

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

BY

ELIAS KIBATHI MURIMI

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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.

Signature _____

Date: _____

KIBATHI ELIAS MURIMI

REG. NO: D61/84173/2015

This research project has been submitted with my approval as the University Supervisor.

Signature.....

Date.....

DR. REGINA KITIABI

Lecturer, School of Business, University of Nairobi

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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 rationally and improve them to promote continuous learning. They emphasize 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. 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 simple random sampling technique to select a sample of 20% out of 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

gesharingenablethefirmstohavethecapabilitytogeneratenewknowledgewithintheorganizati
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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 an 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 their resources at its disposal in order to achieve a 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's accessibility to competent human resource and therefore the best knowledge in their chosen fields provides outstanding client services such as clear and timely billing, an 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 view and learning theories. The resource based view theory

emphasizes the organizational need for superior coordination and integration of learning by employees inside the organization and argues that heterogeneous knowledge bases and capabilities among firms are the main determinants of sustained competitive advantage and superior corporate performance. The legal firm consists of a community of individuals who create and transfer knowledge quickly and efficiently. As Hunter, Beaumont and Lee (2002), notes a law firm is generally composed of lawyers, paralegals, managers, support personnel and administrators. These diverse occupations have distinct functions, that work together to achieve the desired outcome of providing quality legal services and 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. According to Hunter, Beaumont and Lee (2002), 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. By realizing the major value of intellectual resources, law companies have begun to manage 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.

Human resources have a central role and the first place knowledge information, contribute to the company as revenue contribution of products and services, preserve and increase the reputation, through the reduction of operating costs and gaining competitive advantage. The success of organizations largely depends on continual investment in learning and acquiring new knowledge that creates new businesses and improve existing performances. The legal industry in Kenya for instance continues to be very competitive, as such for a legal firm to survive it has to have a well laid out strategy to give it direction and purpose in its operations. All these coupled together pose a very big challenge.

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ooffertremendousopportunities,whereifwellusedcanharnessforsuccess.

1.1.1TheConceptKnowledgeManagement

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ndingsintodegreesofpotentialvalue,andstoringvaluableknowledgewithintheconfinesofanac
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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 customers 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 rival entities 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 a particular resource and capabilities that the firm possesses that are not available to competitors. The transformation of available skills and resources into a strategic position can only take place under conditions that provide a customer benefit, and normally require the transformation of multiple competitive methods. The ability to implant a 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 firm management, which many management scholars and practitioners have focused on improving via strategic variables such as KM practices (Tian, 2013). Past studies have conceptualized firms' competitiveness without performing rival in the market on return on assets, sales growth, new products 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 motivation, inspiration and pure chance play an important role.

Organizations and HR professionals continuously focusing their efforts on attracting the best employees who possess an abundance of knowledge and skill in order to enhance the overall value of

he company. Companies then invest large amounts of capital to further increase employees' knowledge, via training and continuous education programs. Modern Knowledge management practice emphasizes the creation of new knowledge and the timely application of organizational knowledge to maintain strategic advantage (Grant, 1991).

The performance of a legal firm depends on the extent to which the use of knowledge management is put in place in order to meet the information and knowledge needs. Knowledge management therefore focuses upon long range objectives and short-term priorities. KM can play an important role in achieving these objectives because it has the potential to increase efficiency and effectiveness within the firm. In the fast changing business environment, knowledge has become the mainstay of every organization in creating and sustaining competitive differentiation and advantage (Geiger, & Schreyogg, 2012). At the same time, the emerging knowledge-based economy encourages individuals to be more self-seeking in their career objectives and aspirations to achieve breakthrough in business performance through the synergy of people, processes, and technology to serve as the source and stock of knowledge and the flow of knowledge, knowledge creation, sharing and application to create and sustain organizational value and competitive advantage (Wemby, 2010).

1.2 Research Problem

Service enterprises in developing countries particularly operate in environments characterized by increased need for knowledge to create and sustain competitive advantage. There has been increased rivalry in the legal industry over recent years (Jashapara, 2011). The intense rivalry and threat of new entrants into the market is increasing, thus sustaining growth and market leadership is incr

easingly challenging. In order for law firms to succeed in highly dynamic business environment, it is critical that they embrace Knowledge management in their business operations. The changing customer need has 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 legal 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 lawyers to provide quality services to clients (Kiprono, 2013). In a bid to gain more customers and improve on their productivity, law firms are sharing information, investing on knowledge and talent management 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 firm 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 of 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. Muga mbi and Kwasira (2015) carried out a study on 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 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 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. The study sought to answer the question to what extent does knowledge management influence the achieving of competitive advantage in law firm in Nairobi County?

1.3 Objective of the Study

The objective of the study was to determine 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 influence 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 a new insight on knowledge management and the resultant effect on law firm performance and on what has to be done to improve the organizations' bottom-line by having a satisfied client's 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 a measure 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 firm and the kinds of challenges, and indetermination 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 their 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 valued 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 recognises the strategic importance of social and behavioural 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 (Makhi ja, 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 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 costs than its rivals and thus gain a competitive advantage. A resource that leads to distinctive competence 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).

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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 employ-

ees so that they can create knowledge and value for the firm. Barney asserted observed that knowl-

edge and capabilities-based views (KBV) in strategy have largely extended resource-

based reasoning by suggesting that knowledge is the primary resource underlying new value creat-

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 rather 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 resources that make 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 KMS 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 the 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 to 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 climbing, 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 other 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 c

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.

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 & Noruzi, 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 know-

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

he organization as a whole. Successful knowledge storage is exemplified in 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 of individuals to share what they know (Du Plessis and Du Toit, 2006).

Organizations seek to use a range of authoritative sources, including knowledge held by individuals and within knowledge systems maintained by the organization. Explicit knowledge can be documented, categorised, 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

oral learning organization; indeed it's on the basis of new knowledge and insights that the organization changes its behaviour. 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 on 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 road map 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

dership advantage is gained by performing most activities at a lower cost than competitors while still 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 subforms, among which 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 Wilkesmann *et al.* (2009), 'client loyalty is decreasing as companies increasingly base purchases of legal services on a 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, 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 Tian (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 states that each 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) 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. According to King (2008) have noted that the successful implementation of knowledge management practices in law firms may result in innovativeness, suitability, enhance learning, improve quality of law services rendered, improve law firm staff competences, improve law firm customer services, led 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 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 a descriptive survey research design as the study has qu

alitative and quantitative approaches. Data collection was done through close-ended questionnaires as a simple 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 ex-post-facto research design and multi-stage sampling technique to select sample respondents from 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 State Nigeria. This study however focused on determining effects 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 service delivery, and the surge in the number of law firms in Nairobi County motivated 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, knowledge acquisition, knowledge conversion, knowledge application and knowledge protection on organizational performance in banks in Pakistan. The study adopted a 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 techniques. 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 and performance. The current study would focus on determining the influence of knowledge management on achieving competitive advantage in law firms in developing countries, 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 achieves competitive advantage in hotels. The current study will focus whether knowledge management has led to achi

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 loadings on knowledge management. It further showed that productivity, financial performance, staff performance, innovation, work relationships, and customer satisfaction have significant factor loadings 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 the 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 an environment. A conceptual model was developed from the reviewed theoretical framework linking knowledge management practices and organizational performance, using descriptive statistics and structural equation modeling technique. The study used primary data collected from

in three 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 these 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 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 an environment 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 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 an information culture, influence the productivity, financial performance, staff performance, innovation, work relationships, customer satisfaction, and finally organizational performance. However, studies on influence of KM practice 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 law firms to rethink their structures, roles, mission and the manner in which they conduct their business in effort 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 on 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 were 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 were 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 a descriptive survey research design attempts to collect data from members of a population and describe existing phenomena 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 households 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 simple 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 address demographic information of the respondents while the second section

on address knowledge management practices adopted at Law firms in Nairobi Kenya while the thematic section addresses the relationship between knowledge management practices and competitive advantage at Law firms in Nairobi County. Senior staff of the law firm were the respondents of the study.

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 means, 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

	Frequency	Percent
Filled questionnaires	66	92
Unfilled questionnaires	5	8
Total	71	100

4.2 Background of the Respondents

This section contains the analysis of information on respondent. The respondents were characterized in different categories like their 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 personnels, marketing directors, technology experts. This implies that data collection was done from individual who belong to the law firms and the information they gave was valid.

4.2.2 Respondents level of academic qualification

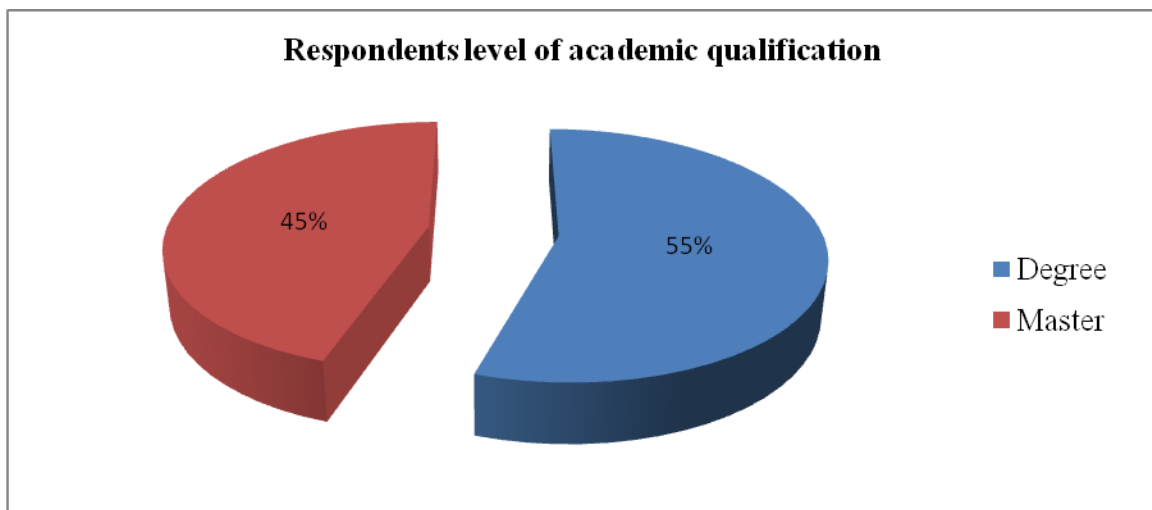


Figure 4. 1: Respondents level of academic qualification

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

	Frequency	Percentage
2-5 years	32	49
6-8 years	13	19
Less than 2 years	15	23
Over 8 years	6	9
Total	66	100

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

	Frequency	Percentages
1-2 years	8	23
3-4 years	17	26
Less than 1 year	15	12
4-5 years	26	39
Total	66	100

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

	Frequency	Percentages
Very great extent	44	67
Great extent	23	33
Total	66	100

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

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

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 to a great 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 to provide quality hotel services to a 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 employees to a very great 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 indicate 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 adequate training tools to a 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

Information shared is applied in application of legal matters of the clients to a very great extent as indicated by mean of 4.57, 4.54, 4.54 and 4.50 with standard deviation of 0.58, 0.54, 0.51 and 0.47.

Most of the respondents indicated 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 to a very great extent as indicated by mean of 4.46, 4.40, 4.39 and 4.38 with standard deviation of 0.49, 0.46, 0.42 and 0.35. This implies that law firms adopted and carried out knowledge management practices. This reveals that knowledge management systems connect people to enable them to think together and to take time to articulate and share information and insights to know what they are useful to others in their workplace. This is in line with Darroch (2005) that 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. Lang (2001), asserts that the role of knowledge management and the process for managing it has become vital for the survival of the organization.

4.3.3 Ways through Which Law Firm has Influenced Knowledge Management

Respondents were requested to indicate other ways through which law firm has influenced knowledge management. From the findings, respondents indicate that law firm has influence knowledge management through collaboration, content management and information sharing. Respondents stated that Law 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. The respondents indicated that major ways by which knowledge

ewascreatedinthefirmswerebyattendingconferencesandattendingworkshops. Thatknowledge
 ewastransferredwasbyteamworkanddiscussionsofmajorprojectsafterconclusion.

Thefindingsfurtherrevealedthathumanresourceplayedimportantroleininfluencingknowledg
 emanagement,lawfirmscreatedachiefknowledgeofficerandaKMimplementationteam,lawfi
 rmsfosteredaknowledgesharingculture,throughthecreationofcommunitiesofpracticeandme
 ntoringprogramsandthatfirmmemberswererewardedforinformationandknowledgesharing.
 Thisimpliesthattherearemanywaysthroughwhichlawfirmhasinfluenceknowledgemanagem
 ent. ThisisinlinewithKimandLee(2010)thatknowledgeacquisitionencompassestheprocessof
 acquiringandlearningappropriateknowledgefromvariousinternalandexternalresources,such
 asexperiences,experts,relevantdocuments,plansandsoforth.

4.4 Knowledge Management and Achieving Competitive Advantage

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

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

	Frequency	Percentages
Strongly agreed	31	47
Agreed	27	41
Neutral	8	12
Total	66	100

Respondents were requested to indicate the extent to which they agreed that knowledge application influence achieving of competitive advantage in law firm. From the findings, majority of the respondents strongly agreed that that knowledge application influence achieving of competitive advantage in law firm 43% of the respondents agreed that that knowledge application influence achieving of competitive advantage in law firm while 12% of the respondents were neutral on whether that knowledge application influence achieving of competitive advantage in law firm. This implies that knowledge application influence achieving of competitive advantage in law firm. This is in line 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

Statement	M	Standard deviation
Adoption of retention of firm employee knowledge	4.87	0.82
Presence of soft and hard approach recording	4.77	0.75
Retention of knowledge for easy retrieval	4.40	0.46
Storage of knowledge through codification	4.42	0.48
Use of Technological service providers	4.34	0.38
Use of firm Inventory of tangible knowledge are accessible by employees	4.81	0.72
Use of modern technological systems that help in processing information	4.58	0.62
Utilization of information communication technologies enhancing knowledge sharing	4.53	0.53

Promotion of employee trust and relationship in information sharing	4.50	0.45
Use of information identification	4.67	0.58
Utilization of information technology in dissemination of knowledge	4.47	0.54
Capturing knowledge through direct interaction with clients and employees	4.71	0.72
Implementation of data mining tools	4.76	0.77
Employee training is mandatory in our law firm	4.72	0.70
Support of continuous learning among employees	4.57	0.50
Efficient processing of information evaluation	4.68	0.58
Validation of information before documentation	4.78	0.64
Adequate sharing of information among employees in our law firm	4.83	0.72
Useful information is disseminated sufficiently in serving our	4.8	0.77

lient	6	
Information shared is applied in application of legal matters of fo	4.7	0.70
Existence of continuous capturing of information in our law fir	4.6	0.50
m	3	
Attitude and value of individual employees in sharing informat	4.3	0.48
ion	7	

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

nt processing of information evaluation, use of information identification and existence of continuous capturing of information in law firm influence competitive advantage as indicated by mean of 4.72, 4.71, 4.68, 4.67 and 4.63 with standard deviation of 0.53, 0.50 and 0.45. Most of the respondents strongly agreed that use of modern technological systems that help in processing information, support of continuous learning among employees and utilization of information communication technologies enhancing knowledge sharing influence the law firm 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.

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 influence the law firm toward achieving competitive advantage as indicated by mean of 4.47, 4.42, 4.40, 4.37 and 4.34 with standard deviation of 0.54, 0.48, 0.46, 0.48 and 0.38. This implies that knowledge management practices influence the law firm toward 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 contribute 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

ge is 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 opinioned 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 individuals 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 process 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), assert 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

		Competitive advantage
Knowledge management	Pearson Correlation	0.809**
	Sig. (2-tailed)	0.01
	N	66

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 $r = 0.809$, $PV = 0.01 < 0.05$.

4.5 Regression Analysis

Table 4.9: Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.8592a	0.7382	0.7195	0.0381

The model summary results presented in Table 4.9 show that R^2 is 0.7382, Std Error = 0.0381 indic

ating 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

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	28.764	5	5.7528	4.02069	0.0015a
Residual	87.281	61	1.4308		
Total	116.045	66			

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 $Y = \alpha + \beta_1 C + \epsilon(1)$. Based on the findings, in Table 4.9 the results indicate that $F_{Cal} = 4.0206$ exceeds $F_{Cri} = 3.034$, $P = 0.01 < 0.05$.

Beta Coefficients Analysis

Table 4.11: Beta Regression Coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

	B	Std.Error	Beta		
(Constant)	2.7753	0.308		9.011	0.0011
KnowledgeManagem ent	0.759	0.0689	.486	11.012	0.0103

The resultant regression model took the form:

$$Y = 2.7753 + 0.759C + e.$$

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

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 remarks 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 on 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 a 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 re-

vealed that employee training are mandatory in law firms, there is continuous capturing of information in law firms, law firms has 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 firm has 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 firm 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 was by teamwork and discussion of major projects after conclusion. The findings further revealed th

Human resource played an important role in influencing knowledge management, law firms create 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.

The study established that knowledge application influences achieving of competitive advantage in law firm. 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 towards achieving competitive advantage. 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 towards achieving competitive advantage.

It was evident that employee training being mandatory in law firm, capturing knowledge through direct interaction with clients and employees, efficient processing of information evaluation, use of information identification and existence of continuous capturing of information in law firm influence competitive advantage. Use of modern technological systems that help in processing information, support of continuous learning among employees and utilization of information communication technologies enhance knowledge sharing thus influence the law firm towards achieving competitive advantage.

The study established 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 influence the law firm's toward 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 enable the firm 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 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 to enable them to think together and to take time to articulate and share information and insights that they know they are useful to others in their workplace. Moreover, there are various ways through which a law firm influence knowledge management including process of acquiring and learning appropriate knowledge from various internal and external resources, such as experiences, experts, relevant

and documents and plans. The obtaining of new knowledge and information contributes to competencies among law staff in law firms.

The study concludes that knowledge application influences achieving of competitive advantage in law firm. Therefore, management of knowledge is critical and the mere act of processing knowledge does not guarantee strategic advantage; knowledge has to be managed for the law firm to achieve competitive advantage.

The study finally 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 firms toward achieving competitive advantage. These recommendations for the study include that law firms 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 on 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 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 explains 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 as a similar study as a control. 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 effects of knowledge acquisition and leveraging knowledge through knowledge management that lead to competitive advantage.

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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)

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

Our law firm has a data mining tools					
Employees training is mandatory in our law firm					
The management of our law firm support 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 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 agreed that knowledge application influence 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)

Statement	1	2	3	4	5
Adoption of retention of firm employee knowledge					
Presence of soft and hard approach recording					
Retention of knowledge for easy retrieval					
Storage of knowledge through codification					
Use of Technological service providers					
Use of firm Inventory of tangible knowledge are accessible by employees					
Use of modern technological systems that help in processing information					
Utilization of information communication technologies enhancing knowledge sharing					
Promotion of employees trust and relationship in information sharing					
Use of information identification					
Utilization of information technology in dissemination of knowledge					
Capturing knowledge through direct interaction with clients and employees					
Implementation of data mining tools					
Employees training is mandatory in our law firm					
Support of continuous learning among employees					
Efficient processing of information evaluation					
Validation of information before documentation					
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					
Existence of continuous capturing of information in our law firm					
Attitude and value of individual employees in sharing information					

9. In your own opinion, indicate other ways that knowledge management influence achieving of competitive advantage in your law firm.....

Appendix III: Knowledge Gaps

Author(S) and Year	Study Focus	Research methodology	Research Findings	Knowledge Gap(S)	How Current Study will address Gaps
Mugambi and Kwasiira (2015)	Influence of Knowledge management on performance of legal firms in Nakuru County.	<ul style="list-style-type: none"> - Descriptive survey research design, study- Population of 162 respondents, - Simpler and om Sampling - Correlation and regression 	Findings indicate sharing ($r=0.664$) had a significant influence on performance of legal firms	<ul style="list-style-type: none"> - Did not consider knowledge management and competitive advantage in law firms in Kenya 	The study will focus on determining whether there exists a significant relationship between knowledge management and competitive advantage in law firms in Nairobi, Kenya.
Agbim, Zever and Oriarewo (2014)	Relationship between knowledge acquisition and competitive advantage in hospitality industry focusing on hotels in Benue State, Nigeria	<ul style="list-style-type: none"> - Adopted ex-post-factor research design and multistage sampling technique. - Use Questionnaire in data collection - Regression and Testing hypothesis 	Knowledge acquisition has a significant influence on achieving competitive advantage in hotels in Benue State, Nigeria	Use ex-post-factor research design- quasi-experimental study Focus on hotel as unit of analysis	<ul style="list-style-type: none"> - Will focus on KM and competitive advantage- Law firms will be study units - Descriptive research survey method.
Mohammad and Shoaib (2015)	Impact of knowledge management practices on organizational performance in Banks in Pakistan	<ul style="list-style-type: none"> - Descriptive survey research design - Use questionnaire in data collection - target population was 256 banks - Using correlation and regression 	The study revealed KM had a significant influence on bank performance	This study however focuses on knowledge management in banks and performance	The current study would focus on determining the influence of knowledge management on achieving competitive advantage in law firms in developing countries, Kenya

		essionanalysis istechnique			
Gic huk i(2 014)	Determinethekno wledgemanage mentpracticesadopted byhotelsinthecoast alregion,Kenyaina chievingcompetiti veadvantage	- Thestudyused adescriptiv esurveydesi gn - TargetPopul ation47hotel s Questionnai refordatacol lection - Descriptives tatistics	Thestudyrevealedthatt hatKMinfluenceachie vementofcompetitvea dvantageinhotelsinKe nya	Thisstudyho weverfocuse sonknowled gemanage mentandextentit achievecomp etitiveadvant ageinhotels	Thecurrentstudywillfo cuswhetherknowledg emanagementhasledtoa chievementofcompetit iveadvantageinlegalfir msduetoincreaseinlaw firmsandcompetitiven essinlegalsectorsinKe nya
Gh ola mi, Asli, Naza ri- Shi rko uhi and Nor uzy (20 13)	Investigatedtheinfl uenceofknowledge managementpracti cesonorganization alperformance	Structuraleq uationmodel ing.Targetp opulationof 282seniorm anagers	Theresultsshowedthat knowledgeacquisition, knowledgestorage,kno wledgecreation,knowl edgeinfluenceSMEspe rformance	Thestudyfoc usonKMand performance ofSMEsandf ailedtokinkK Mandcompet itiveadvanta geinlawfirms	Thecurrentstudyseekt odeterminetherelation shipbetweenknowledg emanagementpractice sdirectlyandcompetiti veadvantageinlawfirm sinNairobiCounty,Ke nya
Sai ni(201 3)	Examinedimpactof KnowledgeManag ementPracticesonc ompetitivenessofS MEsinIndia.	Adoptedastr ucturalequat ionmodelin gapproach Thestudyused primarydat accollectedfr omthreeSM Esinsoftwar e,pharmace uticalandtex tilesinNorth India	Thestudyrevealedthatk nowledgemanage mentpracticeshaveasignif icantinfluenceonorganiz ationalperformance,co mpetitivenessandempl oyeeretentionratesinth eselectedSMEs	Thestudyfoc usonknowle dgemanage mentandcom petitivenessi nSMEsinInd ia	Thestudyfailedtolinkk nowledgemanage menttocompetitiveadvanta geinlawfirmsinNairob iCounty,Kenya
Kh ara bsh eha nd Aqr	Examinedtherelati onshipbetweenkno wledgemanage mentpracticesandafir m'sdifferentiations trategyandcompeti	Usedquestio nnaireurve yof16pharm aceuticalco mpanies Targetpopul	Thestudystablishedth atinformationsharingt oshareknowledgehasa positiverelationshipwi thafirm'sdifferentiatio nstrategyandachieving	Thestudyfoc usonKMandf irm'sdifferen tiationstrateg yandcompeti tiveadvantag	Thecurrentstudyfocus onexamineKMandco mpetitiveadvantageinl awfirmsinKenya

abaw(2013)	investigative advantage in pharmaceutical companies	121 respondents - adopted Multiple regression analysis	competitive advantage in pharmaceutical companies	in pharmaceutical companies	
Fombad M.(2015)	investigated influence of adoption of knowledge management on achieving competitive edge in law firms in Botswana	The study adopted survey research design Target population all 115 registered law firms and 217 lawyers	The results revealed that enabling environmental factors influence the adoption of knowledge management and enhance the effectiveness and systematic harnessing of legal knowledge.	The study focuses on factors influencing the adoption of knowledge management in Law Firms	The current study will focus on the relationship between knowledge management and competitive advantage in law firms in Nairobi, Kenya