

**Generic Strategies and Performance of Selected Manufacturing  
Firms in Lira City, Northern Uganda**

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**Abstract**

The performance of manufacturing firms in Lira City, Northern Uganda, has exhibited significant challenges over recent years, reflected in several key performance indicators. Despite the region's potential for industrial growth due to its strategic location and natural resources, empirical data highlights critical issues that hinder the sector's performance. Manufacturing output in Lira City has experienced a stagnation with a growth rate of only 2.5% annually from 2019 to 2023, compared to a national average of 5.7%. In the financial year 2017/2018, a total number of eighteen (18) units of firms joined the manufacturing industry as new entrance. However, by the end of the following Financial Year 2019/2020, seven (7) of these manufacturing firms had already closed operation in the city (Report from National Chambers of commerce 2020). The reasons for their closure was attributed to low levels of technical and management skills, lack of professionalism, competition, inability to afford long term financing among others limited access to financial services, lack of proper data base, undeveloped sales channels as well as low levels of financial inclusion was brought about by poor and limited business strategies (Turyahiko, 2015). The study was to establish the effects of generic strategies on the performance of the selected manufacturing firms in Lira city. The study objective was; To establish the effects of cost leadership strategies on the performance of selected manufacturing firms in Lira city, To establish the effects of product differentiation strategies on the performance of selected manufacturing firms in Lira city and To establish the effects of market focus strategies on the performance of selected manufacturing firms in Lira city. The study was anchored on the Porter's Generic Strategies theory of 1980. In order to synthesis the study problem, cross sectional survey design and a mixed approach involving mainly quantitative method was used. The study population was 200 of which the sample size of 132 respondents comprising of employee from mainly Finance, marketing Operation and Store department of the five selected manufacturing firms in the city were selected using a multi stage sampling techniques involving simple random sampling, stratified proportionate sampling and systematic sampling techniques. Data were collected mainly from primary source using questionnaires and interviews. Quantitative data analysis was done in term of descriptive statistic, correlation analysis and regression analysis to enhance the interpretation of result. The findings revealed that cost leadership, and market focus but not product differentiation is significant predictor of performance of the manufacturing firms in Lira city. In conclusion therefore, firms which increasingly pursues cost leadership strategy other factors constant benefits from increased productivity and profits, while firms which increasingly pursues product differentiation strategy, will have their performance reduced by small margin due to increased cost, and the firms which pursues market focus strategy other factors constant will have their productivity and profit increased to increase in sale volume. The study recommends that manufacturing firms in Lira City should endeavor to offer unbeatable customer service as well as improve on the level of their innovations. These include building and solidifying customer loyalty, employing a talented and dedicated workforce. Similar studies needs to be conducted to further establish the common effects of other management strategies on performance of manufacturing firms in Lira City.

**Keywords:** Generic Strategies, Performance, Selected Manufacturing Firms, Lira City, Northern Uganda

