

ABSTRACT

As the global economy fast transitions into a knowledge-based economy, there is need to develop a knowledge policy at the national as well as industry level to guide the various economic agents on knowledge management in Kenya. Effective knowledge management may be an important source of achieving long term sustainable competitive advantage. The concept of knowledge management is now an integral part of the strategic management processes of a growing number of organizations, as knowledge is increasingly considered as an important business asset and knowledge management as a key differentiator between firms. The objective of this study was to determine the extent to which commercial banks in Kenya have adopted knowledge management as well as to determine the various knowledge management practices by these banks.

The study used primary data collected through questionnaires with open and closed ended questions. The questionnaires were dropped at the respondents' banks and picked later. The study population comprised of all the 44 commercial banks in Kenya as at the time of study. Responses were received from 28 commercial banks, translating to 64% of the target population. The data collected was analyzed using descriptive statistics.

The findings of the study revealed that most of the banks did not have a knowledge management strategy in place, despite the high level of appreciation of the concept of knowledge management. Consequently, most banks did not have the requisite organizational structures and resources for effective knowledge management. On the job training, particularly through social interaction and shared experience among organizational members, was the leading mode of developing, sharing and distributing knowledge. In addition, the use of e-mails, telephones, intranet, job rotation and one-to-one meetings, were important knowledge management practices. The most relevant modes of knowledge retention were through best practices, use of document management systems as well as employee retention strategies.