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# Generic Competitive Strategies and Organizational Performance in Manufacturing Industries in Rwanda: A Case of Sulfo Industries Ltd

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## Abstract

The business models incur high costs, limited uniqueness of feature of products and fewer resources that present the significant negative effect on organization performance. The overall study of this research is to assess generic competitive strategies and organization performance in Rwanda. The specific objectives were to determine the effect of cost leadership strategy on performance of Sulfo Industries Ltd, to examine the effect of differentiation strategy on performance of Sulfo Industries Ltd and to assess the effect of focus strategy on performance of Sulfo Industry Ltd. In research methodology, researcher used a descriptive research in both quantitative and qualitative. The target population was 135 from which a sample of 100 respondents was selected using formula developed by Slovenes. Therefore, researcher used a simple random sampling technique and data were analyzed using Statistical Package for Social Science version 21. Findings and recommendations for this research provided a clear understanding and guidance for better management of Sulfo Industries Ltd. The information collected from respondents showed that 83.2% strongly agreed that Sulfo Industry applies generic competitive strategies where low costs led to desired performance. This was also agreed or confirmed by 13(12.9) of surveyed respondents. Therefore, differentiation strategy shows the uniqueness and premium price of products. This was as strongly agreed by 37(36.6) and 81(60.4) respectively. The information collected also revealed that 64(63.4) of surveyed respondents strongly agreed that the focus strategy aims at increasing the market share in a niche market to achieve performance. This was also agreed by 33(32.7) of surveyed respondents. However, the magnitude of association is indicated by regression of 1.040, which is statistically significant as the p-value is 0.000 as  $< 0.05$ . Moreover, it is highly recommended to maintain generic competitive strategies of Porters, which play a great role on organization performance within competitive market. The industry needs to establish code of conducts, undertake training opportunities, reduce unnecessary cost and encourage quality and quantitative products all these will lead to the desired performance.

**Keywords:** *Generic Competitive Strategies, Organizational Performance, Manufacturing Industries, Sulfo Industries, Rwanda*

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## **1. Introduction**

The creation and sustainability of generic strategies have not achieved competitive advantages and sustained performance due to new entrants in the current competitive market. The problem in the recent development consists of increased competition that affects both social and economic performance of business organization (Schoenherr & Samson, 2012). Van Marrewijk (2010), examined strategies adopted by Kenyan insurance companies and found that most companies and productive organizations do not adopt the differentiation strategy as success factor of competitive advantage. Another study done by Akingbade (2015) in Nigeria to assess the generic competitive strategies and customer retention among financial institution revealed that using general competitive strategies present the significant relationship with organization performance as this leads to low price which attract and enables customers. The study focused on product development to target a particular market segment to measure customer satisfaction and customer retentions in Banks.

The field survey conducted by Ndunge (2012) to assess the impact of competitive strategies and how this leads to organization performance in hospitality industries in Kenya revealed that generic competitive strategies such as cost leadership, differentiation strategies and focus strategy are all important aspects to contribute towards performance. Therefore, this led to portfolio diversification in Kenya hospitals, resource management, market share within competitive industry. The above studies were done in Kenya focusing on insurance companies, commercial banks and hospitals. None was focused on manufacturing companies in Rwanda and specifically Sulfo Industries Ltd. The findings cannot be replicated because the challenges encountered by these industries are different from manufacturing industries in Rwanda and particularly Sulfo Industries Limited. The problem arising within Sulfo Industries Ltd is related to quality of goods, customer assurance, value addition, insufficient of raw materials and inappropriate management strategies. However, most business organizations like Sulfo Industries Ltd. face difficulties in achieving competitive advantages due to ever changing market conditions. The business models incur high costs, limited uniqueness of feature of products and fewer resources that present the significant negative effect on organization performance. Therefore, this study sought to establish the link between generic competitive strategies and organization performance in Rwanda using Sulfo Industries Limited as a case study.

### **1.1 Objectives of the study**

#### **1.1.1 General objective**

The overall objective of the study was to assess the generic competitive strategies and organization performance of manufacturing industries in Rwanda.

#### **1.1.2 Specific Objectives of the study**

The specific objectives of the study were:

- (i) To determine the effect of costs leadership strategy on performance of Sulfo Industries Ltd
- (ii) To examine the effect of differentiation strategy on performance of Sulfo Industries Ltd
- (iii) To assess the effect of focus strategy on performance of Sulfo Industry Ltd

## **2. Review of Literature**

### **2.1 Empirical Literature**

#### **2.1.1 Cost Leadership Strategy and Organizational Performance**

The study done by Jothiabasu (2014) in UK showed the relevant of costs leadership strategies in hospitals. The study clearly indicated that cost leadership is the best to promote organization performance. Therefore, organizations whose leaders are confident and aggressive to costs leadership measured in terms of lowest costs, costs control and efficiency in all costs of operations have a significant better and positive correlation to its organization performance. Akingbade (2015) did a study in Nigeria to examine how costs leadership contributes to competitive advantages and implementation of improved customer satisfaction, retention and loyalty. However, the study concluded that costs leadership leads to increased assets, improved marketing promotions and improved quality.

A survey done by Johnson and Scholes (2003) showed that cost leadership is designed to produce goods or services more cheaply than competitors by stressing efficient scale of operation. Once low costs are achieved, the position provides high profit margin that can be reinvested in new equipment or modern facilities. The study concluded that the cost leadership strategy has the greatest effect on performance of organization. A study done by Schoenherr & Samson (2012) showed that organization pursuing cost leadership strategy puts more efforts on price while those pursuing on differentiation concentrate of product that is uniquely productive. Therefore, in product differentiation, the quality is chosen as competitive advantage. However, costs leadership requires standardized products with few unique and distinctive feature or service so that costs are kept to a minimum.

A study done by Ndunge (2012), to examine the effect of competitive strategies on performance of mission hospitals in Kenya showed that the competitive strategies include marketing portfolios with adequate human resources, capital resources, social responsibility activities, brand image, convenience retailing, market share position and length of time in the industry. The study concluded that cost leadership has the greatest effect on performance of mission hospitals. A study done by Leitner and Guldenberg (2010) compared the performance of SMEs with hybrid strategies in declining markets with pure strategy. The confirmation is that hybrid strategy performs better than pure strategies. Therefore, the study concluded that cost leadership strategy resulted in better performance than differentiation strategy.

#### **2.1.2 Differentiation Strategy and Organization Performance**

Another study done by Holy, (2009), in India revealed that achieving the competitive advantages is critical for organization as this is not sufficient enough to achieve organization performance. The firm or organization owns the useful products, service or capability that its competitors do not have. That is to say, an organization needs to be able to analyze, identify and build up competitive tools including the differentiation strategy to achieve the potential performance. The field survey conducted by Olson and Slater (2015), studied the balanced scorecard, generic competitive strategy and performance. This study focused on differentiation strategy where different products in market have different requirements to meet the customers' needs. Therefore, organization structure and production processes, distribution make product differentiation than its competitors within competitive environment.

Van Marrewijk (2010), examined strategies adopted by Kenyan insurance companies and found that most of companies and productive organizations do not adopt the differentiation strategy as success factor of competitive advantage. The study showed that the more differentiation strategy is pursued, the more the performance improved. Hence, this called linkage of differentiation strategy and financial performance. Another study conducted by Thompson and Strickland (2007), on generic competitive strategies and firm performance showed that the application of differentiation strategy first starts with competitive analysis of pure, hybrid and stuck in the middle strategies use different type of hybrid strategies and such strategies tend to be associated with high level of firm performance.

A study conducted by Naqshbandi, and Idris (2012), on the motor industry showed that firms which adopt the differentiation strategy ideally have made the substantial adjustments in their strategic variables so as to survive in competitive environment. The study revealed that new techniques are required in product differentiation, design, product segmentation and targeted customers for more improved customer service. A study done by Yasar (2010) showed that the achievement of sustainability competitive advantage can be anticipated to lead to high performance, regularly quantified in environmental terms such as market share and profitability. The study puts more focus on differentiation, which positively reflects on the organization performance. A study conducted by Gibcus and Kemp (2003), revealed that performance is essential in the management research and organization managers are judged on performance target. Therefore, the good performance influences the continuation of any organization whether public, private or non-government organization.

### **2.1.3 Focus Strategy and Organization Performance**

A study done by Munyiri, (2014), on motor industry showed that a business firm focusing on focus strategy as one of generic competitive strategy has also the ability to make substantial adjustments in the strategic variables so as to survive in competitive environment. However, the focus strategy reflects the organization performance throughout adopting new techniques in product development, differentiation of product, product segment and target customer remains important to achieve organization performance. Another study done by Ndunge, (2012), to observe the real estate firm in Kenya showed that an increase in the number of players has a significant impact of focus strategy, which brought about the competitive advantage. Therefore, the most popular generic competitive strategy is the basis of focus. Hence, the focused strategy reflects the targeted level of clients in the middle and upper class who resided in certain targeted estates.

Another study done by Akingbade (2015), in Kenya to assess the generic competitive strategies and customer retention among commercial banks showed that there is a significant relationship between focus strategy and customer retention measured in terms of low price favored to customers and development of new products to meet the market demands. The bank focused on product development to target a particular market segment to measure customer satisfaction and customer retentions in Banks. The focus was designed on commercial banks whose challenges are different from manufacturing industries Another study conducted by Yasar (2010) in Nigeria showed that the differentiation strategies make the difference from one productive organization to another in terms of policies, laws and regulations. Therefore, government also intervenes in enhancing the smooth running activities of business organization.

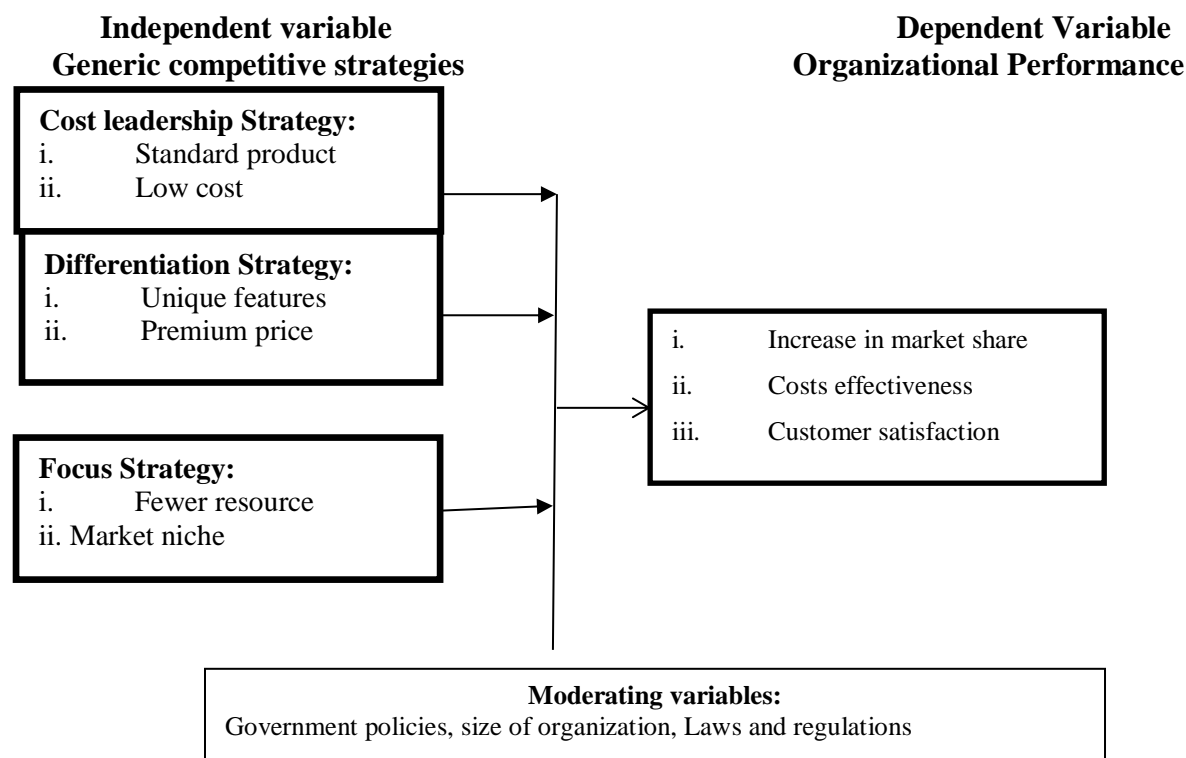
## **2.2 Research Gap**

Based on the study conducted by Jothiabasu (2014), in UK, which puts more emphasis on cost leadership strategy as the best strategy to promote organization performance, researcher provides additional arguments on that apart from costs leadership, differentiation strategy, and focus strategy both contribute to organization performance. The research gap is that author puts more focus on one way rather than treating all success factors as important indicators. With reference to the study done by Yasar (2010), focusing on sustainability of competitive advantage which can be anticipated to lead to high performance, regularly quantified in environmental terms such as market share and profitability. Researcher raise the gap related to how the competitive advantages can be challenged with increased technology, demography, social cultural and all these may interrupt achievement of organization performance.

Based on the study by Gibcus and Kemp (2003), who said that performance is essential in the management research and organization managers are judged on performance target. He normally ignores that organization may not perform due to different factors including lack of staff competences, poor decision making of managers, lack of motivation among employees. The research gap existing in this research is that the application of generic competitive strategies remains for strong institution or profit making organizations with abilities to meet competitive market. In regards, having the gap of adopting generic competitive strategies within Sulfo Industries Ltd to achieve performance is ideal due to limited resources. However, it is highly encouraged the management of Sulfo Industries Ltd to acquire source of finance to be able to apply generic competitive strategies. The incapability measured in terms of insufficient capital resources, material resources, human resources and technology to boost the desired performance still low and all are basis of research gap existing in this research objective.

## **2.3 Conceptual Framework**

The conceptual framework is the link between dependent and independent variable. In this study, the independent variable is generic competitive strategies and this was determined by cost leadership strategy, differentiation strategy and focus strategy. The dependent variable is organization performance in manufacturing industries and was measured by increase in market share, costs effectiveness and customer satisfaction.



Source: Research, 2021

Figure 1: Conceptual Framework

### 3. Materials and Methods

The researcher employed descriptive design to explain the generic competitive strategies and organization performance of manufacturing industries in Rwanda. Target population of this study was production officers, sales and distribution officers, marketing and operation officers, performance management officer and as well as marketing and brand officers. All these categories were involved because they are the ones to provide the information needed by the researcher. In total, the target population was 135 from which a sample was selected. To make this research more accuracy, the confidence interval of 95% was used as indicated by Cooper and Schindler (2006) implying that 95 chances out of 100 contributed in research completion. This implies that the sampling error of 5% was used in calculating the sample size. Thus, the sample of 101 respondents was drawn from the target population using Slovenes formula.

In this research, data were collected using different research instruments including questionnaire, interview guide and documentation. The data collected were first be edited, coded and put in tables by use of SPSS. Therefore, editing consisted of eliminating unnecessary information which did not reflect researcher’s objectives. In terms of coding, researcher coded the similar answer to make sure the respondents rates. The information obtained after data have been edited and coded were put in SPSS version 22 to generate frequency tables and percentage and establish figures in the form of pie chart as well as bar charts using Microsoft excel. The regression analysis using  $y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \varepsilon$  also was established and the analysis of variance (ANOVA) was determined to

reveal the overall model significant. Where  $\varepsilon$  is the random error reflecting mainly the difference in the observed value of  $y$  and the value of  $y$  obtained through the model.

A multiple regression model for generic competitive strategies effect to affect organization performance was represented as follows  $y = \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \varepsilon$  where  $y$ , the generic competitive strategies and  $\beta_{1,2,3,4} x_{1,2,3,4}$  is constants and variables (cost leadership strategy, differentiation strategy and focus strategy respectively). Bivariate analysis was used to assess the association between independent and dependent categorical variables using P-values. The strengths of the associations were determined using simple and multiple logistic regression models, mean and standard deviation. Inference was made using a 95% confidence interval and a p-value  $< 0.05$ . The results were presented in frequency, cross tabulation tables, pie charts and graphs. The qualitative analysis was conducted thematically in the form of interview questions by assessing opinion of the management of Sulfo Industries Ltd, Rwanda about generic competitive strategies and organization performance in Sulfo Industries Ltd, Rwanda

#### **4. Research Findings**

##### **4.1 Effects of Cost Leadership Strategy on Performance of Sulfo Industries Ltd.**

This objective was to assess respondent's opinions on the extent to which cost leadership strategy on performance of Sulfo Industries Ltd. Researcher firstly wanted to know whether the concerned respondents have idea of cost leadership with Sulfo Industries Ltd. After getting viewpoints from them, researcher was also interested in knowing the extent to which costs leadership assisted in achieving performance. Information collected are presented in Table 1.



**Table 1: Cost Leadership Strategy and Performance of Sulfo Industries Ltd**

Statement	SA	A	N	D	SD	Mean	S.D
	(%)	(%)	(%)	(%)	(%)		
There are low costs strategy within Sulfo Industry Ltd	83.2	12.9	0.0	4.0	0.0	1.207	0.496
The low cost strategy for product or service within Sulfo Industries Ltd has led to industrial performance.	41.6	55.4	0.0	3.0	0.0	1.643	0.641
Competitive advantage led Sulfo Industries Ltd to have low cost strategy of workforce.	83.2	7.9	0.0	5.9	3.0	1.287	0.711
Low costs of products or services have helped Sulfo Industries Ltd in continuation of operating activities.	41.6	55.4	3.0	0.0	0.0	1.673	0.763
Sulfo Industries Ltd uses low cost strategy of outsourcing supports from the project activities	76.2	19.8	0.0	4	0.0	1.277	0.531
Sulfo Industries Ltd applies low cost strategy in acquiring raw materials and appropriate technology competitive advantage	76.2	14.9	0.0	5.9	3.0	1.712	0.621
An effective low cost strategy within Sulfo Industries Ltd has led to an increased market share of operating activates	34.7	62.4	0.0	0.0	3.4	1.356	0.729
Sulfo Industries Ltd applies low cost strategy in acquiring raw materials and appropriate technology competitive advantage	76.2	14.9	0.0	5.9	3.0	1.722	0.679
<b>Overall Average</b>						<b>1.485</b>	<b>0.646</b>

**Key:** SA (*Strongly Agree*), A(*Agree*), N(*Neutral*), D (*Disagree*), SD (*Strongly Disagree*).

**Source:** Primary Data (2021)

Research findings show that 83.2% strongly confirmed that there are low costs strategy within Sulfo Ltd, which led them to industry performance. This was also agreed or confirmed by 13 (12.9) of surveyed respondents. The general conclusion with reference to research findings is that the most assessed respondents confirmed which implies that the performance of Sulfo Industries Ltd achieve the desired performance due to the application of generic competitive strategies. As indicated, 41.6% of surveyed respondents strongly agreed that the low cost strategy for product or service within Sulfo Industries Ltd has led to industrial performance. This was due to appropriate management to manage and implement strategies for effective achievements. This was also agreed by 55.4 of surveyed respondents. Research findings showed that Competitive advantage led Sulfo Industries Ltd to have low cost strategy of workforce. This was as strongly agreed by 83.2% and 7.9% respectively. This may be as result of management of industry resources. As indicated, research findings showed that Low costs of products or services have helped Sulfo Industries Ltd in

continuation of operating activities. This was strongly agreed 41.6% and 55.4% respondents agreed. The general conclusion based on research findings is that low costs of production or service were due to resource management, increasing internal sources for production process.

The research findings show that Sulfo Industries Ltd uses low cost strategy of outsourcing supports from the project activities. This was confirmed by 76.2% and 19.8% who agreed of surveyed respondents. Based on these findings, it can be concluded that use of low cost strategy affects performance of industry as this stimulate investment opportunities and further reduces the level of misuse of resources. Research findings showed that Sulfo Industries Ltd applies low cost strategy in acquiring raw materials and increasing appropriate technology to achieve the desired performance as strongly agreed by 76.2% and 14.9% who also agreed. As indicated, an effective low cost strategy within Sulfo Industries Ltd has led to an increased market share of operating as strongly confirmed by 34.7% and 62.4% respectively. However, the overall conclusion is that low costs leadership plays the significant role in achievement of industry performance in all countries as this stimulate profit maximization.

#### 4.2 The correlation between cost leadership strategy and organization performance

**Table 2 Correlation between costs leadership strategy and organization performance**

strategy	Cost leadership	Organization performance		
		Increase in market share	Cost effectiveness	Customer satisfaction
Cost leadership strategy	Pearson	1	.000**	.000*
	Correlation			.049
	Sig. (2-tailed)		.000	.043
	N	101	101	101

**Source:** Primary Data (2021)

The study findings showed that costs leadership strategy had a significant relationship with organization performance measured by increase in market share, cost effectiveness and customer satisfaction. The study findings showed that cost leadership strategy is statistically significant with increase in market share ( $r=0.00$ ,  $p= 0.000$ ) cost effectiveness ( $r=0.000$ ,  $p=0.043$ ) and customer satisfaction ( $r=0.049$ ,  $p=0.000$ ) finding economic strengthening programs had a significant relationship with household saving ( $r = 0.000$ ,  $p = 0.000$ ), total household saving ( $r = 0.000$ ,  $p = 0.043$ ) and purchase of assets ( $r = 0.023$ ,  $p = 0.000$ ).

**Table 3: ANOVA between cost leadership strategy and organization performance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.093	3	5.523	167.370	.000 <sup>b</sup>
	Residual	4.884	98	.033		
	Total	26.977	101			

a. Dependent Variable: organization performance (increase in market share, cost effectiveness and customer satisfaction , b. Predictors: (Constant), cost leadership strategy

**Source:** Primary Data (2021)

The researcher conducted the analysis of variance to determine the significance of the model. Table 3 shows, the model between cost leadership strategy and organization performance as measured by increase in market share, costs effectiveness and customer satisfaction. The relationship was found to be significant since the p-value was less than 0.05.

### 4.3 Effects of differentiation strategy on performance of Sulfo Industries Ltd

**Table 4: Effects of differentiation strategy on performance of Sulfo Industries Ltd**

Statement	SA	A	N	D	SD	Mean	SD
	(%)	(%)	(%)	(%)	(%)		
There is differentiation strategy within Sulfo industry ltd	37.6	55.4	0.0	4.0	3.0	1.297	0.575
The differentiation strategy helps to charge high price of products/service	74.3	23.8	0.0	2.0	0.0	1.663	0.534
Differentiation strategy shows the uniqueness and premium price of goods	36.6	60.4	0.0	3.0	0.0	1.405	0.568
Product differentiation fulfills customers' needs and premium price captures the market share	63.4	32.7	0.0	4.0	0.0	1.712	0.621
Differentiation strategy helps in implementation Sulfo provides unique and superior product or service	34.7	62.4	0.0	3.0	0.0	1.346	0.555
Applying differentiation strategy is to determine what makes Sulfo Industries Ltd differ from its competitors	69.3	26.7	0.0	4.0	0.0	1.623	0.486
Government policies, size of organization, Laws and regulations	69.3	26.7	0.0	4.0	0.0	1.224	0.356
<b>Overall average</b>						<b>1.467</b>	<b>0.529</b>

**Key:** SA (*Strongly Agree*), A(*Agree*), N(*Neutral*), D(*Disagree*), SD (*Strongly Disagree*)

**Source:** Primary Data (2021)

Research findings from respondents are based on unique features and premium price to assess how this in competitive market contribute to the performance of industries within competitive advantage. As indicated, 37.6% strongly confirmed that there is differentiation strategy within Sulfo industry ltd within Sulfo ltd which led them to industry performance. This was also agreed or confirmed by 55.4% of surveyed respondents. The general conclusion with reference to research findings is that the most assessed respondents confirmed about the role of differentiation strategy within sulfo industry as this contribute to organization performance. The uniqueness and premium price, an industry normally undertakes training facilities to its employees, effective plan, monitoring and control which are helpful in achieving the desired performance. As indicated, 74.3% of surveyed respondents strongly agreed that the differentiation strategy helps to charge high price of products/service which present the significant effects on industrial performance. This was also agreed by 23.8% of surveyed respondents.

Research findings showed that Differentiation strategy shows the uniqueness and premium price of products. This was as strongly agreed by 36.6% and 60.4% respectively. As indicated, research findings showed that Product differentiation fulfills customers' needs and premium price captures the market share. This was strongly agreed 63.4% and 32.7% respondents agreed. The general conclusion based on research findings is that differentiation strategy reflect customers' needs in terms of quality to achieve customers' satisfaction.

The research findings show that Differentiation strategy helps in implementation Sulfo provides unique and superior product or service. This was confirmed by 34.7% and 62.4% who agreed among surveyed respondents. Based on these findings, it can be concluded that through differentiation strategy, sulfo industry has managed to implement strategies measured in terms of increase of output, competitive advantage and profit maximization. Research findings also showed that Applying differentiation strategy is to determine what makes Sulfo Industries Ltd differ from its competitors as strongly agreed by 69.3% and 26.7% who also agreed. However, the overall conclusion is that differentiation strategy remain important in profit as well as nonprofit making organization as this provides the unique features of products and offers premium price to capture the market demand. This is an added advantage to increase organization sales volume which leads to industry or organization performance. Sulfo industry ltd is the competitive industry with qualitative and quantitative products.it produces soaps, beauty products and other consumable products. Throughout the use of generic competitive strategy, this has increased the profit within competitive market of the eastern Africa region. As indicated, research findings showed that having government policies, laws and regulations influences organization performance. This was strongly agreed by 69.3% and 26.7% also agreed.

**4.4The correlation between cost leadership strategy and organization performance**

**Table 5: Correlation between costs leadership strategy and organization performance**

Strategy	Differentiation	Organization performance			
		Increase in market share	Cost effectiveness	Customer satisfaction	
Differentia ion strategy	Pearson Correlation	1	.000**	.000*	.069
	Sig. (2-tailed)		.081	.073	.000
	N	101	101	101	101

**Source:** Primary Data (2021)

Research findings also showed that differentiation strategy had a significant relationship with organization performance measured by increase in market share, cost effectiveness and customer satisfaction. The study findings showed that differentiation strategy is statistically significant with increase in market share (r=0.00, p= 0.081 cost effectiveness (r=0.000, p=0.073) and customer satisfaction (r=0.069, p=0.000).

**Table 4 6: ANOVA between differentiation strategy and organization performance**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	22.093	4	5.523	167.370	.000 <sup>b</sup>
Residual	4.884	148	.033		
Total	26.977	152			

a. Dependent Variable: organization performance (increase in market share, cost effectiveness and customer satisfaction and b. Predictors: (Constant), differentiation strategy

**Source: Primary Data (2021)**

The researcher also conducted the analysis of variance to determine the significance of the model. Table 6 shows the model between differentiation strategy and organization performance measured by increase in market share, cost effectiveness and customer satisfaction. The result was found to be significant since the p-value was less than 0.05.

#### 4.5 Effects of focus strategy on performance of Sulfo Industries Ltd.

**Table 7: Effects of focus strategy on performance of Sulfo Industries Ltd**

Statement	SA	A	N	D	SA	Mean	SD
	(%)	(%)	(%)	(%)	(%)		
Sulfo Industries Ltd applies focus strategy to achieve performance.	37.6	62.4	0.0	0.0	0.0	1.405	0.568
The focus strategy aims at increasing the market share in a niche market to achieve performance	63.4	32.7	0.0	4.0	0.0	1.712	0.621
The focus strategy reflects the needs of customers through market penetration and development	34.7	62.4	0.0	3.0	0.0	1.346	0.555
A successful focus strategy depends on organization segment, growth and performance over competitors.	69.3	26.7	0.0	4.0	0.0	1.616	0.452
The focus strategy increases market share throughout operating in niche markets	37.6	62.4	0.0	0.0	0.0	1.826	0.617
<b>Overall average</b>						<b>1.378</b>	<b>0.615</b>

**Key:** SA (*Strongly Agree*), A(*Agree*), N(*Neutral*), D(*Disagree*), SD (*Strongly Disagree*)

**Source:** Primary Data (2021)

Research findings show that 37.6% strongly confirmed that Sulfo Industries Ltd applies focus strategy to achieve performance. This was also agreed or confirmed by 62.4% of surveyed respondents. The general conclusion with reference to research findings is that the most assessed respondents put more importance on focus strategy as influence on organization performance as this is determined by increasing production through fewer resources and market niche. As indicated, 63.4% of surveyed respondents strongly agreed that the focus strategy aims at increasing the market share in a niche market to achieve performance. This was also agreed by 32.7% of surveyed respondents.

Research findings showed that the focus strategy reflects the needs of customers through market penetration and development. This was as strongly agreed by 34.7% and 63(62.4) respectively. As indicated, research findings showed that A successful focus strategy depends on organization segment, growth and performance over competitors. This was strongly agreed 69.3% and 26.7% respondents agreed. The general conclusion based on research findings is that focus strategy remain important in contributing to organization performance. The research findings show that The focus strategy increases market share throughout operating in niche markets. This was confirmed by 37.6% and 62.4% who agreed of surveyed respondents. Based on these findings, it can be concluded that use of focus strategy affects performance of industry as this is determined by resource management (capital resource, human resource and material resources).

#### 4.6 The correlation between focus strategy and organization performance

**Table 8: Correlation between focus strategy and organization performance**

	Focus strategy	Organization performance		
		Increase in market share	Cost effectiveness	Customer satisfaction
Focus strategy	Pearson Correlation	1	.000**	.039
	Sig. (2-tailed)		.000	.063
	N	400	400	400

Source: Primary Data (2021)

Research findings also showed that focus strategy had a significant relationship with organization performance measured by increase in market share, cost effectiveness and customer satisfaction. The study findings showed that focus strategy is statistically significant with increase in market share ( $r=0.000$ ,  $p=0.000$  cost effectiveness ( $r=0.000$ ,  $p=0.063$ ) and customer satisfaction ( $r=0.039$ ,  $p=0.000$ ).

**Table 9: ANOVA between focus strategy and organization performance**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	22.093	4	5.523	167.370	.000 <sup>b</sup>
Residual	4.884	148	.033		
Total	26.977	152			

a. Dependent Variable: organization performance measured by increase in market share, costs effectiveness and customer satisfaction

b. Predictors: (Constant), Focus strategy

Source: Primary Data (2021)

The researcher also conducted the analysis of variance to determine the significance of the model and Table 9 shows the model between focus strategy and organization performance. Therefore, the results found to be significant since the p-value was less than 0.05.

#### 4.7 Relationship between generic competitive strategies and organization performance

**Table 10: Model Summary**

Multiple R	.460
R Square	.069
Adjusted R Square	.079
Std. Error of the Estimate	.100
Log-likelihood Function Value	54.479

Source: Primary Data (2021)

According to the finding in Table 10, the relationship between generic competitive strategies and organization performance had a coefficient of 0.460 with a R square of 0.069. The relationship was positive implying that cost leadership strategy, differentiation strategy and focus strategy as components of generic competitive strategies contribute to the organization performance in Sulfo Industries Ltd.

**Table 11: Analysis of variance (ANOVA)**

	Sum of Squares	Df	Mean Square	Sig.
Regression	.077	1	.038	.005
Residual	.684	68	.011	
Total	.750	246		

**Source:** Primary Data (2021)

The relationship was significant at  $p = 0.05$  with a mean square of regression at 0.038 implying no difference in the square. The coefficients of regression are presented in Table 12.

**Table 12: Regression Coefficients**

	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta	Std. Error		
(Constant)	1.040	.119			8.679	.000
Cost leadership strategy	.100	.039	.318	.124	2.565	.004
Differentiation strategy	.044	.078	-.067	.118	-.569	.002
Focus strategy	.075	.088	-.119	.123	-.970	.015

**Source:** Primary Data (2021)

The overall regression analysis of the study variables was determined in terms of costs leadership strategy, differentiation strategy and focus strategy on how these contribute to organization performance. The intercept of the regression was 1.040 and statistically significant ( $p = 0.000$ ). While the coefficient of cost leadership strategy 0.100 and  $p = 0.004$ . differentiation strategy had an intercept of 0.044 but significant and finally focus strategy had it at 0.075 and also positive. The findings justify the model relationship below:  
 $y = \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \varepsilon$

Where  $y$  is generic competitive strategies and constants,  $\beta_{1,2,3,4}$  are constants and variables (cost leadership strategy, differentiation strategy and focus strategy respectively). Substituting the coefficients, the model therefore is modified as;  
 Organization performance =  $0.1(\text{cost leadership strategy}) + 0.044(\text{differentiation strategy}) + 0.075(\text{focus strategy}) + 1.040$

#### 4.2 Discussion of Research Findings

Results of first objective which was to assess the effects of cost leadership strategy on performance of Sulfo Industries Ltd; The presented data revealed that costs leadership contribute to organization performance This was strongly agreed by 83.2% and also agreed or confirmed by 13(12.9) of surveyed respondents. This study is consistence with the study done by Jothi basu (2014) in UK showed the relevant of costs leadership strategies in hospitals. The study clearly indicated that cost leadership is the best to promote organization performance. The focus group discussion among management performance officers of sulfo

also showed that the industry uses three generic competitive strategies such as Cost leadership strategy, Differentiation strategy and Focus strategy to achieve the desired performance (FCD1, 2021).

Research findings showed that Sulfo Industries Ltd applies low cost strategy in acquiring raw materials and increasing appropriate technology to achieve the desired performance as strongly agreed by 77(76.2) and 15(14.9) who also agreed. This was supported by the study conducted by Johnson and Scholes (2003), showed that cost leadership is designed to produce goods or services more cheaply than competitors by stressing efficient scale of operation. The interview conducted to the management of was to assess ways in which cost leadership strategy helps in achieving institution performance. The management said that with costs leadership, the industry managed to achieve the standard product and low cost of production which presented the significant effects on industry performance (FGD2, 2021).

Research findings showed that Competitive advantage led Sulfo Industries Ltd to have low cost strategy of workforce. This was as strongly agreed by 84(83.2) and 8(7.9) respectively. This may be as result of management of industry resources. As indicated, research findings showed that Low costs of products or services have helped Sulfo Industries Ltd in continuation of operating activities. This was strongly agreed 42(41.6) and 56(55.4) respondents agreed. This is supported by the study conducted by Schoenherr & Samson (2012) who showed that organization pursuing cost leadership strategy puts more efforts on price while those pursuing on differentiation concentrate of product that is uniquely productive. Therefore, in product differentiation, the quality is chosen as competitive advantage. However, costs leadership requires standardized products with few unique and distinctive feature or service so that costs are kept to a minimum.

With reference to the study done by (Holy, 2009), in India revealed that achieving the competitive advantages is critical for organization as this is not sufficient enough to achieve organization performance. The firm or organization owns the useful products, service or capability that its competitors do not have. That is to say an organization needs to be able to analyze, identify and build up competitive tools including the differentiation strategy to achieve the potential performance. The information collected from, 38(37.6) of surveyed respondents who strongly confirmed that the differentiation strategy within Sulfo industry ltd led them to industry performance. This was also agreed or confirmed by 56(55.4) of surveyed respondents.

Research findings showed that differentiation strategy helps in implementation Sulfo provides unique and superior product or service. This was confirmed by 35(34.7) and 63(62.4) who agreed among surveyed respondents. This is supported by the study conducted by Yasar (2010) who showed that the achievement of sustainability competitive advantage can be anticipated to lead to high performance, regularly quantified in environmental terms such as market share and profitability. During interview discussion, the management was asked whether Sulfo Industries Ltd apply the differentiation strategy as indication of uniqueness of producing goods or service and the findings from them confirmed that with differentiation strategy, the industry has managed to determine uniqueness of products which led to competitive advantage (FGD3, 2021).

The study findings showed that 38(37.6) strongly confirmed that Sulfo Industries Ltd applies focus strategy to achieve performance. This was also agreed or confirmed by 63(62.4) of surveyed respondents. The general conclusion with reference to research findings is that the



most assessed respondents put more importance on focus strategy as influence on organization performance as this is determined by increasing production through fewer resources and market niche. The information from respondents are supported by the study conducted by (Munyiri, 2014) on motor industry showed that a business firm focusing on focus strategy as one of generic competitive strategy has also the ability to make substantial adjustments in the strategic variables so as to survive in competitive environment. The information collected reflect the idea from the management of Sulfo during interview on how focus strategy assists Sulfo Industries Ltd in capturing market demand for goods or service. As indicated, the focus strategy achieves in using fewer resources and led to the market niche within Sulfo. Therefore, all these has led to industry performance (FGD3, 2021). The study findings showed that having government policies, laws and regulations influences organization performance. This was strongly agreed by 70 (69.3) and 27(26.7) also agreed. This is supported by Yasar (2010 in Nigeria showed that the differentiation strategies make the difference from one productive organization to another in terms of policies, laws and regulations. Therefore, government also intervene in enhancing the smooth running activities of business organization.

## 5.1 Conclusion

In conclusion, the objectives stated by researcher were achieved based on the results collected from research participants. The first objective was to assess the effect of costs leadership strategy on performance of Sulfo Industries Ltd. The results showed that with cost leadership strategies within Sulfo Industries Ltd, this has led to industry performance. However, authors confirmed that there is significant impact of generic competitive strategies on organization performance. The second objective of research was to assess effect of differentiation strategy on performance of Sulfo Industries Ltd, based on research findings, conducted in Rwanda, research participants also confirmed that differentiation strategy present the significant impact on performance Sulfo industry Ltd. The third objective of the study was to assess effect of focus strategy on performance of Sulfo Industry Ltd, results from research participants also confirmed that with focus strategy, Sulfo industries has led to the desired performance. Therefore, the general conclusion is drawn based on simple and multiple regression analysis as well as p-values results. The research objectives were achieved as it has proven that components of generic competitive strategies contribute to organization performance. The magnitude of association is that the regression was 1.040 and statistically significant  $p=0.000$ ). While the coefficient of cost leadership strategy which is 0.100 and  $p = 0.004$ . differentiation strategy had an intercept of 0.044 but significant and finally focus strategy had it at 0.075 and also positive. Therefore, Organization performance =  $0.1(\text{cost leadership}) + 0.044(\text{differentiation strategy}) + 0.075(\text{focus strategy}) + 1.040$ .

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