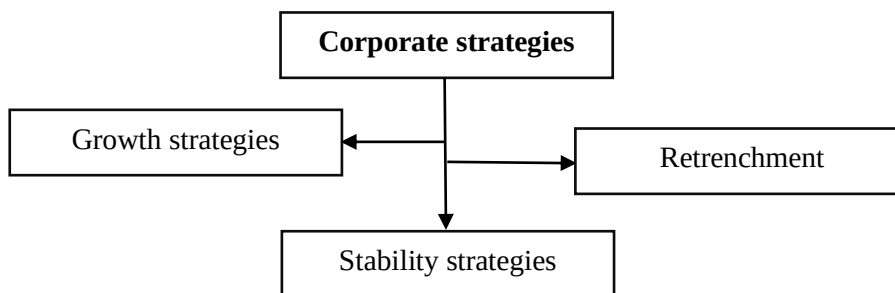
A firm's operational capability is a series of business routines implemented together with the input flows, influences the firm's management to make decisions and options that guarantee the desired significant outputs or return on investment (Wojcik, 2015). The firm's dynamic capability is its ability to build, integrate and reconfigure internal as well as external competences with intent to address changing environment (Ahmad Zaidi et al., 2012); or the ability to integrate, integrate or reconfigure its operational capabilities (Helfat & Peteraf, 2003) in any environment.

3.2 Corporate level strategies

Corporate Strategies involve the organisation's entire operation in terms of structural or financial aspects as well as the allocation of the firm's resources across its business (Ndaula, 2020). Corporate strategies stand at the pinnacle of all types of strategies an organisation uses, to define both its business as well as corporate goals; hence explaining

how the goals can be attained through the strategic management of its resources. Corporate strategies improve the value of the whole business and thus making it more than just a summation of the parts that making it (Beard and Dess, 1981). Although earlier academics have described corporate strategy to be a discourse constituting particular possibility conditions.

Figure 1. corporate level strategies



Source author

Corporate level strategies ensure that proper direction of the entire organization, is available whereas business level strategies ensure the existence of the means for the firm to gain competitive advantage in all the products or service pushed by the corporate level strategies. Functional level strategies focus on the identification the optimum ways to allocate resources as well as capabilities of each strategic business unit to support the corporate and business level strategies (Imhanzenobe, 2021).

3.3 Stability strategy

Highly competitive markets are characterised by product saturation. This means that the both the market and product is available. Competitive strategies a appears in different forms such as market revamping, pricing, upgrade and or new product identification, franchising as well as expansion into new territories, franchising (Su and Yuan, 2022). Any business would strive to gain and maintain competitive advantage and therefore achieve financial stability, by focusing on the engagement into market penetration strategies whilst pushing the same or a new product.

Significant investment int research and development is made on the premise that an improvement will happen in the product features and eventual quality as well as solve customers' problems (Gavurova, etal., 2020; Cobbold, and Lawrie, 2002). The stability strategy is aimed at maintaining the threshold revenue targets while Cost leadership strategy

focus on the maximisation of economies of scale in order to dominate the market using volume vs features of product and services in markets and are sensitive to price (Dodgson, 1992). Porter agrees with the concept of cost leadership strategy empowering the firm to gain and attain competitive advantage through the proposition of an aggressive stance whilst maintaining low costs or go on the offensive with the differentiation strategy (Awino, 2011). On the other hand, Ansoff denotes market penetration to an attempt to increase (ROI) return on investments whilst maintaining the original product line Ansoff (1957).

Innovation of an incremental nature as far as the product development is concerned is obtained when the existing product undergoes modest changes during the market penetration strategy (Kleibrink et al., 2016). The objective is to ensure that an increment in the market share of an existing product is obtained. Essentially, growth strategies focusing on new market development use product development strategies by making changes to the existing product line and therefore influence the way customers interact with the products (Barnett and Burgelman, 1996; Mauri and Michaels, 1998).

Substantial shifts in technological changes have been registered in some markets because of the application of growth strategies, and thus prompting firms to engage in backward and forward integration activities on the supply chain. Forward integration as a strategy is necessary in when the firm has the capability and competence to advance along the supply chain taking over some activities (Zhu and Chen, 2015; Roberts, 1995). This cuts out the middle man, enabling the firm to perform the activities previously covered by a competitor of another business.

For a firm at the stability stage, an expansion strategy is the next strategy ensure the establishment of a foot hold in the existing market as well as expand its product line. The concentration is put on the expansion into an already saturated market preferably a domestic one, new products development becomes the norm as the firm's market share increases. This expansion is carried out by diversification of the different business functions and as well as divestment or resource allocation across the strategic business units on a large scale (Bogers, 2019).

Thus, facilitating more ROI and employee retention and growth opportunities. Diversification strategy focuses mainly on the market potential expansion of a product without enhancing its features, while in product development the focus is on the enhancement of product features. Essentially, expansion by diversification is a rather broad strategy which many involve new and old brands extensions by means of product modifications, although Ansoff denotes to it being used as a final option strategy after the market penetration, product

development, and market development, and only in a case where the preceding strategies are rendered obsolete (Ansoff, 1957).

Figure 2 Ansoff's growth strategy matrix

		Products	
		Existing	New
Markets	Existing	Market Penetration	Product Development
	New	Market Development	Diversification

Ansoff (1965)

3.4 Diversification

Diversification may be used as the main strategy when it comes to new markets, however the type of diversification applied whether be it concentric diversification, horizontal diversification, or conglomerate diversification, depends on the relationship between the product and its customers because of the shifting customer values and interests (Beillouin et al., 2019). In concentric diversification the focus is on the new product launch in line with the existing product. The firm's efficiently coordinates its actions, and this becomes the main objective so as to maximise its operational effectiveness. But in this case business synergies are used to increase the market share and improve production capacity as the resulting denominator.

A firm takes advantage of its employee skills and experience to overtake substitute products and gain competitive advantage. This is a common strategy in the technological products where aggregation of efforts of different parts of the firm is used to achieve synergies (Wang et al., 2020). On the other hand, a firm using the conglomerate diversification strategy focuses on the introduction of a product that is substantially different from their existing product and services.

Horizontal diversification is used in response to the changing demands and needs of the customer. After listening to the customer feedback, a product or service is created that is different from what they know (Omosa et al., 2022). To differ from the conglomerate diversification, this horizontal strategy is a direct response to the customer's changing needs and demands, in some cases a firm may buy or acquire another firm with a product portfolio. The sole aim is to increase ROI within their existing customer base.

The firm's diversification strategy aims at the expansion of the entire scope of their activities. The market, product, and the main objective of the firm, determine the diversification strategy that is applied in a given situation (Schommer et al., 2019; Duho et al., 2020). The choice of diversification strategy is entirely dependent on the product development in an existing market, or maintenance of the same product in the existing market, or the development of an entirely new product in an emerging market is the most appropriate action one can take. In most cases, firms' market existing product line in emerging markets as their growth strategy (Ansoff, 1957)

No substantial changes are made on the product and services features, although the firm may focus on a different customer type in the same market, not accessed before. This implies that market and product development have serious implication on the growth of a firm (Oladimeji and Udosen, 2019).

Needless to mention the existing controversy surrounding cost leadership strategy and compatibility of the differentiation strategy of business remaining as a subject of contention. Although some Hill (1988) suggests a possibility of the applying both strategies if the situation permits. He urges that an increase brand loyalty is possible as a result of investment in differentiation and therefore creation of sales expansion to a level that permitting a substantial reduction in operating costs of a firm in the long run. Hence the notion that differentiation can facilitate the achievement of a low-cost leadership of a firm. However, one must ponder on the notion of to what extent would an increase investment in differentiation actually lead to an increase in the demand, cost reductions whilst increasing production volumes.

3.4.1 No Change Strategies

Upon conducting both an internal and external analysis, a firm can decide to make absolutely no change in their existing objectives, operations (Quenum et al., 2021). This in itself is a strategy. In markets where the firm's competitive position is very stable, a conscious decision to maintain the existing objectives can be made (Bryson and George, 2020). This is very common in niche markets; a firm may maintain the same strategy. As long as there are no fundamental changes in the factors challenging the status quo.

3.4.2 Profit Strategies

Market forces like, recession, inflation, escalated of costs of living may affect a profitable firm prompting it to engage in cost cutting strategies such as, Liquidation Strategies, outsourcing to maximise operational efficiency, sales (output) as well as raise prices to maximise thier profits. In extreme cases, divestment or the sale of some business units may be the most

appropriate option (McDonald and Gao, 2019). Although this may best serve as a temporary strategy, if used on a long term it may be absolutely dangerous and could even lead to insolvency. To acquire sustainable results from this strategy, a firm needs to engage in diversification and or product development strategies so as to maximise profitability in accordance with the market orientation (Roundy et al., 2018). The resource-based view perspective, denote the strategy as avoid reinvestment unnecessary resources but focuses on the maintenance of the same resources' levels whilst maximising profitability (Gerhart and Feng, 2021).

3.4.3 Caution Strategies

For any strategy to take place, a firm must conduct a market analysis and thus do a reconnaissance. The focus of the market assessment is oriented towards the limited variables in terms of new and existing markets and how they interact with both the new and existing products (Crick and Crick, 2020). A firm could take on a product development strategy on a temporary basis in existing markets, there by introducing a new product and observing the market response as well as whether the new product meets the changing needs of the customer (Delery and Roumpi, 2017).

3.4.4 Growth Expansion Strategy

Expansion and growth strategies are synonymous. A firm setting out to cover more ground in the market, enjoys benefits like higher profits as a result of the increasing market share (Vaarala, 2022). Economies of scale, alongside the attainment of a competitive advantage position is made, and the prospect of venturing into new markets later on the introducing new products becomes more eminent. Often focusing on new segments of customers in the same market or buying off existing product lines during the firm's diversification could be the most appropriate action (Ngui, 2019). But a firm need know most appropriate growth or expansion strategy moving forward.

3.4.4.1 Expansion through Concentration

For every firm there is a core business function with which if the operational efficiency, is maintained and the right resources availed, it can attain competitive advantage (Carvalhaes et al., 2022). In some cases, focusing on market penetration the using an existing product and or consideration of the development of a new market for an existing product (Carvalhaes et al., 2022). The firm maximises efficiency in their core competent area. However, it is important to observe the market changes as they are a very important variable in the success of the strategy.

3.4.4.2 Expansion through Diversification

A firm may diversify its value proposition and thus going beyond the product features. A new value proposition that is within the same product line as the existing products is developed (Concentric diversification). At times, coopetition or collaboration with the competition is the way to go (Oladimeji and Udosen, 2019). The existing value proposition is maintained in a new market (conglomerate diversification); and thus, mitigating the risk of an economic downturn in the same industry.

3.4.4.3 Expansion through Integration

Often a firm is required to consolidate its operational units on the value chain by Creating greater efficiency in order to enjoy economies of scale (Bulturbayevich, 2021). Making changes to the market or product is not the main focus in this case, but rather ensuring the consolidation of customer focused points along the value chain (Forward integration vs manufacturer focused points on the value chain (backward integration) or operational up and down units on the value chain (vertical integration) (Bulturbayevich, 2021). Horizontal integration maximises same point operations in the value chain.

3.4.4.4 Expansion through Cooperation

Sometimes a firm needs collaboration with its competitor and gaining competitive advantage whilst mitigating disadvantages (Darbi and Knott, 2022; Morris et al., 2007). The possibility of expanding the market share is very probable at the same protection of the industry there by increasing the operational efficiency of the firms in collaboration. Consolidation of business through mergers and acquisitions, strategic alliances, or joint ventures (Wang and Chen, 2022). No matter the type of cooperation the markets relationship with their products and the objective of the firms become the dependent variables up on which as decision are drawn.

3.4.4.5 Expansion through Internationalization

when firms have an existing product, they wish to introduce to a new market, they opt for global markets (Holmes et al., 2018). When the domestic markets are saturated a firm must adopt strategies that aimed at offering the existing product to a new and global market (international strategy), or sometimes offering a product that is modified to the new market (Multi domestic strategy). Furthermore, a firm could standardise its products in markets with low delivery costs (Global strategy) or use both the global and multidomestic strategy (Transnational strategy) (Calvelli and Cannavale, 2018).

3.5 Retrenchment strategy

The main objective of engaging a retrenchment strategy is to establish a more stable position for the firm regardless of whether a firm is raising funds for a new product, making structural changes as a result of a merger, or adjusting to technological changes (Casillas et al., 2019; Smart and Vertinsky, 1984). Liquidation, selling off company assets to raise capital, laying off employees and changing senior management all are characteristics of a retrenchment strategy (Ung et al., 2018). Retreating from the current position with intent to minimise heavy losses that could trigger insolvency is the most obvious action in the retrenchment strategy (Robbins and Pearce, 1992; Cheng and Deng, 2022). One needs to understand that liquidation is not the main strategy (Yang and Zhang, 2021). There are still other options like divestment and turn around strategies one could consider before liquidation or the eventual insolvency.

If a new product in an already existing market is failing, regardless of whether it is due to, bad design, poor user experience, lack of quality control implementation issues, the ideal strategy for the survival of the firm may be product development (Cooper, 2019). However, the adoption of new technologies may also be the viable option as the right choice of technology could minimise the products failure chances (Tripathi et al., 2019)

The firm's adoption of new technologies, positions a firm for divestment as the most probable retrenchment strategy, letting go of the non-productive departments, and redirection of resources into research and development. Redirection or restructuring of resources into research and development from a resource-based view perspective denotes to a firm's divestment/retrenchment strategy as leading to performance improvement. (Renwarin, 2021; 2016; Durand and Vergne, 2015).

3.5.1 Divestment

Strategies such as acquisition, divestment, franchising, new product launches, and global expansion are not without its own challenges (Labaki and Hirigoyen, 2020). In many cases, unstructured and ambiguous challenges complex and wide implications on the firm (da Silva, and Moreira, 2019). As acquisitions and take overs a tend to lead to downsizing as result of firm's skill mismatches in some business units, divestment becomes the most appropriate strategy for business continuity (da Silva, and Moreira, 2019). This gives a firm a chance to concentrate on its core competence areas. The costs incurred by a firm as result of divestment remain subject to the reasons for divestment such as availability of investment opportunities, or the size of the market, (Silva and Moreira, 2019).

3.5.2 Back ward integration

Market expansion with the ignorance on the back ward integration set up costs' implication, could expose the firm to the challenging price competition in a wide market coverage scope (Young, and Reeves, 2020; Ogorean, and Herciu, 2020). Modern markets are characterised with volatility, shorter life spans making it wise for firms outsource the non-core competence SBUs to reduce their capital investments (Ludeke-Freund, et al., 2019). However, it is important to note that ignorance of the integration set up costs does not tantamount to diminishing their implicit cost of the overall firm strategy (Young, and Reeves, 2020).

3.6 Competitive advantage

"A unique position that a firm develops vis-à-vis its competitors" (Distanont, and Khongmalai, 2020) Competitive advantage of a firm, rests in its ability outperform (higher market share, profitability,) its rivals (Porter, 1996). The fact that competition is already an existing phenomenon, the firm need to action strategies that enable it to gain any form of competitive advantage and most importantly sustain the competitive advantage. This requires continuous analysis of the market and the firm and develop strategies in in response to its analysis (Stonehouse and Snowden, 2007).

Each firm has its own factors that determine its competitive advantage. Researchers have contentious thoughts and ideas on what and how competitive advantage may be achieved. In some cases, positioning of a firm in response to the prevailing environment or the ecosystem could lead to competitive advantage, core abilities. Being in an advantageous position in the competition is very important (Brandenburger, 2002). However, being able to transform this advantage to gain superiority against competitors is more important.

3.7 Hypothesis

To attain the aim and objectives of the study and answer the research questions, the following hypothesis were developed. First, CS (Corporates strategy) was coded to represent Growth strategies, stability strategies and retrenchment strategies, while CA (Competitive advantage) was represented by financial stability, employee retention, and skilled talent development.

Hypothesis 1 (H1) Growth strategies influence financial stability, financial performance, and barriers to entry of start-up IT firms.

Hypothesis 1 (H2) Retrenchment strategies affect the financial stability, financial performance, and barriers to entry of Start-up Start firms.

4. Methodology

Since choosing the most suitable research methodology and the right techniques is a very fundamental exercise in research; thus, denoting to the researcher's logical approach in examining a particular topic. The rich choice of methodology is characterised by dedication and logic, and thus developing facts beyond the available literature, and at the same time prompting criticism and further research (Pandey and Pandey, 2021).

4.1 Research philosophies and approaches

The study takes positivist epistemology and a grounded theory approach where codes are defined and openly exploring data, concept identification and development, being critical about the data, establishing relationships between the concepts, adjusting, and refining the data collection, analysis, and concepts integration. The

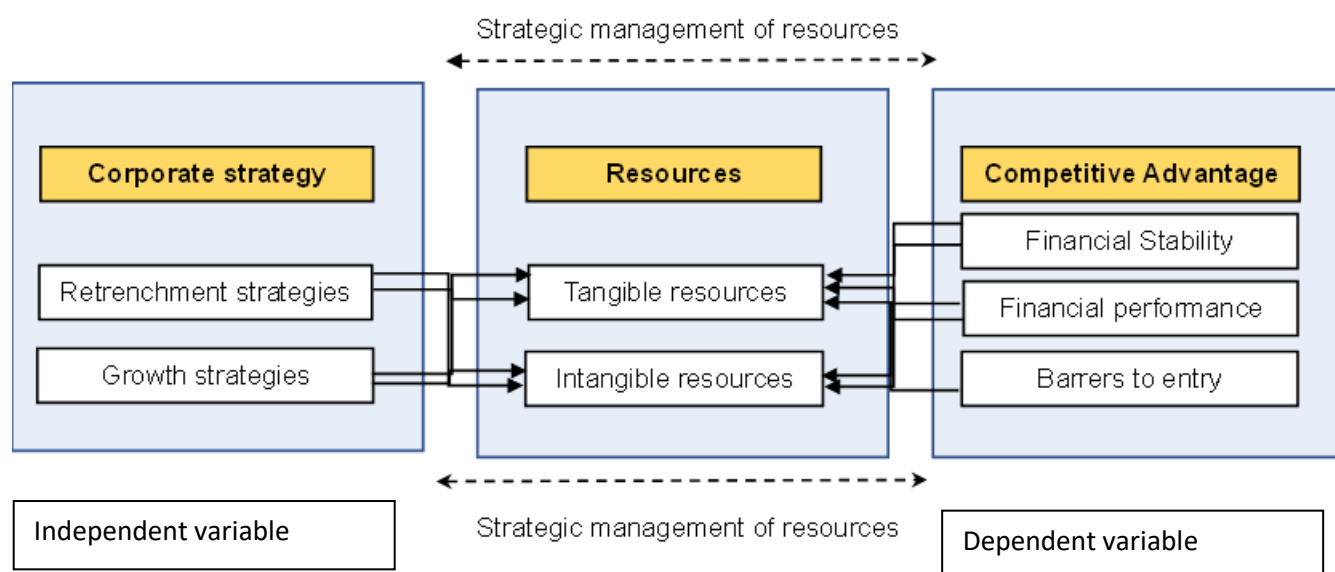
This is an empirical and quantitative study. There is limited research on Strategic management Practices in private IT firms in Uganda, Examining the impact of Retrenchment and growth strategies on Competitive Advantage. Quantitative data was collected through surveys questionnaires or interviews in some cases as suggested by (Tamminen, and Poucher, 2020). For this research, questionnaires were used to produce analytical data as the answers from the questionnaires were quantified, grouped as well as statistically analysed. Due to time and cost limitations, only a sample the population was selected for the research.

4.2 Research methods

To attain the research aims and objectives the study research took a two-stage approach. First, a review of the secondary data inform of preceding literature was done, to expound on the existing knowledge on the Strategic management Practices in private IT firms in Uganda, Examining the impact of Retrenchment and growth strategies on Competitive Advantage. Review of already published materials inform of journals articles as well as books on the subject was done. Secondly a quantitative method was applied to generate, statistical proof, the Strategic management Practices in private IT firms in Uganda: Examining the impact of Retrenchment and growth strategies on Competitive Advantage.

Figure 3 below shows the Proposed Conceptual model for the relationship between Corporate Strategy and Competitive advantage. Although there are more than two corporate level strategies, this research focuses on only two of the strategies, and that is the growth strategy and retrenchment strategies.

Figure 3. Proposed Conceptual model for the relationship between Corporate Strategy and Competitive advantage.



Source: author

4.2.1 Sampling procedure

A probability sampling method, particularly Simple Random Sampling (SRS), was used to select a sample of respondents in Kampala representing the entire Uganda as suggested by 90 questionnaires were sent out to be filled.

4.2.2 Pilot Test

This pilot testing was done to ensure that all the necessary questions were present on the form, testing the distribution platform as well as effectiveness of the data collection. The pilot study took place two weeks prior the distribution of questionnaires as recommended by

4.2.3 Data Collection

The questionnaire was handed over directly to the respondents (customers of Nigeria mobile network). The questionnaires were filled in researcher presence in order to further enhance the promptness of the questionnaire completion and to clarify any ambiguity if at all. This method was considered suitable since it presents a quick and cost-effective way of accessing a large population sample (Bryman and Bell 2003). The questionnaire form was developed using the sample of free online service from Google Documents. A total number of 90 self-completion questionnaires were filled.

4.2.4 Method Of Analysis

The numbering of questionnaires from 1 -90 was done and the questions coded in into the Statistical Package for the Social Sciences (SPSS) interface with intent to test the research hypothesis. The SPSS 10 was applied data analysis because of its robustness in the evaluation of the numerical data as suggested by Collins, et al (2019).

4.2.5 Validity

In order to attain a validity of the research in the primary data collection, a pilot study was done, and modification of questionnaires done.

4.2.6 Reliability

To guarantee reliability of this study, a several hypotheses were tests to ensure that the results were dependable and therefore annulling the possibility of coincidences.

4.2.7 Research ethics and confidentiality

The participants were assured of confidentiality and safety of the data collected, and private and personal information kept out of the final data.

4.2.8 Research limitations

There was inadequate time to collect primary data and this impacting the number of respondents, moreover generalisation of the research findings was limited by the sampling frame as it was quite too small to represent the entire country.

4.3 Correlation analysis

The Correlation analysis in this study is meant to measure the relationship between variables and rather than the causation. When Pearson correlation was performed on each of the variables and their individual items (one-tailed) at 0.01significance. Therefore, a significant relationship was recorded (Appendix H). The two corporate strategies , that is retrenchment and acquisition(growth strategy) were correlated against competitive advantage (one tail) at 0.01 significance. See findings in table 1 below.

Table 1: Correlation Analysis

	Significance	Competitive advantage
Acquisition	P<0.01	.559(**)
Retrenchment	P<0.01	.547(**)
** Correlation is significant at the 0.01 level (1-tailed).		

The findings indicate a significant relationship between Acquisition (growth strategy) and Competitive advantage (CA) $r = .559$, p (one-tailed) $< .01$. Retrenchment strategy was significantly correlated with competitive advantage (CA) $r = .534$, p (one tail) $< .01$. The results indicated that the two of the corporate level strategies positively affect competitive advantage.

4.4 Regression analysis

The regression analysis showed a strong relationship between the variables. The direct effect of acquisition (growth strategy), and retrenchment strategy were tested on competitive advantage using the stepwise method. Table 2 shows the beta coefficient between growth strategy and competitive advantage ($b = 0.674$, $t = 8.680$), Retrenchment and competitive ($b = 0.586$, $t = 8.04$) being positive as well as significant at $p < .01$. Thus, the two corporate strategies (retrenchment and growth strategies) significantly affect Competitive advantage. And thus, leaving the hypothesis H1, H2, substantiated.

Table 2: Regression Analysis for corporate strategies

Hypothesis	Independent variable	Dependent variable	b	t	p	Results
H1	Acquisition strategy	Competitive advantage	0.674	8.680	0.000	Accepted
H2	Retrenchment strategy	Competitive advantage	0.586	8.040	0.000	Accepted

For this study the R value is .743 showing a high correlation between corporate strategy and competitive advantage. For analysis, R^2 is .548 meaning that corporate strategies impact 58.3% of competitive advantage. The adjusted R^2 value is .525 showing an indication of generalization of the applied model because it is closer to R^2 .

Since the R value is an indication of the correlation between the outcome and the predictors. The R value being .743 which is an indication of the high correlation between corporate strategies and competitive advantage. And because the R^2 value is an indication of the proportion of variance explained in the model. For this study, the value of R^2 is .548 implying that corporate strategies are responsible for 58.3% of the competitive advantage in start-up IT firms. The regression analysis, indicated that corporate strategies have a positive significant effect on competitive advantage of start-up IT firms in Uganda: acquisition(growth strategy) $b = 0.368$, $t = 3.445$ $P < 0.01$ retrenchment $b = 0.254$, $t = 2.942$ $p < .01$.

4.5 Validity

In order to strengthen the results of the regression analysis, a paired sample T-test was done. The results indicated a correlation at $p < 0.05$ which is above 0.5, hence validating the correlation analysis which implied that corporate strategies do have a positive effect on competitive.

Table 3 the Paired Samples Correlations

Paired Samples Correlations				
		N	Correlation	Sig.
Pair 1	COM and AQS	160	.569	.000
Pair 2	COM and RTR	160	.537	.000

5. Conclusion

Acquisition and restructuring strategies are both connected to the corporate strategies of growth and retrenchment strategies. How these strategies could lead to competitive advantage is discussed in this study and empirical data on the topic was reviewed. Acquisition strategy can be considered a diversification strategy that is capable of giving the firm a competitive advantage of barriers to entry by ensuring price subsidization. Unique resources could be acquired by the firm to boost the firm's competitive advantage through vertical and horizontal integration during its market development process.

Restructuring or restructuring strategies can effectively work as turnaround strategy.

Although if applied alone may not necessarily improve the organisations survival. Essentially, implementation of restructuring strategies needs to be part of a bigger strategy applied in the company of other growth strategies to ensure meaningful positive and substantial impact of firms' competitive. In conclusion the findings pose some fundamental implications on the management research as well as practice. Firms trying to expand their business or gain competitive advantage could engage acquisition strategies. Although acquisition strategies can create more effect as diversification strategy, such strategies are essential for market development. This is because of their ability to acquire unique resources.

Also, regardless of whether the firm intends to apply acquisition (growth) or retrenchment (restructuring) strategies, other factors like employee satisfaction, organizational culture, as well as the management structure are fundamental and need further consideration proper management to acquire significantly positive results. However further empirical research needs to be carried out to further examine the impact of other mediating factors that determine the competitive advantage of a firm.

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