IMPACT: International Journal of Research in Business Management (IMPACT: IJRBM)
ISSN(E): 2321-886X; ISSN(P): 2347-4572
Vol. 3, Issue 11, Nov 2015, 15-28

INFLUENCE OF KNOWLEDGE MANAGEMENT PRACTICES ON PERFORMANCE OF LAW FIRMS IN NAKURU TOWN, KENYA

NGUTHARI CYPRIAN MUGAMBI & JOSPHAT KWASIRA
Jomo Kenyatta University of Agriculture and Technology, Nakuru CBD Campus, Nakuru, Kenya

ABSTRACT

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: the law and how to provide legal services; clients and their businesses and industries; the expertise, skills, and backgrounds of firm attorneys and staff; and referral sources, experts, possible merger candidates or lateral hires, and other third parties. However, studying KM practices in legal firms in Kenya has not been sufficiently considered in literature, and limited studies have been conducted o investigate the effect of KM practices on their organizational performance. The purpose of the study therefore was to establish the influence of knowledge management practices on legal firms. The study targeted all 162 registered law firms. The study employed a descriptive research design using both qualitative and quantitative approaches. The study used close-ended questionnaires to collect data using simple random sampling from the law firms. The questionnaire was piloted to ensure validity and reliability. The collected data was coded and analyzed by the aid of Statistical Package for Social Scientists presented in tables. For purposes of establishing the strength and direction of the variables in the study, a correlation analysis was carried out. The study established that all four practices influenced performance of legal firms. Knowledge sharing ($r = 0.664$) had the most influence on performance of legal firms while knowledge implementation ($r = 0.213$) had the least influence on performance of legal firms. The study recommended that law firms should enhance their knowledge management strategies in order to enhance performance of legal firms.

KEYWORDS: Knowledge Management, Performance

1. INTRODUCTION

Organizations operate in an environment characterized by uncertainty, instability and change that create various challenges. Such environment includes many factors as increased globalization, rapid technological change, and the growing need for qualified employees and improved performance (Vanhala & Stavrou, 2013). This forces organizations to try and exploit the 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. Scarbrough and Swan (2001) argue that the rise and growth of KM is one of the managerial responses to the empirical trends associated with globalization and post-industrialism. These trends include the growth of knowledge worker occupations, and technological advances created by ICT. In organizational terms, they argue, this new era is characterized by flatter structures, de-bureaucratization and 'virtual' or networked organizational forms. Accordingly, the uncertainty of the business has escalated, with more external elements to consider and frequent, unpredictable changes. A growing number of organizations have adopted team working, organic structures and knowledge-centric cultures as a consequence. In the knowledge economy, business executives focus on learning and knowledge management. Tsoukas and Mylonopoulos (2004) noted that an organization that has the ability to create knowledge continuously has developed unique dynamic capability that promotes organizational learning. According to Davenport and Prusak (1998) most knowledge management projects aims: to make knowledge visible and show the role of knowledge in an organization, to develop a knowledge-intensive culture that facilitates knowledge sharing (as opposed to hoarding) and proactively seeking and offering knowledge and to build a knowledge infrastructure-not only a technical system, but a web of connections among people given space, time, tools, and encouragement to interact and collaborate. Knowledge has been acknowledged as a vital competitive asset and many enterprises are embracing it. Furthermore, the key source of sustainable competitive advantage in an ever more unstable business environment is knowledge (Ling *et al.*, 2009). Making people knowledgeable brings innovation and continued ability to create and deliver products and services of the highest quality.

Knowledge management in the law firm context involves a firm's "ability to identify, capture, and leverage the internal knowledge of individuals" at the firm and to combine this knowledge with knowledge derived from vendors and other external sources to "enhance the ability of all law firm staff to create and share knowledge across the firm, to provide excellent client service, and to compete in an increasingly aggressive professional legal services environment" (Todd, *et al.*, 2003). In plainer and more intuitive language, knowledge management for law firms means "who we know, what we know and how we do what we do" (Du Plessis & Du Toit, 2006). Law firm knowledge management is dependent on and intertwined with information technology, but successful knowledge management is not just a technological matter. Other issues, such as information culture and the importance of personal service by knowledge management workers, ensure that the discipline cannot be reduced solely to the question of which software to purchase. Knowledge management in law firms has evolved through three phases (Benanmram & Gonzalez, 2011). In the latter part of the twentieth century through the rise of the Internet, knowledge management focused primarily on improving the quality of legal services by creating, gathering, and systematizing knowledge by means of technology and in some cases using professional service lawyers and other knowledge management staff. In the next phase, continuing through 2008, law firm knowledge management activity grew significantly, corresponding with an increased demand for legal services, higher billing rates, and greater movement of partners and attorney teams among firms (Du Plessis & Du Toit, 2006). Developments during this phase focused on supporting and integrating expanding law firms and helping lawyers cope with information overload. Even though firms used knowledge management more during these boom years, the prevalence of hourly billing may have inhibited fulfillment of knowledge management's efficiency-generating potential. As 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 practices on organizational performance in legal firms is important. However, studying KM practices in legal firms in Kenya has not been sufficiently considered in literature, and limited studies have been conducted o investigate the effect of KM practices on their organizational performance.

2. STATEMENT OF PROBLEM

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. Brivot (2011) considered whether implementation of a centralized knowledge management system that emphasized the collection of attorney work product in a central repository resulted in lawyers losing power within the organization to administrators. Despite lawyers' fears, the research suggested that lawyers actually gained power as a result of knowledge management, even though the creation and sharing of knowledge in the firm had become more bureaucratized. Significantly, those without social capital could still access valuable knowledge even in the absence of personal relationships with those possessing the knowledge. Other 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 lawyers engaged in knowledge sharing, lawyers' attitudes about their personal contributions to knowledge sharing, and the use of information technology were stronger predictors of knowledge sharing than lawyers' positive attitudes toward it. Ingo (2007) and others studied knowledge management in a large Canadian law firm that had invested significantly in knowledge management strategy, technologies, and processes. They found that the firm's "information culture", its "values, norms, and practices with regard to the management and use of information", was more important to information use outcomes than "information management", the "application of management principles to the acquisition, organization, control, dissemination, and use of information." Therefore 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 practices on organizational performance in legal firms is important. However, studying KM practices in legal firms in Kenya has not been sufficiently considered in literature, and limited studies have been conducted o investigate the effect of KM practices on their organizational performance. Legal firms as a key element of the judicial process in Kenya can achieve a higher degree of productivity, innovation, efficiency, customer satisfaction and competitive advantage with the use of KM practices, with the result finally of in improvement in organizational performance.

3. OBJECTIVES OF THE STUDY

The general objective of this study was to establish the influence of knowledge management practices on performance of law firms in Nakuru Town, Kenya. The study was guided by the following specific objectives:

- To determine the influence of knowledge acquisition on performance of law firms in Nakuru Town, Kenya.
- To examine the influence of knowledge storage on performance of law firms in Nakuru Town, Kenya.
- To establish the influence of knowledge sharing on performance of law firms in Nakuru Town, Kenya.
- To evaluate the influence of knowledge implementation on performance of law firms in Nakuru Town, Kenya.

4. LITERATURE REVIEW

Knowledge Management (KM) consists of a range of practices used in an organization to create, capture, collect, transfer and apply of what people in the organization know, and how they know what people in the organization know. It has been an established discipline since 1995 with a body of university courses and both professional and academic journals dedicated to it (Stankosky, 2005). Knowledge Management focuses on the management of knowledge as an asset and the development and cultivation of the channels through which knowledge and information flow. Within an organization, such as a commercial company, a law firm or an educational institution, knowledge management can be understood as the management of its intellectual capital, of knowledge as a form of capital that, like physical or financial capital, has to be managed to achieve the aims of the organization. The aims could be in the enhancement of organizational learning and performance (Stankosky, 2005). Many studies indicated the increased importance of one particular intangible asset which is knowledge (Jimenez-Jimenez & Sanz-Valle, 2013). Knowledge is becoming an important factor in production in addition to other factors of land, labour, and capital. Knowledge can be defined as the information, facts, and concepts that usually reside in practices, norms, processes, documents, and the expertise and experience of individuals, which are required for performing tasks (Kim & Lee, 2010). Therefore, researchers have come to the agreement that managing knowledge is vital to the success of organizations, even though it is not an easy task. While literature provides many definitions of knowledge management, Pinho *et al.*, (2012) considered the KM practices to be the process of acquiring, creating, utilizing, and sharing of knowledge. For the purpose of this study we discuss the practices as proposed by Pinho *et al.*, (2012).

4.1 Knowledge Acquisition

This practice encompass 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, laddering, process mapping, concept mapping, observing, educating and training are the most familiar techniques for knowledge acquisition. Knowledge acquisition refers to the process of obtaining new knowledge and information. 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). 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 Parker (2012) 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 change play an important role. In addition, it has been widely accepted among scholars that organizational knowledge creation is heavily influenced by social processes. Thus, in the well-known knowledge creation model of Nonaka and Takeuchi three of the four distinct phases, namely, socialization, externalization and combination involve extensive social interactions among organization members (Chua, 2002).

4.2 Knowledge Storage

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. Knowledge storage utilizes technical systems such as modern informational hardware and software and human processes to identify the knowledge in an organization, then to code and index the knowledge for later retrieval. In the other words, organizing and retrieving organizational knowledge means knowledge storage by providing the ability to retrieve and use the information by the individuals. Storage and codification of knowledge is not only important for an effective use of knowledge but also it is important for re- using it when needed so that the knowledge in question is going to belong to the organization rather than the knower (Nemati, 2002). According to Wiig (2000), there is a popular misconception is 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. The “build it and they will come” expectation typifies this approach: Organizations take an exhaustive inventory of tangible knowledge such as documents and digital records and make them accessible to all employees. 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. 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 the 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.

4.3 Knowledge Sharing

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 Cyr & Choo (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 refers to an individual’s desire to share knowledge; and knowledge receiving which refers to the requesting of individuals to share what they know (Kamasak & Bulutlar, 2010). In addition, Fong & Choi (2009) found that a major obstacle to the process of knowledge sharing is the trust present between individuals. Some studies in the past have expressed considerable interest in knowledge sharing practices (Hicks *et al.*, 2007), and benefits of knowledge transfer and sharing have been discussed widely among scholars and practitioners. Therefore, one of the most important objectives of KM is to bring together intellectual resources and make them available across organizational boundaries. However, formal or informal social processes and cultural issues are just as important as technological systems in knowledge transfer and sharing. Establishing advanced technological systems does not necessarily make people transfer and share knowledge in an organization. It is the type, quality and frequency of social processes and the structure of organizational culture that do. In addition to the formal social processes that can be controlled and managed to some extent, spontaneous, unstructured knowledge transfer is also vital for an organization’s success. For this reason, it is necessary to develop dedicated strategies to encourage such spontaneous knowledge exchanges and a special emphasis should be given to informal relations (Davenport and Prusak, 1998).

4.4 Knowledge Implementation

This means the application of knowledge and the use of the existing knowledge for decision-making, improving performance and achieving goals. Organizational knowledge should be implemented in the services, processes and products of the organization. Once knowledge is acquired, interpretation of that knowledge is needed in order for employees to better understand it. Knowledge interpretation is defined as "the process through which organizations make sense of new information that they have acquired and disseminated" (Flores *et al.*, 2012). Organizations seeking to interpret information should utilize both human and electronic means of communication (Skerlavaj *et al.*, 2010). Knowledge interpretation is affected by various constructs including; cognitive maps (existing knowledge background), media richness (methods used to communicate knowledge), information overload, and unlearning (discarding of useless information) (Jashapara, 2011). In addition, the process of knowledge interpretation is influenced by the beliefs held by different individuals and groups.

4.5 Law Firm Performance

Organizational performance is one of the most important structures discussed in management research and could be considered as the most important criterion for testing the success of a law firm. Performance is one of the most critical areas of law firm management, which many management scholars and practitioners have focused on improving via strategic variables such as KM practices (Cho, 2001). Past studies have conceptualized firms' performance with measures of return on assets, sales growth, new product success, market share and overall performance (Jarworski and Kohli, 1993), sales growth, market share and profitability, overall performance, new product success, change in relative market share, profitability, sales growth, and overall customer satisfaction (Baker and Sinkula, 1999). Other studies have reported that financial measures (return on equity, return on investment) and operational measures (market share, sales growth, and, profit growth) were frequently employed to measure organizational performance. On the other hand, there is no full consensus among academic researchers on the variables and indices of organizational performance. In the other words, organizational performance indices are different in measuring performance in law firms are different. Since the considered indices for measuring performance are different, some of the most important indices applied in previous researches have been selected for this study. The indices which are considered here for measuring the performance of these enterprises include productivity, financial performance, staff performance, innovation, work relationships and customer satisfaction.

5. RESEARCH METHODOLOGY

The study adopted a descriptive cross sectional survey research design. Mugenda and Mugenda (2003) describes descriptive research design as a systematic, empirical inquiring into which the researcher does not have a direct control of independent variable as their manifestation has already occurred or because the inherently cannot be manipulated. The target population comprised all 162 registered law firms in Nakuru Town as at December 2014. One questionnaire was administered to each law firm addressed to a partner registered and practicing law in Kenya. Practicing lawyers were chosen upon because of their key role in knowledge management in the law firms. From the target population of 162 firms, a sample of chosen using statistical formulae and found to be 115 respondents. The study utilized simple random sampling technique in selecting the respondents. This technique ensured that the sample was representative, reliable, flexible and efficient. In this study an appropriate method to collect the primary data was a questionnaire survey. For the purposes of this study, quantitative data was collected using a closed-ended questionnaire. The primary data was sourced from the answers the participants gave during the survey process. The data collected from the questionnaires was analyzed descriptively and statistically with Statistical Package for Social Sciences (SPSS) version 21.0. For the purpose of analyzing the relationships of each of the independent variable on the dependent variable, the study employed correlation analysis to test the strength and direction of the relationship. The responses on all the variables are on a 5-point scale while the statements in the view of the same are on a Likert scale. In the 5-point scale 1, 2, 3, 4 and 5 represent strongly disagree, disagree, neutral, agree, and strongly agree respectively. Out of 115 questionnaires that were issued to the sampled respondents, 96 of them were filled and returned. Of the returned questionnaires, 8 were incorrectly filled and thus were not used in the final analysis. Therefore, 88 questionnaires were correctly filled and hence were used for analysis representing a response rate of 76.5%.

6. RESEARCH FINDINGS AND DISCUSSIONS

The researcher sought to find out the distribution of the respondents according to their gender, age bracket, education level and working experience. The aim was to deduce any trend from the respondent's profile that was directly linked to the variables of the study. According to the findings, majority of registered legal practitioners are male (72.7%) while female were 37.3%. The researcher attributed trend to the existing gender gap across most sectors in Kenya today. The findings in Table 4.2 indicate that a majority of the legal practitioners in the law firms are of the age group 31 – 40 years (40.9%) while the least age group is above 51 years (11.3%). The researcher attributed this to the opening of legal education in Kenya and the changing demographics of the Kenyan population.

From Table 4.3, the study deduced that more than 69% of the respondents had an undergraduate degree or a master degree level of education which was attributed to the technical nature of majority of activities in the legal sector in Kenya. Further, only 18.1% of the respondents had a diploma level of education further indicating higher requirements are needed to join the legal industry in Kenya. The researcher further wanted to establish the working experience of the respondents. This was important since previous studies indicated positive relationship between experience and performance which in turn enhance utilization of knowledge management practices. Majority of the respondents (35.2%) had worked for over 5 years in their respective law firms. Cumulatively, more than 66% had more 3 years of experience while only 12.5% had less than 1 year working experience. This can be attributed to the fact that most private sector institutions have employees on short-term contracts in an attempt to minimize human resource costs, maximize productivity and to enhance firm performance.

6.1 Influence of Knowledge Acquisition on Law Firm Performance

The results of the analysis on factors associated with knowledge acquisition and how it influences law firm performance are shown in Table 1. Majority of the respondents agreed that their law firm had processes that enhanced acquiring and learning appropriate internal knowledge (3.88), had processes that enhanced acquiring and learning appropriate external knowledge (4.15), that creativity and innovation were practiced in order to stimulate generation of new knowledge (3.98), that the firm partnered with other stakeholders by creating alliances to acquire knowledge (3.98) and that the firms had extensive social interactions in knowledge acquisition thus enhancing law firm performance (4.12). The respondents were however unsure whether the knowledge acquired from the firm founders was disseminated across the firm.

Table 1: Influence of Knowledge Acquisition on Law Firm Performance

	n	Min	Max	Mean	Std. Dev.
The firm has processes that enhance acquiring and learning appropriate internal knowledge	88	1	5	3.88	0.992

Table 1: Contd.,					
The firm has processes that enhance acquiring and learning appropriate external knowledge	88	1	5	4.15	0.774
The firm has internal strategies to enhance education and training for knowledge acquisition	88	1	5	3.13	0.992
Creativity and innovation are practiced in order to stimulate generation of new knowledge	88	1	5	3.98	0.977
Knowledge acquired from the firm founders is disseminated across the firm	88	1	5	3.32	0.998
The firm partners with other stakeholders by creating alliances to acquire knowledge	88	1	5	3.98	0.945
We have extensive social interactions in knowledge acquisition thus enhancing law firm performance	88	1	5	4.12	0.779

From the subsequent correlation analysis, it was established that there was a fairly strong positive relationship between knowledge acquisition and law firm performance (r = 0.531). The correlation was significant at the level of 0.03. Although the correlation was fairly strong, the positive nature of the relationship implies that higher levels of law firm performance can associated with knowledge acquisition. Based on these findings, the study concluded that there is a significant relationship between knowledge acquisition and law firm performance.

6.2 Influence of Knowledge Storage on Law Firm Performance

The findings in this section are in line with the second study objective. Table 2 shows the findings related to knowledge storage and how it influences law firm performance. The respondents, on average, agreed that the law firm had both the soft or hard style recording and retention of both individual and organizational knowledge in a way so as to be easily retrieved (3.89), that the firm's knowledge storage provided the ability to retrieve and use the information by all individuals (4.21), that the firm had knowledge storage and codification which is important for effective use of knowledge (3.92) and that the firm had an exhaustive inventory of tangible knowledge which are accessible to all employees and thus enhancing law firm performance (4.04). The respondents were however unsure as to whether the firm had technical systems such as modern informational hardware and software and human processes to identify the knowledge (3.24).

Table 2: Influence of Knowledge Storage on Law Firm Performance

	n	Min	Max	Mean	Std. Dev.
The firm has both the soft or hard style recording and retention of both individual and organizational knowledge in a way so as to be easily retrieved.	88	1	5	3.89	0.961
The firm has technical systems such as modern informational hardware and software and human processes to identify the knowledge	88	1	5	3.24	0.988
The firm's knowledge storage provides the ability to retrieve and use the information by all individuals	88	1	5	4.21	0.745
The firm has knowledge storage and codification which is important for effective use of knowledge	88	1	5	3.92	0.984
The firm has an exhaustive inventory of tangible knowledge which are accessible to all employees and thus enhancing law firm performance	88	1	5	4.04	0.653

From the subsequent correlation analysis, it was established that there was a fairly strong positive relationship between knowledge storage and law firm performance (r = 0.415). The fairly strong positive relationship implies that law firm performance is greatly influenced by the adoption of knowledge in the various law firms. The study further deduced that the strong correlation implied that knowledge is one of the key factors influencing law firm performance. Based on these findings, the study concluded that there is a significant positive relationship between knowledge storage and law firm performance.

6.3 Influence of Knowledge Sharing on Law Firm Performance

In this section the researcher presents various aspects touching on knowledge sharing as it influences law firm performance in Nakuru Town, Kenya. The findings are depicted in Table 3.

Table 3: Influence of Knowledge Sharing on Law Firm Performance

	N	Min	Max	Mean	Std. Dev.
The firm has a process of sharing acquired knowledge from one person or unit to another	88	1	5	3.17	1.203
The firms organizational culture enhances knowledge sharing	88	1	5	3.41	0.994
The attitudes and values of individuals towards knowledge sharing in the firm is positive	88	1	5	3.83	0.917
The nature of the technology used to share knowledge in the firm is appropriate to all	88	1	5	3.98	0.959
Knowledge sharing in the firm is enhanced by the level of trust present between individuals	88	1	5	3.15	0.983
Through knowledge sharing, intellectual resources are available across organizational boundaries thus enhancing law firm performance.	88	1	5	3.62	0.998

The study established that most of the respondents agreed that the attitudes and values of individuals towards knowledge sharing in the firm was positive (3.83), that the nature of the technology used to share knowledge in the firm is appropriate to all (3.98) and that through knowledge sharing, intellectual resources were available across organizational boundaries thus enhancing law firm performance (3.62). The respondents were however unsure whether the firm had a process of sharing acquired knowledge from one person or unit to another (3.17), whether the firms organizational culture enhanced knowledge sharing (3.41) or whether knowledge sharing in the firm was enhanced by the level of trust present between individuals (3.15). From the correlation analysis it was established that there was a strong positive relationship between knowledge sharing and law firm performance in Nakuru Town, Kenya ($r = 0.664$). The strong positive relationship implies that high levels of law firm performance in law firm can be associated to some extent to the knowledge sharing schemes offered by the law firms. Based on these findings, the study concluded that there is a significant relationship between knowledge sharing and law firm performance.

6.4 Influence of Knowledge Implementation on Law Firm Performance

In this section the researcher presents various aspects touching on knowledge implementation as it influences law firm performance in Nakuru Town, Kenya. The findings are depicted in Table 4.

Table 4: Influence of Knowledge Implementation on Law Firm Performance

	N	Min	Max	Mean	Std. Dev.
The firm applies knowledge and uses existing knowledge for decision-making	88	1	5	2.97	1.203
Organizational knowledge is implemented in	88	1	5	3.20	0.997

the services, processes and products of the firm					
The firm always interprets knowledge in order for other employees to better understand it	88	1	5	3.23	1.117
In the process of interpreting information, the firm utilizes both human and electronic communication	88	1	5	3.11	0.959
The firm avoids information overload and unlearning by discarding useless information	88	1	5	3.15	0.983
In the firm, the process of knowledge interpretation is influenced by the beliefs held by different individuals	8ta8	1	5	3.18	0.955
The firm uses existing knowledge to achieve goals thus enhancing and improving performance	88	1	5	3.02	0.998

The study established that most of the respondents were however unsure whether the law firms applied knowledge and used existing knowledge for decision-making (2.97), whether organizational knowledge was implemented in the services, processes and products of the firm (3.20), whether the firm always interpreted knowledge in order for other employees to better understand it (3.23), whether in the process of interpreting information, the firm utilized both human and electronic communication(3.11), whether the firm avoided information overload and unlearning by discarding useless information (3.15), whether the process of knowledge interpretation was influenced by the beliefs held by different individuals or whether the firm used existing knowledge to achieve goals thus enhancing and improving performance. From the correlation analysis it was established that there was a fairly weak positive relationship between knowledge implementation and law firm performance ($r = 0.213$). The weak positive relationship implies that high levels of firm performance in law firms can be associated to some extent to the knowledge implementation processes offered by the firms. Based on these findings, the study concluded that there is a significant relationship between knowledge implementation and law firm performance.

7. CONCLUSIONS

The concluded that law firms should enhance processes that enhanced acquiring and learning appropriate internal knowledge, enhance acquiring and learning appropriate external knowledge, enhance creativity and innovation in order to stimulate generation of new knowledge, should partner with other stakeholders by creating alliances to acquire knowledge and that the firms should have extensive social interactions in knowledge acquisition thus enhancing law firm performance. Secondly, the study concluded that the law firms should enhance both the soft or hard style recording and retention of both individual and organizational knowledge in a way so as to be easily retrieved, the firm's should provide knowledge storage with the ability to retrieve and use the information by all individuals, and that the firm should enhance their inventory of tangible knowledge and make them more accessible to all employees. Thirdly, the study concluded that the law firms must enhance strategies to ensure that the attitudes and values of individuals towards knowledge sharing in the firm was positive, the nature of the technology used to share knowledge in the firm is appropriate to all, and that through knowledge sharing, intellectual resources be made available across organizational boundaries. The law firms should thus ensure they have a process of sharing acquired knowledge from one person or unit to another, firms organizational culture enhanced knowledge sharing and that knowledge sharing in the firm should be enhanced by the level of trust present between individuals. Finally, the study concluded that law firms should apply knowledge and use existing knowledge for decision-making, that organizational knowledge was not implemented in the services, processes and products of the firm, that the firms should always interpret knowledge in order for other employees to better understand it, that firms should have a process of interpreting information, law firms should utilize both human and electronic communication, law firms should avoid information overload and unlearning by discarding useless information and that the process of knowledge interpretation should be influenced by the beliefs held by different individuals or whether the firm used existing knowledge to achieve goals thus enhancing and improving performance.

8. REFERENCES

1. Alrawi, A. K. (2007). Knowledge Management and the Organization's Perception: A Review. *Journal of knowledge Management Practice*, 8(1), 32-48.
2. Benamram, O., & Gonzalez, S. (2011). Forming a KM Strategy for Your Firm in Knowledge Management, *Conveyors of Organized Information*, 22, 23–24.
3. Brivot, M. (2011). *Controls of Knowledge Production, Sharing and Use in Bureaucratized Professional Service Firms*, Organizational Studies, 489.
4. Chua, A. (2002). Taxonomy of Organizational Knowledge. *Singapore Management Review*, 24(2), 70-75.
5. Cyr, S., & Choo, C. W. (2010). The individual and social dynamics of knowledge sharing: An exploratory study. *Journal of Documentation, 66*(6), 824–846.
6. Daft, R.F. (2001) *Organization Theory and Design*, Cincinnati: South-Western College Publishing.
7. Davenport, T.H., De Long, D.W. & Beer, M.C. (1998). Successful Knowledge Management Projects, *MIT Sloan Management Review,* 39:2, 43-57.
8. Davenport, T. H., & Prusak, L. (1998). *Working Knowledge. How Organizations Manage what They Know?* Boston, MA: Harvard Business School Press.
9. Drucker, P. F. (1993). Knowledge-worker productivity: the biggest challenge. *California Management Review, 41*, 79-94.
10. Du Plessis, T., & Du Toit, A. (2006). Knowledge Management and Legal Practice, *International Journal of Information Management*, 360.
11. Flores, L. G., Zheng, W., Rau, D., & Thomas, C. H. (2012). Organizational learning: Subprocess identification, construct validation, and an empirical test of cultural antecedents. *Journal of Management, 38*(2), 640–667.
12. Fong, P., & Choi, S. (2009). The processes of knowledge management in professional services firms in the construction industry: A critical assessment of both theory and practice. *Journal of Knowledge Management, 13*(2), 110–126.
13. Fraenkel, R., & Wallen, E. (2006). *How to design and evaluate research in education* (6^{th} Ed.). New York: McGraw-Hill.

14. Grant, R. M. (1996). Prospering in Dynamically-Competitive Environments: Organizational Capability as Knowledge Integration“. *Organizational Science*, 7(4), 375-388.

15. Geiger, D., & Schreyogg, G. (2012). Narratives in knowledge sharing: Challenging validity. *Journal of Knowledge Management*, *16*(1), 97–113.

16. Hick, R. C. (2007). The Transformations in the Five Tier Knowledge Management Transformation Matrix. *Journal of Knowledge Management Practice, 8(1),* 10-18.

17. Ingo F. (2007). Turning Knowledge into Value in Professional Service Firms, P*erformance Measurement & Metrics*, 146-149.

18. Jashapara, A. (2011). *Knowledge management: An integrated approach*. England: Prentice Hall.

19. Jimenez-Jimenez, D., & Sanz-Valle, R. (2013). Studying the effect of HRM practices on the knowledge management process. *Personnel Review, 42*(1), 28–49.

20. Khandelwal, V., & Gottschalk, P. (2003). A Knowledge Management Survey of Australian Law Firms. Role of Knowledge Management in Achieving and Sustaining Organizational Competitive Advantage", *International Business Research*, 2(3), 3-16.

21. Kim, S., & Lee, H. (2010). Factors affecting employee knowledge acquisition and application capabilities. *Asia-Pacific Journal of Business Administration*, *2*(2), 133–152.

22. Kiprono, A. E. (2013). *Strategic planning practices by large law firms in Nairobi, Kenya,* Unpublished MBA thesis, University of Nairobi.

23. Malhotra, Y. (2000). Knowledge Management for E-Business Performance: Advancing Information Strategy to Internet Time. *Information Strategy: The Executive’s Journal*, 5-16.

24. Maseki, C. (2012). *Knowledge management and performance of commercial banks in Kenya*, Unpublished MBA thesis, University of Nairobi.

25. Michailova, S., & Gupta, A. (2005). Knowledge sharing in consulting companies: Opportunities and limitations of knowledge codification. *Journal of Information & Knowledge Management*, *4*(3), 201–212.

26. Mosoti, Z., & Masheka, B. (2010). Knowledge Management: The Case for Kenya. *The Journal of Language, Technology & Entrepreneurship in Africa, 2(1),* 107 -133.

27. Mugenda, O.M., & Mugenda, A. G (2003). *Research methods*: *Quantitative and qualitative approaches.* Nairobi, Kenya: Act Press.

28. Nemati, H. (2002). Global Knowledge Management: Exploring a Framework for Research. *Journal of Global Information Technology Management*, 5(3), 1-11.

29. Nonaka, I. & Takeuchi, H. (1995). *The Knowledge-Creating Company*. New York, NY: Oxford University Press.

30. Nonaka, I., & Takeuchi, H. (1995): *The Knowledge-creating Company: How Japanese Companies Create the Dynamics of Innovation*. New York: Oxford University Press.

31. Ondari, O. E., & Minishi, M. M. (2007). *Enhancing Governance, Performance Effectiveness and Capacity to Deliver Basic Government Services in Sub-Sahara Africa through Knowledge Management.* Paper presented at The Knowledge Management Africa (KMA) second biennial conference 2007, Nairobi

32. Parker, H. (2012). Knowledge acquisition and leakage in inter-firm relationships involving new technology-based firms. *Management Decision*, *50*(9), 1618–1633.

33. Perez Lopez, J.A., (1991). *Fundamentos de la Dirección de Empresas,* Editorial Rialp, Madrid.

34. Petersen, N.J. and Poulfelt, F. (2002) *Knowlegde Management in Action: A Study of Knowledge Management in Management Consultancies*, Working Paper 1-2002, Kaupmannahöfn: Copenhagen Business School.

35. Pinho, I., Rego, A., & Cunha, M. P. (2012). Improving knowledge management processes: A hybrid positive approach. *Journal of Knowledge Management*, *16*(2), 215–242.

36. Quintas, P., Lefrere, P., Jones, G. (1997): Knowledge Management: a Strategic Agenda, *Long Range Planning*, 30(3), 385-391.

37. Saunders, M., & Lewis, P. (2009). *Research Methods for Business Students*, (5th Ed.). Harlow: Prentice Hall.

38. Scarbrough, H. and Swan, J. (2001) 'Explaining the diffusion of knowledge management: The role of fashion', *British Journal of Management*, 12, 3-12.

39. Škerlavaj, M., Song, J. H., & Lee, Y. (2010). Organizational learning culture, innovative culture and innovations in South Korean firms. *Expert Systems with Applications, 37*, 6390–6403.

40. Stankosky, M. (2008). *Keynote address to International Conference on Intellectual Capital, Knowledge Management and Organizational Learning*, 9 – 10.

41. Southon, G., Todd, R., & Seneque, M. (2002). Knowledge Management in three organizations: An exploratory study, *Journal of the American Society for Information Science and Technology*, 5, 3-12.

42. Sveiby, K. (1997). The intangible assets monitor. *Journal of Human Resource Costing & Accounting*, 12 (1), 73 – 97.

43. Vanhala, S., & Stavrou, E. (2013). Human resource management practices and the HRM-performance link in public and private sector organizations in three Western societal clusters. *Baltic Journal of Management*, *8*(4), 416–437.