

**STRATEGIC KNOWLEDGE TRANSFER AS A SOURCE OF  
COMPETITIVENESS AT KENYA POWER**

**BY**

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## **DECLARATION**

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

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Date .....

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**D61/67886/2011**

This research project has been submitted for examination with my approval as University supervisor.

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## **DEDICATION**

I dedicate this project to my dear parents Mr. & Mrs. Elias Ileri both of whom gave me the foundation of education. Ever since then, I have been able to appreciate the value of reading and lifelong learning. To my loving husband Mr. Gordon N. Muriuki and my two lovely daughters Janice Mwihaki and Jasmine Mukami for their support during the whole duration of this course.

## **ACKNOWLEDGEMENT**

The process of this master's project writing has been a wonderful learning experience in my academic life. It was filled with both challenges and rewards. The completion of my present study leads to a new beginning and a step forward in my endeavors.

I am grateful to God almighty the one above all, who has always been there in my endeavors in life including this study. My profound gratitude goes to my supervisor Mr. Jeremiah Kagwe and moderator Ms. Florence Muindi for their insightful guidance through the whole process of project writing. Am thankful for the corrections they made on my drafts, their continuous support and guidance in writing this project. I am also indebted to my family, my colleagues at my place of work and friends whom I may not mention in person for their help, support, interest and valuable hints which enabled me complete my MBA course successfully.

## **Abstract**

Organizations resource and knowledge are claimed to be a source to which a company's competitive advantage emanates especially in the present day business environment that is characterized by constantly challenging technologies, products, markets and new competitors. Therefore, knowledge management has been found to be such a great resource to a firm obtaining sustainability. The research sought to establish the role of knowledge transfer as a source of competitiveness at the Kenya Power company and also identify the challenges that face the organizations knowledge transfer process. A case study research design was adopted whereby six respondents were interviewed and gave information that helped in arriving at the research objective and conclusion. The research established that firms transfer knowledge to their partners as well as between different departments in the organization. The transfer of knowledge in the organization was found to have improved the organizations competitiveness through increasing the customer satisfaction, market share, operation cost reduction and also adoption and operation of new technology. Several challenges were identified that affected the implementation of knowledge transfer in organization. Some of these challenges included managers being unable to identify the appropriate knowledge required in the firm, resistance and lack of trust by the employees and other partner firms on the utilization of the acquired knowledge and also a lack of the proper understanding by the management on the changing internal and external environments for the knowledge transfers and how the changes is going to impact the operations of the firm.

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# **CHAPTER ONE: INTRODUCTION**

## **1.1 Background of the Study**

The ability of enterprises to exploit their intangible assets has become far more decisive than their ability to invest and manage their physical assets. Hence, to remain at the forefront and maintain a competitive edge, organisations must have a good capacity to retain, develop, organize, and utilize their employee competencies (Grønhaug and Nordhaug, 2002). This is because in the present day competitive business environment, knowledge-based activities are the basis of sustainable competitive advantage. This has led to the resource and knowledge-based theorists to postulate that firms should focus on the creation and accumulation of knowledge-based competencies in order to yield long-term survival (Teece, 2004) and especially given the advantage of emerging economies regarding the cost of labour, knowledge is the critical resource of the future of companies in developed economies. A company's stock of knowledge can include technological knowledge as well as knowledge about how to function in global markets, work with local laws, how to protect intellectual property and how to operate successfully in various forms of partnerships.

The study is guided by resource and knowledge based theory as they are they are the basis of sustainable competitive advantage in today's economy. The need by the company to achieve competitiveness comes as a result of creation and accumulation of knowledge-based competencies in order to yield long-term survival. The company's stock of knowledge includes technological knowledge as well as knowledge about how to function in global markets, work with local laws, how to protect intellectual property and

how to operate successfully in various forms of partnerships. This package of knowledge resources is critical for the successful development and maintaining competitive advantage through creating value for the company's stakeholder. (Jolly and Rolland, 2004) posit that knowledge transfer is necessary to firms, as this allows firms to access knowledge that is otherwise outside their reach. Therefore firms try to learn, to transfer knowledge and acquire it in most of the interactions with their internal and external environments.

Kenya Power being an organization mandated with the distribution of power in Kenya has more recently witnessed other small scale firms engage in what has until recently been the preserve of the organization as well as consumers resorting to the use of other alternative sources of energy such as Solar and biogas. The frequent power outages have exposed the organizations inefficiencies and with the high losses in transmission, the firm's competitiveness has been brought to question. One of the important resources that the company should employ to foster its level of competitiveness is employee knowledge. Knowledge has become one of the most important elements of core competence, and firms try to transfer and absorb it in each interaction with their environment. The Kenya Power has adequate skilled workforce and what might be lacking is effective fit of this knowledge to the organizations objectives and as Kim et al (2003) pointed out, in order for enterprises to be successful in the exploitation of their knowledge assets, an appropriate "fit" between the organization's mission and objectives and its knowledge management strategy should be found. This means that the goals and strategies of knowledge management should be reflective of those of an organization. Strategists

(strategic business managers and knowledge managers) should therefore take note of the major impact of knowledge on the formulation of corporate strategy and organizational success. Furthermore, enterprises need to ensure that their knowledge strategy and knowledge program is consistent with corporate ambitions, and that the techniques, technologies, resources, roles, skills, culture, etc. are aligned with and support the business objectives (Mayo, 2008). Thus, when such alignment between the knowledge transfer strategy and the business strategy is clearly established, the knowledge transfer system will be moving in a direction that holds promise for long-lasting competitiveness of the organization.

### **1.1.1 Strategic Knowledge Transfer**

Knowledge transfer enables the exploitation and application of existing knowledge for the organization's purposes (Lyer et al., 2006). In firms, varieties of specialized knowledge are distributed among individuals, teams and units. Knowledge transfer strategy must also be aligned with network strategy. Thus, centers are characterized by their business and network objectives and their efforts to plan and control transfer from the center to network partners. The part that knowledge transfer can play in achieving these objectives differs according to the knowledge intensity of the industry that the center is active in (Bates, 2005). Walsh and Ungson (1991) postulated that the firm's knowledge repositories or knowledge stock are found in individual members, roles and organizational structures, standard operating procedures and practices, culture and physical layout of the workplace. This knowledge stock is made up of best practices and proprietary knowledge accumulated over the years.

Strategic knowledge transfer is concerned with capturing an organization's know-how and knows-what through creation, collection, storage, distribution, and application (Miller et al 2009). Knowledge transfer therefore involves identifying and harnessing the collective knowledge of the organization gained through experience and competencies. According to Pillania (2005), knowledge transfer is defined as a systematic, organized, explicit and deliberate ongoing process of creating, disseminating, applying, renewing and updating the knowledge for achieving organizational objectives. According to Gopal and Gagnon (2005), knowledge cannot easily be stored. Knowledge is something that resides in people's minds rather than in computers. Unlike raw materials, knowledge usually is not coded, audited, inventoried, and stacked in a warehouse for employees to use as needed. It is scattered, messy, and easy to lose (Galagan, 2007).

The process of knowledge management depicts the primary activities of the knowledge management value-adding chain. To ensure effective knowledge transfer processes, organizations must dedicate effort to building infrastructures that enhance knowledge systems, knowledge culture, organizational memory, knowledge sharing, and knowledge benchmarking. However, knowledge transfer processes and their enabling capabilities do not automatically lead to performance outcomes. Knowledge transfer efforts must be effectively directed towards building and improving organizational capabilities, such as responsiveness to customers, new product development, organizational learning, and strategic flexibility.

### **1.1.2 Organizational Competitiveness**

An organizational competitiveness is the ability of the firm to be responsive and adaptable to change which will finally have an effect on the position of the firm in the marketplace. Organizations use different methods to sustain their competitive edge. Implicitly, companies should become more customers focused (internally and externally) in both domestic and foreign markets by becoming quality orientated. To achieve a level of competitiveness, an organization should aim to achieve the desired competitiveness through the use of all its internal resources, including its employees. Porter *et al.*, (2006) believes that competitiveness is the underpinning of prosperity, based on productive potential of a nation's economy, which in turn is ultimately set by the productivity of its companies determined by sophistication of company operations and strategy and quality of microeconomic business environment. A firm's sustainable competitiveness derives from its ability to assemble and exploit an appropriate combination of resources. It is achieved by continuously developing existing and creating new resources and capabilities in response to dynamic market conditions (Barney, 2007).

The atmosphere of high global competition demands a higher level of capacity to maintain or increase steadily the performance of the business. Vos (2005) considered that the managers or owners of management skills are very limited, by which it must be improved so that companies are able to successfully implement business strategies that will improve their competitiveness. However, there are several disagreements about the competitiveness measurement, due the used indexes and interpretations have generated polemic. Ezeala-Harrison (2005), believes that competitiveness can be measured through

seven indexes: nature of competitive advantage, capacity for innovation, the brand extension, restriction of the regulations of the environment, quality in the education of mathematics and science, quality in the education system, and ease of access to credit. Another study of the measurement of business competitiveness is also presented by Fendel and Frenkel (2005), who did not specify how should perform the measurement only have eight rates for their calculation: physical infrastructure, human capital, efficiency of goods market and work, efficiency of financial market, technological development, opening and market size, sophistication of business, and innovation, thereby reducing its application.

### **1.1.3 Energy Sector in Kenya**

The Energy Sector in Kenya has undergone a lot of fundamental changes in the recent past aimed at revamping and strengthening it. These changes started in 1997 when Kengen was established as a separate entity responsible for generation of Electricity and which is then sold to Kenya Power and Lighting which was left with the mandate of transmitting and distributing power to the end users.

Of paramount importance is the Sessional Paper No. 4 of 2004 on Energy which laid down policy framework upon which quality, cost effective affordable, adequate and sustainable energy services are to be availed over the period 2004 – 2023. This has led to formation of a number of other institutions with specific focused mandates; An independent Energy Regulator – (ERC,) was established to regulate the sector, Geothermal Development Company (GDC), was formed to explore the geothermal potential which estimated to be in excess of 7000 MeggaWatts. Rural Electrification

Authority (REA) was created and given the mandate of extending electricity access to rural areas, Transmission Company (KETRACO), is charged with the responsibility of constructing new transmission lines of high tension cables ranging from 132 KV and above, through further unbundling of KPLC: These transmission networks will in future be used by any electricity producer at a willing charge. Energy tribunal was also established to arbitrate over complaints raised by industry Stakeholders and Customers. All these institutional transformations have brought about very drastic changes in the operating environment in which KPLC finds itself in and as such the need for innovative and technologically sound response strategies that will ensure its sustainability and relevance in the current dispensation and also help the government achieve 40% grid connectivity by 2020.

#### **1.1.4 Kenya Power**

Kenya Power is a Kenya-based company engaged in the transmission, distribution and retail of electricity. It is a government Parastatal with the Kenya government owning 51% shareholding. The company was formed in 1922 and has undergone several transformations over the period to the current position in which the company is solely engaged in the transmission and distribution of electricity.

The Company's services are targeted at both individual and corporate customers. The Kenya Power has a customer base in excess of 2M. The Company operates in four regions, including Nairobi, Mount Kenya, Coast and West Kenya, and has a business turnover of about 45 billion shillings and profits after tax in the range of 2 to 3 billion shillings annually. Due to these devolvement and changing customer needs, it has been

necessary for Kenya Power to continuously adapt new ways of handling its customers. It has started this by initiating and implementing Rebranding and Culture change program. The national grid is operated as an integrated network linked by a 220 kV and 132 kV transmission networks. There is also a limited length of 66 kV transmission lines that provide the distribution backbone within Nairobi region.

A number of strategies and restructuring steps have been undertaken by the organization in meeting the changing business environment. These strategic changes include debt restructuring entailing conversion of Kshs 15.9 billion accumulated debt to preference shares. Increasing competition in generation by opening new projects to IPPs, thus overcoming capacity shortfalls by private sector investments, outsourcing of construction for new customer connections, implementation of system reinforcement substation projects aimed at achieving substantial technical loss reduction benefits; for example the new substations at Ongata Rongai, Kiambu, and Baba Dogo among others, as well as coming up with innovative ways of serving its customers. (KPLC, 2006)

## **1.2 Research Problem**

The increasing importance of knowledge in the modern and competitive business world has initiated a need to focus on managing knowledge and its' transfer as an organizational and competitive asset (Gupta *et al.*, 2002)) as well as a source of wealth. As a strategic management concept, knowledge is recognized as a key strategic resource and also because, like strategic management, it is a unifying concept drawing from various disciplinary areas like information systems, human resource management, economics and operations management. According to Moyo (2008), a well-implemented knowledge



management (KM) program may lead to reduced operating costs, a faster new product development cycle and better customer service and thus giving a firm a competitive advantage in a particular sector. He however points out that despite the importance of the management of knowledge, the ability to share knowledge and collaborate is all too often missing in many organizations. Hence it is imperative that an organisation put in place proper mechanisms to safeguard knowledge gained by an employee to avoid loss of the vital knowledge with the movement of the employee and this therefore means that an organization puts in place effective knowledge transfer procedure.

Kenya Power plays a key role in the expansion of the country's economy through the transmission, distribution and retail of electricity to consumers all over the country. Though the company enjoys the monopoly of being the only power company authorized to distribute the power, the company encounters challenges brought about by the changing customer needs, electricity capacity shortfalls, high number of customers in need of quality power, high operational costs and vandalisms. The company needs to respond to these challenges proactively before they get out of hand. Frequent power outages, power rationing and lack of adequate electricity spread in the country has been found to greatly hamper entrepreneurship growth and leads to huge losses for the established enterprises. These challenges that the firm faces can better be overcome by the utilization of the employees' technical knowhow through development of an effective transfer of knowledge. It is on this basis that the research will seek to establish the extent to which transfer of knowledge process is a source of competitiveness in the operations of Kenya Power.

Several studies have been carried out in the area of knowledge management: Wangari (2009) studied on the linkage of critical success factors and knowledge management systems at Olivado Kenya (EPZ) ltd. She found out that once the role between strategy and knowledge is defined, then other aspects of strategic management such as resources allocation, organization design, product development and market segmentation can be configured to bolster knowledge strengths and reduce knowledge weaknesses. In addition Asava (2010) carried out a research on Knowledge Management for competitive advantage within commercial banks in Kenya. He found out that learning opportunities for an organisation that already has a knowledge advantage may be more valuable than for a competitor having similar learning opportunities.

Mbugua (2011) researched on Knowledge management as a source of competitive advantage at Kingsway Tyres and found that to ensure success, KM programs must have horizontal cohesiveness, from the business needs to the improved processes that are supported by appropriate technology and human factors. As evidenced from the above studies, there has been no study that seeks to establish how strategic knowledge transfer acts as a source of competitiveness. This therefore begs the question; how is strategic knowledge transfer a source of competitiveness to Kenya Power?

### **1.3 Research Objectives**

The objectives of the study will be:

- (i) To establish the role of knowledge transfer as a source of competitiveness at Kenya Power.

- (ii) To establish the challenges faced by Kenya Power in the process of knowledge transfer.

## **1.4 Value of the Study**

The study will be important to a number of stakeholders in the energy sector and wider society. Kenya Power management will be able to identify areas that require strategic responses to enhance customer satisfaction thus improve service delivery. The government through the Ministry of Energy will use the study for making policy decisions whose overall objectives are to accelerate the rate of growth in the energy sector especially the distribution and connection of electricity to more customers.

The study will also be important to practitioners and academicians both in public and private sector by contributing to the existing body of knowledge in the area of strategic Management. Moreover, the study will be important to other government Agencies whose interests lie in improving service delivery by responding strategically to its operating environment for the much needed economic development and creation of investor confidence.

This study is expected to increase the body of knowledge to the scholars of service delivery in Parastatals institutions and especially make them be in touch with the internal and external factors influencing service delivery in the Public organization in Kenya. For academicians, this study will form the foundation upon which other related and replicated studies can be based on.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter provides information from publications on topics related to the research problem. It examines what various scholars and authors have said about knowledge transfer and its role as a source of organizational competitiveness. The chapter is divided into four main areas: strategic knowledge transfer, organizational competitiveness, strategic knowledge transfer a source of organizational competitiveness and challenges of knowledge transfer process.

### **2.2 Theoretical Foundations of the Study**

This study is based on three main theories underlying knowledge transfer that is, the, resource based view of the firm blended with a knowledge-based perspective and the dynamic capability view of knowledge transfer. In accordance with the resource based view, Grant (1991) posits that while resources are the source of a firm's capabilities, capabilities are the main source of competitive advantage. Therefore, it has been emphasized that the key to achieving a sustainable competitive advantage from the firm's stock of resources lies in the ability to integrate different resources to form strong organizational capabilities. It is a firm's core capabilities, those that create major value, that make the most significant contribution to competitive advantage.

The resource based view of the firm, blended with a knowledge-based perspective, highlights the effective ways of coordinating individuals' activities within the firm and integrating their knowledge. Gold *et al.*, (2001) argue that it is how effectively firms

leverage and combine their knowledge transfer resources to create a unique knowledge transfer capability that determines their overall effectiveness. In other words, firms can and do differentiate themselves on the basis of their valuable resources of knowledge transfer capability which are complex to acquire and difficult to imitate, thereby, providing them with a sustained competitive advantage (Chuang 2004). In the dynamic markets of today, firms are not only competing on their ability to exploit their existing resources and organizational capabilities that form the basis for the products and services they offer, but are also competing on their ability to constantly renew and develop these resources and organizational capabilities, enabling the firm to react to changing market conditions, thereby, achieving and sustaining a competitive advantage (Teece *et al.*, 1997).

Adopting a knowledge-based perspective, dynamic capabilities are seen as integrated sets of knowledge transfer activities that change, renew, and exploit the knowledge-based resources of the firm, equivalent to knowledge development capability, knowledge (re)combination capability, and knowledge use capability (Nielsen 2006). The resource-based theory with knowledge and dynamic capability-based approaches, knowledge transfer resources and capabilities are explicitly recognized to be central to the creation of competitive advantage in the dynamic market places of today. While knowledge transfer resources and capabilities tend to be heterogeneously distributed across firms, leading to different patterns of knowledge transfer use and effectiveness, a key to understanding the success and failure of knowledge transfer within organizations is the identification and

assessment of preconditions or organizational resources/capabilities that are necessary for the effort to flourish (Gold *et al.*, 2001).

### **2.3 Strategic Knowledge Transfer**

Knowledge has emerged as one of the strategic resources of a firm (Argote and Ingram, 2000). This is due to the fact that while other organizational resources are easily amenable to imitation by competitors, or could easily be acquired on the market, knowledge is mostly protected through intellectual property rights and because of its fluid nature; it is not easily imitated by competitors. As such, firms that possess this intangible organizational resource could achieve sustained competitive advantage. Knowledge transfer through inter-firm collaborations, a process by which a firm makes its knowledge stock available to other firm(s) within collaborative ventures has assumed an alarming interest among international business scholars (Kale *et al.*, 2000).

Knowledge transfer, especially through strategic alliances, has become a shot gun approach for a firm to acquire knowledge that it could not easily develop within its confines. Corporate giants such as Toyota and General Motors were said to have formed the NUMMI alliance so that they could leverage on the knowledge bases of each other to enhance their competitiveness (Keller, 1989). Thus international strategic alliances have been variously described as learning or knowledge acquisition alliances. Hamel (1991) through his empirical work between North American and Japanese alliances found out that sometimes the learning that occurs may assume a race, with the fastest learner winning the race or, as Inkpen and Beamish (2007) found, terminate the alliance or set up a new bargaining position within the alliance using the new knowledge as the bargaining

chip. These scenarios describe competitive or collaborative learning and are a common feature of developed country based inter-firm collaborations.

Argote and Ingram (2000) provided a knowledge transfer framework which holds that knowledge in the organization is embedded in three basic elements – its members, tools, and tasks – and the various sub-networks formed by combining or crossing these elements. As a result, they point that knowledge transfer happens either by the movement or by the modification of these elements. Another classification of knowledge transfer mechanisms is popularly seen: codification vs. personalization (Child and Shumate, 2007). The “movement of people” option refers to knowledge transfer that happens when knowledge that resides in a person moves with him/her from one location to another. For example, Takii (2004) studied the transfer of tacit knowledge from a developed country to a developing country, in terms of the physical movement of skilled workers.

The “movement of tools” option is reflected in work on technology transfer. Berry (2003), for example, discussed the concept of technology transfer and its application in international business sectors, and the difficulties and challenges associated with it. He provided an overview of the research on technology transfer to study the effect of moving tools from one site to another on outcomes at the organizational, inter organizational, and societal levels. Knowledge transfer through the movement of tasks usually happens when an existing firm opens a branch, a subsidiary or a franchise outlet. The vision, goals, routines and operating procedures of the firm are likely to be transferred almost wholly to the new unit and replicated. McDonalds is well-known for its replication capabilities.

## **2.4 Organizational Competitiveness**

To become more strategic and operationally more efficient and effective, managers must increase their understanding of the dynamics of the business they manage (Kaplan and Norton, 2001). For example, managers need to understand the relationship between employee satisfaction and customer satisfaction and the relationship between customer satisfaction and repeat sales. It is not enough to know the relationships, what the metrics tell us. Insight into leveraging those relationships is also needed (Wright et al., 1998). That takes a much deeper inquiry-an inquiry that goes beyond metrics, beyond the balanced scorecard and beyond any one function within the organization. The experience, insights, and judgments (tacit knowledge) across functions and levels need to be tapped, developed, and integrated. This call for ongoing processes that not only drive the firm's strategy, but also influence initiatives at all levels of the organization.

Knowledge transfers integrate processes, people, and technology to enhance the effectiveness of an organization's operational processes and competencies through learning. While knowledge assets are grounded in the experience and expertise of individuals, firms provide the physical, social, and resource allocation structure so that knowledge can be shaped into organizational competencies (Adams and Lamont, 2003). A firm's ability to act is based on its competencies, which in turn are based on the firm's knowledge base and the effectiveness of learning mechanisms that enable the generation of new competencies. Hence, a company's competencies are seen as a combination of all knowledge assets and cognitive processes that allow an organization to carry out its business processes. These competencies reflect the firm's ability to repeatedly perform a coordinated set of tasks which relates either directly or indirectly to a firm's capacity for



creating value through effecting the transformation of inputs into outputs (Helfat and Peteraf, 2003).

Leonard-Barton (2002) observed that knowledge creation activities are essential for the generation as well as for the maintenance of competencies. New knowledge is created through learning mechanisms and knowledge management processes. This knowledge is then used to support the firm's activities, processes, and products acquired through learning, and include technological skills, complementary assets, as well as routines. Organizational competencies together with firm-specific organizational routines are the result of an internal learning process and that organizational routines are the key building blocks under the concept of organizational competencies. When firm-specific assets are assembled in integrated clusters spanning individuals and groups so that they enable distinctive activities to be performed, these activities constitute organizational routines (Ulrich and Smallwood, 2004). Organizational routines are defined as behaviours that are learned, highly patterned, repetitious, or quasi-repetitious, founded in part in tacit knowledge, that characterize organizational reactions to variegated, internal and external stimuli (Winter, 2003). Hence, organizational competencies are defined as a collection of organizational routines that provide an organization's management with a set of decision options for producing significant outputs of a particular type. Therefore, these competencies represent the organizational activities geared towards the operational functioning of the firm (Zollo and Winter, 2002).

Organizational competences also condition the way activities fit and reinforce one another, which in turn sustain the operational effectiveness. As they are built internally

through complex social and learning processes, organizational competencies are causally ambiguous (King and Zeithaml, 2001). As a result, they are difficult to trade or imitate, scarce, valuable, and non-substitutable. These characteristics make them the source of sustainable competitive advantage, and thereby the basis of “long-term profitability” and “above-average performance in the long run”. Organizational competencies, when leveraged into products and services, generate value and abnormal profitability and impact consequently the overall firm performance.

## **2.5 Strategic Knowledge Transfer as a Source of Organizational Competitiveness**

Knowledge transfer integrates processes, people, and technology to enhance the effectiveness of an organization's operational processes and competencies through learning. While knowledge assets are grounded in the experience and expertise of individuals, firms provide the physical, social, and resource allocation structure so that knowledge can be shaped into organizational competencies (Adams and Lamont, 2003). A firm's ability to act is based on its competencies, which in turn are based on the firm's knowledge base and the effectiveness of learning mechanisms that enable the generation of new competencies. Hence, a company's competencies are seen as a combination of all knowledge assets and cognitive processes that allow an organization to carry out its business processes. These competencies reflect the firm's ability to repeatedly perform a coordinated set of tasks which relates either directly or indirectly to a firm's capacity for creating value through effecting the transformation of inputs into outputs (Helfat and Peteraf, 2003).

Organizational competences also condition the way activities fit and reinforce one another, which in turn sustain the operational effectiveness of a firm. As they are built internally through complex social and learning processes, organizational competencies are causally ambiguous (King and Zeithaml, 2001). As a result, they are difficult to trade or imitate, scarce, valuable, and non-substitutable. These characteristics make them the source of sustainable competitive advantage, and thereby the basis of “long-term profitability” and “above-average performance in the long run” In fact, organizational competencies, when leveraged into products and services, generate value and abnormal profitability and impact consequently the overall firm performance (Acquaah, 2003).

For firms in the developing world, the low skill, technological and other resource constraints make internal knowledge development difficult if not impossible. It is assumed that by forming inter-firm collaborations, commonly referred to as strategic alliances (Grant and Baden-Fuller, 2004) with their counterparts from the developed world, they could leverage on their knowledge bases to enhance their competitiveness and attempt “catch up” with their counterparts from the developed world (Freeman and Hagedoorn, 2004). They described the learning that occurs between developed-developing or transitional country strategic alliances as asymmetric because the partners normally learn with different intentions. He argues that while the developing country partner learns the skills, knowledge, technology and management system of their counterparts, the developed country partner only learns from the alliance experience, i.e. implementing the technology transfer, managing the alliance and learning about the new environment.

## **2.6 Challenges of Knowledge Transfer Process**

The challenges affecting knowledge transfer in organization are related to the interactions, policies and attitudes of partners toward each other. A firm's approaches to decision making and reactions by a firm in the face of the dilemmas related to the partner's behaviour affect knowledge transfer by changing the level of trust, openness, and motives for cooperation. Cultural differences between the partners' organizations also could affect mentioned factors and then affect knowledge transfer effectiveness indirectly (Liu and Vince, 2009).

Insufficient level of knowledge protection by partners may hinder the knowledge transfers among the organizations. While limitations on sharing may prevent a partner from acquiring knowledge from a firm, these limitations can be self-defeating because they also hinder the ability of the firm to transfer of knowledge and learn. Partners often respond to each other's limiting of information sharing by further reducing their own sharing, an action that inhibits knowledge transfer by the focal firm. Therefore, increasing knowledge protection will decrease knowledge transfer (Joy Jiang, 2002). For example, the factor concerning resource overlap: while some overlap in knowledge is needed to ensure that partners understand and can effectively combine their knowledge, a firm is likely to limit the learning opportunities of a partner who has a greater ability to take advantage of these opportunities because such a partner is more dangerous than a partner with lower ability (Norman, 2004).

Lack of learning intent between the firms is another challenge that affects strategic knowledge transfers between firms. Because not all firms are equally concerned with knowledge transfer, learning first requires that a firm has intent to learn (Hamel, 2001). Without this intent, a partner is less likely to commit resources to knowledge transfer and less likely to take actions to appropriate a firm's knowledge. Factors identified that will affect organizations intent to learn include flexible learning objectives, leadership commitment and avoiding performance myopia (Inkpen, 2002). The top management's role in managing knowledge should be one of catalyst and architect. While multiple advocates are important, there must be at least one strong champion of knowledge creation in a leadership position.

There is need of mutual trust between the firms engaged in strategic alliances. Das and Teng (2008) suggested that the level of trust that one company grants to its ally and, at the same time, the level of control it exerts on its ally, both define the confidence level, i.e. the expected intensity of cooperative behaviour. Trust reflects the belief that a partner's word or promise is reliable and that a partner will fulfil its obligations in the relationship. Trust reduces the fear of opportunism by partners, and then should reduce transaction costs. With trust, the need for monitoring and other control mechanisms is reduced (Norman, 2004). In addition, trust encourages behaviours such as open communication and the willingness to share information. Trust has been shown to increase cooperation and improve flexibility, lowering the cost of coordinating activities and increasing the level of knowledge transfer and potential for learning (Nielsen, 2005).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter presents the research methodology that was used to carry out the survey, what informed the selection of the research design, the target population, sampling method was used, data collection instrument and how data was analyzed, interpreted and presented.

### **3.2 Research Design**

The research design that was adopted was a case study. A case study is an in-depth investigation of an individual, institution or phenomenon (Cooper and Schinder, 2005). The primary purpose of a case study is to determine factors and relationships among the factors that have resulted in the behaviour under study. The study was adopted in this particular study since not all the potential population of the study was knowledgeable of such innate factor as a firm's strategic alliances and it influences the firms' competitiveness. In light of this therefore, a case study design was deemed as the best design to fulfil the objective of the study as the results were expected to provide an insight in understanding how the organization uses its strategic alliances. Only a few members of staff were deemed to be concerned with developing and implementing the organizations strategic alliances and these were the respondents that were interviewed.

### **3.3 Data Collection**

The study made use of primary data which was collected through a face to face interview with the researcher. The interview guide consisted of questions that the interviewer asked

the respondents. The respondents interviewed were nine in number and were those involved with identification, development and harnessing organization strategic alliance with other organizations in order to enhance the firm's competitiveness specifically managers in the following departments; Human resource, research and development manager, marketing, corporate communication, Finance departments, regional operations, procurement and logistics, Information Technology and customer relations. These were considered to be key informants for this research. In addition the departments in which the intended respondents work in are the key host of strategic alliances system in the organization.

The interview guide was made up of four sections namely; respondents profile, organizations strategic alliances, how the strategic alliances has improved its competitiveness and challenges the organization faces in dealing in the process.

### **3.4 Data Analysis**

The data obtained from the interview guide was analyzed using qualitative analysis. The qualitative analysis was adopted in this study because since the researcher was able to describe, interpret and at the same time criticize the subject matter of the research since it was difficult to do so numerically. It also enabled the researcher to make individualistic judgment on the research subject matter. The qualitative analysis was done using content analysis.

Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Hsieh and Shannon, 2005). It involves observation and detailed description of objects, items or things that comprise the object of study. The

themes (variables) that will be used in the analysis will broadly be classified into two: role of strategic alliances in enhancing a firm's competitiveness and challenges faced in application of strategic alliances.



## **CHAPTER FOUR: FINDINGS AND DISCUSSION**

### **4.1 Introduction**

The research objective was to establish the role of knowledge transfer as a source of competitiveness at Kenya Power as well as establish the challenges faced by the organization in the process of knowledge transfer. This chapter presents the analysis and findings with regard to the objective and discussion of the same.

### **4.2 Respondents Profile**

The respondents comprised the top management of Kenya power. In total, the researcher interviewed 6 respondents out of the 9 that was intended to be interviewed in the research design. The respondents comprised one staff member each from engineering, human resource department, business development and research, marketing and public affairs and finance departments. These are the departments that are the reservoirs of the knowledge transfer between Kenya Power and other organizations. All the respondents interviewed had worked in their respective positions for at least 4 years and cumulatively had work experience of 114 years within Kenya Power and other power distribution firms. Academically, the respondents had all attained university education with a master's qualification in their respective years, while 2 of the respondents were pursuing their doctorate studies. In addition 3 of the interviewees had risen through the ranks in the organization to occupy their present management position over 20 years of employment they had worked. With their solid academic and work life background in the affairs of the organisation, the respondents were found to be knowledgeable on the subject matter of the research and thus capable to help in the realization of the research objective.

### **4.3 Organizations Strategic Knowledge Transfers**

This section of the interview guide sought to establish how the organization manages the knowledge transfers with other organizations in the furtherance of its objectives. The understanding of the way the organization manages its knowledge transfers will help in determining the capacity of the firm to utilize this relationship and thus establish whether the way knowledge transfers is managed will steer the organization to realizing its objective or there could be gaps necessary to be filled.

The respondents noted that Kenya power has been experiencing challenges in its operations partly because of the level of technology it is adopting as well as the business environment it is operating in. Compared with other power distribution firms in developed countries such as Eskom Power Company in Singapore and Kansai Power Company in Japan, they pointed that Kenya power operational system can be said to be still in the nascent stage. They for example pointed that in the cause of power distribution, Kenya power losses 18% of the power sourced from Kengen as compared for example 6.3% in Japan. The power lost in the transmission system is charged to consumers and this therefore makes the power cost in Kenya to be high compared to the neighbouring countries or even in the developed world. Another source of power loss highlighted with Kenya power is the illegal connections being experienced especially in the informal settlements that make the company loss around 2.6% of the power sourced from Kengen apart from causing frequent short circuiting and therefore power blackouts. The respondents therefore argued that Kenya Power has had to source better ways of managing the same challenges from utility firms in the developed countries whose performance and management of the same can be considered better. They observed that

for firms in the developing world, the technological and skill as well as other resource constraints make internal knowledge development difficult and there is need therefore to source the same from other firms offering the same services but in a better way.

The researcher also wished to establish some example of firms that Kenya Power liaises with, in the transfer of knowledge. Different respondents depending on their background gave examples such as Behaira Distribution Company in Egypt that has adopted modern distribution systems such as through underground cables and also using the overhead mast as a medium of internet connectivity. In addition one of the respondents from the Engineering division pointed out that several engineers have attended one month courses with power distribution companies in several countries such as South Africa, India, China, Turkey and Denmark. In addition, several of these companies' employees have attended joint working partnership at Kenya Power and from such a relationship the technical competence of the company staff has been increased. The respondent gave an example of the prepaid meter readings strategy as an example of the effectiveness of the strategic knowledge transfer between Kenya power and the German power distributor. This finding is similar to that made by Grant and Baden-Fuller (2004) who observed that collaboration between firms in the developing countries with their counterparts from the developed world, will help in leveraging their knowledge bases to enhance their competitiveness and attempt a "catch up" with their counterparts from the developed world. The respondents pointed that they partner with these developed country firms in order to learn the skills, knowledge, technology and management systems of these firms while at the same time, the partnering firms learn from the process of implementing the

transfer technology and also the management systems of the developing countries counterparts.

On the question of what forms of knowledge transfer Kenya power deal with other firms, the respondents pointed out that as a technology based firm, Kenya power majorly deal with technical and managerial knowledge. The technical knowledge was concerned with the transfer of technology in the operations of the firm and consequently the efficiency level of the firm while the managerial knowledge was more concerned with improvement of the day-to-day management of the company and be able to align effectively the resources at the disposal of the firm to achieve its objectives. As Tsang (1999) pointed out, the technical knowledge could easily be codified and transfer because it is embodied in designs, blueprints, drawings, and specifications; the interviewees similarly observed that the technical knowledge can be transferred to the firm through employment of a view staff who will eventually transfer the same knowledge to rest of company employees. However, they observed that technical knowledge is expensive to operationalize in a firm.

On the other hand, the respondents noted that managerial knowledge is specific to a particular task or department and difficult to transfer without the involvement of the knowledge holder. As an example, they pointed that the training of how to operate various machines in the firm involves the “importation” of staff from other countries to work at Kenya Power over a period of time and train the local employees on the operation and maintenance of the machines. From this finding, it is expected that the process of transferring managerial knowledge might be challenging since it is unlikely for

them to possess enough managerial capacity and therefore they cannot send managerial staff to bigger companies to serve as agents. Because of the ease at which technical knowledge can be codified, it becomes easy to transfer the same irrespective of the size of the firm. This can be evidenced by the customer payment system that was developed and installed by Symphony Kenya Ltd, a smaller firm, compared with Kenya power.

The respondents were also asked to explain the stocks in their organization that forms as a reservoir of knowledge to the other partnering firms. On this question, two of the respondents that represent 34% of the population, pointed that the firm's knowledge repositories or knowledge stock are found in individual members, roles and organizational structures. Further, it was pointed that the organizations standard operating procedures and practices such as the payment system by the customers and other suppliers of services will constitute the other sources of knowledge transfer. They for example gave an example of the agency system between Kenya Power and different mobile service providers as well as the payment through agents in the residential places that were transferred to the Zambia power supply company. From the same system, they noted that Zambian firm was able to increase its revenue collection by 34% within the first 6 months of introduction of the system. The knowledge transfer, it was found could take the form of work culture and physical layout of the workplace. The interviewees observed that the divisionalization of operations through the decentralization of services was adopted from India. Some countries have unique work culture which enables them to achieve better delivery of services to their customers and also be able to meet their financial objectives.

A firm's technology also came out as major organizational knowledge that can be transferred to another firm. In the case of Kenya Power, it was found that when the company acquired latest technology of identifying power transmission defects or stepping up or down of power, the technology transfer came about with the knowledge about the principles on which the technology is built and operated on. The training that was made by the manufacturers to the local staff has improved the staff competency and ability to utilize the technology. They for example, noted that from the four staff that were originally trained by the manufactures in the operation of the machines, the organization have currently over 350 staff members who are currently competent to use the technology and consequently help in improving the competitiveness of Kenya Power. Another finding from the study was that from the technology transfer, Kenya Power has been able to reconfigure its assembly and marketing knowledge to capture optimally the organization competencies which in turn has led to improved competitiveness and thus performance of the organization.

The researcher also found out that knowledge transfer is better achieved in a situation where the partners have mutual trust. The respondents indicated that both internal and external knowledge transfer at Kenya Power requires a high trust context since when the knowledge sharing partner finds out that the information they are sharing with the firm is used to their disadvantage e.g capturing their existing market share or is going to render them out of job, then they will be hesitant to share the same knowledge or their technical know-how. This point was also noted by Inkpen and Dinur, (1998) who observed that a

partner level of confidence in the knowledge sharing program will be enhanced if the shared knowledge will be for the mutual benefit to both parties. The necessity of trust is more pronounced in the case of internal tacit knowledge transfer especially due to the job insecurity that comes with such an arrangement. They observed that employees will be willing to share their competency with other staff members if by so will not affect their job security or revenue income for small entrepreneurs.

#### **4.4 Strategic Knowledge Transfer as source of Competitiveness**

This section of the interview guide was meant to assess the effect of knowledge transfer process at Kenya power as a source of competitiveness in the organization. As O'Reilly - Wathey & Gelber (2000) observed if organizations are to survive and prosper in information age competition, they must use measurement and management systems derived from their strategies and capabilities. This statement summarizes the necessity of the need of organizational effectiveness, and as direct consequence, and to evaluate their performance determinants including knowledge. In the current competitive context, many organizations have realized that the only source of sustainable competitive advantage they can leverage is the effective use of their existing knowledge as well as the fast acquisition and utilization of new knowledge and hence the researcher wished to establish how the transfer of knowledge had affected the competitiveness of the firm.

In establishing how knowledge transfer had contributed to the competitiveness of the firm, the respondents observed that in an organization, the specialized knowledge which can lead to the competitiveness of the firm resides in different individuals, departments or divisions and in order to achieve synergy of these different knowledge pools, there will

be need to integrate the same to achieve the necessary competitive advantage. The respondents noted that one of the systems developed and applied to link the human resources of the firm was developed internally by one of the staff member who was initially attached not in the ICT department and from the internal transfers, it was noted that his competence will best be developed in the ICT department and this will be realized through the knowledge transfer process. The outcome of this knowledge transfer will be effective integration of the firm's knowledge pool which eventually lead to the firm improvement in its operations and gaining of competitive advantage. As Grant (1996) posited, in fulfilling its purpose of producing goods and services, a firm has to bring together specialized knowledge from different sources. For example, the interviewees gave an example of the pre-paid consumer meter that was introduced in the year 2008 which involves consumers buying the power tokens in advance.

In setting up the project, the respondents noted that the design involved integrating the knowledge bases of customer service, power transmission engineers, metering, finance and several technicians. They noted that from this integration, the firm was able to come up with a product which has been able to improve the level of customer service and also reduce the operating costs since the company needed no more staff to undertake the meter reading. One of the respondent from the Finance department pointed that as a result of the introduction of the prepaid meter reading, the organization has been able to reduce operating cost by 95 Million Kenya shillings per annum related to the power distribution segment. Thus effective integration leads to the development of unique and idiosyncratic capabilities that can bestow a firm with long-term competitive advantage.



The adoption of Knowledge transfer by an organisation was found to increase the organizations ability to act due to the increased competency of the employees. The increased competency in at Kenya Power was attributed to the increased knowledge base of the employees and the effectiveness of learning mechanisms that enable the generation of new competencies in the firm. One of the respondents explained rightfully that combination of all knowledge assets and cognitive processes has allowed the organisation to carry out its business processes. These increased competencies of the firm as reflected by the firm's ability to repeatedly perform a coordinated set of tasks that create value to both the customer and the organization.

#### **4.5 Challenges of Managing Knowledge Transfer at Kenya Power**

This part of the interview guide wished to determine the implementation gaps of knowledge transfer at Kenya Power. The implementation of knowledge transfer at Kenya Power was found not to have been free from challenges. There were fundamental challenges that faced the firm and originated from lower degrees of fitness between the organizations knowledge transfer activities and the external as well as the internal environments confronting the organization. The results of the study show that the major external environment factors affecting the enterprises, as enumerated by 4 of the respondents included cost, quality of the product, time and flexibility, all of which are used for enhancing the competitiveness of the organization.

On the question of whether there existed some challenges in the process of knowledge transfer at Kenya Power as a result of the level of technology adopted; the respondents answered to the negative whereby they did not attribute the adoption of any form of

technology to affect the knowledge transfer in the organization. They pointed that transfer of knowledge is only made in a situation based on the available technology and will in most cases be made in the firm having made cognizance of the available technology. Internal knowledge transfers were noted in most cases to be made subject to the assessment of the available technology and whether it is going to facilitate the utilization of the available knowledge.

Perhaps the most prominent challenge that was witnessed by the organization was the reluctance of the employees to share the existing knowledge in the organization. Some members of staff refused to participate in the implementation of knowledge transfer. They argued that they had spent much time to accumulate their personal knowledge for enhancing their performance in the organization, and thus the organization should foster an atmosphere that emphasizes sharing knowledge and innovation explicitly and the employees should be willing to undergo the same training and development process they went through to achieve the same knowledge level. The respondents acknowledged that, knowledge workers usually do not want to share their intellectual assets with others, and the competition between knowledge workers often hinders sharing the knowledge. The power of knowledge comes from what workers know, and strong incentives promote sharing knowledge. As a result, they argued that if they share the same knowledge, they might be uncompetitive in the organization and hence there will be reluctance to sharing the knowledge to enhance the enterprise's competitiveness.

The existence of a gap between perception of top managers and that of employees due to the difference of position, role, and professional knowledge was also cited as another challenge that faced the organization. Creating new knowledge is a common

responsibility for each department or group of experts in a knowledge-creating company. It was noted that managers at all levels and frontline employees must also share this responsibility. The respondents found out that the perceptions of what type of knowledge employees will be different and depend on their positions and roles. Therefore, to match the perceptions of all employees in different positions, the goals and the plan that are committed by all levels of employees for the knowledge management system became a challenging issue. To mitigate against this challenge, the respondents suggested that the organization needs to provide training and leverage the resources for the employees.

Another challenge that was noted by the respondents that affected the Knowledge transfer at Kenya Power was the lack of a comprehensive plan to define the steps needed to implement the knowledge transfer system. In the case of the organization the plan failed to include time frames, people involved, and resources required to effectively generate the necessary beneficial effect on the organization. The respondents thus noted that the firm needs to formulate an appropriate and full knowledge management plan which can holistically integrate the knowledge capabilities of all departments to create value for the organization. At the same time, information technology acts as a supporting tool to provide a friendly environment to standardize and store the knowledge, as well as to do the communication for the knowledge between employees or different parties. Furthermore, knowledge management plans should also include the design of the business's workflow and its functions. The respondents recommended that before an enterprise decides to introduce a knowledge transfer system, it should provide a reasonable and comprehensive plan for the entire organization. However, in the case of

Kenya Power, the respondents unanimously agreed that there existed some discrepancies because employees did not fully understand what the knowledge transfer system is and were afraid that their personal value might be negatively affected after sharing their knowledge.

# **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION**

## **5.1 Summary of Findings**

The results centred on determining the role of knowledge transfer as a source of competitiveness at Kenya Power and also identifying the challenges that the organization faced while implementing the same strategy.

The results of the finding were that the Kenya Power had incorporated knowledge transfer in its management process and this was evident from the number of alliances that the organization has established with many other power distributors in the region as well as other developed countries. The organization has facilitated effective knowledge creation through establishment of free interaction platforms among employees and access to knowledge system as well as incorporation of knowledge communities and management support of knowledge creation, sharing, and storage. It follows therefore that Kenya Power has strategically utilized knowledge transfer for their prosperity. For effective knowledge transfer system in the organization, the firm needs to create a good culture at all management levels by ensuring that all employees are equipped with the right knowledge as well as being ready to share the same with other staff members. The development and implementation of knowledge management process in the firm need to be driven by the top managers who appreciate that knowledge is a key resource.

The common forms of knowledge transfer that occurs at Kenya power, as a technology based firm, is technical and managerial knowledge. The technical knowledge transfer is

concerned with the transfer of technology in the operations of the firm and consequently the efficiency level of the firm while the managerial knowledge was more concerned with improvement of the day-to-day management of the company and be able to align effectively the resources at the disposal of the firm to achieve its objectives. The firm's knowledge repositories or knowledge stock are found in individual members, roles and organizational structures. In addition, it was pointed that the organizations standard operating procedures and practices such as the payment system by the customers and other suppliers of services constitute other sources of knowledge transfer.

The knowledge transfer process at Kenya Power was found to be a source of competitiveness to the firm. It was noted that from the integration process that came with the knowledge transfer, the firm was able to come up with a product which has been able to improve the level of customer service and also reduce the operating costs. Also effective integration has led to the development of unique and idiosyncratic capabilities that has bestowed the firm with long-term competitive advantage. The increased competency at Kenya Power was attributed to the increased knowledge base of the employees and the effectiveness of learning mechanisms that enable the generation of new competencies in the firm. It was explained that combination of all knowledge assets and cognitive processes has allowed the organisation to carry out its business processes in a better way and respond more appropriately to the changes in the business environment.

However, the implementation and operation of knowledge transfer in the organization has not been free of challenges. Several gaps were noted and included: a lack of congruence between the knowledge required to enhance the competitiveness of the company as perceived by top managers and the knowledge actually required to enhance its

competitiveness; the inability of the management to identify the correct knowledge required to enhance an enterprise's competitiveness and the difference in the plan to implement knowledge management and resistance from the employees due to the fear of losing the critical knowledge resource. In addition there have been cases where the management of the firm have been able to recommend a different knowledge requirement from the one that is actually needed by the firm because of a lack of communication between them and the employees that are actually to operationalize the technical or management knowledge requirement.

## **5.2 Conclusion**

Knowledge is one of the best resources to an individual and to a firm and the only source of sustainable competitive advantage which cannot be imitated by any competing firm. Knowledge transfer is necessary to all firms, as it allows them to access knowledge that is otherwise outside their reach. As a result, organizations try to learn, to transfer knowledge and acquire it in the interaction process between themselves and their internal and external environments. Inter-firm alliances provide opportunities for knowledge transfer, knowledge access and learning. Therefore, developing and managing a partner network from the center and offering knowledge transfer programmes will be overarching on a wide range of functions, product and business lines, and regions. Managers need to coordinate different internal departments, bring together diverging interests, and win the support of the top management team.

Knowledge assets of a company form an important strategic role to create value and improve business performance. The competitive advantage of companies in today's

economy stems not from market position, but from difficult to replicate knowledge assets and the manner in which they are deployed and a firm's generated value is the result of an organization's ability to manage its business processes and at the same time the effectiveness and efficiency of performing organizational processes based on organizational competencies. Management of knowledge assets enables an organization to grow and develop the appropriate organizational competencies. Therefore, the fact that organizational competencies are based on the effective and efficient management of knowledge assets puts it at the heart of business performance and value creation.

However, while implementing, knowledge management in an organisation, the managers need to be aware of the challenges that might delay or affect the implementation of the same process. They need to consider what value the knowledge will generate, determine how the firm can exploit the special characteristic of knowledge to obtain a niche in the market, establish how the firm can avoid being imitated by other firms and also establish how the firm can organize the exploitation of resources in order to implement knowledge management.

### **5.3 Recommendation for Policy and Practice**

The study was able to clearly demonstrate the need to have organizations understand the concept of knowledge transfer to appropriately harness and leverage on knowledge assets to attain competitiveness.

There is a great deal of competitive advantage that can be harnessed from knowledge management asset. It is recommended that managers increase the percentage of



employees dedicated to assessing and upgrading the organization's knowledge requirement. In addition, the evidence presented in this research recommends that firms consider business models that invest in knowledge management. At the same time, implementation of knowledge management in any organisation should be backed by the support of the organizations top management. The organizations and staff level of awareness of knowledge is critical to the success of the implementation of the same in an organisation.

Further research could be carried out in this area to determine the impact of implementation of knowledge management structures on the organisation performance, the market and its impact on the knowledge economy. Further, a research to measure the relationship between training and knowledge utilization by employees need to be undertaken.





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## **APPENDIX I**

### **INTERVIEW GUIDE**

The interview guide will seek to achieve the following objectives;

- (i) To establish the role of knowledge transfer as a source of competitiveness at Kenya Power.
- (ii) To establish the challenges faced by the organization in the process of knowledge transfer

#### **Respondent Background Review**

- What is the highest level of education you have attained?
- How long have you worked in this organization?

#### **1) Organizations Strategic Knowledge Transfers**

- a) Are you aware of any form of knowledge transfers between Kenya power and other organizations? If yes which firms does you company collaborate with as far as knowledge transfers is concerned?
- b) Which are some of the forms that strategic knowledge transfers take between the firms?
- c) How does the firm avoid being imitated by other firms of its special characteristics of knowledge transfers?
- d) Which are the specialized forms of knowledge transfers that Kenya power mainly deal with the other firms?

- e) Are there any differences between the internal and external knowledge transfers in the organizations?
- f) What are the organisation opportunities resulting from the knowledge management transfers?
- g) What drives you to conduct business the way you do as far as management of knowledge transfers is concerned?
- h) Why should the firm be committed to perpetuating the status quo of the management of knowledge transfers?

**2) Strategic Knowledge Transfer as source of Competitiveness**

- a) How does Knowledge transfer help in integrating processes, people, and technology in the organization to enhance the effectiveness of an organization's operational processes and competencies through learning?
- b) How has the organization knowledge transfer process helped in conditioning the way activities fit and reinforce one another in the organization and in turn sustain the operational effectiveness?
- c) How has the organizational knowledge transfers led to leveraging products and services, generate value and abnormal profitability on the overall firm performance?
- d) What type of skills, knowledge, technology and management system of alliance firms been of great value to the organization?



### **3) Challenges of Managing Knowledge Transfer in the Organization**

- a) Are there some technological changes which have affected the operations of your firm on adoption of the KM transfer?
- b) What is the extent of the degree of fitness between the organizations KM transfers and the external as well as internal environments confronting the firm?
- c) What gap exists between the knowledge required to enhance an enterprise's competitiveness as perceived by top managers and the plan to implement knowledge transfers?
- d) What challenges is the firm facing in implement knowledge transfers as proposed by top managers and the implementation progress of the knowledge transfers plan?
- e) While implementing the knowledge transfer program has the results obtained after implementing the knowledge transfers system and the knowledge required to enhance an enterprise's competitiveness been achieved?

**THANK YOU FOR YOUR TIME**