STRATEGIES FOR KNOWLEDGE MANAGEMENT IN LAW FIRMS IN KENYA:
A CASE STUDY OF LAW FIRMS IN NAIROBI COUNTY

BY

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UNITED STATES INTERNATIONAL UNIVERSITY AFRICA

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A Project Report submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA)

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STUDENT’S DECLARATION

I, the undersigned declare that this is my original work and that it has not been submitted to any other College, Institution or University other than the United States International University for academic purposes.

Signed: ______________________ Date: __________________________

Mary Kaluki Wambua (ID. No: 620062)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ______________________ Date: __________________________

Ms. Angeline Asangire Oprong

Signed: ______________________ Date: __________________________

Dean, Chandaria School of Business
DEDICATION

Dedicated to my inspiring parents and my brother, for being the pillows, role models, catapults, cheerleading squad and sounding boards I have needed.
ACKNOWLEDGEMENTS

I would like to thank the Almighty God for giving me strength and wisdom to complete this study. My greatest thanks go to my supervisor Ms. Angeline Asangire Oprong, for her guidance, expertise and patience. Finally, I thank my parents and my brother for their undying support and encouragement.
ABSTRACT

The main objective of the study was to examine the strategies for knowledge management for law firms in Kenya. The study was guided by the following research questions: How the legal industry and its environment are changing? What are the challenges do these changes have on law firms? What are the benefits of knowledge management to law firms in Kenya? The research adopted a survey research design with a target population of 83 lawyers from Nairobi. The collection of data was conducted through the use of questionnaires and thereafter analyzed through descriptive statistics so as to be able draw conclusions. The research procedure began with a pilot survey, this helped to identify the questionnaire’s suitability in terms of ability to answer the questions at hand and meet my overall objective. Adjustments and recommendations from the pilot survey were then incorporated to come up with a final questionnaire. The process of data collection was enhanced by the use research assistants (RAs) drawn from business class and trained on the use of the research tools. Data coding was first done then followed by data presentation via tables and, figures.

The study revealed that the operation of law firms in Kenya have been significantly affected by the changes in the legal environment brought about by amongst other things the globalization of legal practice, advances in information communication technology, electronic publishing, competition amongst law firms, pressure from clients and increase in lawyers’ mobility. Consequently, law firms in the country like law firms elsewhere were beginning to recognize the potential benefits of knowledge management as a strategic means to weather changes in the legal environment and sharpen their competitiveness as well as broaden their influence within the legal industry and the global economy.

The findings on the challenges facing knowledge management revealed that there were some differences with regards to the respondents’ views with regard to their views on the factors that were considered to inhibit knowledge management. Although a substantial majority of the respondents considered technological infrastructure as an inhibiting factor to knowledge management in the law firms, and limited financial resources there was less than 50 percent agreement on the other factors which were identified in the literature as being inhibitors to knowledge management.
The study concludes that the conditions in the law firms at present are not very favorable for knowledge management to thrive. For example, there are no rewards or incentives for sharing knowledge. Also, promotions in these law firms are not based on the ability to share knowledge and very few lawyers acknowledge that there is special recognition for staff on the time spent in knowledge creation, sharing and distribution. Furthermore, although lawyers were positive about the mutual trust, care and concern amongst individuals, it was seen that the trust and care is limited only to issues that have to do with the general interest of the law firm rather than issues that involve sharing individual expertise with colleagues.

The study recommends the Law Society of Kenya, which is the body that regulates all the lawyers in Kenya, is bound to play a crucial role in facilitating the implementation of knowledge management. It should engage the services of a consultant who must sensitize lawyers on the importance of the above findings and guidelines of knowledge management in law firms. The following recommendations are specifically designed to ensure the effective implementation of knowledge management. Additionally the knowledge management goal of each depends on the needs of that particular firm. For a start, it is important for law firms to select simple initiatives that are within the reach of the law firms’ current technology, business processes, funding constraints and cultural readiness. Finally law firms in Kenya should invest in information and communication technologies that support their knowledge management goals. It is, however, important to pay particular attention to the people, structure, processes, leadership and techniques before selecting a technological solution. Law firms should provide opportunities for professional development and encourage life-long continuing education and training of staff in the firms
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<td>AUSTL</td>
<td>Australasian Legal Information Institute</td>
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<tr>
<td>BILII</td>
<td>British and Irish Legal Information Institute</td>
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<td>CANLII</td>
<td>Canadian Legal Information Institute</td>
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<tr>
<td>KM</td>
<td>Knowledge Management</td>
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<td>SECI</td>
<td>Socialization, Externalization, Combination and Internalization</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

The 20th century has witnessed a very large increase with regards to how important knowledge management is. This is besides what was initially known as the traditional resources which included mainly three elements: land, labor, and capital. Knowledge therefore has stood out to be considered also as a key resource to any organization. In the same regard, knowledge management has taken different forms and has different meaning to every organization. This is because knowledge can be stored in a number of ways, among them we have: databases, printed on paper, while at the same time, it can be integrated into an organization’s policies, procedures as well as reports, or it can as well be kept in the minds of people within the organization (Fombad, et al., 2009).

Knowledge management has been defined in a number of ways among them, is the concept of God’s own idea. The Holy Bible for instance is considered to be a revelation of the knowledge and wisdom of GOD to Humanity, which has for many years evolved from simple ancient scrolls to what we currently have in form of compact print digital Bibles “In the fourth year of Jehoiakim, this word came to Jeremiah from the Lord saying take a scroll of a book and write on it all the words that I have spoken to you concerning Israel, Judah and against all the nations from the day I spoke to you even to this day” (Jeremiah 36: 1-2). Parents have also passed knowledge and wisdom to their children for centuries, on how to run family businesses as well as handling of family matters. This also takes place in organization whereby workers exchange ideas and know how on the jobs” (Fombad, et al., 2009).

At the organization level knowledge management plays an essential role given its great benefits when it comes to improving organizational performance, competitive advantage, positioning, economic success as well as economic viability. In this regard therefore it becomes imperative for organizations to develop mechanisms that will assist members of an organization to formalize their knowledge management practices. According to Nonaka and Takeuchi (2010), there exists a link between knowledge management and organizational
success, a notion that is also supported by Prusak (2014), who argues that, the law firms that ignore knowledge management, simply put themselves in severe jeopardy.

Knowledge management can be seen as the management intention to create, transfer and interpret new knowledge in the context of the existing knowledge in order to increase organization’s innovativeness as well as improve decision making (Ahmad & Daghfous, 2010). New knowledge is usually created shared and justified though the social and collaborative process as well as through the interaction with the environment. It involves coming up with a new process or replacing the existing process within the organization’s implicit and explicit knowledge. If an organization wants to leverage on knowledge as well as increase performance of knowledge creation then knowledge transfer is necessary. Knowledge transfer can either be external or internal. External knowledge transfer can be realized through activities such as training sessions, trade shows, workshops consortiums, conferences, seminars, university courses, consulting and government extension program whereas internal knowledge transfer can be attained through activities such as in-house training sessions, mentoring and departmental reporting (Ahmad & Daghfous, 2010).

In Kenya, a study by Kipchumba et al., (2010) on the assessment of knowledge management as source of sustainable competitive advantage and its impact on the performance of Egerton University farms revealed that indeed private farms acquired, stored and shared information for their competitive advantage from various sources compared to Egerton University farms, a situation which made them more competitive than the university.

Creating organizational behavior that supports knowledge management is critical to success of a knowledge management strategy and will continue long after the tools and processes are established. Learning is an important part of knowledge management and should be addressed with approaches such as increasing internal communications, promoting cross-functional teams as well as creating a learning community. Learning can be described as the acquisition of knowledge or a skill through study, instruction or experience. Learning refers to the way in which people create new knowledge. Organizational learning entails applying knowledge for a specific purpose. It is the bridge between innovating and working. There
are two approaches of learning. The first approach to organizational learning analyzes the firm as whole from a cognitive perspective. The second approach analyses learning as community based where the practitioners in the organization create knowledge in their own networks activities (Lyles & Easterby-Smith, 2011). There are five disciplines of organizational learning.

According to Kruger and Johnson (2011), a firm’s knowledge management strategy should reflect its competitive strategy, the way it creates value for its customers, how that value supports an economic model and also how the people in the particular company deliver on the value of economics. Companies struggle in developing appropriate metrics to assess the effectiveness of knowledge management initiatives. Kruger and Johnson (2011) conducted a research on Knowledge management maturity and concluded that, companies which recorded positive growth in Knowledge management maturity also recorded positive growth in Organizational performance; therefore there is a positive relationship between knowledge management and organizational performance (Kruger & Johnson, 2011).

In carrying out their research Ahmad & Daghfous (2009), found out that in order for companies to maintain a competitive edge and remain at the top, they must have a good strategy to retain, develop, organize and transfer their resources, which requires systematic knowledge management. Knowledge management has great influence on firms’ strategy formulation and implementation. Many organizations already achieve great benefits through knowledge sharing activities such as improved competitiveness, increased visibility and flexibility (Ahmad & Daghfous, 2010). In this section we will look at the Pillars of Knowledge management

Knowledge intensive organizations such as law firms have without doubt appreciated the value that comes with knowledge management, despite the fact that their knowledge management activities can as well be accomplished without substantially changing how they carry on with their business. This however is notwithstanding the massive changes that have faced the legal industry in recent years (Reach, 2006). These changes include among others: advances in information communication technology, changes in the nature of legal practice, intense competition for clients, partners and law graduates, globalization and mergers with
other consulting companies have added pressure on law firms to maintain a competitive edge. This has therefore prompted investigations on other alternative means of enhancing the cost effectiveness of their services offered by such law firms (Hopkins and Reynolds, 2003).

As law firms develop means and ways of acquiring and leveraging knowledge effectively within the client organizations, there is the likelihood of them being propelled to become very much adaptive, innovative and competitive as well. Knowledge management therefore has and will remain to be a topic of discussion in a number of competitive law firms. This however is despite the growing body of literature on knowledge management by practitioners and researchers which have gone as far as describing the immense potential for the use of knowledge management in law firms (Reach, 2006). It follows therefore that there exists a wide gap between theory and research. Davenport (2011), for instance established that very few studies have emphasized knowledge generation and realization processes, and advocate the need to examine the different levels of knowledge management that consists of integrating it into business strategy, process, structure, culture and behavior. As such, this study sought to fill this gap by examine knowledge management from the perspective of Kenya’s legal sector. This study therefore examined strategies for knowledge management among law firms in Kenya.

1.2 Problem Statement
Knowledge management has been seen to have largely diffused and scattered into diverging perspectives and disciplines. In this regard therefore this study sought to address only a few of the many different approaches to knowledge management by drawing on knowledge management literature as it relates to law firms. This is in consideration of the fact that most lawyers in Kenya may still not fully understand the concept of knowledge management, it is appropriate to study this concept at the early phase of its implementation.

Additionally, the study choose law firms because not much has been done particularly with regards to knowledge management. In fact there is very little information on knowledge management in law firms in Africa except for one carried out by du Plessis (2004) and du Plessis and du Toit (2005) studies on South Africa and Botswana law firms. This studies
mainly focused on knowledge management. The other studies carried out in Africa mainly focused on financial, business, public as well as research organizations (Ndlela and du Toit, 2001; Okunoye, 2002; Squire and Snyman, 2004).

In the same regard, studies on knowledge management in law firms focused solely on large law firms. For instance the study carried out in Virginia law firms, established that most of these law firms were waiting to see how the large law firms fared before adopting knowledge management (Gonzalez, 2012). Though large law firms may be seen as logical users of sophisticated knowledge management systems, it is crucial for both large and small firms to implement knowledge management, since it is an essential survival weapon in any business organization. This study therefore sought to examine strategies for knowledge management among law firms in Kenya.

1.3 Purpose of the Study
The purpose of this study was to examine strategies for knowledge management among law firms in Kenya.

1.4 Research Questions
The study was guided by the following research questions
1.4.1 How is knowledge management changing the legal industry and its environment?
1.4.2 What are the challenges facing knowledge management in law firms in Kenya?
1.4.3 What are the benefits of knowledge management law firms in Kenya?

1.5 Significance of the Study
This study will benefit various stakeholders namely:
1.5.1 Researchers and Academicians
As a newly adopted concept in law firm, knowledge management is highly valued in research and academics? Although it is relatively split into diverging concepts, perspectives and disciplines. It will be therefore essential for researchers and academicians in the field of knowledge management to make use of the findings of the study to explore further research areas.
1.5.2 Legal Profession
The findings of the study will be essential to the legal profession. Due to the intensity of the work done by lawyers, judges, magistrates, clerks and other judicial staff, an arena for knowledge management has been provided in this research.

1.5.3 Law Firms
Law firms in Kenya will benefit largely from this study especially with regards to the use of technology in the legal practice. It is expected that Kenyan lawyers will become aware of the various opportunities that will be available to them and their firms of if they put in practice the recommendations made in this study.

1.6 Scope of the study and Limitations
This research is a case study, focusing exclusively on the strategies for knowledge management in law firms in Kenya registered with the Law firm Society of Kenya (LSK). The target respondents were Advocates of the High Court of Kenya either practicing solo, employed in law firms, Partners or Associates in Nairobi County. The main limitation was the confidentiality of the information by the respondents however, this was addressed by assuring the respondents that the study was purely for academic purpose and there was no disclosure to other parties whatsoever. Additionally the study was carried out between January to August 2014 and was therefore limited to the events and happenings in this year.

1.7 Definition of terms
This section provided a definition of terms

1.7.1 Knowledge
According to Fahey & Prusak (1998), knowledge is what the knower knows that does not exist out of the knower but rather shaped by ones needs as well as one’s initial stock of knowledge.
1.7.2 Tacit Knowledge
Polanyi (1966) described tacit knowledge as everything we know but we cannot really express ourselves. This type of knowledge is subjective, unspoken, intuitive, hidden and undocumented and consists of technical skills, “know how” or “understanding.”

1.7.3 Explicit Knowledge
Nonaka & Takeuchi (1995) defines knowledge as that which is written down, expressed in words and numbers and can be easily communicated and shared in the form of hard data, scientific formulae, codified procedures or universal principles.

1.7.5 Declarative knowledge
It is the knowledge about something; it has much in common with explicit knowledge in that it consist of descriptions of facts, things, methods and procedures (Edwards & Mahling, 1997; Zack, 1999).

1.7.6 Knowledge management
From information technology perspective, Hluppic (2003), defined knowledge management as accessing, evaluating, managing, organizing, filtering and distributing information in a manner that would be useful to end users through a technological platform.

1.8 Chapter Summary
This chapter introduced the particulars of the research such as research questions, its objectives and the rationale of the study. Definitions of terms used in the study were given and the significance of the study was also addressed. In the next chapter, the researcher will examine previous literature in the study and use the research questions as the frame work for this review. Chapter three presented the research methodology that was employed in the study while the fourth chapter presented the results and findings whereas the fifth chapter presented a summary of the findings as well as the discussion, conclusions and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

Chapter two will review literature on the critical review of knowledge management as well as other factors affect the operating environment of lawyers. The chapter is mainly focused on the three research questions; how the legal environment is changing and the consequences and challenges of the changing legal environment to the law firms.

2.2 Changes in the Legal Information Environment

Berring (2007) has put forward an argument that indeed the law was traditionally cemented around law books and print technology. This can be said to be the main reason as to why for a long period of time, legal research facilities were largely centered on paper based law library. In this regard therefore precedent bank and the collection of press cuttings were the norm. He further argues that indeed the law library was purely considered to be the centre for law firms. This means therefore that, clients regarded law as just but an indicator of the lawyer’s prowess. Similarly, it was unusual to find a practitioner who possessed basic computer skills thus making the secretary indispensable figure in a law firm (Brenells et al., 1997).

Traditionally legal documents were mainly drafted using hand and thereafter it was the duty of the secretaries to type them. These events therefore meant that for one to make amendments on any documents there was the need for the drafts to be made before they were carefully retyped before they were forwarded for signing. It also means that legal research was required more time in the library, searching for books and authorities in the hope that colleagues had not removed them. This therefore meant that research quality largely depended on a comprehensive library collection which was up to date.

The development of online computer-based research systems such as LexisNexis and Westlaw was is a clear indication of how the legal practice is entering into an era not totally reliant on print (Katsh, 1995). In the modern day legal environment lawyers have can seek,
find and download court decisions on the internet an event that has enabled them to carry out computerized searches via massive libraries especially when it comes to case reports, statutes as well as statutory instruments. Additional online databases that have emerged include Kenyalaw, Justastat, LexisNexis as well as Dialog. Such databases have brought into play massive transformations, when it comes to legal research while also providing additional electronic research facilities to lawyers who are conducting online advisory and drafting tools are thus making them competitive.

Additionally, computers have transformed the way things are conducted in the legal industry. This is because what was initially done manually is now done simply through a click of the mouse especially so with regards to the routine assignments that used to take huge amounts of time. Initially lawyers were not able to carry a lot of materials at a go given the huge volumes of legal materials. Things have changed however now that lawyers are able to carry electronic libraries around in a more easy and fashionable way with the help of portable computers. This has further made it easier to access specific information that used to take lawyers and paralegals hours to locate. The entry of complex and expensive computer programmes into the market has enabled lawyers to carefully manage their documents as well as their testimony needed in their trials and some lawyers use large screen television presentations before juries presenting convincing and vivid arguments.

Historically lawyers were being considered to be very fearful and resistant to the adoption of moderm technology. In 1996, for instance Katsh made an observation about how many lawyers in the United States, especially sole practitioners as well as small failed to even subscribe to, much less use the electronic research opportunities provided by LexisNexis and Westlaw. Some lawyers, especially so the older ones, barely departed from the use of law books, and still consider print materials to be the most probably the medium of choice. He further argues that techno-phobia is largely the norm among many lawyers and especially so the senior lawyers who have for quite some time considered computers to be a hybrid of a manual typewriter beneath their dignity and above their understanding (Katsh, 1995).

The resistance to adopt new technology can partly be attributed to the fact that lawyers seem
to be very much reluctant to abandon their personal working habits and tools and may also be partly attributed to the legal mindset, lawyers’ general obsession to protect client’s documents, shielding privileged legal advice, and safeguarding accounting information. It is therefore very much ironical to note that a lawyer’s career demonstrates the ability to learn and acquire entirely new areas of knowledge above yet when it comes to adopting new technologies they are one of the most reluctant.

2.2.1 Advances in Information Communication Technologies (ICT)

Murungi (2003) defines technology as including discoveries in sciences, product development as well as improvement in machinery, process, notwithstanding automation and information technology. Technology therefore also includes a combination of knowledge, information as well as ideas. Such developments continue to transform the manner in which service firms behave with their clients. As such, they are raising a host of research as well as practice issues which relate to the delivery of e-service.

It has now become very obvious in the legal industry that advance in information communication technologies is dramatically transforming the various activities conducted by lawyers, especially with regards to processing knowledge and delivering legal services to clients. Reach (2006) is of the argument that information communication is currently being used by most lawyers and other legal practitioners to manage their internal operations. Majority of them are making use of typical applications to facilitate front office operations among them we have legal information systems, artificial intelligence, case analysis support systems, electronic learning management systems, as well as litigation support systems.

2.2.1.1 Internet

The introduction of internet has had major impact especially with regards to helping lawyers deal with giving service to their clients. The Internet has helped lawyers to give the clients anytime access to their services. Internet also allows lawyers to perform tasks at a time and in a place convenient to them that is why it is considered as a major step forward and it is
therefore challenging most of the paper and print paradigm which were initially seen to be at
the fore-front in supporting the practice of law (Jones, 2012).

The Internet has made it very cost effective to conduct the legal transactions as well as
enabling clients to access legal help through electronic communication. Electronic
communication have also been very much instrumental when it comes to the shared
experience, as well as supporting real-time on-line meetings and also accelerating the speed
by which clients contact and communication with other lawyers can be achieved. The
Internet has also enable lawyers to monitor new developments by simply subscribing to e-
mail newsletters, as well as through reading legal newspapers on the web. Additionally, legal
services are nowadays marketed over the internet through law firm web sites, law department
intranet sites, Usenet, and e-mail discussion groups (Jones, 2012).

2.2.1.2 Electronic publishing
The role of legal publishers is indeed very crucial to the legal industry. This is because
without legal publishers, the information flow from one generation to another is likely to be
dented. In this regard legal publishers continue to seek ways of how to remain conversant
with new technologies. Majority of such publishers have tried to do so through innate
activities carried out to enhance their skills in information technology. Additionally majority
of the publishers are constantly reshaping the legal industry markets through the use of web
technologies in a bid to offer lawyers with ready access to vast amount of current as well as
retrospective legal information resources (Paliwala et al., 1997). There have been fears that
electronic publishing is likely to replace the traditional paper-based publishing technologies,
however this does not seem to be the case at the moment because the traditional paper based
publishing seems to be here to stay given the huge amount of information that occurs in these
medium, with time however the scenario might change if indeed all the requisite material
will have found its way into the electronic channels.

2.2.1.3 Information Overload
Information overload is considered to be a very key element when it comes to the
proliferation of information and electronic resources. This is attributable to the fact that the
internet and online decisions from courts have been largely seen to aggravate the problem of information overload. This occurs in a number of ways, but most importantly is through the production and dissemination of information which has now become very cheap and therefore very easy to flow from one individual to another has. As such lawyers are likely to become overwhelmed with the amount of random as well as unorganized information an event that has forced them to drown in a pool of sometimes irrelevant information. Parsons (2012) made an observation that indeed the recent changes in technology has brought about the explosion of content relating to the legal practice as well as the increasing demands for speed in the provision of legal services continues to ironically lead to information anxiety as well as the attention deficit amongst lawyers. It follows therefore that tracking of relevant information amongst lawyers within the firm, is going to be very time consuming since most lawyers spend time duplicating research, which has already been carried out elsewhere, or in some instances they create new agreements and documents when models of such agreements already exist; often resulting in frustration.

2.2.1.4 Globalization of Legal Services

In a fast moving and globalised world, a firm must maintain its competitive advantage to constantly enhance its performance and compete with its competitors. The competitive advantage concept includes the capabilities, resources, relationships and decisions that permit a firm to take advantage of its opportunities and avoid threats within its industry sector (Tsai and Chen, 2008). Law firms therefore are not being left behind in this era of information and technology; this is mainly because an advance in information communication technology has given them a platform to increase their horizons. Law firms continue to expand beyond borders in what was considered to be their traditional markets. This situation has therefore gone a long way to increase competition from other global players (Wall, 2008). The fact that the services of alternative law firms may be sought anywhere in the world poses a threat to the local law firms (Jackson, 2001) Firms are therefore being compelled to differentiate themselves from their competitors and develop business strategies to manage knowledge about their market position, competitors, and key clients.
2.2.1.5 Consolidation of Law Firms

In the modern day, legal industry, law firms are continue to experience exponential growth in a situation that has resulted in national and regional law firms. This is because most large sized law firms remain and continue to be anxious on how best to capitalize on rapidly growing practice, an event that continues to present merger offers to well-positioned small firms (Susskind, 2003). Mergers are considered to be on common form of external diversification. This is because they have taken a center stage in the legal industry and occur when two or more firms combine operations to form one corporation, perhaps with a new name. Such law firms are usually of similar size. One goal of a merger is to achieve management synergy by creating a stronger management team. This can as well be achieved in a merger by combining the management teams from the merged firms (Pearce, and Robinson, 2007). In the legal industry at the moment specialization being perceived currently as a means of fostering the growth of law firms especially in this era when lawyers are seen to be so much overwhelmed with the amount of information to grapple with. In the same manner, it has become evident that intellectual property, conflict resolution, banking, and international trade, are being largely fronted to be very hot areas of specialization in legal practice (Lauritsen, 1999).

2.2.1.6 Competition Amongst Law Firms

The continuous rise in the number of lawyers as well as the law firms themselves continues to exert more pressure on law firms seeking to maintain a competitive edge against each other not only for partners, but clients and law graduates as well. Financially viable law firms are making substantial salary offers to many freshly qualified and talented lawyer in an attempt to attract the best and brightest lawyers in the country. This therefore means that only firms offering different proactive value added services to its clients and make its lawyers smarter may survive (Kiprono, 2013). The legal industry in Kenya for instance continues to be very competitive, as such for a legal firm to survive it has to have a well laid out strategy to give it direction and purpose in its operations. All these coupled together pose a very big challenge for the legal practitioner in Kenya. On the other side however, the legal profession continues to offer tremendous opportunities, where if well used can harness for success. For instance, the cross border opportunities brought about by the East Africa Community are yet
to be harnessed. This requires a rethink on the part of legal firms who may have to put in place strategies that will enable them address the challenges and harness the opportunities in their operating environment.

### 2.2.1.7 Pressure from Clients

According to Dubin (2010), the legal industry in Kenya continues to face massive pressure from clients for law firms who are becoming more sophisticated for legal services. Such clients therefore have raised their expectations towards lawyers to have massive technologies in place, are likely to enhance their effectiveness yet they are therefore not willing to pay the high fees charged which comes as a result of the additional value. In addition most clients at the moment are being regarded to be very much computer literate, this is connected to the Internet and it follows that they can even conduct an internet search on the legal issue at stake before consulting a lawyer.

Kofoed (2012) for instance made an observation that law clients have become increasingly fee-conscious and it means therefore that are likely not to hesitate shopping around for affordable legal fees. As seen by Wall (1998) the “trustee” relationship between the lawyer and the client has for quite some time now gone beyond a simply a relationship in which lawyers no longer stand out to provide a legal service in the traditional manner but are largely perceived as business persons conducting legal business with clients.

### 2.2.1.8 Disintermediation

According to Susskind (2001), disintermediation remains to be a legal practice which has faced massive transformation especially now that it has been accelerated with the entry of new technologies, notwithstanding legal databases and the internet. It therefore entails a number of activities that are carried out with the main aim of eliminating or bypassing an intermediary such as a specialist, professional, or institution from delivery of a service or transaction which are regularly performed (Drucker, 2010).

In the modern business environment, it is without doubt that lawyers are considered as simply classic examples of how intermediation works given that they serve as agent, broker
as well as representative between the client and the legal system. The internet, as well as legal technology, and legal self-help books continue to slowly but surely take the place of lawyers given that they are now able to offer numerous solutions to most clients’ needs. The legal software market continues to be flooded with programmes which have been developed in a bid to produce legally acceptable wills, binding residential leases, as well as guidance through divorce procedures, notwithstanding articles of incorporation, real estate documents and legal contracts (Nye, 1999).

In summary therefore, it can be argued that disintermediation though not necessarily likely to lead to extinction of lawyers given the fact that it is unique in the legal profession, however it can also be argued that the thoughts of disintermediation are likely to continue giving clients the feeling that indeed law is not as complicated as they imagined before and therefore they have now come to the realization that they are paying for the management skills of a lawyer rather than the legal knowledge. In this regard therefore in many jurisdictions it’s clear that for lawyers to survive and strive in the new paradigm, they need to make use of the legal technologies and the internet so as to provide cost-effective, while at the same time maintain their efficiency as well as high quality services that cannot be easily replaced by computer delivered services.

2.2.2 The Foray of Professional Firms

The legal industry is considered to be just like any other professional service whose basic mission is to offer outstanding client service, offer fulfilling careers and professional satisfaction as well as achieve financial success and growth (Maister, 1993:46; Hunter et al., 2002).

Service quality is therefore key in the legal practice and would be offered to ensure that strategies adopted in regards to achieving the innovations by the leaders are controlled and achieving their intended purpose for the success of the organization (Northouse, 2009). The ability to follow up in terms of strategic control is very crucial for the organization since firms have to continuously innovate in order to match the diverse continuously changing consumer likes. Service quality therefore involves evaluating the internal and external
environment and choosing the best option out of all the strategic choices available and thereafter finding the best strategy to implement the choice effectively. This is geared at ensuring the organization performance exceptionally well. Possible business strategies would include low cost leadership whereby the firm is able to incur low costs in its production and is hence able to provide better pricing than its competitors.

2.2.3 Increased Mobility
The competitive business environment, advances in information communication technology coupled with the possibility for an open market for professional workers have revolutionized lawyers’ mobility in recent years. In the current legal environment there has been massive mobility especially for young lawyers who have the desire to grow in terms of their career path. This has made some of them to opt for the change in order to be able to improve their curriculum vitae. In some cases lawyers have moved from one law firm to the other in search of greener pastures, that will satisfy their personal tastes and aspirations (Hunter et al., 2012). Additionally, in some instances where lawyers have been faced with law morale issues, this has led to some of them to quit especially in cases where they feel alienated or because of intellectually stimulating and challenging working environment (Rusanow, 2003). It follows therefore that the security and indefinite long-term contract of employment, which lawyers enjoyed in the past is no longer guaranteed and it is therefore very normal for lawyers to spend less than three years at the firm. In addition, there is a huge concern about senior lawyers who are nearing the retirement age, because of concerns that senior lawyers in the law firms are likely to retire hence carry along with them vast amount of knowledge that they have acquired over a long period of time (Sinotte, 2004).

2.3 Challenges and Consequences of the Changing Legal Information Environment
The changes as discussed are affecting lawyers routine, challenges their efficiencies and practice hence putting pressure on law firms to find ways of delivering legal services. In order to successfully manage the above, lawyers need to rethink their traditional strategies and focus on new models of lawyering.
2.3.1 Coping with Information Overload

Information overload as already mentioned, is a very big challenge to the legal practice at the moment. This is because of the explosion of massive information which is so much available in law firms a situation that has made lawyers because to be overwhelmed with large amount of irrelevant information (du Plessis & du Toit, 2005). In essence, despite the fact that a vast wealth of information and knowledge rest amongst lawyers and within the law firm, most lawyers are however not aware of where to get it. In order not to miss out on critical pieces of information, lawyers require some skills, strategies, collecting, storing, managing and processing relevant information from many sources in a retrievable fashion (Parson, 2002; Rusanow, 2003).

2.3.2 Dealing with Technological Concerns

Information communication technology concerns cannot be ignored, this is because electronic resources and the internet is transforming the legal industry and putting pressure on law firms to find faster ways of delivering legal services (Reach, 2006). At the moment it has become very expensive for lawyers to afford new technologies and as such, majority of these lawyers continue to rely only on traditional print resources because they are likely to run the risk of not having the best and most current information that could influence the position of their clients. The biggest challenge to the legal industry comes in the development of effective strategies to deal with the new era of information technology. It remains therefore necessary for law firms to search within themselves of the best way to deal with the issue of new strategies capable of using technology in improving on their work, whilst delivering better services to the clients and meeting the internet-driven needs of the client (Jones, 2012).

2.3.3 The Need for Proactive Legal Services

Proactive legal services remains to be the order of the day, because clients continue to demand more value for their money, a situation that makes law firms are seeking to deliver better value without putting more strain on lawyers. In a bid to attract and retain clients while also improving on their productivity and profitability law firms remain challenged more than ever before of the need to remain more efficient, responsive and effective at the same time
when it comes to the provision of proactive cost-effective services and up to date legal information to potential clients (Kiprono, 2013). Additionally Legal practitioners have currently embarked on specialization. This is because the days of general practitioners are long gone. Fields such as constitutional law, elections law, international law, environmental law, mining law, company law, intellectual property law, procurement law and the voluminous churning of laws every often calls for a different approach to the practice of law in Kenya.

2.3.4 Increased Competition

Competition is considered as one of the key challenges facing law firms in Kenya. This emanates from the need to operate globally as well as the consolidation of law firms has increased competition amongst law firms (Dubin 2005). This coupled with the increasing the number of lawyers as well as the law firms themselves continues to exert more pressure on law firms seeking to maintain a competitive edge against each other not only for partners, but clients and law graduates as well. It means therefore that financially viable law firms are making substantial salary offers to many freshly qualified and talented lawyers so as to be able to attract them. This therefore means that only firms offering different proactive value added services to its clients and make its lawyers smarter may survive (Kiprono, 2013). The legal industry in Kenya for instance continues to be very competitive, as such for a legal firm to survive it has to have a well laid out strategy to give it direction and purpose in its operations. All these coupled together pose a very big challenge for the legal practitioner in Kenya. On the other side however, the legal profession continues to offer tremendous opportunities, where if well used can harness for success. For instance, the cross border opportunities brought about by the East Africa Community are yet to be harnessed. This requires a rethink on the part of legal firms who may have to put in place strategies that will enable them address the challenges and harness the opportunities in their operating environment

2.3.5 The challenge to acquire new skills and competencies

Market trends are constantly changing and the environment both internal and external is constantly turbulent. Employees have to be strategically positioned to respond to these
changes effectively (Dess, Peng and Lei, 2013). It is therefore crucial that leaders of an organization strategically place themselves in a competitive position by heavily investing in the greatest resource, human capital. This can only be achieved by exposing their employees to training, constant guidance through mentoring and development. This prepares the employees for any changes in the business which in turn makes the leadership of an organization successful because as the employees perform well, then the results are evident in the organization performance. Trainings are offered either on job or off job. These trainings are conducted by consultants who have vast knowledge and experience in the field. The employees are trained on areas that affect the way they work. An example is whereby the organization employees are trained on how to handle customers better (Simonet and Tett, 2012).

Computer literacy among lawyers has become a prerequisite therefore compelling lawyers to ensure that they are well equipped with information literacy and information communication technology literacy skills. Other skills that may be expected from lawyers are information and knowledge management skills, digital lawyering, electronic publishing skills, and skills in the use of programmes that enhance legal service. There has been a challenge of developing a corporate capability such as unique skills, expertise, processes as well as management that would enable them to respond to the changes and thus develop its markets (Rono, 2013). Additionally there is need for collaboration and communication amongst lawyers with and within other disciplines and community of practice is becoming crucial for the survival of the law firm.

2.3.6 Meeting the Information Knowledge Needs

The legal industry in Kenya continues to remain very competitive and for a legal firm to survive it has to have a well laid out strategy to give it direction and purpose in its operations. The performance of a legal firm depends on the extent to which the use of knowledge management is put in place in order to meet the information and knowledge needs. Knowledge management therefore focuses upon long range objectives and short-term priorities. It thus creates the need for a properly structured strategic plan so as to be able to allow management an opportunity to comprehend the relationship of goals, objectives and
action attainment. This however is despite the fact that knowledge management continues to bring about far reaching revolution which has tremendously transformed most business landscape; it is still not appreciated by the law firms and is also plagued with some constraints in the legal profession.

The legal environment is also facing massive changes with regards to the information environment which has become dynamic a situation that has challenged law firms to put in place mechanisms to ensure that both senior and junior lawyer Leckie et al. (1996) made a very good observation when he argued that potentially relevant information, is within the university what is therefore required by a particular lawyer is likely to vary as a result of various individual demographics that include among others the age of the lawyer, specialization, as well as professional development, notwithstanding the frequency of need, and also importance of the issue at hand (Kiprono, 2013).

2.3.7 Lawyer Mobility

The increased mobility amongst lawyers from one law firm to another poses a threat to law firms. Additionally, in some instances where lawyers have been faced with law morale issues, this has led to some of them to quit especially in cases where they feel alienated or because of intellectually stimulating and challenging working environment (Rusanow, 2003). It follows therefore that the security and indefinite long-term contract of employment, which lawyers enjoyed in the past is no longer guaranteed and it is therefore very normal for lawyers to spend less than three years at the firm. In addition, there is a huge concern about senior lawyers who are nearing the retirement age, because of concerns that senior lawyers in the law firms are likely to retire hence carry along with them vast amount of knowledge that they have acquired over a long period of time (Sinotte, 2004).

Market trends are constantly changing and the environment both internal and external is constantly turbulent. Employees have to be strategically positioned to respond to these changes effectively (Dess, Peng and Lei, 2013). It is therefore crucial that leaders of an organization strategically place themselves in a competitive position by heavily investing in the greatest resource, human capital. This can only be achieved by exposing their employees
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2.4 Benefits of Knowledge Management
Knowledge management also has quite some benefits especially in law firms where knowledge management is seen to be successfully implemented. This is because it would result in; delivery of better quality services to the clients, as well as professional satisfaction to the lawyer, and also increase profitability in the law firms so is the enhancement of teamwork. Lamont (202) stated that very few professions could benefit more from knowledge management than the legal profession. The points below explain some of the benefits of implementing knowledge management.

2.4.1 Improved Service Provision to Clients
Service quality is key in the legal profession, this is in consideration of the fact that there is indeed a lot of pressure on law firms from clients; it is therefore likely that knowledge management will bring out the provision of high quality legal services to the client. Chester (2012) therefore made an observation that timely billing, as well as the ability to respond to the unexpected, the ability to create innovative solutions, and the ability to control legal cost are likely benefits to the client that may result from the use of knowledge management. Knowledge management will therefore enable clients to access cost effective services from a talented lawyer with unique knowledge on the particular issue (Susskind, 2013). Clients would rather pay a higher premium rate knowing that they are paying money for unique value and knowledge rather than paying a lower rate to a lesser qualified lawyer who would produce inferior results. Dubin (2005) reported that with knowledge management in place,
less time will be devoted to routine tasks many of which are non-billable and more time devoted to planning a strategy with regards to the challenging and substantive aspect of the client request.

2.4.2 **Knowledge Management Provides Professional Satisfaction**

Knowledge management contributes to the professional satisfaction of lawyers by exposing lawyers with special experience and expertise, to work on projects in their areas of practice. Market trends are constantly changing and the environment both internal and external is constantly turbulent. Employees have to be strategically positioned to respond to these changes effectively (Dess, Peng and Lei, 2013). It is therefore crucial that managers of a law firm strategically place themselves in a competitive position by heavily investing in the greatest resource, human capital. This can only be achieved by exposing their employees to training, constant guidance through mentoring and development. This prepares the employees for any changes in the business which in turn makes the leadership of an organization successful because as the employees perform well, then the results are evident in the organization performance. Trainings are offered either on job or off job. These trainings are conducted by consultants who have vast knowledge and experience in the field. The employees are trained on areas that affect the way they work. An example is whereby the organization employees are trained on how to handle customers better (Simonet and Tett, 2012).

2.4.3 **Knowledge and Retention Rate**

Bearing in mind that lawyers are becoming highly mobile, the improvement of retention rate would likely result in professional satisfaction and thus reduce labour mobility. Service quality is therefore key in the legal practice and would be offered to ensure that strategies adopted in regards to achieving the innovations by the leaders are controlled and achieving their intended purpose for the success of the organization (Northouse, 2009). The ability to follow up in terms of strategic control is very crucial for the organization since firms have to continuously innovate in order to match the diverse continuously changing consumer likes. Service quality therefore involves evaluating the internal and external environment and choosing the best option out of all the strategic choices available and thereafter finding the
best strategy to implement the choice effectively. This is geared at ensuring the organization performance exceptionally well. Possible business strategies would include low cost leadership whereby the firm is able to incur low costs in its production and is hence able to provide better pricing than its competitors.

2.4.4 Knowledge Management and Learning Culture
According to Dubin (2005) knowledge management initiatives are key when it comes to offering support and promoting a learning culture, which is likely to foster growth as well as career development in the firm, and thus improving on the retention rate. An organization that has in place a learning culture is likely to succeed in the building and development of the collective organizational memory so that knowledge and competencies representing the past and present collective learning of employees are transferred to new members across generations of learning. Law firms that are competent are very crucial to the success in performance for every organization. Effective leadership involves treating each employee as equal in the organization in terms of remuneration, promotions, assigning of duties and responsibilities is concerned. In most organizations, if there are a slight evidence of favoritism whereby some employees are viewed as better than others by the leaders, other employees will start feeling left out and this will have a direct impact on the way they conduct their duties in the organization. According to Hodgkinson (2010) this will lead to demotivation in employees who then become indifferent to the wellbeing of the organization and hence will not go the extra mile to ensure the organization succeed.

2.4.5 Knowledge and Information needs
Knowledge management initiatives put in place by law firms are likely to be focused on the understanding that there exist different types of information that lawyers need at the various stages of their professional development. It is therefore likely to support and integrate the individual lawyer’s needs and the firm’s needs. According to Carter and Greer (2013) the ability of a leader to evaluate the external environment is very crucial for an organization and will determine whether the organization succeeds in achieving its goals or not. This involves high levels of strategic planning and the best strategic choices taken with the aim of achieving the stipulated organization goals.
2.4.6 Shared Vision and Team Learning

This is a discipline which enables an individual to focus on a mutual purpose. It enables people to create a sense of commitment in a company by developing various shared images of various issues they plan regarding the future. This is another essential aspect in ensuring success of a multinational organization. This is because it enables the employees and the management of an organization to make guiding practices and principles which enable them to achieve goals and objectives activities (Lyles & Easterby-Smith, 2011).

This is a discipline which mainly depends on group interaction. It makes use of various techniques like skillful discussion and dialogue. This enables teams to transform collective thinking of the members. It also educates the members on how to mobilize their energies. This is an effective strategy which ensures success of an organization since it is a combination of many member talents (Argote, 2012).

According to Argote (2012), system thinking is a strategy that educates people to learn interdependency and change. This enables them to deal effectively with various forces that shape consequences of the actions we undertake. This is an effective tool of managing various issues which may arise as a result of our actions.

2.4.7 Empowerment

Employee empowerment has very strong relationship with organization success (Argyris, 2008). The skills and capabilities of employees cannot be fully utilized without such employees being empowered. In a study by Wharton and Gartner, it is revealed that execution decisions take too long to be executed. As such, when decisions take too long to be executed it is a sign of lack of empowerment because employees do not have the power to make their own decisions and thus they need to wait until the busy top management makes them. Employee empowerment is thus essential to strategy implementation since decisions about certain issues are better left to people directly working and responsible for them.

A study by Mahoney and McMillan (2010) revealed that workers directly involved in a process know best how to improve it. Since Kenyan law firms have high power distance, as
identified by Hofstede (2003), it is evident that Kenyan law firms in general do not apply empowerment principles. And since existing literature has shown a link between empowerment and successful strategy execution, it can be proposed that employee empowerment is one of the factors impacting on performance by lawyers in Kenyan organizations.

2.5 Chapter Summary
This chapter examined the literature review on the changing legal environment and the challenges cause by these changes to law firms with an aim of seeking to answer the research questions. The next chapter presents the research methodology that was used in the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter presents the research methodological that was used in the study. It begins with the research design followed by the target population, data collection methods, data analysis techniques as well as research procedures. The body of research on knowledge management may be established and advanced with confidence only by the rigorous application of appropriate methodologies and methods of research.

3.2 Research Design
A research design is described as a logical sequence that connects empirical data to a study’s initial research questions and ultimately to its conclusions. It therefore helps to deal with the questions of what to study, what data are relevant, what data to collect, and how to analyze the results (Yin, 1994).

The study made use of a survey research design, which is described as a data collection technique that is employed to gather data from people by means of interviews and questionnaire after which the results are quantified and amenable to statistical treatment (Cooper and Schindler, 2001). The design was considered the most appropriate research design because it is fast and straightforward compared to any other method and tends to be relatively inexpensive. Additionally the design if properly done, enables one to generalize from a small group to the large group from which the subgroup has been selected.

3.3. Population and Sampling Design
3.3.1 Population
Population is considered to be the group or aggregate that the researcher is dealing with from which one wishes to generalize the results of the research study. The population for this study was 249 lawyers working or employed law firms in Kenya. The other branches of the legal profession in Kenya such as Judges and magistrates, legal academics at the university and legal practitioners in the Attorney General’s Chambers did not constitute part of the target population.
3.3.2 Sampling Design

3.3.2.1 Sampling Frame
According to Churchill and Brown (2007), a sample frame includes a list of geographical areas, institutions, individuals, as well as other units added. Cooper and Schindler (2008) defines a sample frame to be a list of elements from which the sample is actually drawn and is closely related to the population. It is a complete and correct list of population members only. The sampling frame was obtained from the Law Society of Kenya (LSK) consisting of a list of registered law firms and private practitioners. However, as part of the exploratory study; judges, magistrates, law librarians’ example Kenya Law Report, the Law firm society, legal consultants and legal academics will be interviewed because they work hand in hand with the law firms and are considered important stakeholders to knowledge management function in law firms.

3.3.2.2 Sampling Technique
Purposive sampling was used in this study because it ensures maximum variation within the context of the research question. According to McNeill (1992), purposive sampling occurs when a researcher chooses a particular group or place to study because it was known to be the type that was wanted. According to Powell & Silipigni (2004), purposive sampling was based on one’s knowledge of the population and the objectives of the research. The choice of a lawyer to be interviewed depends on the willingness of the lawyer to participate. To be suitable for interview, the lawyer must have worked in the law firm for a maximum of at least one year. The one year eligibility criterion was due to the assumption that within this period they would have familiarized themselves with the knowledge management activities in the firm.

3.3.2.3 Sample Size
Thietart, et al., (2001) defines a sample size as the set of elements from which data is collected. The sample size enables the researcher to have adequate time and resources in piloting and designing the means of collecting data. Cooper and Schindler (2008) aver that how large a sample should be is a function of the variation in the population parameters under study and the estimating precision needed by the researcher. The sample size ensures
that the information is detailed and comprehensive. A sample of 83 lawyers was selected from a population of 249 lawyers; this represents 30 percent of the total population under study. Mugenda and Mugenda (2003), advocates for a sample size of 30% and above.

3.4 Data Collection Methods
Structured questionnaires written developed and organized on the basis of the research’s specific objectives will be distributed to heads of department so as to collect primary data. Since there is need to toe ensure that responses from the different respondents are uniform, the questionnaires were structured. There are various reasons for the choice of questionnaires as primary data collection instrument; they are not only versatile but also the most popular instruments and a relatively inexpensive way of getting information.

The questionnaire consisted of four parts. The first part contained general questions that determined the demographic information and other necessary information for creating the respondent’s profile such as age, gender and level of education. The second part had questions on the organizational characteristics of the firm. The third part posed questions that would allow the participants to provide information on knowledge management patterns in law firm; Such as the use of the internet. The final part of the research questionnaire was used to identify the different stakeholder of knowledge management in law firms and their role in facilitating knowledge management in the law firms.

3.5 Research Procedures
Pilot testing of the questionnaires was done with few samples of the population to ascertain the suitability of the tool before the actual administration. This was done by administering the questionnaire to ten respondents who were selected randomly from the sample size of 83. The data was collected in two simultaneous phases. The first phase involved the distribution and collection of the questionnaire and the second involved the face-to-face semi-structured interview and telephone interviews with the lawyers in the law firm. The researcher deliberately chose Nairobi to administer the research (interviews and questionnaires) because of accessibility and proximity and the fact that a majority of the lawyers are based in Nairobi. Carrying out studies in law firms require a lot of collaboration, communication and co-ordination because lawyers are always pressed for time. Another
reason is the feeling that the law firms in Nairobi are relatively bigger and exposed to more entities and opportunities for knowledge management practices than law firms in other towns. Law firms in Nairobi are many and large of all law firms’ nation-wide and could provide information on a great deal of issues of central importance to the purpose of the research.

3.6 Data Analysis Methods
The main purpose of the data analysis method used was to sum up observations in a way that provided answers to research questions. The qualitative and quantitative data analysis technique was used to analyze data. The Statistical Package for Social Scientists (SPSS) version was used for the analysis of the data collected from the close-ended questionnaires. This software package offers the most comprehensive solution for reporting, modelling and analysis of data and it also offers a variety of data formats and programmes that make it easy to edit and transfer data from one programme to another. Descriptive analysis of the data collected was used. The data analysis involved measures of central tendency and frequencies. Regression analysis was also carried out presented in form of regression tables. Additionally frequency distributions and percentages were utilized in the descriptive part of this study to draw conclusions. The data was then summarized and presented by means of tables and figures. The analysis was carried out by the use of Microsoft excel and SPSS.

3.7 Chapter Summary
Research is said to be valid when conclusions are true. It determines how good an answer is provided by the research. This chapter established the methodological framework of the study. The study advances the use of triangulation in knowledge management studies whereby both quantitative and qualitative research approaches are considered complementary of each other with a dominantly qualitative and less dominantly quantitative emphasis. The nature of data to be collected and the research questions influence the choice of this research method. The main population of the study is lawyers in law firms in Kenya obtained from the law firm society of Kenya. The researcher purposively limited the interviews to lawyers in law firms in Nairobi and also used the purposive sampling technique in determining the lawyers to be interviewed. Chapter four presents the results and findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

Having established the research methodology that was used in the collection of the data. This chapter presents a detailed analysis of the findings of the study with the aim of exploring the current situation with respect to knowledge management in law firms in Kenya. A total of 83 questionnaires were issued to the respondents out of which 50 were returned, which translates to a 60.24 percent response rate.

4.2 Background Information

The following subsection presents a summary of the findings with regards to the background information of the respondents. This includes the educational background, number of years of practice and level of education.

4.2.1 Level of Education

The study findings with regards to the level of education of the respondents revealed that all the respondents (100%) had attained a Bachelors of Laws Degree and a Diploma from the Kenya School of Law. Additionally the study established that 46 percent of the respondents have a master’s degree, 12 percent have a Doctorate degree while the remaining 42 percent have not furthered their studies as presented in figure 4.1 below. Additionally the "other" category included Executive Master’s in Business Administration.

Figure 4.1: Level of Education of the Respondents
4.2.2 Longevity of Service

Figure 4.2 presents a summary of the findings with regards to the longevity of service of the respondents. As seen in the figure, 10 percent of the respondents have practiced for 1 year, 8 percent have practiced for 2 years, 16 percent for 3 years, 6 percent for 4 years, 18 percent for 6 years, 12 percent have practiced for 7 years, while 10 percent have practiced for 9 years, 10 percent for 13 years, 6 percent for 14 years, 2 percent for 26 years and 2 percent for 34 years.

![Figure 4.2: Longevity of Practice Lawyer](image)

4.3 Organizational Characteristics of the Law Firms

The study first analyzed the organizational characteristic of the law firms in Kenya. The various elements examined include total number of lawyers in each law firm, as well as the most strategic resource in the firm, notwithstanding existence of knowledge management systems as well as the identification of the people responsible for knowledge management.

4.3.1 Number of Lawyers in the Firm

As seen in Figure 4.3 majority of the respondents (35 percent) are sole proprietors, 31 percent had 2 lawyers, 15 percent had 3 lawyers, while 8 percent had 4 lawyers, 6 percent had 5 lawyers and another 6 percent had 9 lawyers. It emerged from the interview (appendix...
3) that law firms in Kenya continue to stay small with an average of two partners due to the fact that every lawyer wants to become a partner rather than just working as a professional assistant (Associate) because partners get a share of the profit rather than just a fixed salary. As a result there is constant splitting up of law firms by lawyers to start off as sole proprietors or to form small partnerships.

Figure 4.2: Number of Lawyers

4.3.2 Strategic Resource

The study further sought to establish whether lawyers appreciate the fact that knowledge was a strategic resource in the law. Respondents were therefore asked to indicate by ticking from the list of resources provided what they considered as the most strategic resource in the law such as knowledge, labour, and capital. As seen in figure 4.4 more than half of the respondents (66.4percent) considered knowledge as the most strategic resource, on the other hand, 8.6percent indicated other factors, while 5.0 percent of the respondents considered labour as a strategic resource as 5.0 percent felt it was capital, additionally 2.1 percent felt land, was the most strategic resource whereas 12.9 percent did not respond to this question. Law is a knowledge intensive profession and therefore one would have thought that the participants would unanimously agree that knowledge is the most strategic resource. It also emerged that some lawyers considered the quality of clients, client base, and time rather than knowledge as the most strategic resource. An interviewee lamented the fact that
nowadays the pursuit of knowledge has been sacrificed for the pursuit of money and profit in legal practice.

![Figure 3.4: The Most Strategic Resource in the Law Firms](image)

**4.4 Changing Legal Industry Environment**

The study first sought to establish how the legal industry and its environment are is changing. The following subsection presents a summary of the findings with regards to this objective.

**4.4.1 Motivating Factors for the Adoption of Knowledge Management in Law Firms**

Against the background of some of the changes in the legal information environment discussed the study listed the possible factors that may motivate a law firm to adopt knowledge management. As seen in table 4.1, majoring of the respondents ranked the motivating factors in the adoption of knowledge management in the law firms ranked in the following order: information communication technologies (97.9 percent); the Internet (95.7 percent); meeting the information and knowledge needs of the lawyer (95.7 percent), while electronic publishing (95.0 percent); the desire to support and encourage a learning culture (95.0 percent); the desire to promote professional satisfaction (94.3 percent); shift from paper-based to electronic source (94.3 percent); and finally promoting team work (90.7 percent). The above factors recorded high percentage score of 90 percent and above.
Additionally other motivating factors to the adoption of knowledge management included: the use of knowledge management tools and practices by other competitors (88.5 percent); the need to identify and protect the knowledge in the law firm (83.6 percent) and competition amongst law firms (70.0 percent). Globalization of legal practice (65.7 percent); pressure from clients (55.0 percent); loss of key personnel (54.3 percent) and pressure from other professional service firms (53.6 percent).

**Table 4.1: Motivating Factors for the Adoption of Knowledge Management**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances in ICT</td>
<td>74.3</td>
<td>23.6</td>
<td>2.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shift from paper based to sources of information</td>
<td>67.9</td>
<td>26.4</td>
<td>5.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The internet</td>
<td>65.7</td>
<td>30.0</td>
<td>3.6</td>
<td>0.7</td>
<td></td>
</tr>
<tr>
<td>Electronic publishing</td>
<td>67.1</td>
<td>27.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Globalization of legal services</td>
<td>37.1</td>
<td>28.6</td>
<td>19.3</td>
<td>6.4</td>
<td>3.6</td>
</tr>
<tr>
<td>Competition amongst firms</td>
<td>33.6</td>
<td>36.4</td>
<td>25.7</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>Pressure from clients</td>
<td>20.7</td>
<td>34.3</td>
<td>29.3</td>
<td>15.7</td>
<td></td>
</tr>
<tr>
<td>Information overload</td>
<td>17.9</td>
<td>23.6</td>
<td>32.9</td>
<td>15.7</td>
<td></td>
</tr>
<tr>
<td>Loss of key personnel and their knowledge</td>
<td>21.4</td>
<td>32.9</td>
<td>15.7</td>
<td>17.9</td>
<td>12.1</td>
</tr>
<tr>
<td>Use knowledge management tools and practices by other competitors</td>
<td>36.4</td>
<td>52.1</td>
<td>3.6</td>
<td>7.9</td>
<td></td>
</tr>
<tr>
<td>An increase in the mobility of lawyers</td>
<td>20.7</td>
<td>25.7</td>
<td>26.4</td>
<td>13.6</td>
<td>13.6</td>
</tr>
<tr>
<td>Need to identify and protect strategic knowledge in the</td>
<td>50.0</td>
<td>33.6</td>
<td>8.6</td>
<td>6.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Desire to promote professional satisfaction</td>
<td>65.0</td>
<td>29.3</td>
<td>5.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Desire to support and encourage a learning culture</td>
<td>63.6</td>
<td>31.4</td>
<td>5.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The desire to promote team work</td>
<td>65.0</td>
<td>25.7</td>
<td>9.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Desire to meet the information and knowledge needs of the lawyer</td>
<td>65.7</td>
<td>30.3</td>
<td>4.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pressure from other professional services firms</td>
<td>25.7</td>
<td>27.9</td>
<td>27.1</td>
<td>14.3</td>
<td>5.0</td>
</tr>
</tbody>
</table>

**4.5 Challenges and Consequences of the Changing Legal Information Environment**

The study further sought to examine the challenges and consequences of the changing legal information environment have on law firms. The following subsection presents a summary of the findings with regards to the respondents’ opinion on this subject.
4.5.1 Factors Inhibiting Knowledge Management in the Law Firms

The study thereafter sought the opinion of the respondents with regards to the factors that inhibit knowledge management in the law officers. As seen in table 4.2, there were some differences with regards to the respondents’ views with regard to their views on the factors that were considered to inhibit knowledge management. Although a substantial majority (67.2 percent) of the respondents considered technological infrastructure as an inhibiting factor to knowledge management in the law firms, and limited financial resources (55.0) there was less than 50 percent agreement on the other factors which were identified in the literature as being inhibitors to knowledge management.

Additionally the sizes of the law firm (50.0 percent) as well as work load (53.5 percent) were considered as inhibiting factors to knowledge management. It was also interesting to note that respondents did not perceive knowledge management as an additional work load (35.0 percent), or feel that knowledge management is considered to put more pressure on billable hours (35.0 percent agreed).

Table 4.2: Inhibiting Factors for Knowledge Management

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawyers’ view of knowledge as a source of power</td>
<td>5.7</td>
<td>15.0</td>
<td>23.6</td>
<td>31.4</td>
<td>22.1</td>
</tr>
<tr>
<td>The perception that knowledge management is an additional workload</td>
<td>12.9</td>
<td>23.6</td>
<td>42.9</td>
<td>17.1</td>
<td>1.4</td>
</tr>
<tr>
<td>The feeling that it puts pressure on billable hours</td>
<td>14.3</td>
<td>20.7</td>
<td>40.0</td>
<td>20.7</td>
<td></td>
</tr>
<tr>
<td>The feeling that the size is too small</td>
<td>23.6</td>
<td>22.9</td>
<td>26.4</td>
<td>22.9</td>
<td></td>
</tr>
<tr>
<td>Limited financial resources</td>
<td>21.4</td>
<td>33.6</td>
<td>40.0</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>Inadequate technological infrastructure</td>
<td>24.3</td>
<td>42.9</td>
<td>27.8</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>The inability of the s leadership to enforce knowledge management</td>
<td>11.4</td>
<td>23.6</td>
<td>53.6</td>
<td>7.1</td>
<td></td>
</tr>
</tbody>
</table>
4.6 How Knowledge Management Assists Law Firms

4.6.1 Perceived Benefits of Knowledge Management

The study first sought to establish the perceived benefits of knowledge management. As seen in table 4.3, respondents generally recognized the potential benefits of knowledge management in the law firms with 75 percent-100 percent agreement. The respondents regarded the following motivating factors as key to knowledge management in order of their ranking: improving knowledge sharing (100 percent); improving lawyers’ efficiency and productivity (95.0 percent) helps to integrate knowledge within the (92.1 percent), while 90 percent of the respondents regard knowledge management as key to enhancing economic profitability, improves the sharing and transfer of knowledge with partners and strategic alliances (90.0 percent), improve the lawyers’ relationship vis-à-vis clients and customers (85.0 percent), increases flexibility amongst lawyers (87.1 percent), provides competitive advantage (79.3 percent), and improves the retention rate of lawyers (75.0 percent).

Additionally the findings regard the perceived benefits of knowledge management in law firms as key in enhancing general and overall efficiency, while at the same time improvement of quality of output and improvement in the quality of the clients. In the same regard acknowledged the importance of knowledge management to their law firms.

Table 4.3: Perceived Benefits of Knowledge Management

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve knowledge sharing</td>
<td>60.7</td>
<td>39.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Improve lawyers efficiency and productivity</td>
<td>63.6</td>
<td>31.4</td>
<td>5.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Improve lawyers relationship vis-à-vis clients and customers</td>
<td>57.1</td>
<td>27.9</td>
<td>15.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prevent duplication in research</td>
<td>60.0</td>
<td>31.4</td>
<td>8.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase flexibility amongst lawyers</td>
<td>51.4</td>
<td>35.7</td>
<td>7.1</td>
<td>5.7</td>
<td>-</td>
</tr>
<tr>
<td>Protect the loss of knowledge</td>
<td>70.0</td>
<td>22.9</td>
<td>7.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Result in competitive advantage</td>
<td>52.9</td>
<td>26.4</td>
<td>20.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Integrate knowledge within the</td>
<td>60.7</td>
<td>31.4</td>
<td>6.4</td>
<td>-</td>
<td>1.4</td>
</tr>
<tr>
<td>Improve retention rate of lawyers in the</td>
<td>46.4</td>
<td>28.6</td>
<td>20.0</td>
<td>5.0</td>
<td>-</td>
</tr>
<tr>
<td>Improve sharing and transfer of knowledge with partners and strategic alliances</td>
<td>58.6</td>
<td>31.4</td>
<td>10.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Enhance economic profitability</td>
<td>60.7</td>
<td>29.3</td>
<td>10.0</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
4.6.2 Factor Facilitating Knowledge Management in the Law Firms

In order to further understand the state of the art of knowledge management, it was necessary to also establish whether the law firms in Kenya function in conditions that facilitate knowledge management. A list of possible factors identified in the literature was presented in table 4.4.

Table 4.4 Factor Facilitating Knowledge Management in the Law Firms

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is monetary and nonmonetary rewards for sharing knowledge</td>
<td>11.4</td>
<td>41.4</td>
<td>30.7</td>
<td>7.9</td>
<td>8.6</td>
</tr>
<tr>
<td>Promotions are based on the ability to share knowledge</td>
<td>5.7</td>
<td>-</td>
<td>52.9</td>
<td>35.7</td>
<td>5.7</td>
</tr>
<tr>
<td>There is special recognition of staff for the time spent in knowledge creation sharing and distribution</td>
<td>6.4</td>
<td>24.3</td>
<td>40.0</td>
<td>18.6</td>
<td>10.7</td>
</tr>
<tr>
<td>Mutual respect, trust, care and concern amongst lawyers</td>
<td>22.1</td>
<td>56.4</td>
<td>21.4</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The regression table below shows that knowledge management has an influence on success of law firms. This is evidence with a positive relationship between knowledge management (beta, .411).

### ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>25.538</td>
<td>3</td>
<td>8.513</td>
<td>7.404</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>44.838</td>
<td>141</td>
<td>1.150</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>70.376</td>
<td>144</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Success of law firms  
b. Predictors: (Constant), Knowledge Management

### Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.201</td>
<td>1.563</td>
<td>1.408</td>
<td>.167</td>
</tr>
<tr>
<td>Knowledge Management</td>
<td>.411</td>
<td>.126</td>
<td>.246</td>
<td>1.324</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Success of Law Firms
4.7 Chapter Summary
In this chapter the results and findings of the study were presented. Relevant information on the profile of the participants and the organizational characteristics of the law firms was obtained from the analysis. The different categories of knowledge existing in law firms and the tools and technologies for knowledge management in law firms in Kenya were identified. The analyses revealed the different ways by which knowledge management is manifested in law firms in Kenya. It identified the factors critical to the success of knowledge management, the tools and techniques for knowledge management, its perceived benefits as well as some barriers to knowledge management. It also identified and examined the role of other agents and institutions in facilitating knowledge management in the law firms. The next chapter presents a summary of the findings, discussion and recommendations with regards to the findings of the study.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
The aim of this study was to establish guidelines for knowledge management in law firms in Kenya in the light of the changing legal environment. This chapter presents the conclusions through comparing the actual research outcome with the objectives and research questions set at the beginning of the research. It makes some recommendations for effective implementation of knowledge management in law firms, identifies certain limitations and indicates possible areas for further research.

5.2 Summary
The main objective of the study was to examine the strategies for knowledge management for law firms in Kenya. The study was guided by the following research questions: How the legal industry and its environment are is changing? What are the challenges do these changes have on law firms? What are the benefits of knowledge management to law firms in Kenya?

The research adopted a survey research design with a target population of 83 lawyers from Nairobi. The collection of data was conducted through the use of questionnaires and thereafter analyzed through descriptive statistics so as to be able draw conclusions. The research procedure began with a pilot survey, this helped to identify the questionnaire’s suitability in terms of ability to answer the questions at hand and meet my overall objective. Adjustments and recommendations from the pilot survey were then incorporated to come up with a final questionnaire. The process of data collection was enhanced by the use research assistants (RAs) drawn from business class and trained on the use of the research tools. Data coding was first done then followed by data presentation via tables and, figures.

It was shown that the operation of law firms in Kenya have been significantly affected by the changes in the legal environment brought about by amongst other things the globalization of legal practice, advances in information communication technology, electronic publishing, competition amongst law firms, pressure from clients and increase in lawyers’ mobility. Consequently, law firms in the country like law firms elsewhere were beginning to recognize
the potential benefits of knowledge management as a strategic means to weather changes in the legal environment and sharpen their competitiveness as well as broaden their influence within the legal industry and the global economy.

The findings on the challenges facing knowledge management revealed that there were some differences with regards to the respondents’ views with regard to their views on the factors that were considered to inhibit knowledge management. Although a substantial majority of the respondents considered technological infrastructure as an inhibiting factor to knowledge management in the law firms, and limited financial resources there was less than 50 percent agreement on the other factors which were identified in the literature as being inhibitors to knowledge management.

Finally the findings revealed that the conditions in the law firms at present are not very favourable for knowledge management to thrive. For example, there are no rewards or incentives for sharing knowledge. Also, promotions in these law firms are not based on the ability to share knowledge and very few lawyers acknowledge that there is special recognition for staff on the time spent in knowledge creation, sharing and distribution. Furthermore, although lawyers were positive about the mutual trust, care and concern amongst individuals, it was seen that the trust and care is limited only to issues that have to do with the general interest of the law firm rather than issues that involve sharing individual expertise with colleagues.

5.3 Discussion
5.3.1 Legal Industry Environment
It was shown that the operation of law firms in Kenya have been significantly affected by the changes in the legal environment brought about by amongst other things the globalization of legal practice, advances in information communication technology, electronic publishing, competition amongst law firms, pressure from clients and increase in lawyers’ mobility. Consequently, law firms in the country like law firms elsewhere were beginning to recognize the potential benefits of knowledge management as a strategic means
to weather changes in the legal environment and sharpen their competitiveness as well as broaden their influence within the legal industry and the global economy.

According to the study findings established that the legal information environment is changing gradually. According to Katsh (1995), at the organization level knowledge management is considered to be very crucial when it comes to enhancing organization performance as well as enhancing competitive advantage, notwithstanding the economic success as well as economic viability. This means therefore that organizations need to come up with means and ways of assisting its members to formalize their knowledge management practices. According to Nonaka and Takeuchi (2010), there is an evident a link between knowledge management and organizational success. This notion is also supported by Prusak (2014), who puts forward an argument that indeed law firms that ignore knowledge management are likely to put themselves in severe jeopardy.

Reach (2006), further agrees that it is important for knowledge intensive organizations such as law firms to put into consideration the important role played by knowledge management as well as the value that comes with it. This is in consideration of the fact knowledge management activities cannot be well accomplished in the absence of total commitment from the organizations. It has now become very obvious in the legal industry that advance in information communication technologies is dramatically transforming the various activities conducted by lawyers, especially with regards to processing knowledge and delivering legal services to clients. Reach (2006) is of the argument that information communication is currently being used by most lawyers and other legal practitioners to manage their internal operations. Majority of them are making use of typical applications to facilitate front office operations among them we have legal information systems, artificial intelligence, case analysis support systems, electronic learning management systems, as well as litigation support systems. This has therefore brought about the need to carry out investigations on whether there exists other alternative means of that are necessary in enhancing the cost effectiveness of services which are offered law firms (Reach 2006).
The study findings also agree with Beering (2007), who has put forward an argument that indeed the law was traditionally cemented around law books and print technology. This can be said to be the main reason as to why for a long period of time, legal research facilities were largely centered on paper based law library. In this regard therefore precedent bank and the collection of press cuttings were the norm. He further argues that indeed the law library was purely considered to be the centre for law firms. This means therefore that, clients regarded law as just but an indicator of the lawyer’s prowess. Similarly, it was unusual to find a practitioner who possessed basic computer skills thus making the secretary indispensable figure in a law firm (Brenells et al., 1997). Parsons (2012) made an observation that indeed the recent changes in technology has brought about the explosion of content relating to the legal practice as well as the increasing demands for speed in the provision of legal services continues to ironically lead to information anxiety as well as the attention deficit amongst lawyers. It follows therefore that tracking of relevant information amongst lawyers within the firm, is going to be very time consuming since most lawyers spend time duplicating research, which has already been carried out elsewhere, or in some instances they create new agreements and documents when models of such agreements already exist; often resulting in frustration. Largely depended on a comprehensive library collection which was up to date.

5.3.2 Challenges to Knowledge Management Systems
The findings on the challenges facing knowledge management revealed that there were some differences with regards to the respondents’ views with regard to their views on the factors that were considered to inhibit knowledge management. Although a substantial majority of the respondents considered technological infrastructure as an inhibiting factor to knowledge management in the law firms, and limited financial resources there was less than 50 percent agreement on the other factors which were identified in the literature as being inhibitors to knowledge management. The findings are an affirmation that the continuous rise in the number of lawyers as well as the law firms themselves continues to exert more pressure on law firms seeking to maintain a competitive edge against each other not only for partners, but clients and law graduates as well. Financially viable law firms are making substantial salary offers to many freshly qualified and talented lawyers in an attempt to attract the best
and brightest lawyers in the country. This therefore means that only firms offering different proactive value added services to its clients and make its lawyers smarter may survive (Kiprono, 2013). The legal industry in Kenya for instance continues to be very competitive, as such for a legal firm to survive it has to have a well laid out strategy to give it direction and purpose in its operations. All these coupled together pose a very big challenge for the legal practitioner in Kenya. On the other side however, the legal profession continues to offer tremendous opportunities, where if well used can harness for success. For instance, the cross border opportunities brought about by the East Africa Community are yet to be harnessed. This requires a rethink on the part of legal firms who may have to put in place strategies that will enable them address the challenges and harness the opportunities in their operating environment

The findings also affirm that lawyers are not able to afford to be computer illiterate; Proactive legal services remains to be the order of the day, because clients continue to demand more value for their money, a situation that makes law firms are seeking to deliver better value without putting more strain on lawyers. In order to attract and retain clients and improve on their productivity and profitability law firms are challenged more than ever before to be more efficient, responsive and effective, in the provision of proactive cost-effective services and up to date legal information to potential clients (Kiprono, 2013). Additionally information overload as already mention, is a very big challenge to the legal practice at the moment. This is because of the explosion of massive information which is so much available in law firms a situation that has made lawyers because to be overwhelmed with large amount of irrelevant information (du Plessis & du Toit, 2005). Computer literacy among lawyers has become a prerequisite therefore compelling lawyers to ensure that they are well equipped with information literacy and information communication technology literacy skills. Other skills that may be expected from lawyers are information and knowledge management skills, digital lawyering, electronic publishing skills, and skills in the use of programmes that enhance legal service. There has been a challenge of developing a corporate capability such as unique skills, expertise, processes as well as management that would enable them to respond to the changes and thus develop its markets (Rono, 2013).
Finally the findings affirm that the legal industry in Kenya continues to face massive pressure from clients for law firms who are becoming more sophisticated for legal services. Such clients therefore have raised their expectations towards lawyers to have massive technologies in place, are likely to enhance their effectiveness yet they are therefore not willing to pay the high fees charged which comes as a result of the additional value. In addition most clients at the moment are being regarded to be very much computer literate, this is connected to the Internet and it follows that they can even conduct an internet search on the legal issue at stake before consulting a lawyer. Kofoed (2012) for instance made an observation that law clients have become increasingly fee-conscious and it means therefore that are likely not to hesitate shopping around for affordable legal fees.

5.3.3 Benefits of Knowledge Management System

Finally the findings revealed that the conditions in the law firms at present are not very favourable for knowledge management to thrive. For example, there are no rewards or incentives for sharing knowledge. Also, promotions in these law firms are not based on the ability to share knowledge and very few lawyers acknowledge that there is special recognition for staff on the time spent in knowledge creation, sharing and distribution. Furthermore, although lawyers were positive about the mutual trust, care and concern amongst individuals, it was seen that the trust and care is limited only to issues that have to do with the general interest of the law firm rather than issues that involve sharing individual expertise with colleagues.

According to Chester (2012) therefore made an observation that timely billing, as well as the ability to respond to the unexpected, the ability to create innovative solutions, and the ability to control legal cost are likely benefits to the client that may result from the use of knowledge management. Knowledge management will therefore enable clients to access cost effective services from a talented lawyer with unique knowledge on the particular issue (Susskind, 2013). Clients would rather pay a higher premium rate knowing that they are paying money for unique value and knowledge rather than paying a lower rate to a lesser qualified lawyer who would produce inferior results.
The findings also agree with Dubin (2005) who argues that market trends are constantly changing and the environment both internal and external is constantly turbulent. Employees have to be strategically positioned to respond to these changes effectively (Dess, Peng and Lei, 2013). It is therefore crucial that managers of a law firm strategically place themselves in a competitive position by heavily investing in the greatest resource, human capital. This can only be achieved by exposing their employees to training, constant guidance through mentoring and development. This prepares the employees for any changes in the business which in turn makes the leadership of an organization successful because as the employees perform well, then the results are evident in the organization performance. Trainings are offered either on job or off job. These trainings are conducted by consultants who have vast knowledge and experience in the field. The employees are trained on areas that affect the way they work. An example is whereby the organization employees are trained on how to handle customers better (Simonet and Tett, 2012).

The study findings further agree with the study Law firms that are competent are very crucial to the success in performance for every organization. Effective leadership involves treating each employee as equal in the organization in terms of remuneration, promotions, assigning of duties and responsibilities is concerned. In most organizations, if there is a slight evidence of favoritism whereby some employees are viewed as better than others by the leaders, other employees will start feeling left out and this will have a direct impact on the way they conduct their duties in the organization. According to Hodgkinson (2010) this will lead to demotivation in employees who then become indifferent to the wellbeing of the organization and hence will not go the extra mile to ensure the organization succeed.

5.4 Conclusions

5.4.1 Legal Industry Environment

The study concludes that the operation of law firms in Kenya have been significantly affected by the changes in the legal environment brought about by amongst other things the globalization of legal practice, advances in information communication technology, electronic publishing, competition amongst law firms, pressure from clients and increase in lawyers’ mobility. The study shows that knowledge management is already a reality in the
developed countries and that whilst most law firms in Kenya have unconsciously practiced aspects of knowledge management, it is now time to rethink this approach. The need for lawyers to have access to current and accurate knowledge in a profession where there are constant changes in legislation, legal precedents and opinion cannot be gainsaid.

5.4.2 Challenges to Knowledge Management Systems
The findings on the challenges facing knowledge management lead to a conclusion that there were some differences with regards to the respondents’ views with regard to their views on the factors that were considered to inhibit knowledge management. Although a substantial majority of the respondents considered technological infrastructure as an inhibiting factor to knowledge management in the law firms, and limited financial resources there was less than 50 percent agreement on the other factors which were identified in the literature as being inhibitors to knowledge management.

5.4.3 Benefits of Knowledge Management System
Finally the findings lead to a conclusion that the conditions in the law firms at present are not very favorable for knowledge management to thrive. For example, there are no rewards or incentives for sharing knowledge. Also, promotions in these law firms are not based on the ability to share knowledge and very few lawyers acknowledge that there is special recognition for staff on the time spent in knowledge creation, sharing and distribution. Furthermore, although lawyers were positive about the mutual trust, care and concern amongst individuals, it was seen that the trust and care is limited only to issues that have to do with the general interest of the law firm rather than issues that involve sharing individual expertise with colleagues.

5.5 Recommendations
5.5.1 Recommendation for Improvement
5.5.1.1 Legal Industry Environment
Knowledge management is not an event or system focused on technology but a long term continuing initiative. It is not about publicity or advertising to clients that the law firm is doing knowledge management, but rather it is about categorizing and organizing knowledge
as the core competency in the firm. Therefore, the Law Society of Kenya, which is the body that regulates all the lawyers in Kenya, is bound to play a crucial role in facilitating the implementation of knowledge management. It should engage the services of a consultant who must sensitize lawyers on the importance of the above findings and guidelines of knowledge management in law firms. The following recommendations are specifically designed to ensure the effective implementation of knowledge management.

5.5.1.2 Challenges to Knowledge Management Systems

In order to avoid the risk of cultural shock and ensure that members adjust easily when knowledge management is introduced, efforts should be made at the outset to ensure that the collective goal and purposes of knowledge management is known and understood by all in the law firm. It is also important for the sole proprietor or partnership to fully understand the goal of knowledge management in their law firms. The knowledge management goal of each depends on the needs of that particular firm. For a start, it is important for law firms to select simple initiatives that are within the reach of the law firms’ current technology, business processes, funding constraints and cultural readiness.

5.5.1.3 Benefits of Knowledge Management System

Law firms in Kenya should invest in information and communication technologies that support their knowledge management goals. It is, however, important to pay particular attention to the people, structure, processes, leadership and techniques before selecting a technological solution. Law firms should provide opportunities for professional development and encourage life-long continuing education and training of staff in the firms

5.5.2 Recommendation for Further Studies

An understanding of the knowledge protection processes in the law firm is particularly important because lawyers are usually very obsessed about the security of information, in determining the guidelines of knowledge management in law firms, this study focused mainly on the pre-implementation phase of knowledge management. Therefore, there is a need for a study to be carried out on the adoption and implementation of knowledge management in law firms. A follow up study is crucial to assess if there has been a
progression in law firms in terms of the implementation of the guidelines of knowledge management established in this study.
REFERENCES


APPENDICES

APPENDIX 1: LETTER FROM SCHOOL OF BUSINESS

United States International University

Date: 6 March 2014

TO WHOM IT MAY CONCERN

RE: RESEARCH PROJECT BY MARY KALUKI WAMBUA, STUDENT 1D 620062

The bearer of this letter, Ms. Mary K. Wambua, is a student at United States International University (USIU) pursuing Master’s Degree in Business Administration (MBA).

As part of the coursework assessment, she is required to submit a research project report. Her area of study is the “Strategies for knowledge management in law firms in Kenya”; which requires her to collect data and information from various relevant institutions.

Kindly assist by enabling her access data, information and contact to respondents who can complete her questionnaires. I assure you that the information provided will be treated with the utmost confidentiality.

Further, the findings of the research will be availed to you upon request to the student by way of a copy of the final report. In addition a copy of the research report will also be available at the USIU library.

Should you have any enquiries regarding the student and her area of study, please do not hesitate to return to us on contacts provided herein.

Thanking you in advance for your cooperation and participation.

Yours sincerely

[Signature]

Prof. George Achoki
The Dean, Chandaria School of Business
United States International University
APPENDIX II: QUESTIONNAIRE
KNOWLEDGE MANAGEMENT PRACTICES IN LAW FIRMS IN KENYA

Knowledge Management (KM) is defined as any systematic activity related to the capture, sharing and creation of knowledge by an organization. The purpose of this survey is to find out what Knowledge Management (KM) practices are used to support the acquisition, creation, sharing and retention of knowledge in Kenyan Law firms. Please note that your responses are confidential and that my reporting will not include your individual law firm’s name.

Section A:
1. Personal details

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<td>A</td>
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<td>B</td>
<td>Age</td>
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<td>C</td>
<td>Number of years as a Partner</td>
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<td>D</td>
<td>Number of years as an Associate</td>
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<td>E</td>
<td>Number of years the law has been in existence</td>
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<td>F</td>
<td>How many advocates are in your law (Partners and Associates)</td>
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Section B:
2. Organizational characteristics of the

<table>
<thead>
<tr>
<th>Does your have a formal knowledge management programme in place</th>
<th>Yes in percent</th>
<th>NO in percent</th>
<th>Non Response in percent</th>
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<tbody>
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<td>If no, do you plan to introduce one?</td>
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<td>If your answer is in the amative, does your firm have an officer or any person in similar position specifically dedicated to gathering, distributing or leveraging the s knowledge?</td>
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<td>Does your missing word have a written knowledge management policy?</td>
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<td>Does the knowledge management programme in your firm have a dedicated budget?</td>
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2a. Categories of knowledge in the law

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<tr>
<th>Category of knowledge</th>
<th>1 very Frequently</th>
<th>2 Frequently in percent</th>
<th>3 Not at all in percent</th>
<th>4 Not Frequently in percent</th>
<th>5 Non response in percent</th>
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<tr>
<td>Skill and expertise of lawyers and staff</td>
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<td>Lessons learned from past projects</td>
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<td>Analytical knowledge</td>
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<td>Tips on drafting</td>
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<td>Procedural knowledge</td>
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<td>Conversation by the hallways</td>
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<td>Knowledge of the law</td>
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<td>Expert opinion</td>
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<td>Legal text</td>
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<td>Legislation and case law</td>
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<td>Standard documents</td>
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<td>Knowledge from judges</td>
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<td>Court decisions</td>
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<td>Financial information</td>
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<td>Marketing information</td>
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<td>Clients information</td>
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<td>2b. What would motivate the adoption of knowledge management in your</td>
<td>1 Strongly agree in percent</td>
<td>2 Agree in percent</td>
<td>3 Neutral in percent</td>
<td>4 Disagree in percent</td>
<td>5 Strongly disagree in percent</td>
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<td>Advances in information communication technologies</td>
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<td>The shift from paper based to electronic sources of information</td>
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<td>The internet</td>
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<td>Electronic publishing</td>
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<td>Globalization of legal services</td>
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<td>Competition amongst firms</td>
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<td>Pressure from clients</td>
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<td>Information overload</td>
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<td>Loss of key personnel am their knowledge</td>
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<td>The use of knowledge management tools and practices by other competitors</td>
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<td>An increase in the mobility of lawyers</td>
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<td>The need to identify and protect strategic knowledge in the</td>
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<td>The desire to promote professional satisfaction</td>
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<td>The desire to support and encourage a learning culture</td>
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<td>The desire to promote team work</td>
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<td>The desire to meet the information and knowledge needs of the lawyer</td>
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<td>Pressure from other professional services firms</td>
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### 3f. Factors that facilitate knowledge management in the firm

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<th>Factor</th>
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<tr>
<td>There is monetary and non monetary rewards for sharing knowledge</td>
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<td>Promotions are based on the ability to share knowledge</td>
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<td>There is special recognition of staff for the time spent in knowledge creation, sharing and distribution</td>
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<td>Mutual respect, trust, care and concern amongst lawyers</td>
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### 3g. The perceived benefits of knowledge management in law firms in Kenya

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<th>Benefit</th>
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<tr>
<td>Improve knowledge sharing</td>
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<td>Improve lawyers efficiency and productivity</td>
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<td>Improve lawyers relationship vis-à-vis clients and customers</td>
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<td>Prevent duplication in research</td>
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<td>Increase flexibility amongst lawyers</td>
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<td>Protect the loss of knowledge</td>
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<td>Result in competitive advantage</td>
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<td>Integrate knowledge within the</td>
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<td>Improve retention rate of lawyers in the</td>
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<td>Improve the sharing and transfer of knowledge with partners and strategic alliances</td>
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<td>Enhance economic profitability</td>
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3h. The factors that inhibit knowledge management in law firms in Kenya

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<th></th>
<th>1 Strongly agree in percent</th>
<th>2 Agree in percent</th>
<th>3 Neutral in percent</th>
<th>4 Disagree in percent</th>
<th>5 Strongly disagree in percent</th>
<th>Non response in percent</th>
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<tr>
<td>Lawyers’ view of knowledge as a source of power</td>
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<td>The perception that knowledge management is an additional workload</td>
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<td>The feeling that it puts pressure on billable hours</td>
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<td>The feeling that the size is too small</td>
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<td>Limited financial resources</td>
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<td>Inadequate technological infrastructure</td>
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<td>The inability of the firm’s leadership to enforce knowledge management</td>
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3. The role of knowledge institutions and agents in the creation, sharing and capturing of knowledge in law firms in Kenya

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<th>1 Strongly agree in percent</th>
<th>2 Agree in percent</th>
<th>3 Neutral in percent</th>
<th>4 Disagree in percent</th>
<th>5 Strongly disagree in percent</th>
<th>Non response in percent</th>
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<td>Legal secretaries</td>
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<td>Law librarians</td>
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<td>The courts</td>
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<td>Legal academics at the law faculty</td>
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<td>Law firm society</td>
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<td>Professional associations</td>
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*Thank you for your co-operation.*

*For further information contact Mary Wambua*

*Mkalukiwa2003@yahoo.co.uk*

*cell no: 0721967187*