INFLUENCE OF KNOWLEDGE MANAGEMENT ON COMPETITIVE ADVANTAGE IN AMONG LAW FIRMS IN NAIROBI

BY

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DECLARATION

This research project is my original work and has not been presented for award of any degree in any University for examination purposes.

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ABBREVIATIONS AND ACRONMYS

**HR** - Human resources

**KBV** - Knowledge-Based View

**KM** - Knowledge Management

**RBV** - Resource Base View
ABSTRACT

Companies are persistently striving to create mechanisms for differentiating themselves from their competitors within given markets. By realizing the major value of intellectual resources, law companies have begun to manage them rationally and improve them to promoting continuous learning. This emphasizes on the importance of knowledge management as a concept of organizational knowledge, aimed at effective application of knowledge to make quality decisions. The study findings revealed that knowledge management had improved competitiveness of employees on their duties in the aviation training institutes and improve employee productivity. This study sought to fill the existing knowledge gap by establishing the extent to which knowledge management acts as a strategic tool for achieving competitive advantage in law firms in Nairobi County, Kenya. The objective of the study was to determine influence of knowledge management on competitive advantage in law firms in Nairobi County, Kenya. The design of this research was descriptive cross-sectional survey research. The target population of the study was 356 law firms operating in Nairobi County, Kenya. The study adopted a simple random sampling technique to select a sample of 20% out of the population. The sample size was 71 law firms in Nairobi County. This research used primary data. The study used questionnaire as an instrument to collect data. Data analysis was done using descriptive statistics where quantitative data was analyzed using means and standard deviation. Data was presented using frequency tables. Content analysis was used for qualitative data. Inferential analysis was carried out. The study concludes that knowledge management is a discipline in an organization which when adopted plays an important supporting function by providing a coordinating mechanism to enhance conversion of resources into capabilities. The study concludes that adoption of knowledge...
Sharing enable the firms to have the capability to generate new knowledge within the organization, enhancing the competitive advantage. Creating relationships and alliances with different partners positively influence organization’s ability to acquire knowledge. The recommendations for the study include that law firms to fully develop, share and apply knowledge within the organization to gain and sustain a competitive advantage. Ability to distribute and share knowledge is critical for the use and leverage of knowledge resources which are considered important resources to most organizations.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizations operate in an environment characterized by uncertainty, instability and change that create various challenges. Such environment includes many factors such as increased globalization, rapid technological change, and the growing need for qualified employees and improved performance (Vanhala and Stavrou, 2013). This forces organizations to try and exploit the resources at its disposal in order to achieve competitive advantage. Furthermore, given that the twenty-first century is labeled as the century of knowledge, it is clear that successful organizations are those that are able to improve and develop their knowledge. Knowledge management (KM) is about developing, sharing and applying knowledge within the organization to gain and sustain a competitive advantage (Janszen, 2000). According to Southon, Todd and Seneque (2002), a law firm accessibility to competent human resource and therefore the best knowledge in their chosen fields provide outstanding client services such as clear and timely billing, ability to respond to the unexpected, and an ability to create innovative solutions.

In the setting of modern business, Barney (2001), companies are persistently striving to create mechanisms for differentiating themselves from their competitors within given markets. The management of information as a key to grasping and retaining competitive advantage has recently evolved into the more strategically focused management of knowledge (Spender, Groen and Jeroen, 2010). This is informed by resource-based views and learning theories. The resource-based view theory...
mphasizetheorganizationalneedforsuperiorcoordinationandintegrationoflearningbyemplo
yeesinsidetheorganizationandarguesthatheterogeneousknowledgebasesandcapabilitiesamo
ngfirmsarethemaindeterminantsofsustainedcompetitiveadvantageandsuperiorcorporateper
formance. The legal firm consists of a community of individuals who create and transfer knowled
gle quickly and efficiently. As Hunter, Beaumont and Lee (2002), notes, law firms generally com
posed of lawyers, paralegals, managers, support personnel and administrators. These diverse occ
upations have distinct functions, that work together to achieve the desired outcome of providing q
uality legal services and adding value to the firm. It is also important to note that, depending on the si
ze of the law firm, its organizational structure may vary significantly. According to Hunter, Beaum
ont and Lee (2002), law firms have a unique set of distinct characteristics and operating procedures
that can play an important role in the creation and implementation of a KM strategy. By realizing th
emajor value of intellectual resources, law companies have begun to manage them rationally and im
prove them to promote continuous learning. This emphasizes the importance of knowledge man
agement as a concept of organizational knowledge, aimed at effective application of knowledge to
make quality decisions.

Human resources have a central role and the first place knowledge information, contribute to th
company as a revenue contribution of products and services, preserve and increase the reputation, t
hrough the reduction of operating costs and gaining competitive advantage. The success of organi
zations largely depends on continual investment in learning and acquiring new knowledge that cr
eates new businesses and improves existing performances. The legal industry in Kenya, for instanc
continues to be very competitive, as such for legal firms to survive, they must have a well-laid out strat
ey to give it direction and purpose in its operations. All these coupled together pose a very big chall

1.1.1 The Concept Knowledge Management

Knowledge management can be defined as the process of transforming information and intellectual assets into enduring value. It connects people with the knowledge that they need to take action. By applying knowledge management into an organization, it can integrate, identify, manage and share all of the department’s information assets. According to Darroch (2005), knowledge management has emerged as a new discipline in an organization, and it plays an important supporting function by providing a coordinating mechanism to enhance conversion of resources into capabilities. Malhotra (2005) argued that knowledge management is a function of the generation and dissemination of information, developing a shared understanding of the information, filtering and understanding into degrees of potential value, and storing valuable knowledge within the confines of an accessible organizational mechanism.

Knowledge management systems must connect people to enable them to think together and to take time to articulate and share information and insights they know are useful to others in their community (Lang 2001). The role of knowledge management and the process for managing it has become vital for the survival of the organization. Although an evolving paradigm in management (Gourlay, 2001), knowledge management continues to serve as a strategic business function in the organization and has an impact on human capital, teamwork, and overall organizational performance and effectiveness (Cavusgil and Hult, 2005). Knowledge management in the law firm context involves a firm’s ability to identify, capture, and leverage the internal knowledge of individuals at the firm.
and to combine this knowledge with knowledge derived from vendors and other external sources to enhance the ability of all law firm staff to create and share knowledge across the firm, to provide excellent client service, and to compete in an increasingly aggressive professional legal services environment (Todd, et al., 2003).

1.1.2 Competitive Advantage

A company has a competitive advantage whenever it has an edge over its rivals in securing customer and defending against competitive forces (Thompson & Strickland, 2002). Sustainable competitive advantage is born out of core competencies that yield the long-term benefit to the company. Competitive advantage is also defined as the strategic advantage one business entity has over its rivals within its competitive industry. Achieving competitive advantage strengthens and positions a business better within the business environment.

According to Vinson, and McVandon (2008), competitive advantage can be developed from particular resources and capabilities that the firm possesses that are not available to its competitors. The transformation of available skills and resources into a strategic position cannot take place under conditions that provide a customer benefit, and normally requires the transformation of multiple competitive methods. The ability to implant cost leadership, differentiation, or focus strategy is dependent on a firm’s ability to develop a specific set of competitive methods. This becomes the basis for the achievement of the firm to be able to perform above average industry performance (Ingo, 2007).

Competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors. Performance is one of the most critical
areas of law firm management, which many management scholars and practitioners have focused on improving via strategic variables such as KM practices (Tiyan, 2013). Past studies have conceptualized firms’ competitiveness without performing rival in the market on return on assets, sales growth, new product success, market share and sales growth, and overall customer satisfaction. Information transfer has become such a prominent part of the modern business world that it can also contribute to competitive advantage by outperforming competitors in the market (Porter, 1997b).

1.1.3 Influence of Knowledge Management on Competitive Advantage

Organizations can acquire new knowledge using several methods such as through congenital learning which refers to inherited knowledge from the founders of a firm, experiential learning which is knowledge acquired from experience and vicarious learning which is knowledge acquired from other individuals and businesses where Khandelwal and Gottschalk (2003) noted that creating relationships and alliances with different partners can positively influence an organization’s ability to acquire knowledge. Although acquiring useful knowledge is an important process of knowledge creation, many consider that the real competitive advantage comes from the capability of an organization to generate new knowledge within the organization. In this context, the key success factor has been shifted from information processing to knowledge creation and continuous innovation (Malhotra, 2000). Knowledge creation is not a systematic process that can be tightly planned and controlled. It can even be considered as the least systematic process of KM. The process is continuously evolving and emergent and motivated, inspired and played an important role.

Organizations and HR professionals continuously focusing their effort on attracting the best employees who possess an abundance of knowledge and skill in order to enhance the overall value of
Companiestheninvestlargeamountsofcapitaltofurtherincreaseemployees’knowledge,viatrainingandcontinuouseducationprograms.ModernKnowledgemanagementpracti
cemphasizesthecreationofnewknowledgeandthetimelyapplicationoforganizationalknowle
dgetomainstrategicadvantage(Grant,1991).

Theperformanceofal egalfirmdependsontheextenttowhichtheuseofknowledgemanagementis
putinplacenordertomeettheinformationandknowledgeneeds.Knowledgemanagementthere
forefocusesuponlongrangeobjectivesandshort-
termpriorities. KM canplayanimportantroleinachievingthesesubjectivesbecauseithasthepote
ntialtoincreaseefficiencyandeffectivenesswithinthefirm. Inthefastchangingbusinessenvironment,knowledgehasbecomethemainstayofeveryorganizationincreatingandsustainingcomp
etitivedifferentiationandadvantage( Geiger,&Schreyogg,2012). Atthesametime, theemergin
gknowledge-basedeconomyencouragesindividualstobemoreself-
seekingintheircareerobjectivesandaspirationsachievebreakthroughinbusinessperformance.
Throughthesynergyofpeople, processes, and technology to serve as the source and stock of knowle
dge and the flow of knowledge, knowledgecreation, sharing and application to create and/or sustai
norganizationalvalueandcompetitiveadvantage(Wemby,2010).

1.2 ResearchProblem

Serviceenterprisesindevelopingcountriesparticularoperateinenvironmentscharacterizedbyi
creasedneedforknowledgetocreateandsustaincompetitiveadvantage. Therehasbeenincreas
einrivalryinthelegalindustryoverrecentyears(Jashapara,2011). Thintensiverivalryandthrea
tofnewentrantsintothemarketisincreasing, thus sustaining growth and market leadership is incr
easingly challenging. In order for law firms to succeed in highly dynamic business environments, it is critical that they embrace knowledge management in their business operations. The changing customer needs have forced different companies to adopt various competitive strategies. Ingo (2007) indicated that knowledge management in a large Canadian law firm that had invested significantly in knowledge management strategy, technologies, and processes. Since KM involves valuable processes which can influence the productivity, financial performance, staff performance, innovation, work relationships, and customer satisfaction and finally organizational performance, studying the influence of KM on competitive advantage in legal firms is critical.

Law firms in Kenya are operating in a competitive environment. Law firms are facing high competition from local and international law firms, going global as well as the consolidation of law firms. The legal firms face more pressure to achieve and maintain a competitive advantage. This has led to firms adopting strategies such as offering different proactive value-added services to its clients and embracing continuous learning of lawyer stop providing quality services to clients (Kiprono, 2013). In order to gain more customers and improve on their productivity, law firms are sharing information, investing on knowledge and talent management to remain more efficient, responsive and effective and provision of proactive cost-effective services to gain competitive advantage (Mugambi & Kwasira, 2015). Legal practitioners have currently embarked on specialization leading to law firms differentiating its legal services such as focusing on constitutional law, elections law, international law, environmental law, mining law, company law, intellectual property law, procurement law rather than focusing on general practitioners. Despite law firms in Kenya adopting knowledge management, the extent to which it influences achieving competitive advantage has not been determined.
Previous local studies have one effect of knowledge management on performance of firms in Kenya. For instance, Nyawade (2005) did a study on employee perception of knowledge management practices using a case study of BAT Kenya and established that employees perceived knowledge management practices to be restrictive and prohibitive of employee creativity and innovation. Mumbi and Kwasira (2015) carried out a study on the influence of knowledge management practices on performance of Law Firms in Nakuru Town. The study established that knowledge sharing, acquisition, sharing, and implementation practices influenced performance of legal firms. A further study by Tiyan (2013) carried out a study to determine the extent of application of knowledge management as a competitive strategy among Aviation Training Institutions in Nairobi. The study findings revealed that knowledge management had improved competitiveness of employees on their duties in the aviation training institutes and improved employee productivity. This study sought to fill the existing knowledge gap by establishing the extent to which knowledge management acted as a strategic tool for achieving competitive advantage in law firms in Nairobi County. The study sought to answer the question on what extent does knowledge management influence the achievement of competitive advantage in law firms in Nairobi County?

1.3 Objective of the Study

The objective of the study was to determine the influence of knowledge management on competitive advantage in law firms in Nairobi County, Kenya.
1.4 Value of the Study

The findings of the study will be significant to management of law firms who will gain insight on the extent to which knowledge management as a strategic tool influences achieving of competitive advantage. This study will outline the knowledge management strategies and extent to which it influences achieving of competitive advantage.

The management of law firms will find the results of the study useful as managers will gain organizations in gaining new insight on knowledge management and the result on law firm performance and whether the law firm can improve the organizations’ bottom line by having a satisfied client thorough competitive advantage.

To the policymakers, the findings provide information on the influence of knowledge management on achieving competitive advantage. This will influence formulation of policies governing operation of law firms and formulate measures that would influence efficient application of knowledge management to enhance achieving of competitive advantage among law firms in Kenya.

The study will be significant to researchers and scholars who will gain in-depth understanding on the extent knowledge management as a competitive tool for achieving competitive advantage in law firms and the kind of challenges, and determination of responses and achieving quality justice, this is being the researcher’s field of specialization, interest and experience. The study will be important in adding to the body of knowledge in law industry and will be important for carrying out further studies in the industry.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter focuses on reviewing the available literature on the various aspects of knowledge management that influence the performance of firms. The review delves into various theories and empirical findings that act as a foundation for this research study. The theories and findings from past studies reveal the core variables for the study.

2.2 Theoretical Review

This section presents a critical review of major theoretical arguments regarding the linkages between the research variables.

2.2.1 Resource-Based View of the Firm

According to the resource-based view (RBV), a firm may be perceived as an aggregation of resources which are translated by management into strengths and weaknesses of the firm (Lerner & Almor, 2002). RBV holds that companies gain sustainable competitive advantages by deploying valuable resources and capabilities that are inelastic in supply (Grunert & Hildebrandt, 2004). This perspective contends that a firm’s competitive advantage is due to the endowment of strategic resources that are valuable, rare, costly to imitate, and costly to substitute. It assumes that organizations must be successful in obtaining and managing valuable resources in order to be effective. In the resource-
based perspective, organizational effectiveness is defined as the ability of the organization in either absolute or relative terms, to obtain scarce and valued resources and successfully integrate and manage them (Dess, Lumkin, Eisner, McNamara & Kim, 2012).

The RBV of the firm approach recognizes the strategic importance of social and behavioral interactions in the conceivability of the choice and the implementation of the organization’s strategies. The RBV combines two perspectives; the internal analysis of phenomena within a company, and an external analysis of the industry and its competitive environment (Dess, Eisner, McNamara & Kim, 2012). Furthermore, firm’s resources must be evaluated in terms of how valuable, rare, and hard they are for competitors to duplicate. Otherwise, the firm attains only competitive parity. These intangible resources are frequently found in the organization in the form of tacit knowledge (Makija, 2003).

Resources are financial, physical, social, or human, technological, and organizational factors that allow a company to create value for its customers. Company resources are either tangible or intangible (Jones & Hill, 2009). Intangible resources are non-physical entities that are the creation of managers and other employees, such as brand names, the reputation of the company, the knowledge that employees have gained through experience, and the intellectual property of the company, including that which is protected through patents, copyrights, and trademarks. Tangible resources are physical and include land, buildings, plant, equipment, inventory, and money. Mathews (2003) views resources as either tangible or intangible. Physical resources may originate at returns above average levels, but are the intangible resources, developed...
through a unique historical sequence and having a socially complex dimension, that are able to create and sustain competitive advantage of the firm (Makhija, 2003).

RBV assumes resource heterogeneity between competing firms, and further contends that these resources are not mobile, which makes long-term, sustainable competitive advantage possible based on internal configuration of strategically relevant resources (Grunert & Hildebrandt, 2004). The more firm-specific and difficult to imitate a resource, the more likely a company is to have a distinctive competence. A distinctive competence is a unique firm-specific strength that enables a company to better differentiate its products and/or achieve substantially lower cost than its rivals and thus gain a competitive advantage. A resource that leads to distinctive competences is inimitable, valuable, unique, and non-substitutable (Jones & Hill, 2009). A company may have firm-specific and valuable resources, but unless it has the capabilities to use those resources effectively, it may not be able to create a distinctive competence (Jones & Hill, 2009).

2.2.2 Knowledge-Based View of the Firm

The knowledge-based view considers a firm to be a distributed knowledge system composed of knowledge-holding employees, and this view holds that the firm's role is to coordinate the work of those employees so that they can create knowledge and value for the firm. Barney asserted observed that knowledge and capabilities-based views (KBV) in strategy have largely extended resource-based reasoning by suggesting that knowledge is the primary resource underlying new value creation.
ion, heterogeneity, and competitive advantage (as cited by Felin & Hesterly, 2007). Felin and Hesterly (2007) contend that research and practice are replete with empirical and anecdotal evidence of the primacy of individuals as the locus of knowledge and source of new value. An organizational capability (Tsai, Li, Tsai, & Lin, 2012) is often established by a bundle of related knowledge which includes knowledge items and the level of such items.

Knowledge-based view (KBV) considers knowledge as the most important source for firms’ competitive advantage. Felin and Hesterly (2007) argue that knowledge is a crucial resource of firm’s strategies, and stresses the origin of competitive advantage as the integration of a bundle of knowledge other than individual knowledge. Additionally, Knowledge aids firms in strategic development of products and market and provides an alternative way of achieving differentiation and competitive advantage. Viewed from RBV, the KM provides the resource that makes feasible innovation and continuous improvement of firms’ KM capability. In summary, the RBV illustrates that firms can differentiate themselves on the basis of their KMS. While each of the individual knowledge assets is complex to acquire and difficult to imitate, firms that achieve competitive advantage through KM have also learned to combine their knowledge assets to effectively create an overall KM capability. This study will attempt to look at how the knowledge-based view of the firm contributed towards the achieving competitive advantage in the law firms.

The knowledge-based view considers a firm to be a distributed knowledge system composed of knowledge-holding employees. This study will therefore look at how knowledge assets lead to competitive advantage and firm survival.
2.3 Knowledge Management in Organizations

Organizations have experienced many changes to the ways they operate as a result of such factors as the shift to a knowledge economy and the increased streamlining of work activities because of technological innovations. Furthermore, the shift in focus from products to services has encouraged greater recognition of the importance of the knowledge held within an organization (Spender, 2013). Any organization that desires to attain competitive advantage has to learn better and faster from their successes and failures (Stankosky, 2012). Knowledge acquisition as a process of obtaining new knowledge and information contributes to competencies among law staff in law firms. This new knowledge can be acquired from internal sources or external sources of the organization. However, regardless of the source, the most important determinant to this process is the motivation to find and create new knowledge by employees (Kim & Lee, 2010). Knowledge Acquisition encompasses the process of acquiring and learning appropriate knowledge from various internal and external resources, such as experiences, experts, relevant documents, plans and so forth. Interviewing, ladder ing, process mapping, concept mapping, observing, educating and training are the most familiar techniques for knowledge acquisition (Kharabsheh & Aqrabawi, 2013).

Organizations can acquire new knowledge using several methods such as through congenital learning, which refers to inherited knowledge from the founders of a firm, experiential learning, which is knowledge acquired from experience, and vicarious learning, which is knowledge acquired from the individuals and businesses where Spender (2013) noted that creating relationships and alliances with different partners can positively influence an organization’s ability to acquire knowledge. Although acquiring useful knowledge is an important process of knowledge creation, many
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Knowledge management through knowledge storage involves both the soft or hard style recording and retention of both individual and organizational knowledge in a way so as to be easily retrieved (Gholami, Asli, Nazari-Shirkouhi & Noruzy, 2013). Knowledge storage utilizes technical systems such as modern information hardware and software and human processes to identify the knowledge in an organization, then to code and index the knowledge for later retrieval. According to Wiig (2000), there is a popular misconception that KM focuses on rendering that which is tacit into more explicit or tangible forms, then storing or archiving these forms somewhere, usually some form of intranet or knowledge portal.

Senior management is then mystified as to why employees are not using this wonderful new resource. In fact, knowledge management is broader and includes leveraging the value of the organizational knowledge and how that accumulates over time (Mugambi and Kwasira, 2015). This approach is a much more holistic and user-centered approach that begins not with an audit of existing documents but with a needs analysis to better understand how improved knowledge storage may benefit specific individuals, groups, and teams.
he organization as a whole. Successful knowledge storage is exemplified by gathered and documented knowledge in the form of lessons learned and best practices and these then form the kernel of organizational stories (Fombad, 2015).

The ability to distribute and share knowledge is critical for the use and leverage of knowledge resources which are considered important resources to most organizations (Geiger & Schrevogg, 2012). According to researchers such as Inkpen and Dinur, (2010) many factors affect the process of sharing knowledge in an organization which include the culture of the organization, the attitudes and values of individuals towards knowledge sharing and the nature of the technology used to share knowledge. Indeed, organizational culture has been defined as the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. Further, researchers have shown that two facets comprise knowledge distribution, which are knowledge disseminating which refer to an individual’s desire to share knowledge; and knowledge receiving which refer to the request in going to individual stoshare what they know (Du Plessis and Du Toit, 2006).

Organizations seek a range of authoritative sources, including knowledge held by individuals and within knowledge systems maintained by the organization. Explicit knowledge can be documented, categorized, transmitted to others as information, and illustrated to others through demonstrations, explanations and other forms of sharing. However, tacit knowledge is difficult to duplicate, replace or interpret, as it is grounded in a blend of experience, research, and induction which may have been refined over many years (Spender, 2006). A learning organization proactively creates, acquires, and transfers knowledge (Mohammad & Shoaib, 2015). New ideas are a prerequisite for...
or a learning organization; indeed it’s on the basis of new knowledge and insights that the organization changes its behavior. Strategic knowledge management ensures corporate strategic knowledge grows, learns and matures alongside its individual members.

2.4 Competitive Advantage

The new paradigm of international competitiveness is a dynamic one, based on innovation. Competitiveness at the industry level arises from superior productivity; either in terms of lower costs than rivals or the ability to offer products with superior value (value adding) that justifies a premium price. Competitive advantage, then, rests not on static efficiency or optimizing within fixed constraints, but on the capacity for innovation and improvement that shifts the constraints. (Porter & van der Linde, 1995b)

According to Porter (1997), competitive advantage defines the uniqueness of an organization versus its competitors and competitive strategy of the organization is the roadmap towards gaining competitive advantage. It has been noted that knowledge management (KM) strategy is becoming the basic building block of organization. Organizations are realizing that KM is a valuable instrument in improving performance. Mohammad and Shoaib (2015) stated that managers implement KM programs to gain advantage, increase productivity, and remain competitive. Within this context, an organization’s ability to effectively implement knowledge-based strategies becomes increasingly significant for the development and sustenance of a competitive advantage (Smith and Rupp, 2003). A firm can develop a competitive advantage through either becoming a cost leader or by using differentiation (Porter, 1997). Once an organization possesses such sources and knows how to transfer them into a competitive advantage, it can reasonably expect to be successful. While a cost leader...
Leadership advantage is gained by performing most activities at a lower cost than competitors while ill-managing to offer a parity product. Differentiation advantage is built by performing value-adding activities that lead to perceived superiority along dimensions that are valued by customers. Differentiation advantage can further take many sub-forms, among which is a superior product/service, the totality of supply, speed that is fast delivery of products, flexibility and the positive image of a company (Saini, 2013).

Primarily due to the way lawyers are compensated, there is much debate over whether or not capturing inefficiencies can actually benefit the firm. According to Wilkemann et al. (2009), ‘client loyalty is decreasing as companies increasingly base purchases of legal services on more objective assessment of their value, defined as benefits net of price.’ Analogous to many other industries, increased competition has forced some law firms to compete in price wars. As a result, certain services are currently being offered at much lower prices (Agbim, Zever and Oriarewo, 2014). Law firms that capture efficiencies in their practices compete effectively in the market (Kharabsheh & Aqrabawi, 2013). Sources of competitive advantage in law firms include high-quality information, superior communication, and achieving lower costs than its rivals and management of tacit knowledge from retiring (Porter, 1980).

2.5 Knowledge Management and Competitive Advantage

Knowledge is the fundamental basis of competition and, in particular, tacit knowledge can be a source of advantage because it is unique, imperfectly mobile, imperfectly imitable, and non-substitutable. However, the mere act of processing knowledge itself does not guarantee strategic advantage.
advantage, instead, knowledge has to be managed. Lee and Choi (2003) develop a model that includes seven KM enablers (both social and technical) as being positively related to a firm’s knowledge creation processes, which, in turn, are positively related to the firm’s innovations and its overall performance. The results indicated that trust is an important enabler of knowledge creation, technology is an enabler of one kind of knowledge creation process, and firm innovativeness is critical for achieving better relative performance.

In order to fully realize the advantages of KM within the industry, it is essential to understand the structure of law firms, the stakeholders involved, and the motivation behind the creation of a law firm. According to Tiyan (2013), law firms are similar to social communities which specialize in speed and efficiency in creating and transferring legal knowledge. When this statement is broken down into separate components and examined further, it exemplifies the ‘ideal’ firm. The ideal firm consists of a community of individuals who create and transfer knowledge quickly and efficiently. Unfortunately, because of the stakeholders involved, this is not always the case. As Kharabsheh and Aqrabawi (2013) notes, a law firm is generally composed of lawyers, paralegals, managers, support personnel, and administrators. These diverse occupations have distinct functions, yet these individuals must work together to achieve the desired outcome of adding value to the firm. It is also important to note that, depending on the size of the law firm, its organizational structure may vary significantly. However, Hunter (2002) also state that teach law firm has a unique set of distinct characteristics and operating procedures that can play an important role in the creation and implementation of a KM strategy.
Embracing the proposition that a firm needs strong KM in order to realize a competitive advantage, Liao and Chuang (2007) focus on the extent to which a firm’s social and technical KM resources are related to its KM process capabilities, the degree to which these process capabilities are related to the firm’s speed and magnitude of innovation, and the extent to which these two innovation dimensions are related to firm competitiveness in terms of market share gain, sales growth, profitability, operational efficiency, and service quality (Saini, 2013). Fombad (2015) asserted that law firms in Botswana offer a particularly interesting context to determine effects of knowledge acquisition and leveraging knowledge through knowledge management lead to competitive advantage, enhancing cost effectiveness and systematic harnessing of legal knowledge.

Moreover, management of knowledge is critical. Kalling (2003) argued that the mere act of processing knowledge does not guarantee strategic advantage rather, knowledge has to be managed for law firms to achieve competitive advantage. According to King (2008) haven noted that the successful implementation of knowledge management practices in law firms may result in innovation, suitability, enhance learning, improve quality of law services render, improve law firm staff competences, improve law firm customers services, lead to cost reduction through elimination of redundancy and boost revenue for the firms

2.6 Empirical Research Gaps

Mugambi and Kwasira (2015) carried out a study on the influence of knowledge management on performance of legal firms in Nakuru County. The objective of the study was to establish the influence of knowledge management practices on legal firms. The study population was 162 registered law firms in Nakuru County. The study adopted descriptive survey research design as the study has
qualitative and quantitative approaches. Data collection was done through close-ended questionnaires as simpler random sampling technique was used in selecting the sampled law firms. A correlation analysis was done to determine the strength of association between knowledge management practices and competitive advantage in legal firms in Nakuru County. The study revealed that knowledge sharing ($r = 0.664$) had a significant influence on performance of legal firms while knowledge implementation ($r = 0.213$) had the least influence on performance of legal firms. This study however failed to indicate the extent knowledge management influence achievement of competitive advantage in law firms in Nairobi County.

Agbim, Zever, and Oriarewo (2014) assessed the relationship between knowledge acquisition and competitive advantage in hospitality industry focusing on hotels in Benue State, Nigeria. The study adopted an ex-post-facto research design and multistage sampling technique to selects the respondents from these selected hostels. Data was collected using questionnaire. Data analysis technique linear regression statistical method was adopted to test the research hypothesis. It was revealed that knowledge acquisition has a significant influence on achieving competitive advantage in hotels in Benue Estate, Nigeria. This study however focused on determining effect of knowledge management on competitive advantage in hospitality industry. The increase in the acquisition of knowledge human resource, the use of Information and Communication Technology (ICT) in legal services delivery, and the increase in the number of law firms in Nairobi County motivate the undertaking of the current study using descriptive research survey method.
Mohammad and Shoaib (2015) carried out a study on the impact of knowledge management practices on organizational performance in banks in Pakistan. The study adopted descriptive survey research design. Data collection was done using a questionnaire. The target population was 256 banks. Data was analyzed using correlation and regression analysis technique. The results found that knowledge acquisition, knowledge conversion, knowledge application, and knowledge protection led to significant provision of quality financial services to customers, high customer satisfaction, efficiency in resource utilization, more profits, and overall improved banks’ performance. This study, however, focuses on knowledge management in banks. The current study would focus on determining the influence of knowledge management on achieving competitive advantage in law firms in developing counties, Kenya.

Gichuki (2014) carried out a study to determine the knowledge management practices adopted by hotels in the coastal region, Kenya in achieving competitive advantage and the factors that influence adoption of knowledge management for competitive advantage by hotels. The study used a descriptive survey design. Primary data was collected by the use of a structured questionnaire from 47 respondents from all the selected hotels. Descriptive statistics was used to determine the extent to which knowledge management practices have been adopted. The study revealed that knowledge creation, knowledge acquisition, knowledge filtering, knowledge storage and representation, knowledge application, and knowledge distribution and exchange led to development of innovative hospitality products and reduce hotel loss of valuable knowledge and gain competitiveness in the market. This study, however, focuses on knowledge management and extent it achieve competitive advantage in hotels. The current study will focus whether knowledge management has led to achieving competitive advantage in hotels.
event of competitive advantage in legal firms due to increase in law firms and competitiveness in legal sectors in Kenya.

Gholami et al. (2013) conducted a study to investigate the influence of knowledge management practices on organizational performance. The aim of this study was to investigate the influence of knowledge management practices on organizational performance in small and medium enterprises (SMEs) using structural equation modeling. A number of 282 senior managers from these enterprises were chosen using simple random sampling and the data were analyzed with the structural equation model. The results showed that knowledge acquisition, knowledge storage, knowledge creation, knowledge sharing, and knowledge implementation have significant factor loading on knowledge management. It further showed that productivity, financial performance, staff performance, innovation, work relationships, and customer satisfaction have significant factor loading on organizational performance. Finally, the results of this study suggested that knowledge management practices directly influence the organizational performance of SMEs.

Saini (2013) carried out a study examining the impact of Knowledge Management Practices on competitiveness of SMEs in India. The study adopted a structural equation modeling approach. There has been a transformation of an era of information scarcity to information surplus, so the key global pressures on management are knowledge identification, creation and dissemination. The development of knowledge management represented one of the most significant management movements in such environment. A conceptual model was developed from the reviewed theoretical framework and linking knowledge management practices and organizational performance, using descriptive statistics and structural equation modeling technique. The study used primary data collected from...
mthree SMEs in software, pharmaceutical and textiles in North India. The study revealed that knowledge management practices have a significant influence on organizational performance, competitiveness and employee retention rates in the selected SMEs.

Kharabsheh and Aqrabawi (2013) examined the relationship between knowledge management practices and a firm’s differentiation strategy. The study used a questionnaire survey of 16 pharmaceutical companies, where a total of 121 filled questionnaires were collected. Multiple regression analysis was used to examine the impact of KMPs on competitive advantage in these firms. The study established that information sharing to share knowledge has a positive relationship with a firm’s differentiation strategy and achieving competitive advantage in pharmaceutical companies.

Fombad (2015) investigated the influence of adoption of knowledge management on achieving competitive edge in law firms in Botswana. Law firms in Botswana offer a particularly interesting context to determine the effects of knowledge acquisition and leveraging knowledge through knowledge management lead to competitive advantage. The study adopted both quantitative and qualitative research methods and the survey research design. A survey was performed on all 115 registered law firms and 217 lawyers in Botswana. Interviews were used to collect data. The results revealed that enabling environment adoption of knowledge management enhances cost effectiveness and systematic harnessing of legal knowledge.

2.7 Research Gap

Knowledge management in law firms involves a number of tools and services for more effectively managing, sharing and using knowledge in a variety of areas. Kim and Lee (2010) considered whether the implementation of a centralized knowledge management system that emphasized the collect
ion of attorney work product in a central repository resulted in lawyers losing power within the organization to administrators. Studies have reported that knowledge management practices developed the desired competencies more quickly than the firm’s conventional training. Further, studies show that associations among law firms that engaged in knowledge sharing, lawyers’ attitudes about their personal contribution to knowledge sharing, and the use of information technology were stronger predictors of knowledge sharing than lawyers’ positive attitudes toward it. Studies such as Ingo (2007) opined that large Canadian law firms had invested significantly in knowledge management strategy, technologies, and processes attaining on information culture, influencing the productivity, financial performance, staff performance, innovation, work relationships, customers satisfaction, and finally organizational performance. However, studies on influence of KM practices on achieving competitive advantage in legal firms in Kenya are inadequate. This motivates the undertaking of the current study to determine whether there exists a significant relationship between knowledge management practices and competitive advantage in law firms in Nairobi County.

It is becoming apparent that knowledge management and the changing business environment are compelling for firms to rethink their structures, roles, mission and the manner in which they conduct their business in efforts to achieve competitive advantage in the competitive law industry. Law firms in Kenya have adopted strategic knowledge management. However, the extent to which its influence achieving competitive advantage remains less studied. This study will fill the research gap by answering the question, what is the influence of knowledge management on competitive advantage in law firms in Kenya?
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that was followed in completing the study. It involves a blueprint for the collection, measurement and analysis of data. In this section, the researcher identifies the procedures and techniques that was used in the collection, processing and analysis of data. Specifically, the following subsections include: research design, target population, sampling, data collection and finally data analysis.

3.2 Research Design

The design of this research was descriptive cross-sectional survey research. Descriptive survey research design is concerned with finding out the what, where and how of a phenomenon. The research design and methodology entailed collecting data useful in analysis and coming up with relevant recommendations and conclusions. Neuman, (2011) noted that descriptive survey research design attempt to collect data from members of a population and describe existing phenomenon by asking individuals about their perception, attitudes, behaviour or values.

Descriptive survey research design helps in collecting qualitative and quantitative data that was used in answering the research question of the study on how does knowledge management practices influence achieving of competitive advantages among law firms in Nairobi.
3.3 Target Population

Target population in statistics is the specific population about which information is desired. According to Yin (2014), a population is a well-defined or set of people, services, elements, events and group of things or household that are being investigated. The target population of the study was 356 law firms operating in Nairobi County, Kenya.

3.4 Sampling Procedures

Sampling is that part of statistical practice concerned with the selection of an unbiased or random subset of individual observations within a population of individuals intended to yield some knowledge about the population of concern, especially for the purposes of making fair generalization of results back to the population from which they were chosen (Willis, 2009).

The study adopted simpler random sampling technique to select a sample of 20% out of population of 356 law firms operating in Nairobi County. The sample size was 71 law firms in Nairobi County. Mugenda and Mugenda (2003) indicated that a sample size of 20% of the population was adequate for the study. A sample population of 71 was therefore selected for the study.

3.5 Data Collection

This research used primary data. The study used questionnaire as an instrument to collect data. The questionnaires included both open and closed ended in line with the objectives of the study. A five point Likert scale was used for closed ended questions. The questionnaires contained three sections each. The first section addressed demographic information of the respondents while the second section...
3.6 Data Analysis and Presentation

After fieldwork, the collected data was prepared for statistical analysis. The data was checked for clarity, legibility, relevance, and appropriateness. Moreover, the questionnaires were edited for completeness and consistency. Coding was done on the basis of the locale of the respondents. Quantitative data was analyzed using Statistical Package for Social Sciences (SPSS Version 21) for Microsoft Windows, which includes descriptive analysis. Data analysis was done using descriptive statistics. Where quantitative data was analyzed using mean, standard deviation, and frequency tables. Data was presented using frequency tables. Content analysis was used for qualitative data. Qualitative data was analyzed using content analysis and presented in thematic approach based on the thematic area of the study on knowledge management and achieving competitive advantage at law firms in Nairobi, Kenya.

Inferential analysis was carried out. The study was present a correlation matrix analysis to examine the strength and direction between knowledge management on competitive advantage. The correlation factor will range from $-1 \leq 0 \leq 1$. The acceptance confidence level was 95% or significance level of 0.05. The study further was undertaken regression analysis to determine whether there exists a significant relationship between knowledge
management on competitive advantage. The results were accepted at 95% confident level in order to provide for drawing conclusions about the population from the study sample.
CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

The chapter presents the research findings and discussion. It reports the response rate, pilot results, background information of the respondents and descriptive results.

4.1.1 Response Rate

The study targeted 71 respondents from senior staffs of 71 Law firms operating in Nairobi County. Out of 71 administered questionnaires, only 66 responded in time for data analysis. This translated into 92% response rate and considered appropriate to derive the inferences regarding the objectives of the research. This excellent response rate can be attributed to the fact that the researcher administered the questionnaires personally and took ample time to conduct the study.

Table 4.1: Response rate

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled questionnaires</td>
<td>66</td>
<td>92</td>
</tr>
<tr>
<td>Unfilled questionnaires</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>71</td>
<td>100</td>
</tr>
</tbody>
</table>
4.2 Background of the Respondents

This section contains the analysis of information on respondent. The respondents were characterized in different categories like theirs designation, level of education, working period and the length of operation of the law firms they work in.

4.2.1 Designation of the respondents

Respondents were requested to indicate the designation of the respondents. From the findings, most of the respondents indicated that respondents were associates, law clerks, paralegals and legal receptionist. Most of the respondents were legal secretaries, administrative personnel, marketing directors, technology experts. This implies that data collection was done from individuals who belong to the law firms and the information they gave was valid.

4.2.2 Respondents level of academic qualification

![Respondents level of academic qualification](image)

**Figure 4.1: Respondents level of academic qualification**

<table>
<thead>
<tr>
<th>Degree</th>
<th>Master</th>
</tr>
</thead>
<tbody>
<tr>
<td>55%</td>
<td>45%</td>
</tr>
</tbody>
</table>
Respondents were requested to indicate the level of the academic qualification. Majority 55% of the respondents indicated that they had degree level of academic qualification. Most 45% of the respondents indicated that they had master level of academic qualification. The figures are enough evidence that law firms had educated employees. Consequently majority of staffs are people with degree and masters level of education implying that they understood the required information and gave reliable response.

4.2.3 Respondents Working Period

Table 4.2: Respondents Working Period

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-5 years</td>
<td>32</td>
<td>49</td>
</tr>
<tr>
<td>6-8 years</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>Less than 2 years</td>
<td>15</td>
<td>23</td>
</tr>
<tr>
<td>Over 8 years</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
<td>100</td>
</tr>
</tbody>
</table>

The study sought the period in which the respondents have been working in the law firms. From the findings, 49% of the respondents have been working in the law firms for 2 to 5 years, 23% of the respondents have been working in the law firms for less than 2 years, 19% of the respondents have been working in the law firms for 6 to 8 years while 9% of the respondents have been working in the law firms for over 8 years. This implies that the study got the raw data from respondents who majority had been working in the
law firms for more than 2 years and therefore had a vast experience on the knowledge management in law firms.

4.2.4 Period the law firm has been in operation

Table 4.3: Period the law firm has been in operation

<table>
<thead>
<tr>
<th>Period</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2 years</td>
<td>8</td>
<td>23</td>
</tr>
<tr>
<td>3-4 years</td>
<td>17</td>
<td>26</td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>4-5 years</td>
<td>26</td>
<td>39</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
<td>100</td>
</tr>
</tbody>
</table>

The respondents were requested to indicate the period in which law firm has been in operation. From the findings, 39% of the respondents indicated that the law firms have been in operation for 4 to 5 years, 26% of the respondents indicated that law firms have been in operation for 3 to 4 years. Most 23% of the respondents indicated that law firms have been in operation for 1 to 2 years while 12% of the respondents indicated that the law firms has been in operation for less than 1 year. This implies that data was collected from institutions that have been in operation for more than one year.

4.3 Knowledge Management

4.3.1 Extent to which knowledge sharing has been adopted in law firm

Table 4.4: Extent to which knowledge sharing has been adopted in law firm

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>44</td>
</tr>
<tr>
<td>Great extent</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
</tr>
</tbody>
</table>
Respondents were requested to indicate the extent to which knowledge sharing has been adopted in law firm. From the findings, majority 67% of the respondents indicated that knowledge sharing has been adopted in law firm to a very great extent while 33% of the respondents indicated that knowledge sharing has been adopted in law firm to a great extent. Respondents explained that the law firms adopt congenital learning which refers to inherited knowledge from the founders of a firm, experiential learning which is knowledge acquired from experience, and vicarious learning which is knowledge acquired from other individuals and businesses. Respondents further indicated that the employees in the law firms are able to acquire useful knowledge thus contributing to competencies among law staff in law firms. This implies that the law firms has adopted knowledge sharing indicated that they has the capability to generate new knowledge within the organization enhancing the competitive advantage. This is in line with Spender (2013) who noted that creating relationships and alliances with different partners can positively influence an organization’s ability to acquire knowledge.
### 4.3.2 Extent to which law firm adopt the knowledge management

Table 4.5: Extent to which law firm adopt the knowledge management

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law firm adopt retention of firm employee knowledge</td>
<td>4.90</td>
<td>0.87</td>
</tr>
<tr>
<td>Law firm has both soft and hard approach recording</td>
<td>4.87</td>
<td>0.79</td>
</tr>
<tr>
<td>The law firm retain its knowledge for easy retrieval</td>
<td>4.40</td>
<td>0.40</td>
</tr>
<tr>
<td>Law firm store knowledge through codification</td>
<td>4.60</td>
<td>0.57</td>
</tr>
<tr>
<td>Technological service providers</td>
<td>4.54</td>
<td>0.54</td>
</tr>
<tr>
<td>In law firm Inventory of tangible knowledge are accessible by employees</td>
<td>4.39</td>
<td>0.42</td>
</tr>
<tr>
<td>Knowledge management to provide quality hotel services</td>
<td>4.67</td>
<td>0.58</td>
</tr>
<tr>
<td>Law firm has modern technological systems that help in processing information</td>
<td>4.75</td>
<td>0.68</td>
</tr>
<tr>
<td>Law firm has implemented information communication technologies enhancing knowledge sharing</td>
<td>4.64</td>
<td>0.64</td>
</tr>
<tr>
<td>Law firm has appropriate technology for sharing knowledge</td>
<td>4.88</td>
<td>0.72</td>
</tr>
<tr>
<td>Firm promote employees trust and relationship in information sharing</td>
<td>4.65</td>
<td>0.62</td>
</tr>
<tr>
<td>Undertake information identification</td>
<td>4.38</td>
<td>0.35</td>
</tr>
<tr>
<td>Use information technology in dissemination of knowledge</td>
<td>4.60</td>
<td>0.53</td>
</tr>
<tr>
<td>There is knowledge capturing through direct interaction with clients and employees</td>
<td>4.62</td>
<td>0.60</td>
</tr>
<tr>
<td>Law firm has a data mining tools</td>
<td>4.58</td>
<td>0.67</td>
</tr>
<tr>
<td>Employees training is mandatory in law firm</td>
<td>4.87</td>
<td>0.79</td>
</tr>
<tr>
<td>The management of our law firm support continuous learning among employees</td>
<td>4.40</td>
<td>0.46</td>
</tr>
<tr>
<td>Law firm has efficient processing of information evaluation</td>
<td>4.57</td>
<td>0.58</td>
</tr>
<tr>
<td>In law firm information is validated before documentation</td>
<td>4.54</td>
<td>0.51</td>
</tr>
<tr>
<td>There is adequate sharing of information among employees in law firm</td>
<td>4.59</td>
<td>0.52</td>
</tr>
<tr>
<td>Useful information is disseminated sufficiently in serving</td>
<td>4.69</td>
<td>0.68</td>
</tr>
<tr>
<td>Information shared is applied in application of legal matters of clients</td>
<td>4.50</td>
<td>0.47</td>
</tr>
<tr>
<td>There is continuous capturing of information in law firm</td>
<td>4.86</td>
<td>0.77</td>
</tr>
<tr>
<td>There is positive attitude and value of individual employees in sharing information</td>
<td>4.46</td>
<td>0.49</td>
</tr>
</tbody>
</table>
Respondents were requested to indicate the extent to which law firms adopt the given knowledge management and are being carried out. From the findings, majority of the respondents indicated that the law firm adopts retention of firm employee knowledge, has appropriate technology for sharing knowledge, has both soft and hard approach recording and employee training is mandatory in law firm. The respondents indicated that the law firm adopts retention of firm employee knowledge, has appropriate technology for sharing knowledge, has both soft and hard approach recording and employee training is mandatory in law firm. The extent as indicated by mean of 4.90, 4.88, 4.87 and 4.87 with standard deviation of 0.87, 0.72, 0.79 and 0.79.

Most of the respondents indicated that there is continuous capturing of information in law firms, law firm has modern technological systems that help in processing information. Useful information is disseminated sufficiently in serving our client and market knowledge management tools to provide quality hotel services to very great extent as indicated by mean of 4.86, 4.75, 4.69 and 4.67 with standard deviation of 0.77, 0.68, 0.68 and 0.58. Most of the respondents indicated that law firms promote employee trust and relationship in information sharing, law firm has implemented information communication technologies enhancing knowledge sharing and there is knowledge capturing through direct interaction with clients and employee. The extent as indicated by mean of 4.65, 4.64 and 4.62 with standard deviation of 0.62, 0.64 and 0.60. Most of the respondents indicated that law firms store knowledge through codification, use information technology in dissemination of knowledge, there is adequate sharing of information among employees in law firm and has had at a mining tool to very great extent as indicated by mean of 4.60, 4.60, 4.59 and 4.58 with standard deviation of 0.57, 0.53, 0.52 and 0.67.

The findings further revealed that law firms have efficient processing of information evaluation and technological service providers, law firm’s information is validated before documentation and
nformationsharedinapplicationoflegalmattersoftheclientstoverygreatextentasin
dicatedbymeanof4.57,4.54,4.54and4.50withstandarddeviationof0.58,0.54,0.51and0.47.

Mostoftherepondentsindicatedthatthereisapositiveattitudeandvalueofindividualemployeesin
sharinginformation,managementoflawfirmsupportcontinuouslearningamongemployees,In
ventoryoftangibleknowledgeareaccessiblebyemployeesandfirmsundertakeinformationide
ntificationtoverygreatextentasincludedbymeanof4.46,4.40,4.39and4.38withstandarddeviationof0.49,0.46,0.42and0.35.Thisimpliesthatlawfirmsadoptedandcarriedoutknowledgem
agementpractices.Thisrevealsthatknowledgemanagementsystemscopytoenable
themtothinktogetherandtotaketimearticateandshareinformationandinsightsthemto know
wtheyareusefultoothersintheirworkplace.ThisisinlinewithDarroch(2005)thatknowledgemana
gementhasemergedasanewdisciplineinanorganization,anditplaysanimportantsupporting
functionbyprovidingacoordinatingmechanismtoenhanceconversionofresourcesintocapabil
ities.Lang(2001),assertsthattheroleofknowledgemanagementandtheprocessformanagingith
asbecomevitalforthesurvivaloftheorganization

4.3.3WaysthroughWhichLawFirmhasInfluencedKnowledgeManagement

Respondentswererequestedtoindicateotherwaysthroughwhichlawfirmhasinfluencedknowl
dgemanagement.Fromthefindings,respondentsindicatethatlawfirmhasinfluenceknowledg
emanagementthroughcollaboration,contentmanagementandinformationsharing.Responder
tsstatedthatLawfirmsspecializeinthecreationandtransferoflegalinformationassetsthatinclu
deknowledgeabouttheplaintiff,defendant,clientandjudge,andalaboutlawyers'experience,expe
tiseandprofessionaljudgments. Therepondentsindicatedthatmajorwaysthroughwhichknowledg
was created in the firms were by attending conferences and attending workshops. That knowledge was transferred was by teamwork and discussion of major projects after conclusion.

The findings further revealed that human resource played an important role in influencing knowledge management. Law firms created a chief knowledge officer and a KM implementation team. Law firms fostered a knowledge sharing culture, through the creation of communities of practice and mentoring programs and that firm members were rewarded for information and knowledge sharing. This implies that there are many ways through which law firm has influence knowledge management. This is in line with Kim and Lee (2010) that knowledge acquisition encompasses the process of acquiring and learning appropriate knowledge from various internal and external resources, such as experiences, experts, relevant documents, plans and so forth.

4.4 Knowledge Management and Achieving Competitive Advantage

4.4.1 Extent to agree that knowledge application influences achieving of competitive advantage

Table 4.6: Extent to Agree That Knowledge Application Influences Achieving Of Competitive Advantage

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agreed</td>
<td>31</td>
<td>47</td>
</tr>
<tr>
<td>Agreed</td>
<td>27</td>
<td>41</td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
<td>100</td>
</tr>
</tbody>
</table>
Respondents were requested to indicate the extent to which they agreed that knowledge application influence achieving of competitive advantage in a law firm. From the findings, majority of the respondents strongly agreed that knowledge application influence achieving of competitive advantage in a law firm. 43% of the respondents agreed that knowledge application influence achieving of competitive advantage in a law firm while 12% of the respondents were neutral on whether that knowledge application influence achieving of competitive advantage in a law firm. This is inline with Kalling (2003), who insisted that management of knowledge is critical and argues that the mere act of processing knowledge does not guarantee strategic advantage rather; knowledge has to be managed for law firms to achieve competitive advantage.
### 4.4.2 Extent to which with the given influence competitive advantage

#### Table 4.7: Extent to which with the given influence competitive advantage

<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption of retention of firm employee knowledge</td>
<td>4.8</td>
<td>0.82</td>
</tr>
<tr>
<td>Presence of soft and hard approach recording</td>
<td>4.7</td>
<td>0.75</td>
</tr>
<tr>
<td>Retention of knowledge for easy retrieval</td>
<td>4.4</td>
<td>0.46</td>
</tr>
<tr>
<td>Storage of knowledge through codification</td>
<td>4.4</td>
<td>0.48</td>
</tr>
<tr>
<td>Use of technological service providers</td>
<td>4.3</td>
<td>0.38</td>
</tr>
<tr>
<td>Use of firm inventory of tangible knowledge is accessible for employees</td>
<td>4.8</td>
<td>0.72</td>
</tr>
<tr>
<td>Use of modern technological system that helps in processing information</td>
<td>4.5</td>
<td>0.62</td>
</tr>
<tr>
<td>Utilization of information communication technologies enhancing knowledge sharing</td>
<td>4.5</td>
<td>0.53</td>
</tr>
</tbody>
</table>

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40
| Promotion of employee trust and relationship in information sharing | 4.5 | 0.45 |
| Use of information identification | 4.6 | 0.58 |
| Utilization of information technology in dissemination of knowledge | 4.4 | 0.54 |
| Capturing knowledge through direct interaction with clients and employees | 4.7 | 0.72 |
| Implementation of data mining tools | 4.7 | 0.77 |
| Employee training is mandatory in our law firm | 4.7 | 0.70 |
| Support of continuous learning among employees | 4.5 | 0.50 |
| Efficient processing of information evaluation | 4.6 | 0.58 |
| Validation of information before documentation | 4.7 | 0.64 |
| Adequate sharing of information among employees in our law firm | 4.8 | 0.72 |
| Useful information is disseminated sufficiently in serving our clients | 4.8 | 0.77 |
Respondents were requested to indicate the extent to which with the given statements concerning knowledge management practices influence the law firm toward achieving competitive advantage. From the findings, majority of the respondents strongly agreed that adoption of employee knowledge retention in firm, useful information being disseminated sufficiently in serving clients, adequate sharing of information among employees and use of firm inventory of tangible knowledge being accessible by employees influence the law firm toward achieving competitive advantage as indicated by mean of 4.87, 4.86, 4.83 and 4.81 with standard deviation of 0.82, 0.77, 0.72 and 0.72.

Most of the respondents strongly agreed that information shared being applied in application of legal matters of clients, validation of information before documentation, presence of soft and hard approach recording and implementation of data mining tools influence the law firm toward achieving competitive advantage as indicated by mean of 4.79, 4.78, 4.77 and 4.76 with standard deviation of 0.70, 0.64, 0.75 and 0.77.

From the findings, most of the respondents strongly agreed that employee training being mandatory in law firm, capturing knowledge through direct interaction with clients and employees, efficie

<table>
<thead>
<tr>
<th>Information shared is applied in application of legal matters of our clients</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existence of continuous capturing of information in our firm</td>
<td>4.7</td>
</tr>
<tr>
<td>Attitude and value of individual employees in sharing information</td>
<td>4.3</td>
</tr>
<tr>
<td>Respondents were requested to indicate the extent to which with the given statements concerning knowledge management practices influence the law firm toward achieving competitive advantage. From the findings, majority of the respondents strongly agreed that adoption of employee knowledge retention in firm, useful information being disseminated sufficiently in serving clients, adequate sharing of information among employees and use of firm inventory of tangible knowledge being accessible by employees influence the law firm toward achieving competitive advantage as indicated by mean of 4.87, 4.86, 4.83 and 4.81 with standard deviation of 0.82, 0.77, 0.72 and 0.72. Most of the respondents strongly agreed that information shared being applied in application of legal matters of clients, validation of information before documentation, presence of soft and hard approach recording and implementation of data mining tools influence the law firm toward achieving competitive advantage as indicated by mean of 4.79, 4.78, 4.77 and 4.76 with standard deviation of 0.70, 0.64, 0.75 and 0.77. From the findings, most of the respondents strongly agreed that employee training being mandatory in law firm, capturing knowledge through direct interaction with clients and employees, efficie</td>
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</tbody>
</table>
The study further found that most of the respondents agreed that utilization of information technology in dissemination of knowledge, storage of knowledge through codification, retention of knowledge for easy retrieval, attitude and value of individual employees in sharing information and use of technological service providers influenced the law firms toward achieving competitive advantage as indicated by mean of 4.58, 4.57 and 4.50 with standard deviation of 0.70, 0.72, 0.58, 0.58 and 0.50.

This implies that knowledge management practices influence the law firms towards achieving competitive advantage. The findings reveal that knowledge management is a function of the generation and dissemination of information, developing a shared understanding of the information, filtering shared understandings into degrees of potential value, and storing valuable knowledge within the confines of an accessible organizational mechanism. This is in line with Stankosky (2012), who stated that knowledge acquisition is a process of obtaining new knowledge and information contributing to competencies among law staff in law firms. The findings further concurred with Geiger and Schrevogg (2012), who indicated that ability to distribute and share knowledge...
geis critical for the use and leverage of knowledge resources which are considered important resources to most organizations.

4.4.3 Ways that knowledge management influence competitive advantage

Respondents were requested to give their opinion on the other ways that knowledge management influence achieving of competitive advantage in law firm. From the findings, respondents opinion that knowledge management serves as a strategic business function in the organization and has a significant impact on human capital, teamwork and overall organizational performance and effectiveness. It is through knowledge management that lawyers, paralegals, managers, support personnel and administrators have diverse occupations and distinct functions, yet they individually work together to achieve the desired outcome of adding value to the firm. This implies that knowledge management is considered an integral part of the quality management processes to achieve continuous improvement and performance excellence, thus influencing competitive advantage. This is in line with Liao and Chuang (2007) who focused on the extent to which a firm’s social and technical KM resources are related to its KM process capabilities. Liao and Chuang (2007) asserts on the degree to which these process capabilities are related to the firm’s speed and magnitude of innovation, and the extent to which these two innovation dimensions are related to firm competitiveness in terms of market share gain, sales growth, profitability, operational efficiency and service quality. Fombad (2015) asserted that law firms in Botswana offer a particularly interesting context to determine effects of knowledge acquisition and leveraging knowledge through knowledge management lead to competitive advantage, enhancing cost effectiveness and systematic harnessing of legal knowledge.

4.9.1 Correlation Analysis
Table 4.8: Correlation between the Knowledge Management and Competitive Advantage

<table>
<thead>
<tr>
<th>Knowledge Management</th>
<th>Pearson Correlation</th>
<th>0.809**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.01</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>66</td>
</tr>
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</table>

The correlation between knowledge management and competitive advantage and the strength of association were determined using Pearson Product Moment Correlation coefficient. The study was able to assess whether there exists any relationship between the study variables before further regression analysis. The criterion employed was that Correlation Coefficient of 0.7 and above was strong, 0.4 and less than 0.7 was assigned moderate and less than 0.4 was weak (Mirie, 2014).

The results in Table 4.8 show that there is a strong, significant and positive correlation between knowledge management and competitive advantage where $r = 0.809$, $P = 0.01 < 0.05$.

4.5 Regression Analysis

Table 4.9: Regression Model Summary

<table>
<thead>
<tr>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.8592a</td>
<td>0.7382</td>
<td>0.7195</td>
<td>0.0381</td>
</tr>
</tbody>
</table>

The model summary results presented in Table 4.9 show that $R^2$ is 0.7382, Std Error = 0.0381 indicating...
that knowledge management significantly influence competitive advantage in law firm in Kenya by 73.82% at confidence level of 95%.

**Analysis Of Variance**

**Table 4.10: Goodness of Fit**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>28.764</td>
<td>5</td>
<td>5.7528</td>
<td>4.02069</td>
<td>0.0015a</td>
</tr>
<tr>
<td>Residual</td>
<td>87.281</td>
<td>61</td>
<td>1.4308</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>116.045</td>
<td>66</td>
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</table>

Result in Table 4.10 indicated that the total variance (116.045) was the difference into the variance which can be explained by the independent variables (Model) and the variance which was not explained by the independent variables (Error). The study established that there existed a significant goodness of fit of the model $Y = \alpha + \beta_1 C + \varepsilon(1)$. Based on the findings, in Table 4.9 the results indicate that $F_{\text{cal}} = 4.0206$ far exceeds $F_{\text{cri}} = 3.034$, $P = 0.01 < 0.05$.

**Beta Coefficients Analysis**

**Table 4.11: Beta Regression Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
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</thead>
</table>


<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>Std.Error</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.7753</td>
<td>0.308</td>
<td>9.011</td>
</tr>
<tr>
<td>Knowledge Management</td>
<td>0.759</td>
<td>0.0689</td>
<td>.486</td>
</tr>
</tbody>
</table>

The resultant regression model took the form:

\[ Y = 2.7753 + 0.759C + \epsilon. \]

The regression results indicated that predictor knowledge management had a statistically significant and positive relation with competitive advantages in the law firms in Kenya. \( \beta_1 C = 0.759, PV = 0.0103 < 0.05, t = 11.012. \)
CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings from chapter four. A summary and concluding remark on the discourse, recommendations and suggestions for further research are laid out in the synopsis below based on the objectives of the study.

5.2 Summary

The study sought to determine the influence of knowledge management on competitive advantage in law firms in Nairobi County, Kenya. The study established a significant variation between knowledge management and competitive advantage in law firms of 73.82% at a confidence level of 95%. This implies that the impact of knowledge management contributes significantly to competitive advantage in law firms at 95% confidence interval.

From the findings, the study established that knowledge sharing has been adopted in law firms to a very great extent as the employees in the law firms are able to acquire useful knowledge thus contributing to competencies among law staff in law firms. The study revealed that the firm had adopted the inheritance of knowledge from the founders of a firm, knowledge acquired from experience and knowledge acquired from other individuals and businesses. The study established that the law firm adopted retention of firm employee knowledge, had appropriate technology for sharing knowledge, had both soft and hard approach recording. The study revealed
vealed that employee training are mandatory in law firms, there is continuous capturing of information in law firms, law firms have modern technological systems that help in processing information, useful information is disseminated sufficiently in serving clients and market knowledge management to provide quality services.

It was established that law firms promote employee trust and relationship in information sharing, law firms have implemented information communication technologies enhancing knowledge sharing and there is knowledge capturing through direct interaction with clients and employees. The firms use information technology in dissemination of knowledge and store knowledge through codification. That there is adequate sharing of information among employees and has a data mining tools.

The findings further revealed that law firms have efficient processing of information evaluation and technological service providers, firm’s information is validated before documentation and information shared is applied in application of legal matters of the clients. It is evident that there is positive attitude and value of individual employees in sharing information, management of law firms support continuous learning among employees, inventory of tangible knowledge are accessible by employees and firms undertake information identification.

It was revealed that law firm firms specialize in the creation and transfer of legal information assets that include knowledge about the plaintiff, defendant, client and judge, and about lawyers’ experience, expertise and professional judgments. Major ways by which knowledge was created in the firms were by attending conferences and attending workshops. That knowledge was transferred by team work and discussions of major projects after conclusion. The findings further revealed that
athumanresourceplayedimportantroleininfluencingknowledgemanagement,lawfirmscreate
dachiefknowledgeofficerandaKMinplementationteam,lawfirmsfosteredaknowledgescharing
gculture,throughthecreationofcommunitiesofpracticeandmentoringprogramsandthatfirm
memberswererewardedforinformationandknowledgesharing.

Thestudyestablishedthatknowledgeapplicationinfluenceachievingofcompetitiveadvantagein
lawfirm. Adaptionofemployeeknowledgerecitationinfirm,usefulinformationbeingdissemi
natedsufficientlyinservingclients,adequatesharingofinformationamongemployeesanduseof
firminventoryoftangibleknowledgebeingaccessiblebyemployeesinfluencethe lawfirmstoward
achievingcompetitiveadvantage. Informationsharedbeingappliedinapplicationoflegalmat
tersofclients,validationofinformationbeforedocumentation,presenceofsoftandhardapproac
hrecordingandimplementationofdataminingtoolsinfluencethe lawfirmstowardachievingco
petitiveadvantage

Itwas evident that employee training being mandatory in lawfirm, capturing knowledge through
directinteractionwithclientsandemployees, efficient processing of information evaluation, use
of information identification and existence of continuous capturing of information in lawfirm in
fluencecompetitiveadvantage. Use of modern technological systemsthat help in processing infor
mation, support of continuous learning among employees and utilization of informationcommu
nicationtechnologiesenhanceknowledgescharingthusinfluencethelawfirmstowardachieving
competitiveadvantage.

Thestudyestablishedthatutilizationofinformationtechnologyin disseminationofknowledge,s
storageofknowledge through codification, retention of knowledge for easy retrieval, attitude and
value of individual employees in sharing information and use of technological service providers influence the law firm towards achieving competitive advantage.

5.3 Conclusion

The study concludes that knowledge management is a discipline in an organization which when adopted plays an important supporting function by providing a coordinating mechanism to enhance conversion of resources into capabilities. The study concludes that adoption of knowledge sharing enables the firm to have the capability to generate new knowledge within the organization and enhancing the competitive advantage. Creating relationships and alliances with different partners positively influence the organization’s ability to acquire knowledge. The study concludes that adoption and carrying out of knowledge management practices enable the employees in the law firm to acquire useful knowledge thus contributing to competencies among law staff in law firms. The study concludes that knowledge acquisition and leveraging knowledge through knowledge management lead to competitive advantage, enhancing cost effectiveness and systematic harnessing of legal knowledge.

The role of knowledge management and the process for managing it has become vital for the survival of the organization. The study concludes that knowledge management systems connect people enable them to think together and take time to articulate and share information and insights through which knowledge they are useful to others in their workplace. Moreover, there are various ways through which law firm influence knowledge management including process of acquiring and learning appropriate knowledge from various internal and external resources, such as experiences, experts, relevant...
The obtaining of new knowledge and information contributes to the obtaining of new knowledge and information. Therefore, management of knowledge is critical in law firms. Therefore, management of knowledge is critical and the mere act of processing knowledge does not guarantee strategic advantage rather, knowledge has to be managed for the law firm to achieve competitive advantage.

The study concludes that knowledge management practices influence the law firm toward achieving competitive advantage as knowledge management is a function of the generation and dissemination of information. Moreover, developing a shared understanding of the information, filtering shared understandings into degrees of potential value and storing valuable knowledge within the confines of an accessible organizational mechanism practices influence the law firm toward achieving competitive advantage.

5.4 Recommendation

Based on the findings and conclusion of the study, the following policy recommendations were proposed to improve the overall management of law firm toward achieving competitive advantage. The recommendations for the study include that law firm should fully develop, share and apply knowledge within the organization to gain and sustain a competitive advantage. Ability to distribute and share knowledge is critical for the use and leverage of knowledge resources which are considered important resources to most organizations.
The study recommends that law firms should adopt knowledge management practices to serve as a strategic business function in the firm in order to improve human capital, teamwork and overall organizational performance and effectiveness. This will enable the lawyers, paralegals, managers, support personnel, and administrators who have diverse occupations and distinct functions to work together and achieve the desired outcome. This will enable the law firms to achieve competitive advantage, enhancing cost effectiveness and systematic harnessing of legal knowledge. The study recommends that law firms should consider knowledge management as an integral part of the quality management process to achieve continuous improvement and performance excellence thus influencing the firm’s competitiveness in terms of market share gain, sales growth, profitability, operational efficiency and service quality.

5.5 Limitations

In conducting the study, the researcher encountered a number of challenges. One of the challenges was inadequate cooperation from some of the law companies’ respondents who were unwilling to provide data for the study. This study was dependent on primary data from selected law firms’ interviewees who were unwilling to offer such information. However, the researcher explained to the management that the sought information was just for academic research and would be used for academic research and confidentiality in handling such data was guaranteed.

Additionally, the study focuses on law firms and hence the findings could not be generalized to other institutions and/or other private organizations in Kenya. Thirdly, the information given was limited as some interviewees were secretive or rather limited the information they gave out. Some of the information such as competitiveness of the law firm was crucial for the study to make a formidable
conclusion. However, the researcher made efforts and informed the interviewees that the information they would provide would be held confidential.

5.6 Recommendation for further studies

This study determined the influence of knowledge management on competitive advantage in law firms in Nairobi County, Kenya. The study revealed that knowledge management contributes greatly to competitive advantage in law firms. This is evidenced by the R-Square which is the coefficient of determination that showed that the independent variable in the model explain a big percentage of competitive advantage. The study recommends further research on the effect of various knowledge management practices on competitive advantage in law firms in Nairobi County, Kenya.

This study further recommends an inclusion of law firms in other counties in Kenya in similar studies. Such a study can facilitate in determining the extent of similarities in the knowledge management and its implication on the competitive advantage of the entire legal environment. A further study should be carried out to assess the influence of knowledge management on competitive advantage among the law firms in Kenya particularly determining the effect of knowledge acquisition and leveraging knowledge through knowledge management that lead to competitive advantage.
REFERENCES


APPENDICES

Appendix 1: Introduction letter

The management

..................,
P.O Box
Nairobi.

Re: DATA COLLECTION

I am a student at the University of Nairobi pursuing a Masters of Business Administration program. Pursuant to the pre-requisite course work, I am like conducting a research project on investigation of INFLUENCE OF KNOWLEDGE MANAGEMENT ON ACHIEVING COMPETITIVE ADVANTAGE IN AMONG LAW FIRMS IN NAIROBI

The focus of my research will be law firm in Nairobi and this will involve use of questionnaires administered to members of the management team.

I am kindly seeking your assistance in data collection by answering the questions in the questionnaire. The information you will provide will be used for academic purpose only. I have enclosed an introductory letter from the University.

Your assistance will be is highly valued.

Thank you in advance.

Yours faithfully,
Kibathi Elias
Appendix II: Questionnaire

Kindly answer the following questions by ticking in the appropriate box or filling the spaces provided.

SEC A. BACKGROUND OF THE STUDY

1. What is your designation in this hotel? .................................................................

2. Indicate your level of academic qualification
   Degree (   )
   Master (   )
   Postgraduate (   )
   Any other, kindly indicate…………………………………………………………..

3. How long have you worked in the law firm?
   Less than 2 years (   )
   2-5 years (   )
   6-8 years (   )
   Over 8 years (   )

4. Indicate how long your law firm has been in operation
   Less than 1 years (   )
   1-2 years (   )
   3-4 years (   )
   4.5 years (   )
   Over 5 years (   )

SECTION B: KNOWLEDGE MANAGEMENT

4. Indicate the extent to which knowledge sharing has been adopted in your hotel?
   Very great extent [  ]
   Great extent [  ]
   Neutral [  ]
Small extent [ ]
Very small extent [ ]

Give reasons for your answer……………………………………………………………………

5. Using a scale of 1-5 indicate the extent to which your law firm adopt the following knowledge management is being carried out? (1-No at all, 2-to small extent, 3-to a moderate Extent, 4- to a large Extent and 5- to a very large Extent)

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td>Our law firm adopt retention of firm employee knowledge</td>
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<tr>
<td>Our law firm has both soft and hard approach recording</td>
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<tr>
<td>The law firm retain its knowledge for easy retrieval</td>
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<tr>
<td>Our law firm store knowledge through codification</td>
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<tr>
<td>Technological service providers</td>
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<tr>
<td>In our law firm Inventory of tangible knowledge are accessible by employees</td>
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<tr>
<td>Market knowledge management to provide quality hotel services</td>
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<tr>
<td>Our law firm has modern technological systems that help in processing information</td>
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<tr>
<td>Our law firm has implemented information communication technologies enhancing knowledge sharing</td>
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<td>Our law firm has appropriate technology for sharing knowledge</td>
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<tr>
<td>Our law firm promote employees trust and relationship in information sharing</td>
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<td>Our law firm undertake information identification</td>
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<tr>
<td>Our firm use information technology in dissemination of knowledge</td>
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<tr>
<td>There is knowledge capturing through direct interaction with clients and employees</td>
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</tbody>
</table>
Our law firm has a data mining tool.

Employees' training is mandatory in our law firm.

The management of our law firm supports continuous learning among employees.

Our law firm has efficient processing of information evaluation.

In our law firm, information is validated before documentation.

There is adequate sharing of information among employees in our law firm.

Useful information is disseminated sufficiently in serving our client.

Information shared is applied in application of legal matters of our clients.

There is continuous capturing of information in our law firm.

There is a positive attitude and value of individual employees in sharing information.

6. Indicate other ways through which your law firm has influence knowledge management …………………………………………………………………………………………………………

SEC C: EXTENT TO KNOWLEDGE MANAGEMENT ON ACHIEVING COMPETITIVE ADVANTAGE IN LAW FIRMS IN, NAIROBI COUNTY

7. To what extent do you agree that knowledge application influences achieving of competitive advantage in your law firm?
   i. Strongly agree [ ]
   ii. Agree [ ]
   iii. Neutral [ ]
   iv. Disagree [ ]
   v. Strongly disagree [ ]
8. Using a scale of 1-5, indicate the extent to which with the following statement concerning influence of knowledge management practices toward achieving competitive advantage in your law firm? (1-No at all, 2-to small extent, 3-to a moderate Extent, 4- to a large Extent and 5- to a very large Extent)

<table>
<thead>
<tr>
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<th>1</th>
<th>2</th>
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<td>Adequate sharing of information among employees in our law firm</td>
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<tr>
<td>Useful information is disseminated sufficiently in serving our client</td>
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<td>Existence of continuous capturing of information in our law firm</td>
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<tr>
<td>Attitude and value of individual employees in sharing information</td>
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</table>

9. In your own opinion, indicate other ways that knowledge management influence achieving of competitive advantage in your law firm…………………………
.............................................................................................................................
Appendix III: Knowledge Gaps

<table>
<thead>
<tr>
<th>Author(S) and Year</th>
<th>Study Focus</th>
<th>Research Methodology</th>
<th>Research Findings</th>
<th>Knowledge Gap(S)</th>
<th>How Current Study Will Address Gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muigambari and Kwasi A(2015)</td>
<td>Influence of Knowledge Management on Performance of Legal Firms in Nakuru County.</td>
<td>Descriptive survey, research design, study Population of 162 respondents.</td>
<td>Findings indicate sharing (r=0.664) had a significant influence on performance of legal firms.</td>
<td>- Did not consider knowledge management and competitive advantage in law firms in Kenya.</td>
<td>The study will focus on determining whether there exists a significant relationship between knowledge management and competitive advantage in law firms in Nairobi, Kenya.</td>
</tr>
<tr>
<td>Abim, Zevar and Olayanwo (2014)</td>
<td>Relationship between knowledge acquisition and competitive advantage in hospitality industry focusing on hotels in Benue State, Nigeria.</td>
<td>Adopted exploratory factor analysis and multistage sampling technique. Use Questionnaire data collection and Regression in Testing Hypothesis.</td>
<td>Knowledge acquisition has a significant influence on achieving competitive advantage in hotels in Benue Estate, Nigeria.</td>
<td>Use ex-post facto research design - aquasi-experimental study focusing on hotel lasunitofanal ysis.</td>
<td>Will focus on KM and competitive advantage. Law firms will study units.</td>
</tr>
<tr>
<td>Mohammada and Shoai (2015)</td>
<td>Impact of Knowledge Management Practices on Organizational Performance in Banks in Pakistan.</td>
<td>Descriptive survey, research design. Use Questionnaire, data collection target population was 256 banks.</td>
<td>Thesudy revealed KM had a significant influence on bank performance.</td>
<td>This study would focus on knowledge management in banks and performance.</td>
<td>The current study would focus on determining the influence of knowledge management in banks and competitive advantage in developing counties, Kenya.</td>
</tr>
<tr>
<td>Gicuhukii (2014)</td>
<td>Determinetheknowledge managementpracticesadopted byhotelsintheeasternregion, Kenya in achieving competitive advantage</td>
<td>- Thestudyuse descriptivessurveydesign - TargetPopulation47hotels Questionnaire refordatacollection - Descriptivestatistics</td>
<td>Thestudyrevealedthat KM influences the achievement of competitive advantage in hotels in Kenya</td>
<td>Thistudyhowservicefocus onknownledge management and extent to achieve competitive advantage in hotels</td>
<td>Thecurrentstudywillfocus on whether knowledge management has led to competitive advantage in legal firms and competitive advantages in the sectors in Kenya</td>
</tr>
<tr>
<td>Gholami, Asli, Nazari-Shirkouhi, and Noruzi (2013)</td>
<td>Investigated the influence of knowledge management practices on organizational performance</td>
<td>Structuralequationmodeling.Targetpopulation282seniormanagers</td>
<td>Theresultsshowed that knowledge acquisition, knowledge storage, knowledge creation, knowledge influence on SME performance</td>
<td>Thestudyfocussed on KM and performance of SMEsand firms</td>
<td>Thecurrentstudy seeks to determine the relationship between knowledge management practice and competitive advantage in hotels and firms in Nairobi County, Kenya</td>
</tr>
<tr>
<td>Saini (2013)</td>
<td>Examined the impact of Knowledge Management Practices on competitive advantage of SMEsinIndia</td>
<td>Adopted a structural equation model with a pragmatic approach: Thestudyused primary data collected from three SMEsin software, pharmacy, and textiles in North India</td>
<td>Thestudyrevealed that knowledge management practices have a significant influence on organizational performance, competitive advantages, and employee retention rates in selected SMEs</td>
<td>Thestudyfocussed on knowledge management and competitiveness of SMEsin India</td>
<td>Thestudyfailed to link knowledge management to competitive advantage in hotels and firms in Nairobi County, Kenya</td>
</tr>
<tr>
<td>Kharaebshahand Aqr</td>
<td>Examined the relationship between knowledge management practices and firm’s differentiations strategy and competition</td>
<td>Used a questionnaire survey of 168 pharmaceutical and biotech companies Target population</td>
<td>Thestudyestablished that information sharing and resource management is crucial to successful relationship with the firm’s differentiating strategy and achieving competitive advantage</td>
<td>Thestudyfocussed on KM and firm’s differentiation strategy and competitive advantage</td>
<td>Thecurrentstudy focuses on examine KM and competitive advantage in law firms in Kenya</td>
</tr>
<tr>
<td>Authors</td>
<td>Title</td>
<td>Methodology</td>
<td>Findings</td>
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<td>Fombad M. (2015)</td>
<td>Investigated influence of adoption of knowledge management on achieving competitive edge in law firms in Botswana</td>
<td>Survey research design targeting all 115 registered law firms and 217 lawyers</td>
<td>The results revealed that enabling environment adoption of knowledge management enhances cost effectiveness and systematic harnessing of legal knowledge.</td>
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<td>The study focused on factors influencing adoption of knowledge management in law firms in Nairobi, Kenya.</td>
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