

# **BUILDING COMPETITIVE ADVANTAGE THROUGH STRATEGIC FORMULATION: PERFORMANCE IMPLICATIONS FOR MOBILE TELEPHONE NETWORK (MTN) UGANDA**

**Lugga David Joseph.**

MBA Candidate, School of Business, Economics and Tourism, Kenyatta University, Kenya, Kenya.

**Anne W. Muchemi (PhD).**

Lecturer, School of Business, Economics and Tourism, Kenyatta University, Kenya.

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## **ABSTRACT**

The telecommunications industry continues to experience heightened competition, rapid technological changes, evolving customer expectations, and increasing regulatory requirements that demand strategic responses from market players. In Uganda, telecommunication firms are under pressure to sustain subscriber growth, improve customer retention, and enhance revenue generation amid a dynamic business environment. Despite MTN Uganda maintaining its position as a market leader, the company has experienced performance challenges reflected in declining average revenue per user, increasing customer churn rates, and fluctuations in subscriber growth. These challenges have renewed interest in understanding the strategic factors that influence organizational performance. This study examined the effect of strategy formulation on the performance of MTN Uganda. The study is anchored on the Resource-Based View Theory and supported by Systems Theory. An explanatory research design was adopted, targeting managerial employees, departmental heads, regional managers, and directors at MTN Uganda. Data were collected using structured questionnaires and analyzed using both descriptive and

inferential statistics. The findings established that strategy formulation significantly influences organizational performance by enhancing strategic direction, improving resource allocation, strengthening environmental responsiveness, and facilitating competitive positioning. The study concludes that effective strategy formulation enables organizations to build sustainable competitive advantage through proactive adaptation to environmental changes and alignment of organizational resources with strategic objectives. The study recommends that MTN Uganda institutionalize participatory strategy formulation processes, strengthen environmental scanning mechanisms, and continuously review strategic priorities to sustain superior organizational performance. The findings contribute to strategic management literature and provide practical insights for telecommunication firms operating in highly competitive markets.

**Keywords:** Strategy Formulation, Competitive Advantage, Organizational Performance, Strategic Management, MTN Uganda.

## **INTRODUCTION**

Organizational performance remains a fundamental indicator of business success, reflecting an organization's ability to achieve its strategic objectives, sustain competitiveness, and create value for stakeholders. Contemporary organizations operate in increasingly dynamic environments characterized by technological disruption, changing customer preferences, globalization, and intense market competition. Consequently, strategic management has emerged as a critical organizational capability for enhancing performance and sustaining competitive advantage. According to Robinson and Pearce (2017), organizations that effectively formulate and implement strategies are better positioned to respond to environmental changes, exploit emerging opportunities, and maintain superior performance outcomes. In the telecommunications industry, performance is particularly important because it influences customer acquisition, market share growth, service quality, innovation, and long-term sustainability.

Globally, the telecommunications industry has experienced significant transformation driven by rapid technological advancements, digitalization, and increasing demand for data and internet-based services. Telecommunications firms continue to invest heavily in innovation and network expansion to enhance competitiveness and meet evolving customer expectations. The industry generated approximately USD 583.4 billion in revenue in 2021, demonstrating its strategic importance to economic development and global connectivity. However, the sector continues to face challenges associated with market saturation, technological disruptions, and intensified competition. Research by Tandung Huynh et al. (2021) indicates that organizations operating in highly competitive environments must adopt effective strategic management practices to strengthen their competitive position and achieve sustainable performance. Consequently, strategic formulation has become an essential managerial process through which firms identify opportunities, allocate resources, and develop strategies capable of enhancing organizational effectiveness.

Within Africa, telecommunications companies continue to play a pivotal role in supporting digital transformation, financial inclusion, and socio-economic development. Nevertheless, the sector is characterized by increasing competition, changing regulatory requirements, and growing demand for digital services. For example, MTN Group has strategically expanded its data and digital service offerings across several African markets, including South Africa, Nigeria, and Ghana, to diversify revenue streams and strengthen market competitiveness (Idris, 2020). The growing demand for data services has shifted strategic priorities from traditional voice services to digital platforms and internet-based solutions. According to Porter (2004), organizational performance is largely determined by a firm's ability to establish and maintain a distinctive strategic position within its operating environment. Consequently, telecommunication companies increasingly rely on strategic formulation processes to identify competitive opportunities and sustain organizational growth.

In Uganda, the telecommunications sector remains an important contributor to economic development, communication infrastructure, and digital inclusion. However, industry growth

has recently slowed due to intensified competition, low income levels, limited adoption of advanced mobile technologies, and persistent socio-economic challenges (Nobert, 2022; Global Monitor, 2022). These challenges pose significant threats to the achievement of Uganda Vision 2040 aspirations, which recognize telecommunications as a key enabler of national development (Government of Uganda, 2018). As environmental conditions continue to evolve, telecommunications firms are increasingly required to redesign their strategies, realign organizational priorities, and strengthen their competitive capabilities. Strategic formulation therefore becomes critical in enabling firms such as MTN Uganda to anticipate environmental changes, respond effectively to competitive pressures, and enhance organizational performance. Despite its market leadership position, MTN Uganda continues to operate in a dynamic and uncertain environment, underscoring the need to examine how strategic formulation contributes to sustained organizational performance and competitive advantage.

### **Statement of the Problem**

The telecommunications sector plays a critical role in promoting economic growth, technological advancement, and digital inclusion, particularly in developing economies. As a knowledge-intensive industry, telecommunications companies are expected to provide reliable services, support innovation, and enhance connectivity while responding effectively to dynamic market conditions and evolving customer needs (Kamugisha & Mutimukuru-Jones, 2019; Alam & Uddin, 2020). Consequently, organizational performance remains a key concern for stakeholders due to its implications for competitiveness, service delivery, and long-term sustainability. Despite its market leadership, MTN Uganda continues to face operational and competitive challenges that threaten its performance. These challenges include network downtime, customer service inefficiencies, regulatory compliance pressures, and increasing competition from existing and emerging market players (Kibirige, 2021). Performance reports further indicate declining organizational outcomes, with average revenue per user decreasing from UGX 29,200 to UGX 25,700, customer churn rates increasing from 4.6% to 6.1%, and subscriber growth declining from 9.5% to 5.2%. These trends raise concerns regarding the firm's ability to sustain growth, retain customers, and maintain its competitive advantage.

From both theoretical and empirical perspectives, strategy formulation has been identified as a critical driver of organizational performance through its role in aligning organizational resources, responding to environmental changes, and enhancing competitive positioning. Although previous studies have established positive relationships between strategic management practices and performance (Kasirye, 2017; Ogwang, 2018; Mugisha, 2019), these studies were conducted in the manufacturing, real estate, and healthcare sectors, limiting the applicability of their findings to the telecommunications industry. Furthermore, limited empirical evidence exists on the specific influence of strategy formulation on organizational performance within Uganda's telecommunications sector. Consequently, despite the documented performance challenges facing MTN Uganda and the recognized importance of strategic management in enhancing organizational outcomes, there remains inadequate context-specific evidence on the effect of strategy formulation on organizational performance. It is against this gap that the present study sought to examine the effect of strategy formulation on the performance of MTN Uganda.

### **Research Objective**

The study sought to determine the effect of strategy formulation on the performance of MTN Uganda.

### **Research Hypotheses**

The research hypotheses for this survey were:

**H<sub>0</sub>:** Strategy formulation has no statistically significant effect on the performance of MTN Uganda.

**H<sub>a</sub>:** Strategy formulation has a statistically significant effect on the performance of MTN Uganda.

## **THEORETICAL LITERATURE REVIEW**

The study is anchored on the Resource-Based View Theory and Balanced Scorecard, which collectively provide the theoretical foundation for explaining how strategy formulation influences competitive advantage and organizational performance at MTN Uganda

### **Resource-Based View**

The Resource-Based View (RBV) Theory is advanced by Penrose (1959) and further developed by Wernerfelt (1984) and Barney (1991). The theory posits that organizations achieve sustainable competitive advantage through the possession and effective utilization of valuable, rare, inimitable, and non-substitutable resources. According to Barney (1991), organizational resources include financial, human, physical, and organizational assets that enable firms to formulate and implement strategies that improve performance. The theory emphasizes that differences in organizational performance arise from variations in resource endowments and capabilities across firms. Consequently, organizations that effectively identify, develop, and deploy strategic resources are more likely to achieve superior performance and sustain competitive advantage (Barney, 2013). Strategic formulation plays a critical role in this process by enabling organizations to align their internal resources and capabilities with environmental opportunities and organizational objectives. The relevance of RBV to this study lies in its explanation of how MTN Uganda can leverage its strategic resources, including technological infrastructure, human expertise, financial strength, and organizational capabilities, to formulate strategies that enhance competitiveness and improve organizational performance. The theory therefore underpins the study by demonstrating that effective strategy formulation facilitates the optimal deployment of organizational resources, leading to superior performance outcomes and sustainable competitive advantage.

### **Balanced Scorecard Model**

The Balanced Scorecard (BSC) is developed by Kaplan and Norton (1992) as a multidimensional performance measurement framework that enables organizations to evaluate performance beyond traditional financial indicators. The theory posits that organizational performance should be assessed using a balanced set of measures drawn from four perspectives: financial performance, customer satisfaction, internal business processes, and

learning and growth. By integrating both financial and non-financial indicators, the Balanced Scorecard provides a comprehensive view of organizational effectiveness and long-term value creation. The theory emphasizes that reliance on financial measures alone may provide an incomplete assessment of organizational performance, as future success is also influenced by customer relationships, operational efficiency, innovation, and organizational learning (Kaplan & Norton, 1996). Consequently, organizations are encouraged to monitor both outcome measures and performance drivers to achieve sustainable competitive advantage and improved performance outcomes. The relevance of the Balanced Scorecard to this study lies in its provision of a comprehensive framework for evaluating organizational performance at MTN Uganda. The theory supports the measurement of performance through indicators such as profitability, customer satisfaction, and operational efficiency, which collectively reflect the organization's ability to achieve its strategic objectives. Therefore, the Balanced Scorecard underpins the dependent variable by demonstrating that organizational performance is a multidimensional construct influenced by both financial and operational outcomes.

### **Empirical Review**

Sandra (2020) examined the effect of strategy formulation, core competence and performance of manufacturing companies in Canada. The study used a case study analysis of 12 Canadian firms to examine the relationship between strategy, core competence and performance. The study found that firms that had a well-defined strategy and core competence performed better than those that did not. The study also found that firms that had a broader scope of activities tended to perform better. The study however had a moderating variable of core competence which brings about a different outcome in the performance and therefore its findings are not completely applicable to the current study which did not focus on a moderator variable. Furthermore, the study examined manufacturing businesses, which are in a different industrial environment than the telecommunications industry and the conclusions may not be applicable to the current study scenario.

Ali Akbar et al (2019) examined the impact of strategic formulation on organizational performance and survival: Empirical Evidence from Iranian Organizations. The study used a survey of 100 Iranian organizations to examine the impact of strategic formulation on performance and survival. The study used statistical analysis to determine the strength of the relationship. Findings: The study found that strategic formulation had a positive impact on organizational performance and survival. The study also found that organizational culture played an important role in the relationship between strategic formulation and performance. However, the study also focused on the survival of the organisations which is a different measure and study problem in comparison to the current study which only focuses on performance. The research was also designed as a desktop; therefore, it lacked emphasis in both regional and industry contexts. As a result, the study findings may not be relevant in this particular research environment, the telecommunications business.

Haitham and Muna (2018) assessed the impact of strategic formulation on organizational performance and the mediating role of innovation in private Jordanian Universities". This study used a survey to collect data from 80 private Jordanian universities. The findings showed that

strategic formulation had a positive effect on organizational performance and that innovation mediated the relationship between strategic planning and performance. However, the study only focused on private Jordanian universities and yet the current study is conducted in telecommunication industry. Additionally, the study only examined innovation as a mediating variable, which does not depict the direct linkage between strategy formulation and the functioning of organizations.

### Conceptual Framework

Figure 1 presents the conceptual framework illustrating the relationship between the main variables of the study.

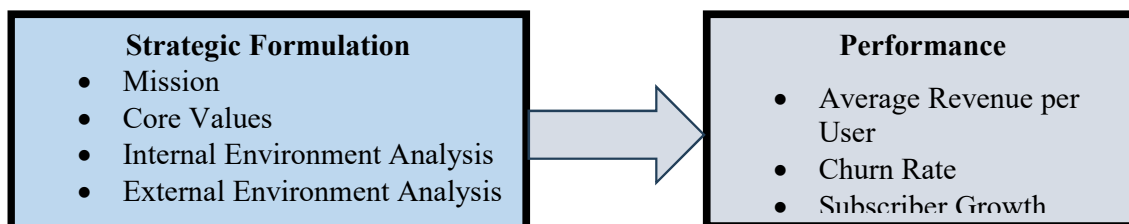


Figure 1: Conceptual Framework  
Source: Researcher (2026)

In this study, strategic formulation constitutes the independent variable and is conceptualized through mission definition, core values, internal environmental analysis, and external environmental analysis. Collectively, these dimensions represent the strategic architecture through which MTN Uganda defines its direction, aligns organizational behavior, and responds to environmental dynamics. Mission and core values provide the foundational strategic intent that guides decision-making, shapes organizational identity, and ensures coherence in long-term objectives. Internal environmental analysis enables the firm to assess its strengths and weaknesses in terms of resources, capabilities, and operational efficiency, thereby informing strategic alignment and resource allocation. In contrast, external environmental analysis facilitates systematic scanning of market forces, competition, technological changes, and regulatory conditions, enabling proactive adaptation and positioning within a highly competitive telecommunications industry.

The dependent variable, organizational performance, is measured through average revenue per user (ARPU), customer churn rate, and subscriber growth, which collectively capture both financial and market-based outcomes. ARPU reflects the revenue-generating efficiency of each customer relationship, while churn rate indicates customer retention capability and service satisfaction. Subscriber growth measures market expansion and competitive positioning within the industry. When effectively integrated, sound strategic formulation enables MTN Uganda to strengthen market orientation, improve customer retention, optimize revenue streams, and expand its subscriber base. This demonstrates how coherent mission articulation, strong value systems, and rigorous environmental analysis collectively translate into measurable improvements in organizational performance within the telecommunications sector.

## **RESEARCH METHODOLOGY**

The study adopted a descriptive and explanatory research design. The descriptive design enabled the researcher to describe the characteristics of strategy formulation and organizational performance, while the explanatory design was used to test causal relationships between variables using quantitative data. According to Ghauri and Gronhaug (2010), explanatory design is appropriate for examining cause–effect relationships using empirically tested hypotheses. The combination of the two designs allowed both description of phenomena and explanation of the effect of strategy formulation on performance of MTN Uganda.

The target population in this study comprised a carefully selected subset drawn from a larger group sharing common characteristics relevant to the research objectives (Alvi, 2016). This approach enables the researcher to gain a comprehensive understanding of the organizational and institutional context within which the study is situated. In line with the study focus, the target population consisted of 63 respondents drawn from MTN Uganda headquarters in Kampala. These respondents included top management, departmental heads, regional branch managers, and operational staff. Given the relatively small and well-defined population, the study adopted a census approach, allowing all identified respondents to be included. This ensured that comprehensive, accurate, and highly relevant data were obtained directly from individuals with adequate knowledge and experience of the organization’s operations, thereby enhancing the reliability and depth of the analysis.

The present study employed a mixed sampling approach combining a census technique and purposive sampling. A census method was used to include all 63 employees of MTN Uganda, ensuring that every member of the target population was considered in the study. In addition, purposive sampling was applied to select managers and heads of departments, who were deemed to possess in-depth knowledge and reliable information relevant to the study variables. As noted by Collis and Hussey (2009), a census involves the systematic collection of data from every unit within a population, as opposed to sampling, where information is drawn from a subset of the population. This approach was considered appropriate for the study as it enhanced data completeness, improved representativeness, and strengthened the reliability of insights on strategy formulation and organizational performance within MTN Uganda.

The study adopted a semi-structured questionnaire design, incorporating both closed-ended and open-ended items to effectively capture quantitative and qualitative insights aligned with the study objectives. Primary data was collected as it provides firsthand, objective, and study-specific information necessary for addressing the research problem (Bryman, 2005). The closed-ended questions were used to obtain specific and measurable responses relevant to strategy formulation and performance of MTN Uganda, while the open-ended questions allowed respondents to provide detailed explanations and contextual insights (Creswell, 2020). The questionnaire was organized into sections, with Section A capturing respondents’ demographic characteristics such as age, gender, level of experience, and department, while the remaining sections focused on study variables. In addition, secondary data was obtained

from relevant books, peer-reviewed journals, and institutional reports to enrich the study findings and support triangulation.

The extent to which an instrument measured what it was intended to measure is its validity (Jankowicz, 2005). It related to the validity and importance of interpretations drawn from study findings (Bryman & Cramer, 2005). The questionnaire used in this study was first assessed to determine its effectiveness in gathering the expected data. Additionally, all components of the study's instruments were developed based on past research and reviewed by the supervisor before the data collection exercise began. This process ensured that the instruments were appropriate for collecting accurate and reliable data. Content validity was then applied based on the extent to which the questions represented the issues they were intended to measure (Kumar, 2019). The research supervisor was given the research instruments to evaluate and used professional judgment to determine which items were valid. For each instrument, the Content Validity Index (CVI) was calculated by multiplying the total number of items in the instrument by the total number of statements that the expert judge had deemed valid. CVI stands for "Count of Valid Items" across all judges. Total Number of Instruments' Items. Any instrument with a high CVI of close to 1 or 0.7 above is considered as legitimate to collect intended data, according to Sekaran (2018) and Amin (2005).

Reliability of the research instruments was assessed using internal consistency measures, specifically Cronbach's Coefficient Alpha. A Cronbach's alpha value of 0.70 or above was considered acceptable, indicating adequate reliability of the measurement scales (Amin, 2020; Field, 2009). To ensure consistency, the research instruments were pre-tested on 10 respondents from MTN Uganda who did not participate in the main study. The same instruments were re-administered to the same respondents after a period of three weeks to confirm stability of responses over time (Bond & Fox, 2018). The resulting internal consistency coefficients demonstrated the extent to which the items measuring each construct were reliable for data analysis

*Table 1: Reliability Statistic*

| <b>Constructs</b>     | <b>Anchor</b> | <b>Alpha Score</b> | <b>Remarks</b> |
|-----------------------|---------------|--------------------|----------------|
| Strategic Formulation | 5 Point       | .740               | Reliable       |
| Performance           | 5 Point       | .780               | Reliable       |

*Source: Pilot Study Observations (2025)*

All constructs demonstrated Cronbach's alpha coefficients exceeding the recommended threshold of 0.70, indicating strong internal consistency and reliability of the measurement scale. Specifically, the construct of strategy formulation recorded a Cronbach's alpha value of ( $\alpha = 0.740$ ), while organizational performance of MTN Uganda registered a coefficient of ( $\alpha = 0.780$ ). These results confirm that the research instrument items were sufficiently consistent in measuring the intended study variables, thereby ensuring dependable and stable measurement outcomes for subsequent statistical analysis.

The collected quantitative data were first cleaned, coded, and verified for accuracy and consistency using Microsoft Excel before being exported to the Statistical Package for Social

Sciences (SPSS) version 25 for analysis. The data were then systematically categorized and analyzed using both descriptive and inferential statistics. Descriptive statistics, including frequencies, percentages, and means, were used to summarize and present the characteristics of the data. The findings were presented using tables and charts to enhance clarity and facilitate interpretation. Inferential statistical techniques, including correlation and multiple regression analysis, were employed to examine the relationships between the study variables and test the stated hypotheses at a 5% level of significance. The multiple regression model was specified as follows:

$$Y = \beta_0 + \beta_1 X + \varepsilon \dots \dots \dots (i)$$

Where:

Y = Performance

X = Strategic Formulation

$\beta_0, \beta_1$  = Beta Coefficients

$\varepsilon$  = Error Term

Qualitative data were analyzed using content analysis, which involved systematic coding, categorization, and thematic development. This process enabled the identification of patterns, meanings, and emerging themes from respondents' narratives, which were presented in form of text supported by direct quotations to enrich interpretation and triangulate quantitative findings.

The research was carried out in accordance with current ethical standards. Informed consent and confidentiality were ensured to guarantee that ethical principles were upheld throughout the study. Before administering the questionnaires, respondents were asked whether they agreed to participate and share their personal information. The researcher explained the aim of the study to all participants. Additionally, the researcher ensured that all data collected during the research were treated with strict confidentiality, with access limited to the researcher and the supervisor. Furthermore, to protect the respondents' rights and privacy, the researcher adhered to all relevant ethical norms and guidelines.

### **Descriptive Results**

This section presents the analysis and interpretation of findings using descriptive statistics (percentages, means, and standard deviations) and inferential statistics (correlation and regression analysis), alongside qualitative content analysis, to examine the effect of strategy formulation, strategy implementation, and strategy evaluation on the performance of MTN Uganda.

### **Response Rate**

Out of the 63 questionnaires administered, 54 of them were returned dully filled. The study hence achieved a response rate of 85.6% , surpassing the generally accepted threshold of 67% as recommended by Sekaran (2003). This high response rate provided the researcher with sufficient data to conduct a thorough and reliable analysis.

**Table 2: Response Rate**

|                           | <b>Frequency</b> | <b>Percentage</b> |
|---------------------------|------------------|-------------------|
| Response                  | 54               | 85.6%             |
| Non-Response              | 11               | 14.4%             |
| <b>Total Administered</b> | <b>63</b>        | <b>100%</b>       |

*Source: Survey Data (2026)*

The results presented in the table indicate that out of the 63 questionnaires that were administered, 54 were duly completed and returned, representing a response rate of 85.6%, while 11 questionnaires were not returned, accounting for 14.4% non-response. This high response rate demonstrates a strong level of participation from the respondents and enhances the reliability of the data collected for analysis. According to Fincham (2008), response rates above 60% are considered adequate for ensuring representativeness and minimizing the risk of non-response bias in empirical studies. Therefore, the 85.6% response rate achieved in this study is considered highly satisfactory, providing a solid basis for valid statistical analysis and credible inferences regarding the study variables.

**Descriptive Results for Strategic Formulation**

Strategic formulation refers to the structured process through which organizations define their strategic direction and determine how best to allocate and deploy their internal resources to achieve long-term objectives. It encompasses the identification, analysis, and integration of key organizational inputs such as financial capacity, human expertise, technological systems, and operational processes in order to support effective decision-making and competitive positioning. In this regard, strategic formulation is essential for assessing an organization’s ability to respond to market dynamics, drive innovation in service delivery, and enhance overall operational efficiency, as illustrated in Table 3.

**Table 3: Descriptive Results on Strategic Formulation**

| <b>Statements</b>  | <b>n</b>   | <b>Mean</b> | <b>Std. Deviation</b> | <b>Coefficient of Variation</b> |
|--|------------|-------------|-----------------------|---------------------------------|
| <b>Mission</b>   |            |             |                       |                                 |
| The organization’s mission is clearly expressed and communicated during strategy formulation | 63         | 2.36        | 1.217                 | 0.516                           |
| The organization’s mission is clearly expressed and communicated during strategy formulation | 63         | 2.65        | 1.177                 | 0.445                           |
| <b>Aggregate Scores for Mission</b>  |            | <b>2.51</b> | <b>1.197</b>          | <b>0.481</b>                    |
| <b>Core Values</b>   |            |             |                       |                                 |
| Core values are actively considered when formulating strategies                              | 63         | 3.41        | 1.257                 | 0.369                           |
| The organization ensures alignment of strategies with its core values                        | 63         | 2.93        | 1.137                 | 0.468                           |
| <b>Aggregate Scores for Core Values</b>  |            | <b>3.17</b> | <b>1.315</b>          | <b>0.415</b>                    |
| <b>Internal Environment Analysis</b>   |            |             |                       |                                 |
| Management applies evidence-based strategic models during internal analysis                  | 63         | 3.32        | 1.265                 | 0.381                           |
| Internal strengths and weaknesses are thoroughly assessed during strategy formulation        | 63         | 3.08        | 0.330                 | 0.432                           |
| <b>Aggregate Scores for Internal Environment Analysis</b>                                    |            | <b>3.20</b> | <b>1.298</b>          | <b>0.406</b>                    |
| <b>External Environment Analysis</b>   |            |             |                       |                                 |
| The company conducts thorough environmental scanning during strategy formulation             | 63         | 2.84        | 1.246                 | 0.439                           |
| Stakeholders provide critical external insights during strategy formulation                  | 63         | 2.93        | 1.372                 | 0.468                           |
| Approaches with majority stakeholder support are adopted in strategy formulation             | 63         | 3.08        | 1.330                 | 0.432                           |
| <b>Aggregate Scores for External Environment Analysis</b>                                    |            | <b>2.95</b> | <b>1.136</b>          | <b>0.446</b>                    |
| <b>Overall Aggregate scores for strategic Formulation</b>                                    | <b>100</b> | <b>3.07</b> | <b>1.249</b>          | <b>0.407</b>                    |

*Source: Field Observations (2026)*

The descriptive results presented in the table provide important insights into the extent to which key elements of strategic formulation are embedded within MTN Uganda, particularly focusing on mission, core values, internal environment analysis, and external environment analysis as core dimensions of the construct. Overall, the aggregate score for strategic formulation (M = 3.07, SD = 1.249, CV = 0.407) indicates a moderate level of agreement among respondents that strategic formulation practices are fairly implemented within the organization, although the relatively moderate mean suggests that these practices are not yet fully optimized, while the coefficient of variation further reflects a reasonable level of variability in perceptions across respondents. At the dimensional level, internal environment analysis recorded the highest aggregate mean (M = 3.20, SD = 1.298, CV = 0.406), suggesting that MTN Uganda places comparatively stronger emphasis on assessing internal strengths, weaknesses, and the application of evidence-based strategic models during strategy formulation, although the

variability in responses indicates that implementation consistency may differ across departments. Core values followed closely with an aggregate mean of 3.17 (SD = 1.315, CV = 0.415), implying that while core values are generally considered and aligned with strategic direction, there remains room for strengthening their integration into formal strategy formulation processes to ensure deeper institutional alignment. External environment analysis recorded a slightly lower aggregate mean (M = 2.95, SD = 1.136, CV = 0.446), indicating that although environmental scanning and stakeholder input are undertaken, they are not consistently robust or systematically embedded in strategic decision-making processes, which may limit the organization's responsiveness to external market dynamics. Similarly, mission was rated lowest among the dimensions (M = 2.51, SD = 1.197, CV = 0.481), suggesting that respondents perceive weaknesses in how clearly the organizational mission is communicated and operationalized during strategy formulation, with the relatively higher coefficient of variation further indicating divergent views on this aspect. These findings collectively imply that while MTN Uganda demonstrates moderate engagement in strategic formulation practices, key foundational elements such as mission clarity and external environmental scanning require strengthening to enhance strategic coherence and competitive responsiveness. In alignment with the Resource-Based View and Systems Theory, the results suggest that the effectiveness of strategic formulation is contingent upon how well internal alignment (mission and core values) is integrated with environmental intelligence and internal capability assessment, as firms that systematically integrate these dimensions are better positioned to build sustainable competitive advantage in highly dynamic telecommunications markets.

### **Descriptive Results for Performance**

Organizational performance is a multidimensional concept that reflects how well an institution achieves its strategic objectives through efficient and effective use of resources. In this study, performance is measured using Balanced Scorecard dimensions, profitability, customer satisfaction, process efficiency, and learning and innovation. These indicators collectively capture financial outcomes, service quality, operational effectiveness, and the institution's capacity to adapt and improve. Together, they provide a comprehensive assessment of performance among microfinance banks, as presented in Table 5.

**Table 4: Descriptive Results on Performance**

| Statement  | n  | Mean        | Std. Deviation |
|--|----|-------------|----------------|
| <b>Average Revenue per User (ARPU)</b>   |    |             |                |
| The average revenue per user (ARPU) of MTN reflects the company’s financial performance. | 63 | 3.76        | 1.250          |
| ARPU is a crucial metric for assessing MTN’s revenue generation.                         | 63 | 3.58        | 1.359          |
| The ARPU trend provides insights into MTN’s financial stability.                         | 63 | 2.32        | 1.096          |
| <b>Aggregate Scores on (ARPU)</b>  |    | <b>3.57</b> | <b>1.235</b>   |
| <b>Churn Rate</b>  |    |             |                |
| Churn rate is an essential indicator of MTN’s ability to retain customers.               | 63 | 2.63        | 1.102          |
| Churn rate plays a significant role in determining MTN’s customer satisfaction.          | 63 | 2.39        | 1.105          |
| Churn rate influences MTN’s competitive position in the market.                          | 63 | 2.65        | 1.117          |
| <b>Aggregate Score on Churn Rate</b>   |    | <b>2.56</b> | <b>1.128</b>   |
| <b>Subscriber Growth</b>   |    |             |                |
| Subscriber growth directly impacts MTN’s organizational performance.                     | 63 | 2.32        | 1.334          |
| Subscriber growth is a key factor in evaluating MTN’s market expansion.                  | 63 | 3.93        | 1.128          |
| <b>Aggregate Scores on Subscriber Growth</b>   |    | <b>2.94</b> | <b>1.231</b>   |
| <b>Overall Scores on Performance</b>   |    | <b>2.90</b> | <b>1.139</b>   |

Source: Field Survey(2025)

The descriptive findings presented in Table 4 indicate that the overall performance of MTN Uganda was moderate, as evidenced by an overall mean score of 2.90 and a standard deviation of 1.139. The results show that Average Revenue per User (ARPU) recorded the highest aggregate mean score (M = 3.57, SD = 1.235), suggesting that respondents generally perceived revenue generation as a key contributor to organizational performance. Respondents particularly agreed that ARPU reflects the company's financial performance (M = 3.76) and serves as an important metric for assessing revenue generation (M = 3.58). This implies that MTN Uganda has been relatively effective in generating value from its existing subscriber

base. Subscriber growth recorded a moderate aggregate mean score ( $M = 2.94$ ,  $SD = 1.231$ ), indicating mixed perceptions regarding the company’s ability to expand its customer base and translate subscriber acquisition into improved organizational outcomes. The findings suggest that while subscriber growth remains important for market expansion, its contribution to overall performance may not be fully realized.

Conversely, Churn rate recorded the lowest aggregate mean score ( $M = 2.56$ ,  $SD = 1.128$ ), indicating concerns regarding customer retention and loyalty. Respondents moderately agreed that churn rate influences MTN Uganda’s competitive position and ability to retain customers, although lower ratings were observed regarding its contribution to customer satisfaction. The relatively higher standard deviations across the performance indicators suggest varying perceptions among respondents concerning the company’s performance. Overall, the findings imply that MTN Uganda’s performance is largely driven by its revenue-generating capability, while challenges related to customer retention and sustained subscriber growth may limit the attainment of long-term competitive advantage. These findings support the Balanced Scorecard perspective, which emphasizes the importance of balancing financial outcomes with customer-related and market growth indicators to achieve sustainable organizational performance.

### Inferential Analysis

The influence of resource competencies on performance was examined through a simple regression model, and the results are presented in Table 6

Table 5: Regression Results

| Model Summary  |                             |            |                          |                            |                   |
|--|-----------------------------|------------|--------------------------|----------------------------|-------------------|
| Model  | R                           | R Square   | Adjusted R Square        | Std. Error of the Estimate | Durbin-Watson     |
| 1  | .514 <sup>a</sup>           | .276       | .272                     | .529                       | 129.41            |
| ANOVA  |                             |            |                          |                            |                   |
| Model  | Sum of Squares              | Df         | Mean Square              | F                          | Sig.              |
| Regression   | 5.966                       | 2          | 2.938                    | 20.244                     | .000 <sup>b</sup> |
| Residual   | 13.999                      | 95         | .147                     |                            |                   |
| Total  | 19.964                      | 97         |                          |                            |                   |
| Coefficients   |                             |            |                          |                            |                   |
|  | Unstandardized Coefficients |            | Standardized Coefficient | t                          | Sig.              |
|  | $\beta$                     | Std. Error | Beta                     |                            |                   |
| (Constant)   | 4.998                       | 1.671      | .053                     | 23.361                     | .000              |
| Strategic Formulation                                | .478                        | 0.038      | .316                     | 6.415                      | .002              |
| <b>a.</b> Dependent Variable: Performance            |                             |            |                          |                            |                   |
| <b>b.</b> Predictors: (Constant) strategic formation |                             |            |                          |                            |                   |

Regression analysis was conducted to determine the effect of strategic formulation on the performance of MTN Uganda. The model summary results revealed a correlation coefficient (R) of 0.514, indicating a moderate positive relationship between strategic formulation and organizational performance. The coefficient of determination ( $R^2$ ) was 0.276, while the adjusted  $R^2$  was 0.272, implying that strategic formulation explains approximately 27.2% of

the variation in the performance of MTN Uganda, whereas the remaining 72.8% is attributable to other factors not captured in the model. This finding suggests that although strategic formulation contributes significantly to organizational performance, other organizational and environmental factors also influence performance outcomes.

The ANOVA results demonstrated that the regression model was statistically significant, as indicated by  $F(2, 95) = 20.244$ ,  $p = 0.000$ , implying that the model adequately predicts organizational performance at the 95% confidence level. The findings therefore confirm that strategic formulation has a statistically significant effect on the performance of MTN Uganda. The significance of the model further suggests that the strategic formulation practices adopted by the organization play an important role in influencing performance outcomes. The coefficient results further established that strategic formulation has a positive and statistically significant effect on performance ( $\beta = 0.478$ ,  $t = 6.415$ ,  $p = 0.002$ ). This implies that a unit improvement in strategic formulation leads to a corresponding increase in organizational performance. The findings indicate that effective formulation of organizational mission, core values, internal environmental analysis, and external environmental analysis enhances the ability of MTN Uganda to achieve superior performance outcomes. Therefore, strengthening strategic formulation practices is likely to improve organizational performance by providing clear strategic direction, facilitating informed decision-making, and enhancing the firm's ability to respond effectively to changes in the competitive business environment.

Additionally, the specific contribution of strategic formulation was evaluated to ascertain its effect on the performance of MTN Uganda and to establish the extent to which it enhanced the explanatory capacity of the model. The estimated regression model is presented in Equation (ii).

***Performance = 4.998 + 0.478 Strategic Formulation***

The estimated regression model,  $Performance = 4.998 + 0.478 \text{ Strategic Formulation}$ , demonstrates that strategic formulation has a positive effect on the performance of MTN Uganda. The constant term ( $\beta = 4.998$ ) indicates the baseline level of organizational performance when strategic formulation is held constant. Although the intercept is primarily a mathematical component of the model, it suggests that MTN Uganda would maintain a certain level of performance even in the absence of improvements in strategic formulation due to the influence of other organizational and environmental factors.

The regression coefficient for strategic formulation ( $\beta = 0.478$ ,  $t = 6.415$ ,  $p = 0.002$ ) indicates that a one-unit increase in strategic formulation leads to a corresponding increase of 0.478 units in organizational performance, holding other factors constant. The positive coefficient confirms that improvements in strategic formulation practices contribute significantly to enhanced performance outcomes. This implies that organizations that clearly define their mission, establish strong core values, conduct comprehensive internal environmental analyses, and undertake rigorous external environmental assessments are more likely to achieve superior performance. The relatively high t-value and significant p-value further demonstrate that strategic formulation is an important predictor of organizational performance and contributes meaningfully to explaining variations in performance within MTN Uganda.

### **Qualitative Analysis**

The qualitative findings revealed that strategy formulation significantly influences the performance of MTN Uganda Ltd through clear goal setting, stakeholder involvement, environmental analysis, and alignment of departmental priorities. Respondents indicated that a participatory and well-coordinated strategy formulation process enhances clarity of direction, improves resource allocation, supports informed decision-making, and promotes effective execution of organizational objectives. The findings further suggest that well-formulated strategies reduce operational inefficiencies, strengthen coordination across departments, and enhance service delivery, thereby contributing to improved organizational performance, competitiveness, and customer satisfaction.

### **Conclusion**

The primary objective of this study was to determine the effect of strategic formulation on the performance of MTN Uganda. The findings revealed that strategic formulation has a positive and statistically significant effect on organizational performance. The study established that strategic formulation significantly contributes to performance outcomes, indicating that the development of a clear mission, well-defined core values, and comprehensive internal and external environmental analyses enhances the organization's ability to achieve its strategic objectives. Consequently, the study concludes that strategic formulation is a critical determinant of performance at MTN Uganda, as it provides strategic direction, promotes organizational alignment, and strengthens the firm's capacity to sustain competitive advantage in the dynamic telecommunications industry.

### **Recommendation**

The Board of Directors should ensure that all strategic planning sessions actively include representatives from key departments and functional units to enhance stakeholder involvement and create shared understanding across the organization. Senior Management should implement structured communication channels during strategy formulation to ensure that strategic objectives, priorities, and expected outcomes are clearly conveyed to all relevant teams, minimizing misinterpretation and alignment issues. Departmental Heads should regularly coordinate with one another during the formulation stage to align departmental goals with overall corporate strategy, reducing operational conflicts and fostering cohesive execution across units. The Strategy Planning Team should incorporate mechanisms for feedback and consultation during strategy formulation, allowing employees at different levels to contribute insights and practical considerations that strengthen the relevance and feasibility of strategic plans.

### **Limitations and Suggestions for Further Research**

Based on the gaps identified in this study, future research should consider extending the investigation to other telecommunications firms and different African countries to determine whether contextual differences influence the relationship between strategic formulation and organizational performance. Since this study adopted a cross-sectional research design, future studies may employ longitudinal approaches to provide a deeper understanding of how

strategic formulation affects organizational performance over time. Furthermore, given the dynamic and highly regulated nature of the telecommunications industry, future researchers should examine the moderating influence of factors such as regulatory framework, technological advancement, organizational culture, and market competition on the relationship between strategic formulation and performance in order to generate a more comprehensive understanding of the conditions that enhance organizational success.

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