EFFECTS OF KNOWLEDGE MANAGEMENT STRATEGIES ON ORGANIZATIONAL PERFORMANCE: A CASE OF REAL ESTATE MANAGEMENT FIRMS IN NAKURU TOWN

22 JAN 2015

GITONGA, FRIDAH MAKENA

A Research Report Submitted to the Board of Post Graduate Studies in Partial Fulfillment of the Requirements for the Award of the Degree of Master in Business Administration of Egerton University

EULIB
048 085

EGERTON UNIVERSITY

OCTOBER 2014

2015/104194

DECLARATION AND RECOMMENDATION

DECLARATION

This Project Report is my original work and has not been presented for examination in this or any other Institution.

Signature: ..... Date: 22/10/2014

FRIDAH GITONGA

CM11/0546/09

RECOMMENDATION

This Project Report has been submitted for examination with our approval as the University Supervisors.

Signature: ..... Date: 3/11/2014

DR. DANIEL AUKA, PHD

DEPARTMENT OF BUSINESS ADMINISTRATION,

EGERTON UNIVERSITY

Signature: ..... Date: 3rd Nov. 2014

MR.AKUNO NYANG'AYA, R.O.

DEPARTMENT OF ACCOUNTING, FINANCE AND MANAGEMENT SCIENCE,

EGERTON UNIVERSITY

2015/104194

COPYRIGHT

© 2013 FRIDA GITONGA

This research project may not be reproduced in part or otherwise stored in any retrieval system or transmitted in any form by any means without any prior written permission of the author or Egerton University.

All rights reserved.

DEDICATION

I dedicate this work to my daughter Lydia Nkatha, who is a source of inspiration and my son Brian Mutwiri for his encouragement and love throughout the time of writing the research project.

ACKNOWLEDGEMENT

I would like to sincerely acknowledge the people who made this study possible. Special thanks go to my supervisors Dr. Daniel Auka and Mr. Akuno Nyang'aya R.O. for their guidance, valuable suggestions and advice. I wish to thank the employees of the 12 real estate management firms who participated in the study by providing the required data. I wish to also thank my classmates for going through the proposal and thesis drafts and making constructive comments and suggestions on how to improve it. Special gratitude goes to Helasabili Mobile Capital Company's Management for the insight and knowledge I have acquired at the place of work regarding this study. Lastly I wish to sincerely thank my family for their support, encouragement, patience, and prayers during the course of the study.

ABSTRACT

The purpose of this study was to determine the effects of knowledge management strategies on organizational performance of real estate management firms in Nakuru town. Knowledge management strategies are believed to relate with performance for organizations that adopt them. There are studies that show the effect of knowledge management strategies on organizational performance, but few capture the same in respect of real estate in Nakuru town. The study used purposive sampling to select 12 real estate management firms out of a population of 18 registered firms in Nakuru town. 3 respondents; the director, the accountant and the marketing officer from each of the 12 firms was selected, making a sample size of 36 respondents. A questionnaire was used to collect data. The data collection tool was checked for construct and face validity, and pilot tested for reliability by use of Cronbach Alpha method. Pearson correlation and multiple regression analyses were used to test the effect of knowledge management strategies on organizational performance at 0.05 level of significance. The results, in totality, indicated that knowledge management influences the performance of real estate management firms. The results reinforce the need for real estate management firms to develop strategies that would promote effective use of knowledge management strategies and enhance their organizational performance. Specifically, the study revealed that organizational performance of real estate management firms was not significantly related to their knowledge management systems use and knowledge sharing strategies. However, the organizational performance of the firms was significantly related to their knowledge capture and acquisition, processing, and evaluation Strategies. The study recommends that policies on knowledge management systems use and knowledge sharing strategies should be reviewed with a view of improving their effectiveness. The other strategies; knowledge capture and acquisition, knowledge processing, and knowledge evaluation should be adopted to boost organizational performance and enable them to maintain competitive edge.

TABLE OF CONTENTS

DECLARATION AND RECOMMENDATION ..... **ii**
COPYRIGHT ..... **iii**
DEDICATION ..... **iv**
ACKNOWLEDGEMENT ..... **v**
ABSTRACT ..... **vi**
TABLE OF CONTENTS ..... **vii**
LIST OF FIGURES ..... **ix**
ABBREVIATIONS AND ACRONYMS ..... **xi**
CHAPTER ONE **1**
INTRODUCTION **1**
1.1 Background to the Study 1
1.2 Statement of the Problem 5
1.3 Objective of the Study 6
1.4 Research Hypotheses: 6
1.5 Justification of the Study 7
1.6 Scope of the Study 7
1.7 Limitations of the Study 7
1.8 Assumptions of the Study 8
1.9 Operational Definition of Terms 8
CHAPTER TWO **9**
LITERATURE REVIEW **9**
2.1 Knowledge Management 9
2.2.1 Explicit Knowledge 10
2.2.2 Tacit knowledge 11
2.3 Knowledge Management as Strategic Advantage Tool 13
2.4 Barriers to Effective Knowledge Management 14
2.5 Real Estate Industry 16
2.6 Knowledge Management in Real Estate Market 16
2.7 Organisational Performance Measurement 18
2.8 Effect of Knowledge Management on Organizational Performance 20
2.9 Conceptual Framework 23
CHAPTER THREE **25**
METHODOLOGY **25**
3.1Research Design 25
3.2 Target Population and the Study Area 25
3.3 Sampling Design and Size 25
3.4 Data Collection and Procedure 26

3.5 Reliability and Validity....26
3.5.1 Validity of the Instruments....26
3.5.2 Reliability....26
Table 1: Multicollinearity test on the independent variables....27
3.6 Data Analysis....28
CHAPTER FOUR....29
RESULTS AND DISCUSION....29
4.1 Introduction....29
4.2 Characteristics of the respondents....29
Table 2: Gender of the Respondents....30
Table 3: Age of the sample....30
Table 4: Respondents highest level of education....31
Table 5: Respondents Department/Section....32
Table 6: Indices of Knowledge Management Strategies and the Standard Deviations....32
Table 7: Indices of Market Share, Customer Satisfaction, and Organizational Performance....33
Table 8 : Results of the Correlation Analysis....34
Table 9: Coefficient of Determination....34
Table 10: The B, t-values and p-values of the regression output....40
Table 11: Regression Results for Knowledge Management Strategies (and its constructs) and Organizational Performance....40
Table 12: The output of Regression ANOVA....41
CHAPTER FIVE....44
SUMMARY, CONCLUSION, AND RECOMMENDATIONS....44
5.1 Summary and Conclusion....44
5.2 Implications of the study and Recommendations....45
5.3 Areas for Further Research....46
REFERENCE....47
APPENDIX I....56
APPENDIX II....57
APPENDIX III....65

LIST OF FIGURES

Figure 1: The Relationship between Knowledge Management Strageties and performance of a Firms' 23

LIST OF TABLES

Table 1: Multicollinearity test on the independent variables.....27
Table 2: Gender of the Respondents.....30
Table 3: Age of the sample.....30
Table 4: Respondents highest level of education.....31
Table 5: Respondents Department/Section.....32
Table 6: Indices of Knowledge Management Strategies and the Standard Deviations.....32
Table 7: Indices of Market Share, Customer Satisfaction, and Organizational Performance.....33
Table 8 : Results of the Correlation Analysis.....34
Table 9: Regression Results for Knowledge Management Strategies (and its constructs) and Organizational Performance.....34
Table 10: The output of Regression ANOVA.....34
Table 11: The B, t-values and p-values of the regression output.....34
Table 12: Coefficient of Determination.....34

ABBREVIATIONS AND ACRONYMS

GOK	Government of Kenya
KM	Knowledge Management
CEO	Chief Executive Officer
MD	Managing Director
NBD	New Business Development

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Knowledge management is a relatively new concept and encompasses diverse fields. There is no universally agreed definition of knowledge management, even among practitioners. In the context of this report, the term could be defined as the systematic process of identifying, capturing, and sharing knowledge people can use to improve social development outcomes. Knowledge differs from information and data in that knowledge is complex and contextual, created as part of an interactive process, essentially a human attribute, value laden, and connected to action to be relevant. Knowledge is created in the minds of people and is difficult to capture and record. Experience has shown that the means to capture complex knowledge most effectively is to provide platforms that facilitate knowledge sharing. Knowledge collection through databases is important, but it needs to be driven by communities of like-minded-people that collaborate around the same substantive interests and passions. Knowledge management architecture is about connecting people not just about electronic platforms, these are the support structures for knowledge management.

Knowledge Management is an approach to improving organizational outcomes and organizational learning by introducing into an organization a range of specific processes and practices for identifying and capturing knowledge, know-how, expertise and other intellectual capital within the organization and for making such knowledge assets available for transfer and reuse across the organization (Murry, 2005). Knowledge Management is 'the process of selectively applying knowledge from previous experiences of decision-making to current and future decision-making activities with the express purpose of improving the organization's effectiveness.' This definition encompasses the goals of KM3 broadly: (1) identify critical knowledge; (2) acquire critical knowledge in a knowledge base or organizational memory; (3) share the stored knowledge; (4) apply the knowledge to appropriate situations; (5) determine the effectiveness of using the applied knowledge; (6) adjust knowledge use to improve effectiveness. 'Knowledge Management' in the current context is a collection of activities, processes and policies which enable organizations to apply knowledge to improvement of effectiveness, innovation and quality. Larry Prusak, a 'guru' of Knowledge

Management, states simply that 'knowledge is what people know.' The purpose of knowledge management is to turn personal knowledge into collective knowledge, helping organizations know what they know – and to know something new (Murry, 2005).

The importance of knowledge for societies in general and organizations in particular is rarely questioned and has been studied for a long time (Wilkesmann, 2005). Thus, it is not surprising that the field of knowledge management has drawn insights, ideas, theories, metaphors and approaches from diverse disciplines. This section briefly reviews the history of knowledge management. The tracing of the roots helps to understand the perspective which knowledge management has or can have on organizations. Yang et al. (2010) in their study stated that "Due to lack of knowledge on these two markets and the investors are not well sophisticated with diversifying their investment portfolios they can suffer huge losses in one market and miss the opportunity to invest in the other market."

It is understood that poverty is the result of economic, political and social processes that interact with and reinforce each other in ways that promote impoverishment (World Bank, 2001). This means that one way of fighting poverty is through the acquisition of properties that can be used to continuously generate wealth. K'Kumu (2006) observes that housing in Kenya has been left in the hands of the private sector over the years. The policy framework, currently being put up together is unlikely to reverse this. Instead, it is expected to recognize and enhance the role of the private sector in housing delivery. To enhance the private sector participation, special attention need to be given to information concerning the real estate market. Statistics on structure type, location, accommodation, floor area, condition of repair, floor finish, roof type, rental or capital/sale value, etc. should be provided on time and updated on a regular basis through the stakeholders' participation strategy. Also important is information on the real estate financial market. Currently the financial market too is considered in general without any particular reference to the real estate market and sub-markets. To help individual investors make informed decisions in the real estate investment, statistics must be provided for the mortgage and capital markets in a way that would be useful to housing.

What is seen from looking at every industry is that, no matter how attractive or unattractive an industry is, some companies do a lot better than others, year in and year out, because they have found exactly the right position. Basically in any industry, there are five forces of

competition. The first is rivalry amongst competitors. The second is the threat of new entrants into the industry. This is always a threat whenever there is something profitable going on. If they do enter, they are going to erode the profitability of that segment. The third and fourth forces are the bargaining power of the suppliers, from whom you are purchasing critical inputs, and the bargaining power of the buyer to whom you are trying to sell.

In real estate business, there are usual two important buyers: the tenant and the financial buyer. The historical success of this industry begins on the demand side. There are a number of forces for favorable buyer environment. First, there is a tremendous shift going on from an industrial economy to a service economy. Second, there is a tremendous demand for office space. Third, there is a demographic shift in the population including changes in where people want to work and where they will want to shop. This has created tremendous demand for new buildings with new features.

Amidst all these competing forces in the sector, it is important to have a competitive strategy. Historically, many Real Estate Management firms had informal strategies. They just did deals – a rather opportunistic approach. Whatever deal that came along with good numbers, they did. They could always make a case for why they should do a particular type of deal even though they had never done a similar one before.

There is one other critical issue in real estate industry and that is the question of scope. In any business, when you pursue competitive advantage, you have to decide what part of the business you are going to have the competitive advantage in. Some companies have a broad scope and they try to build many different types of projects. Other companies can and do choose a narrow scope. They specialize in one particular type of project, in one particular geographic location or one particular type of tenant. Any company must make a choice about these two variables. It is therefore important for one to ask these important questions; what is the essential kind of advantage that you are going to seek? Are you really seeking lower costs because you are going to be more efficient? Or are you going to try and differentiate yourself? You may spend a lot of extra money trying to do that. What array of products, tenants, and geography types are you going to serve?

In the twenty-first-century landscape, firms must compete in a complex and challenging context that is being transformed by many factors, from globalization, technological

development, and increasingly rapid diffusion of new technology, to the development and use of knowledge (Hitt, et al, 1998). This new landscape requires firms to do things differently in order to survive and prosper. Specifically, they must look to new sources of competitive advantage and engage in new forms of competition. This, in turn, requires a clear understanding of the nature of competition and competitive dynamics.

One popular approach to understanding competitive dynamics is the resource-based view of the firm. According to this view, the explanation for why some firms ultimately succeed and others fail can be found in understanding their resources and capabilities. A firm's resources and capabilities influence both the strategic choices that managers make and the implementation of those chosen strategies (Priem et al, 2001.)

By utilizing knowledge management during the strategic management process, management could make effective decisions that will assist an enterprise to gain greater market share and to compete successfully against local and international competitors (Kruger, 2010). To be successful in the management of knowledge as an asset, it is of fundamental importance to recognize that knowledge assets, just as any other asset of the enterprise, should be managed in the context of the overall business.

Traditionally many enterprises have taken an *ad hoc* approach to managing knowledge, resulting in work duplication, inconsistent work practices and loss of important organizational knowledge when employees retire or leave the company (du Plessis et al, 2006). The linking between knowledge management and the business strategy is viewed as the crux for successful knowledge management in any enterprise. Thus, Nonaka and Takeuchi (1995) state "the most crucial element of corporate strategy is to conceptualize a vision about what kind of knowledge should be developed and to operationalize it into a management system for implementation". Strategy can be viewed as an instrument that the enterprise must excel at to ensure its survival in a competitive environment (Kruger, 2010). According to Yang (2007), knowledge sharing and knowledge integration are key factors in achieving a competitive advantage.

Performance is a measure of how well an organization achieves appropriate objectives or how efficient and effective an organization is (Stoner et al, 2002). The expected outcomes of effective knowledge management lead to improved organizational effectiveness, improved

productivity, a way to capture strategic practices, improved decision making, a more innovative organization, source of competitiveness and improved performance. Some of the performance measures that may be used are productivity, profitability, liquidity, market share and costs (Hatch, 1997). Measuring performance has been part and parcel of any successful business entity. It is strategic because the long run survival of any organization depends on its performance and Management's use to evaluate the overall health of organization.

Knowledge within the business context can fall within the spectrum of tacit (implicit) knowledge and explicit (codified) knowledge. Tacit knowledge is stored in people's heads and is difficult to share. Explicit knowledge is captured or stored in an organization's manuals, procedures, databases, and is therefore, more easily shared with other people or parts of an organization. Organizational knowledge is a mixture of explicit and tacit knowledge and the role of knowledge management (KM) is to unlock and leverage the different types of knowledge so that it becomes available as an organizational asset (Hall et. al., 2002). However, a key issue in KM is the evaluation of the likely benefits. KM strategies are more likely to be successfully implemented if performance-based approach is adopted that explicitly shows the interactions between KM initiatives and a set of performance measures for evaluating their effectiveness and efficiency. Carrillo *et al* (2000) suggested that KM could be integrated into key performance indicators (KPIs), and other performance measurement approaches.

1.2 Statement of the Problem

Interest in knowledge management (KM) has risen steadily since the 1990s to a point where many firms regard it as a key element of their operations and strategies. From a practice perspective, firms are noticing the importance of managing knowledge if they want to remain competitive. Many companies are beginning to actively manage their knowledge and intellectual capital (Zack, 1999). Garud and Kumaraswany (2005) argue that knowledge has emerged as a strategically significant resource for the firms. Accordingly, knowledge creation and transfer have become key factors to gain and sustain a competitive advantage (Sambamurthy & Subramani, 2005). A recent survey of construction organizations shows that about 40% already have a KM strategy and another 41% plan to have a strategy within a year (Carrillo *et al,* 2002). About 80% also perceived KM as having the potential to provide benefits to their organizations, and some have already appointed a senior person or group of

people to implement their KM strategy. KM and organizational performance are key relates among many firms. There is not much information linking KM to organizational performance in real estate Management firms in Kenya. In the study area, studies relating KM and organizational performance are very scarce. This study therefore aimed at examining the relationship between KM and organizational performance of real estate management firms in Nakuru town.

1.3 Objective of the Study

The main objective of the study was to investigate the effects of Knowledge Management Strategies on Organizational performance of Real Estate Management Firms in Nakuru Town. The specific objectives were to:

i. Determine the effect of knowledge management systems on organizational performance
ii. Determine the effect of knowledge acquisition strategies on organizational performance
iii. Determine the effect of knowledge processing strategies on business performance
iv. Determine the effect of knowledge sharing strategies on organizational performance.
v. Determine the effect of knowledge evaluation strategies on organizational performance
vi. Establish the combined effect of knowledge acquisition, processing, sharing strategies and evaluation strategies on organizational performance.

1.4 Research Hypotheses:

This study tested the following hypotheses;

H_{01} There is no significant relationship between knowledge management systems and organizational performance of Real Estate Management firms in Nakuru town

H_{02} There is no significant relationship between knowledge capture and acquisition Strategies and organizational performance in Real Estate Management firms in Nakuru town

H_{03} There is no significant relationship between knowledge processing strategies and organizational performance in Real Estate Management firms in Nakuru Town

H_{04} There is no significant relationship between knowledge sharing strategies and organizational performance in Real Estate Management firms in Nakuru Town

H_{05} There is no significant relationship of knowledge evaluation strategies and organizational performance in Real Estate Management firms in Nakuru Town.

H_{06} There is no significant effect of combined components of knowledge management strategies on organizational performance in Real Estate Management firms in Nakuru Town.

1.5 Justification of the Study

The real estate sector is fast growing due to expanding demand for residential houses, educational, commercial and industrial spaces. KM strategies could help to better manage organizational performance in these ever increasing units and activities.

The findings of the study may help the Real Estate Management firms to understand how to optimize utilization of knowledge management as a strategic tool to improve their organizational performance and create a sustainable competitive advantage over their competitors. The findings may also help economic policy analysts understand the relationship between knowledge management and organizations organizational performance better. The findings of the study are expected to contribute to the body of knowledge on management of organizations. Finally, the findings may provide baseline data to other researchers who would like to pursue studies in the field of knowledge management.

1.6 Scope of the Study

This study was conducted in Nakuru Town and involved 34 respondents drawn from 12 real estate management firms which have a management team. The study focused only on establishing the effects of knowledge management systems, knowledge acquisition, processing, sharing, and evaluation on the firms' organizational performance.

1.7 Limitations of the Study

The first major challenge encountered during the study was the reluctance of the respondents to give information about their firms due to fear of "leaking the organization's confidential information to competitors". The second limitation of the study was that the research focused specifically on the effects on knowledge management strategies on real estate's management firms in Nakuru Town. Therefore, generalizations of the results to other firms outside the town must be done with caution.

1.8 Assumptions of the Study

According to Kothari (K2004), assumptions are unproven explanations from the foundation of research ideas necessary to solve a research problem. Two assumptions were made during this study, that the Participants were honest, and that the real estate management firms have adopted knowledge management strategies in the management of their operation.

1.9 Operational Definition of Terms

Organizational performance: Comprises the actual output or result of an organization as measured against its intended outputs.

Competitive advantage: This is the ability to do something that competitors cannot do nearly as well and thus being able to occupy a superior position in an industry and outperform rivals on the primary performance goal-profitability.

Explicit Knowledge: Refers to knowledge that can be codified and expressed to others.

Knowledge Acquisition: This is the process of extracting firm's information value for purposes of effective management and the achievement of desired performance.

Knowledge Evaluation: This the process of establishing the outcome of knowledge Management systems to find out its achievements against the set objectives.

Knowledge management: Is the collection of processes that governors the creation, processing, dissemination, and utilization of knowledge

Knowledge Management System: refers to a (generally IT based) system for managing knowledge in organization for supporting, creation, capture, storage and dissemination of information

Knowledge Processing This is the technique used to transform firm's captured data into knowledge

Knowledge Sharing: This is the process of collective use of knowledge among employees and stakeholders of a firm to enhance decision making process

Strategy: The term strategy is used in business to describe how an organization is going to achieve its objectives and mission.

CHAPTER TWO

LITERATURE REVIEW

2.1 Knowledge Management

A relatively small number of studies have addressed the relationship between KM strategies and organizational performance because of the difficulty in measuring and quantifying the value of knowledge. These studies can be classified into two categories depending on how they implicitly define the relationship among KM strategies as being either complementary or non-complementary.

A central proposition is that adopting a full set of KM strategies is related to high performance while the adoption of individual KM strategies results in little or insignificant performance gain. Bierly and Chakrabarti (1996) found that the complementary set of KM strategies (internal and external-oriented strategy) tended to be more profitable in terms of ROS and ROA. Choi and Lee (2003) showed that a complementary set of explicit- and tacit oriented strategies resulted in higher performance. Zack (1999) argued that aggressive KM strategies (a complementary set of tacit-internal-oriented plus explicit-external oriented strategy) lead to higher performance.

The second category deals with the non-complementary relationship among KM strategies. The gist of these studies is that using bundles of KM strategies does not guarantee increased organizational performance. Hansen et al. (1999) proposed that companies should pursue either codification (explicit-oriented) or personalization (tacit-oriented) strategy but not both to utilize the organizational knowledge effectively. Keskin (2005) argued that the impact on organizational performance is higher with explicit-oriented strategy than the tacit-oriented one. Pai (2005) found that overall creationists (adopters of complementary set of external-oriented and internal-oriented strategies) achieved lower performance than internal exploiters. Schulz and Jobe (2001) suggested that a focused strategy is superior to the other strategies. Swan et al. (2000) posited that a community (tacit-oriented) strategy is better than cognitive (explicit-oriented) strategy.

The importance of a complementary set of KM strategies and their performance impacts remain unclear. There appears to be an ongoing theoretical and empirical debate on the existence of synergies in bundles of KM strategies due to the complexity of the relationships

among strategies. Some studies suggested a complementary set of KM strategies to improve organizational performance. In contrast, others proposed that bundles of KM strategies have no effect on organizational performance, which implies non-complementarily relationship among KM strategies. Clarifying the relationships among KM strategies remains an important research issue.

Competitive advantage can arise from various sources. According to Porter (1985), a firm can achieve a higher rate of profit (or potential profit) over a rival in one of two ways: either it supplies an identical product or service at a lower cost, in which case the firm possesses a cost advantage; or it can supply a product or service that is differentiated in such a way that the customer is being able to pay a price premium that exceeds the additional cost of the differentiation advantage. Differentiation by a firm from its competitors is achieved when it provides something unique that is valuable to buyers beyond simply offering a lower price. Emphasizing the importance of innovation, Grant (1997) points out that innovation not only creates competitive advantage, it also provides a basis for overturning the competitive advantage of other firms. A firm with a distinctive competence can differentiate its products-provide something unique that is valuable to buyers, or achieve substantially lower cost than its rivals. Consequently, the firm creates more value than its rivals and earns a profit rate substantially above the industry average. Thus the strengths of an organization are grounded in its resources, capabilities and competencies that help a company attain a competitive advantage based on superior efficiency, innovation, and quality and customer responsiveness. Profiting from competitive advantage requires that the firm first establishes a competitive advantage, and then sustain its advantage for long enough to reap its rewards (Hill et. al., 2001). Management theorists have classified knowledge into two categories namely, tacit and explicit knowledge (Polanyi, 1958 et al.).

2.2.1 Explicit Knowledge

Explicit knowledge is formal, systematic knowledge that can be codified, written down, and passed on to others in documents or general instructions. Explicit knowledge is thus formalized, accessible, transmittable and shared in formal systematic language. Explicit knowledge can be embodied in a code or a language, and as a consequence, it can be easily communicated and shared (Hall et. al., 2002). The code maybe words, numbers or symbols.

2.2.2 Tacit knowledge

Tacit knowledge, on the other hand, has a personal quality, which makes it hard to formalize and communicate. It is typically more intuitive, learned over a long period of time and therefore not that easy to codify or communicate to others (Danskin et al., 2005). Tacit knowledge includes professional know- how and expertise, individual insight and perspectives, and creative solutions that are often difficult to communicate and pass on to others. Hall et. al., (2002) observe that tacit knowledge is acquired by experience, learning by doing, sharing experiences, by observation and imitation. Tacit knowledge maybe held by an individual or it may be diffused throughout an organization. They also point out that an organization's culture is an example of diffused tacit knowledge and an individual's assimilation of organization's culture is an example of the transmission of tacit knowledge from a group to an individual. Tacit knowledge (as opposed to explicit knowledge) is much more difficult for competitors to imitate. Thus it is more valuable and more likely to lead to a sustainable competitive advantage (Kogut et. al., 1992).

Designing a knowledge management system for a government agency requires consideration of the major processes that together make up what is now recognized as the knowledge management discipline. Alavi and Leidner (2001) concluded that there are five key processes extant in KM: knowledge creation, knowledge storage, knowledge and retrieval, knowledge transfer, and knowledge application. Each of these processes is supported by one or more ICT technologies, and each contributes to one or more knowledge application tasks.

People learn, begin to understand, and build knowledge through a process that has been boiled down to four easy-to-understand steps (Phillips 1976). First, they define and frame problems on the basis of their prior experience and the knowledge that is already available to them.

Organizational learning is the term used to describe the processes involved during the learning that takes place by individuals and the collective learning that occurs within organizations; it is based upon a foundation of learning theory, and is often used to describe the processes and results of employee training and management development. Promoting the concept in an agency begins by dealing with the processes needed to bring about a fundamental change in the culture of the organization, transforming it from a reactive to a

proactive organization. Smith added that organizational learning is the activity and the process by which an agency eventually becomes a learning organization.

A main driver for the adoption of diverse KM initiatives in public services is the change of organizational culture. In particular, governments seem to face four critical issues. First, drive efficiencies across all public services, for instance, by connecting silos of information across different levels of government and across borders. For example, the ''Project Exodus'', a US Army KM initiative promotes KM practices and techniques as well as collaboration between novices with experts, and concentrates on the capture and application of knowledge, especially tacit knowledge, to leverage organizational learning and enhance organizational competencies across the entire US Department of Defense (E-Government Institute, 2004).

This has implications for the sharing of individual knowledge and its conversion into organizational knowledge (Choo et al., 2007). Thus, the application of knowledge creation theory in process improvement team projects warrants investigation separate from studies of new product development projects and information systems projects (Lee et al., 2003), where projects often have longer life-spans and/or more stable team memberships. The study of knowledge creation in process improvement projects also warrants separate inquiry from those conducted at the organizational level of analyses, as these studies do not deal with practices for creating knowledge but focus instead on the topic of a broader environment conducive to knowledge management. The theory of knowledge creation (Nonaka, 1991) is based primarily on categorization of knowledge as explicit and tacit. It prescribes the capture of both explicit and tacit types of knowledge, making it available to the organization in order to generate competitive capabilities. Explicit knowledge is codified knowledge articulated in words, figures, and numbers. It is objective, and relatively easy to share in the form of specifications, standard operating procedures, and data. Tacit knowledge is knowledge that has not been codified and is relatively difficult-to codify. It is subjective and based in individual experiences.

Internalization (explicit-tacit) practices, used to capture explicit knowledge, converting it into tacit knowledge, include measures taken to adopt and understand best practices from other areas and projects (Tucker et al., 2007). They also include practices such as using control charts and error-proofing procedures, which may indicate a need for tacit on-the-job corrections. For example, an operator may rely on the explicit information provided by

control charts to make small adjustments to a manufacturing process, or, based on the unique needs of a customer, a bank teller may make adjustments to a standard operating procedure. Alternatively, explicit measurements that indicate errors may generate the need for team meetings to exchange tacit knowledge by brainstorming ideas about what may be wrong, why it went wrong, and how it can be corrected (Hoerl, 2001). In addition, learning-by-doing activities, such as on-the-job training, that are used to implement the results of projects also come under the category of internalization (explicit-tacit) practices (Becerra-Fernandez and Sabherwal, 2001).

Socialization (tacit-tacit) practices enable team members to incorporate each others' perspectives while coming up with ideas for the possible causes of defects being targeted, as well as ways to correct them. These practices enable individuals to express to each other their ideas in light of their experience; in some ways, they bring to the group individual insights about the problem at hand that others might not have even considered relevant had they remained in isolation. The verbalization of ideas is subject to immediate absorption and response by others. Socialization (tacit-tacit) practices are time-consuming, but they are richer in information and more effective because they ensure that the idea-generation of team members is not hindered in any way by communication barriers. There is nothing lost in translation into language or pictures, and any clarifications needed may be immediately obtained.

Externalization (tacit-explicit) practices enable individuals to express, summarize, and view explicitly the knowledge they have created jointly through the exchange and synthesis of tacit knowledge, thus creating common understanding. Further, externalization (tacit-explicit) practices assign explicit measurements to subjective performance attributes, thus facilitating assessment, comparison, and scientific experimentation. Expressing tacit knowledge, i.e., making it explicit through externalization practices, can aid the analysis of such knowledge before it is established that such knowledge should be used to improve a process. While socialization practices generally require physical proximity and joint action, externalization practices can support communities of practice that transcend distances (Constant et al., 1996).

2.3 Knowledge Management as Strategic Advantage Tool

Once established, competitive advantage is subject to erosion by competition. This arises because a company with a competitive advantage earn higher than average profits. These

profits send a signal to rivals that the company is in possession of some valuable distinctive competence that allows it to create superior value (Hill et. al., 2001). Naturally, its competitors try to identify and imitate that competence. Insofar as they are successful, they may ultimately undermine the company's competitive advantage and surpass the company's superior profits. As Grant (1997) and Hill et. al., (2001) observe, the speed of imitation has a bearing upon the durability of a company's competitive advantage.

Grant (1970) states that the greater the imperfection of information in an industry, the more difficult such identification and diagnosis. Thus firms, particularly private companies adopt a more attractive means of avoiding competition for the firm by withholding information about its profitability.

2.4 Barriers to Effective Knowledge Management

New Business Development (NBD) concerns all activities involved in realizing new business opportunities including products or service design, business model design, and Marketing. The basic challenge for knowledge management in new business development is that its primary focus should be on the exploration instead of the exploitation of knowledge. Whereas exploitation consists of making the most out of existing technological, organizational and market knowledge, exploration consists of the pursuit of new fields of knowledge (March, 1991). In NBD, knowledge management should facilitate the exploration of new fields of technological knowledge, building up expertise in new markets and the creation of new competences. New technological capabilities are needed, or at least the stretching of existing capabilities (McDermott and O'Connor, 2002). Exploitation plays a secondary, supportive role in NBD. Exploitation is particularly important when new competences build upon existing competences and in the later stages of NBD projects, when new fields of knowledge crystallize.

People and firms have a tendency to pigeon holing (Perrow, 1970), that is, to keep on doing the same in situations where that is not effective anymore. Working for years within a technological paradigm may make engineers 'blind' for other technological possibilities and constrain creative thought (Rothaermel, 2003). This is strengthened by the tight association of knowledge with Organization members who create their identities on the basis of what they know how to do well. Deviating from existing knowledge domains therewith poses threats to the identity of an organization as well, as documented for one the world's most famous flute

building companies. Furthermore, since learning is enabled by prior knowledge – absorptive capacity– there is an inclination to learn more in areas one is already familiar with. If this is not countered, people get trapped in existing learning trajectories and fail to learn in new areas, as a result, core competences may turn into core rigidities (Leonard-Barton, 1992).

A challenge in exploration of knowledge in NBD occurs under radical uncertainty. Organization scientists have traditionally defined uncertainty as a lack of information or knowledge (Galbraith, 1973). In NBD there is substantial uncertainty as to the technological feasibility and commercial potential of radical technological innovations. However, it is not just that organizations lack knowledge about markets and technological feasibility. Organizations aiming at NBD lack knowledge about what they need to know. An organization's lack of knowledge about its lack of knowledge is called radical uncertainty by Tsoùkas (1996). Under radical uncertainty, it is not just that a map of a particular territory is lacking, it is also unclear what territories need to be charted. Before radical innovations have been developed and marketed, it is often unclear who the potential customers are. The relevant markets do not yet exist. That makes it unclear what questions should be answered about the future market. Likewise, at the beginning of NBD, technologists do not know what knowledge they need to develop and during the process many unexpected questions will pop up.

These challenges to knowledge management are most strong in the beginning of the NBD process. In the beginning of a NBD process, at the moment when it might even not yet be clear that what one is doing or thinking may turn into a NBD project, uncertainty is high. Uncertainty will even increase when ideas start to crystallize, since more and more problems will pop up. During the months and years that follow uncertainty decreases in NBD projects through several market and technology feasibility studies. As a result, they start to resemble incremental innovation projects. Of course, the amount of uncertainty is not monotonously decreasing, as unforeseen problems may occur and projects may turn into different directions as expected during the process. Comparable trends hold for the other two factors described above. The balance between exploration and exploitation of knowledge will shift to the latter in the course of NBD. More and more knowledge gets accumulated that needs to be retained and re-used. Correspondingly, existing knowledge will become more of an enabling factor instead of a constraint.

2.5 Real Estate Industry

London, UK- Rising technology industries and economic recovery are set to drive double digit rental growth in the fifteen leading global cities over the next five years, according to a new report by Knight Frank www.knightfrank.com/globalcities. With rents at the start of new cycle, a new wave of property development is expected to accommodate future economic growth.

James Roberts, Head of commercial Research at Knight Frank, said," Premium pricing for real estate is found in those cities with the most high value knowledge workers, which consequently attracts the world's leading corporations. These are the 'Global Cities' and they are set to experience double digit rental growth in their respective office markets due to substantial demand and restricted supply of new commercial stock".

Firms today are scrambling to secure knowledge workers and the trend for a return to urban living has turned the global cities into talents magnets, and consequently multi-national corporations feel it is essential to locate within them.

Kenya is an independent state located in East Africa, and one of the fastest growing economies on the continent. The capital city is Nairobi and is widely regarded as a hub for business and culture. Kenya is a home to remarkable wildlife reserves including world-famous Maasai mara reserve. With expanding population of around 41-million and a rich, multicultural ethos, Kenya is fast becoming a sought-after destination for expats and property investors alike (www.property24.co.ke).

2.6 Knowledge Management in Real Estate Market

Real estate investment offers the investor with a rental income from the users of real estate, they can also benefit from capital appreciation. Real estate investment can provide an investor with greater returns through financial leverage; it is also an inflation hedge and its value keeps on appreciating into the future (Yang & Ye, 2010).

A survey conducted by Hass Consultants in association with CFC Stanbic bank in the year 2010 revealed that the Kenyan real estate sector has been vibrant for the past decade between the years 2000 to 2010. The market's resilience is in sharp contrast to international property markets; it has also survived the local and international recession

unscathed. The report also revealed that capital gains from Kenyan properties far outstrip gains from US and UK properties. There has been also an increase in rental prices which are unlikely to return to the past levels in the short run. This has eventually made the Kenya real estate market to be the winner in the international property investment amidst the indebtedness in the Western countries (Mwithiga, 2010).

The property market in Kenya has grown rapidly and become an important source of economic growth. Over the last ten years between the years 2000 to 2010, those who invested in real estate earned higher returns compared to those who traded at the Nairobi Stock Exchange (NSE), meaning that for profitable long-term investments, the property sector holds key. The Kenyan banks have realized this lucrative sector and are offering mortgage products to attract Kenyans. Many middle class Kenyans now prefer to purchase their own homes rather than be tenants (Mwithiga, 2010).

Armonat and Pfnuer (2004) stated that the common sources of market information on real estate performance are real estate indices. An index is a statistical measure of changes in a representative group of individual data points. This project will use the property index as the basis for measuring real estate returns. The property index will use aggregated prices on a quarterly basis rather than the market value at a particular point in time. Gelner (1993) concluded that such temporal aggregation contributes to both a lower return volatility and a lower beta with the stock market.

Rosen (1999) in his work on valuation of US commercial real estate stated that the prevalent method for valuing real estate, based on the work of Rosen (1974) and Rosen and Topel (1988), is to construct a hedonic price index of a property with given characteristics . Wheaton, et al (2009) in their study of 100 years of commercial real estate prices in Manhattan utilize property index in determining the returns of the real estate

Compared with the U.S.A. and other developed markets, Kenya's real estate industry is less experienced and immature. The Kenya real estate market lacks the following forms of real estate investments. Aggregation vehicles which Aggregates the investors and serve the purpose of giving investors collective access to real estate investments (Oshrat and Margaret, 2011). This comprises; Real Estate Limited Partnerships (RELPs) and Real Estate Investment Trusts (REITs). Undertaking investments through REITS provides investors with an opportunity to take part in large-scale commercial real estate projects

without having to invest large amounts of money in illiquid investments. The most common way in which investors in Kenya held real estate assets is majorly through mortgage financing such as free and clear equity and leveraged equity (Wangechi, 2010).

2.7 Organisational Performance Measurement

Performance is the measure of how well an organization achieves appropriate objectives or how efficient and effective an organization is (Stoner et. al., 2002). Performances are set up so that the deviance between the actual and intended outcome is identified. After that the necessary analysis is instituted to determine the source of the deviance and possible courses of action to remedy it.

Measuring performance has been a central issue in marketing and remains a vital concern for a large majority of organizations (Morgan, et al 2002). Managers and academics have both been drawn to the topic with an urgency and scope previously unprecedented (Clark 1999).

Clark (1999) attributed this interest in measuring performance to the convergence of four trends: Firstly, after a decade of "downsizing," major corporations were reaching the point of diminishing returns which had led to a refocusing on marketing, as a driver of future profit and growth (Sheth et al 1995). Secondly, there has been increasing demand for information related to marketing, which traditionally has been poorly reported in firm financial statements. Thirdly, measures of organizational performance such as the Balanced Scorecard (Kaplan et al 1992) have attracted attention to the issue of which marketing measures should be included in the overall assessment of organizational performance. Finally, marketing managers have become frustrated with traditional performance measures that they believe undervalue what they do.

Businesses are tending to rely less on financial measures (which are based on Accounting Standards) such as, profit, return on investment, and return on assets, alone to assess overall corporate performance (Wheelen et al 2002). Measures that focus solely on financial performance are seen as less appropriate to deal with the issues which confront organizations now (Ahn, 2001). "Sole reliance on financial measures of performance does not arguably reflect the importance of current resource decisions for future financial performance. Though some firms recognized the importance of non-financial performance measures many years

ago (e.g., General Electric in the 1950s), growing international competition and the rise of the TQM movement have widened the appeal of non-financial performance measures".

In this era of intense competition, both worldwide and domestic, business firms of all sizes and varieties have become more and more concerned with the market-share figures they achieve in the marketplace. From our personal experience, some managers appear interested as much, if not more, in market shares as profit or returns on investment. For product and brand managers in particular, the sense of urgency associated with the gains and losses of to generals or the general staff market shares for the product/brand in their charge may be likened to what winning or losing of a war front means. Though such military analogies are not to be taken literally, one fact seems obvious: Market shares command the attention of business managers as key indices for measuring the performance of a product or brand in the marketplace. Many individuals in business indeed keep a close watch over day-by-day changes in market shares, so much so that market-share movement to them is almost synonymous to market information.

To the extent that market share is used as market performance indices, it is clearly desirable for the individuals concerned to have thorough knowledge of the processes which generate market-share figures and to be able to analyze the impact of their own actions on market shares, as well as their profit implications. Lacking such knowledge, one might be tempted to oversimplify the cause-and-effect relationships between market shares and marketing variables, or to equate market shares to profitability (a not unusual tendency even among seasoned businessmen) and fall into deadly traps of blindly competing for market shares for its own sake. Oliver (1981) introduced the expectancy-disconfirmation model for studies of customer satisfaction in the retail and service industry. Expectancy-disconfirmation theory posits that customers form their satisfaction with a target product or service as a result of subjective (or direct) comparisons between their expectations and perceptions. Customers are directly asked to provide their perceptions or evaluations of the comparisons, using a "worse than/better than expected scale.

One of the key benefits of introducing KM practices in organizations is its positive impact on organizational performance. According to Fugate et al. (2009), results collected in a logistics operations context prove the existence of a strong positive relationship between a KM process and operational and organizational performance.It is not well understood how

different KM strategies affect organizational performance. Choi et al. (2008) show that combining the tacit-internal-oriented and explicit-external-oriented KM strategies indicates a complementary relationship, which implies synergistic effects of KM strategies on performance. The results of the study conducted by Zheng et al. (2009) suggest that KM fully mediates the impact of organizational culture on organizational effectiveness, and partially mediates the impact of organizational structure and strategy on organizational effectiveness.

2.8 Effect of Knowledge Management on Organizational Performance

The goals and expected outcomes of an organization with effective KM include improved organizational effectiveness, improved productivity, and a way to capture best practices, improved decision making, becoming a more innovative organization and a source of competitiveness, and improved performance. Soo (2002) points out that the impact of knowledge management systems on performance relates primarily to the organization's ability to innovate- either through improved processes or improved products and services. It is widely accepted that increasing the amount and the quality of knowledge sharing within firms is crucial to creating higher levels of innovation (Kaser et. al., 2002). New knowledge that drives product and process innovation really always comes out of the exchange of party formed ideas that trigger new insights. Thus KM increases the innovative performance of firms. Indeed, a firm that effectively uses its knowledge assets knows more about its customers, products, technologies, markets and their linkages, and should perform better. Penrose (1959) argues that companies having superior knowledge are able to coordinate and combine their traditional resources and capabilities in new and distinctive ways, providing more value for their customers than their competitors. Soo et al. (2002) explain that while knowledge itself is difficult to measure and the precise accounting for the use of intellectual capital is in its infancy stages, it does have a clear impact on business outcomes.

Knowledge creation and use of it are thus critical if firms are to have a competitive advantage. In the knowledge- based view of the firm, an organization's ability to create and utilize knowledge is viewed as the sure source of lasting competitive advantage (Grant, 1991; Kogut et. al., 1992 and Spender 1996). The knowledge-based theory views firms as distributed knowledge systems, which means that they are composed of knowledge embodied individuals and their social interactions. The knowledge-based theory of the firm postulate that knowledge is the only resource that provides sustainable competitive advantage, and therefore the firm's attention and the decision-making should focus primarily on knowledge

EGERTON UNIVERSITY LIBRARY

and the competitive capabilities developed from it. The key contribution of the knowledge based view of the firm and KM literature is the insistence that knowledge can be managed as an organizational resource that in turn, hopefully, constitutes competitive advantage (Choo et. al., 2002). Soo et al. (2002) assert that the capacity to manage human intellect and to transform intellectual output into a service or a group of services embodied in a product is fast becoming the critical executive skill of this era.

The value of knowledge results from the way in which the firm combines its knowledge and capabilities in the production of products and services that deliver value to its market. A firm can gain advantage from using the capabilities that arise from the knowledge assets in ways which are difficult for others to imitate or replicate. Performance differences between organizations, then, are a result of their different stocks of knowledge and their differing capabilities in deploying knowledge. Knowledge and competence have become the primary drivers of competitive advantage; and to the extent that knowledge and capabilities are unique and difficult to imitate, they confer sustainable competitive advantage on the firm (Choo et. al., 2002).

Innovation initiatives tend to depend heavily on employees' knowledge, skill, and experience in the value creation process. According to this view, knowledge sharing can be seen as valuable inputs for innovation because of their characteristics of firm specific, socially complex, and path-dependent (Chiang & Hung, 2000). It is obvious that a firm's ability to transform and exploit knowledge may determine its level of innovation, such as new problem-solving methods and new product for rapid reaction to the market demand (Goh, 2002). However, organizations can only begin to effectively manage knowledge when employees are willing to sharing their knowledge. On-going sharing of knowledge contributes to innovations in teams, units and/or the whole organization. To better fulfill innovative tasks, employees always have to borrow from tacit knowledge (skills or experience) of their colleagues or search for explicit knowledge (institutionalized approaches or practices) existing in the company. Therefore, a firm that can promote sharing knowledge practices within groups or organizations is likely to generate new ideas for developing new business opportunities, thus facilitating innovation activities (Lundvall & Nielsen, 2007).

Law and Ngai (2008) found knowledge sharing and learning behaviors would lead to better performance through the improvement of business process, product and service offerings of a

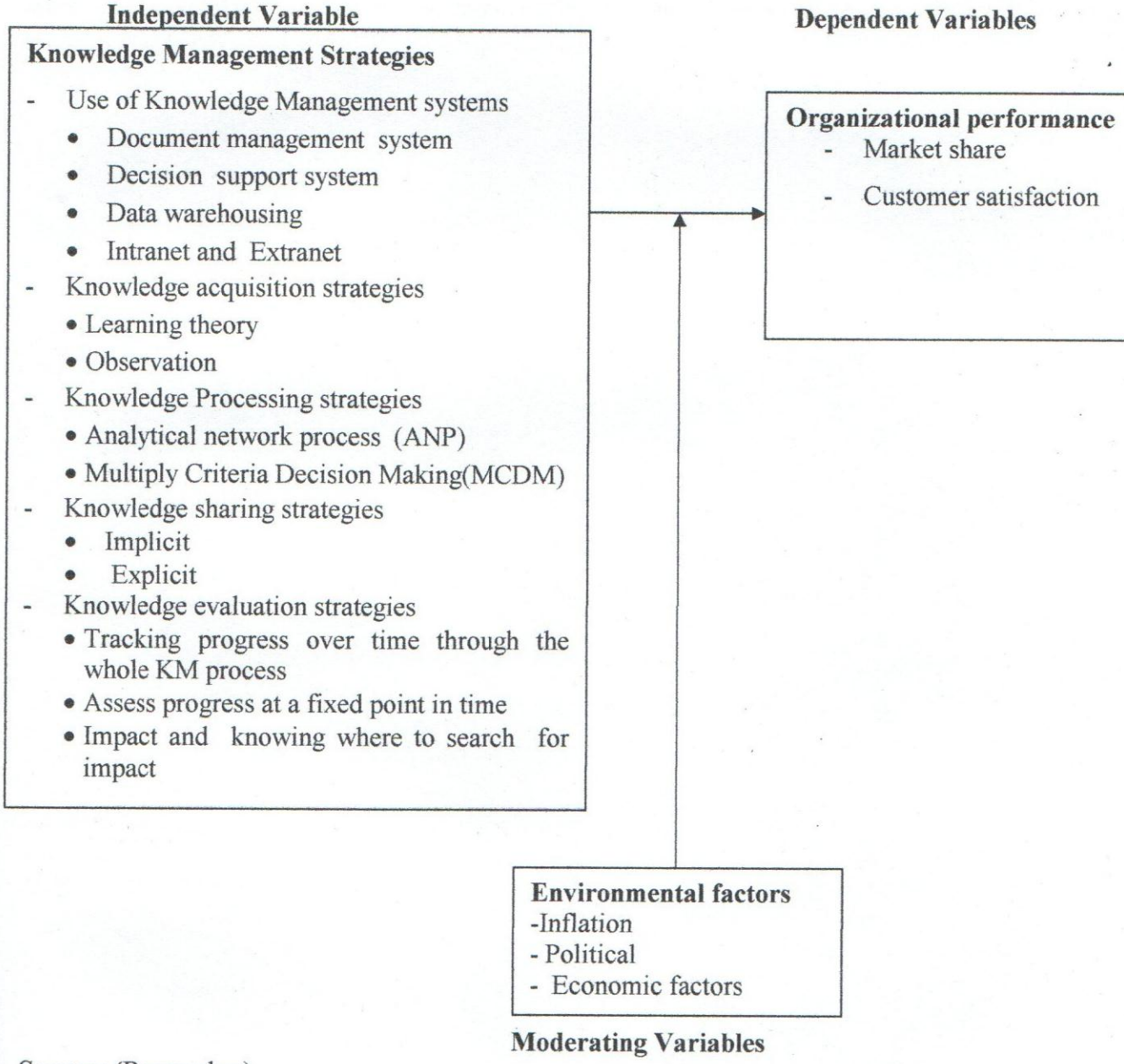
EGERTON UNIVERSITY LIBRARY

firm. Du, Ai, et al (2007), explored the quantitative relationship between knowledge sharing and firm performance based on a survey in Xi'an, China, with contextual factors in consideration and found that different dimensions of knowledge sharing play various roles leading to performance differently. Although the empirical relationships between knowledge sharing and firm performance have been examined, few researches consider the specific effects that explicit and tacit knowledge sharing practices have on different firm performance, namely the market share, service quality and customers portfolio.

2.9 Conceptual Framework

The independent variable in this study was Knowledge Management strategies, in respect of its constructs which are Use of Knowledge Management Systems, Knowledge Capture and Acquisition Strategies, Knowledge Processing Strategies, Knowledge Sharing Strategies and Knowledge Evaluation Strategies. The Dependent variable was organizational performance, operationalized as Market share and customer satisfaction.

Figure 1



Source: (Researcher).

Figure 1. The Relationship between Knowledge Management Strategies and Firms' Organizational performance

The Conceptual frame work in figure 1, shows the independent variable of the study, knowledge management strategies operationalised in terms of knowledge management systems (use of document management system, decision support system, data warehousing, and intranet and extranet), knowledge capture and acquisition, knowledge processing, Knowledge sharing of (explicit and implicit), and knowledge evaluation strategies. When an organization has effective and well managed Knowledge Management strategies, with conducive economic environment, the business is likely to attain high performance which measurements include market share, and customer satisfaction. The moderating variables were held constant in this study by not capturing them in the instrumentation.

CHAPTER THREE

METHODOLOGY

3.1 Research Design

This study adopted the descriptive research design because the findings from the sampled population can be used on the un-sampled population to understand the phenomenon under the study. A descriptive survey was selected because it provides an accurate portrayal or account of the characteristics, for example behaviour, opinions, abilities, beliefs, and knowledge of a particular individual, situation or group. Furthermore, a survey questionnaire is an efficient and effective method to accomplish the objectives of this study considering the aforementioned financial and time constraints faced by this study.

3.2 Target Population and the Study Area

The study was be undertaken in Nakuru town which is in the central Rift Valley of Kenya and about 160 kilometres North-West of Nairobi. Nakuru is cosmopolitan in nature and a business hub, fast growing in real estate business.

The target population of the study was the management of the 18 registered Real Estate Management firms in Nakuru Town. The accessible population was the management of 12 firms that are run by employed managers. The 12 firms have a total of 36 employees who are CEOs, Accountants, and Marketing managers. The study left out 6 real estate management firms which were micro-managed by their owners.

3.3 Sampling Design and Size

Mugenda and Mugenda (1999) observe that the purpose of sampling is to secure a representative group which will enable the researcher to gain information about an entire population when faced with limitations of time, funds and energy.

The study used Purposive Sampling techniques to select the sample. Three respondents from each of the real estate management firms: namely CEO/Managing Director, an Accountant, and Marketing Manager participated in the study. The total number of respondents who were recruited were 36, however only 34 returned filled questionnaires. Mugenda and Mugenda (2007) contend that purposive sampling allows a researcher get information from those who

are in the best position to provide it. The CEOs, Accountants and Marketing Managers were the appropriate people to provide information on knowledge management strategies because they are the main users of knowledge, being in charge of the overall operations of the firms or the sections they head.

3.4 Data Collection and Procedure

The study collected data using a questionnaire. The first section of the questionnaires generated data on respondents' personal information, while the second section was used to elicit data on use of knowledge management strategies. Sections 3 to 7 were used to generate data on the indicators of knowledge management systems, knowledge capture and acquisition, Knowledge processing, Knowledge sharing and knowledge evaluation. Section 8 generated data on organizational performance indicators, while the last section was used to elicit data on the firms' future plans. The participant's response to the questionnaire was run on a 5 point scale; asssigned 1 point for Strongly Disagree (the lowest) and 5 points for Strongly Agree (highest).

3.5 Reliability and Validity

The real estate management firm's employees' questionnaire was checked for validity and pilot tested for reliability before it was used during the actual study.

3.5.1 Validity of the Instruments

Kothari (2004) points out that validity measures the accuracy of the instruments in obtaining the anticipated data that can meet the objectives of the study. The researcher consulted and sought opinions of experts (lecturers in the Department of Business Management of Egerton University). The experts checked the content and construct validity of the research instruments. Content validity will ensure that items in the data tools are adequately representative of the subject area, while the construct validity will ensure that the tools actually measure what they are supposed to measure (Fraenkel and Wallen 2000).

3.5.2 Reliability

Barry and Gail (1996) recommend pre-testing of research instruments before using it in research. A reliable instrument consistently produces the same results when used to collect

data from the same subjects randomly drawn from the population (Borg & Gall, 2007). The questionnaire was pilot tested using 8 employees from firms which did not take part in the actual study. Its reliability was estimated using the Cronbach Alpha method. The method is recommended in situations where the instrument is administered once and the questions in it are not dichotomous, but the multiple choice type (Gall, Gall & Borg, 2003). The instrument yielded a reliability coefficient of 0.74. The reliability was higher than the recommended threshold of 0.7 (Mugenda & Mugenda, 2007).The data collection tool was thus considered appropriate for the study.

3.5.3 Multicolinearity Testing

Table 1: Multicollinearity test on the independent variables

Independent variables	Collinearity Statistics	
	Tolerance	VIF
Knowledge management system means	.521	1.919
Knowledge capture and acquisition means	.503	1.989
Knowledge processing strategies means	.670	1.493
Knowledge sharing strategies means	.703	1.422
Knowledge evaluation strategies means	.790	1.266

Multicolinearity diagnostics were performed to test whether the independent variables are related to each other instead of being related to the criterion variable (organizational performance). Multicollinearity was tested using tolerance and variance inflation factor (VIF) statistics, the results of the multicollinearity test are shown in table 13. Meyers, Gamst and Guarino (2006) suggest tolerance values at 0 .01 or less indicate the presence of multicollinearity. The tolerance scores range from 0.521 to 0.790, which far exceeds the .01 threshold for multicollinearity problems. The VIF statistic is a separate collinearity diagnostic technique. The VIF is the reciprocal of tolerance. Stevens (1992) suggests VIF scores that exceed 10 indicate multicollinearity. VIF scores range from 1.266 to 1.989, which do not approach the conventional level of 10 where multicollinearity becomes a problem. Therefore, the tolerance and VIF values are well within normal bounds, indicating multicollinearity is not present among the explanatory variables.

3.6 Data Analysis

The collected data was organised, cleaned and coded. Thereafter the coded data was keyed into a computer and analysed with the aid of the Statistical Package for Social Sciences. Both qualitative and quantitative statistical techniques were employed during the analysis. Frequencies and percentages were used to summarise and describe data. The relationships between the variables were tested at the 0.05 level using the Pearson's Correlations. The effects of Knowledge Management Strategies on Organizational performance of Real Estate Management Firms was determined using multiple regression.The general regression model is

$Y = f(X_1, X_2, X_3, X_4, X_5)$

Specifically:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$

Where by:

Y = the dependent variable (performance outcome)

β_0 = the constant

β_i = coefficient of the independent variable

X_1 = knowledge management systems

X_2 = knowledge capture and acquisition

X_3 = Knowledge processing

X_4 = Knowledge sharing

X_5 = Knowledge evaluation

e = error factor

CHAPTER FOUR

RESULTS AND DISCUSION

4.1 Introduction

This chapter presents the results of the study on the effects of Knowledge Management Strategies on Organizational performance of Real Estate Management Firms in Nakuru Town. The descriptive results of the study are summarized using frequencies and percentages while the hypotheses tests that were conducted using the Pearson's correlations and multiple regression are presented in tables. The results of each section are discussed in relation to those of similar studies done in the past. The results given were derived from valid data as missing data was handled using List wise deletion, which is SPSS default standard. The proportion of missing data excluded from analysis via list wise deletion was however not significant and did not compromise the outcomes of the study.

4.2 Characteristics of the respondents

A total of 36 questionnaires were administered to the respondents during the study. Out of this number, 34 were filled and returned to the researcher, representing a return rate of 94%. According to Mugenda and Mugenda (2007), a response rate of 50% is adequate for analysis and reporting, a rate of 60% is good and that of over 70% is excellent. The return rate was therefore rated as excellent. Describing a sample gives a clear picture of its characteristics and provides evidence that it has attributes of the population (Kothari, 2004).

The characteristics of the respondents are described in terms of their gender, age, level of education and the sections where they work. In addition to this information, the major challenges faced by the real estate management firms in the course of their work are also summarized.

Table 2: Gender of the Respondents

		Frequency	Valid Percent
Valid	Male	18	58.1
	Female	13	41.9
	Total	31	100.0
Missing	System	3	
Total		34	

Gender was one of the attributes of the respondents that were examined. Only 31 of the 34 respondents who took part in the study provided information on their gender. Out of this number, majority (58.1%) were male and the remaining 41.9% were female (Table 2). This means that there was gender imbalance in favour of the males. The results suggest that women are not given equal employment opportunities like their male counterparts. This is a common phenomena in developing countries (Subramamam & Arumugam, 2013).Onsonga (2006) and Mbugua (2004) observed gender imbalance in favour of males in employment in the public sector in Kenya.

Table 3: Age of the sample

Age	Frequency	Percentage
Less than 25 years	2	6.1
25 – 40 years	17	51.5
41 – 50 years	11	33.3
Over 50 years	3	9.1
Total	33	100.0

The respondents were also requested to provide information on their age. Knowledge management is a relatively recent field and one would expect the field to be dominated by the young (Edward, 2011). The ages of the sample is given in table 3.The results in (Table 3) reveal that the 6.1% of the sample were less than 25 years of age, 51.5% were in the 25 – 40 years age bracket, 33.3% were in the 41 – 50 years age bracket and 9.1% were above 50 years. The results as well reveal that majority (57.6%) of the respondents were aged 40 years and below. This means that the sample was composed of fairly young employees. The

findings are consistent with those of Chang and Chuang (2009). They observed that the young are the majority in KM as it heavily depends on ICT which quite a number of the old employees tend to avoid.

Data on the highest level of education of the sample was collected and summarized. Lara (2008) avers that the ability of organizations to sustain their competitive edge significantly depend on their ability to create knowledge and manage it properly. This implies business concerns require a well educated and skilled labor force. The highest level of education of the sample is in table 4.

Table 4: Respondents highest level of education

Education level	Frequency	Percent
Primary school	1	3.7
Secondary	8	29.6
Bachelors	15	55.6
Masters	3	11.1
Total	27	100.0

The distribution of the sample by level of education as reflected in (Table 4) showed that 3.7% had attained primary level education, 29.6% had reached the secondary school level, 55.6% had a bachelors degree and 11.1% were holders of a masters certificate. An examination of the data in the table reveals that the level of education of the employees is fairly high given that 66.7% of the sample is holders of university degrees and post graduate certificates.

The last attribute of the respondents that was examined was the section/department staff (Table5). Out of the 34 respondents 38.2% were from the Administration and Accounts Department, 35.3% were from marketing section, 2.9% from Legal Advocacy office, and the remaining 23.5% were the CEOs.

Table 5: Respondents Department/Section

	Frequency	Valid Percent
Administration and accounts	13	38.2
Marketing	12	35.3
Legal Advocacy	1	2.9
Managing Director	8	23.5
Total	34	100.0

Independent Variables (Knowledge Management Strategies) Indices

The Independent variables (Knowledge Management Strategies) indices were computed by use of mean scores. The KMStrs of the firms as perceived by the respondents were measured using a set of statements (questions) in the employees' questionnaire. The measurement was done via a five-point scale of Likert-type based on the extent to which the respondents agreed with the statements. Individual scores for each respondent were transformed into an aggregate score. The mean scores of the statements, the overall mean score (KMStrs index), and Standard Deviation summarized in the table below;

Table 6: Indices of Knowledge Management Strategies and the Standard Deviations

Knowledge Management Strategy	Index	Std. Deviation
Knowledge Management Systems	3.97	0.81
Knowledge Capture and Acquisition	3.84	0.77
Knowledge Processing and Storage	4.16	0.69
Knowledge Sharing	4.20	0.51
Knowledge Evaluation	3.57	0.79
Overall Index	**3.95**	**0.71**

The results in Table 6 show that the indices of the five components of Knowledge Management Strategies were between 3.57 (SD = 0.79) to 4.20 (SD = 0.51) whereas the overall index was 3.95 (SD = 0.71).

Organizational Performance Index

The Organizational Performance of the real estate firms was determined using data on their market share and customer satisfaction. The organizational performance index was computed by adding up the market share and customer satisfaction indices of the firms and dividing the sum by 2. The organizational performance index is given in table 7 below.

Table 7: Indices of Market Share, Customer Satisfaction, and Organizational Performance

Performance	**Index**	**Std. Deviation**
Market Share	4.15	0.50
Customer Satisfaction	3.99	0.78
Organizational Performance Overall Index	4.07	0.56

The results in table 7 reveal that the organizational performance index of the real estate management firms is 4.07 (SD = 0.56). All the indices of both the independent and dependent variables were rated as good on a 1 to 5 rating scale.

Correlation and Regression Analyses

After the Knowledge Management Strategies(KMStr) and Organizational performance of the real estate management firms had been established, the relationship between them was determined. The association between the two constructs; Knowledge Management Strategies(KMStr) and Organizational performance was determined using the Pearson moments Correlations (r). Pearsons moments Correlation is used when the study variables are at ratio or ratio scales and are continuous (Mugenda & Mugenda, 2007). Coefficient of determination was also computed to show the percentage each variable contributed to the organizational performance.

Table 8 : Results of the Correlation Analysis

Independent Variable	Dependent Variable	Correlation Coefficient r	Coefficient P	Remarks
Knowledge Management Systems use	Organization Performance	0.068	0.703	Not significant
Knowledge Capture and Acquisition	Organization Performance	0.353	0.041	Significant
Knowledge Processing	Organization Performance	0.546	0.001	Significant
Knowledge Sharing	Organisation Performance	0.313	0.071	Not significant
Knowledge Evaluation	Organisation Performance	0.58	0.000	Significant

Table 9: Coefficient of Determination

R	R^2	Percentage
0.068	0.05	5%
0.353	0.124	12.4%
0.546	0.298	29.8%
0.313	0.098	9.8%
0.587	0.344	34.4%

Hypotheses Testing

Effects of Knowledge Management System's use on Organizational Performance

Knowledge Management System's use was hypothesized to affect organizational performance of real estate management firms. An index for knowledge management systems was calculated to represent all the items that were used to measure this construct. Knowledge management systems use index (table 6) and organizational performance index (table 7) were

used to test the relationship between the two constructs. Correlation Analysis was used to test the relationship which was hypothesized as:

H_{01}: There is no significant relationship between knowledge management system's use and organizational performance of Real Estate Management firms in Nakuru town

The results in Table 8 reveals that the relationship between Knowledge Management Systems use and Organizational Performance of Real Estate Management Firms was positive but insignificant at 0.05 significance level ($r=.068$, $p=0.703>0.05$). The first hypothesis which stated that there is no significant relationship between Use of Knowledge Management Systems and Organizational Performance of Real Estate Management firms was accepted. The R2 in table 9 reveals again that only 5% of Knowledge Management use contributes to organizational performance. This is contrary to the findings of Rasula, Vuksic and Stemberg (2012) who noted the importance of the role of KMS on performance of organizations. The findings however supports those of Alavim and Leidner (2001) who avers that KMS enhances performance only on condition that organizations adapt suitable KMS. The findings are also contrary to those of Chang and Chuang (2009), who found out that KMS, was one of the factors that affect corporate performance. Morrissey (2005) points out that KMS significantly contributes towards performance of firms because it gives decision makers/users in organizations the knowledge they need to make their decisions and perform their tasks. Knowledge management systems are seen as the means to aid organizations in creating, sharing, and using knowledge (Gupta, 1999). It assists in efficient generation or acquisition, processing and secure storing of knowledge. KMS are systems designed to give users the knowledge they need to make decisions and perform tasks, however KMS is only useful when organizations use only appropriate systems and have the technical ability to use them (Gallupe, 2000). In the context of this study KMS are computer based technologies that are used to acquire, store and distribute knowledge, therefore, it matters that the user has the necessary ability and skills to appreciate KMS strategies, otherwise the effect will not be felt on performance.

Effect of Knowledge Capture and Acquisition on Organizational Performance

The study reflected on the effect of Knowledge Capture and acquisition on organizational performance, hypothesizing an association. An index of Knowledge capture and acquisition , (table 6) was calculated to represent all the items that were used to measure the construct. Knowledge Capture and Acquisition index (table 6) and organizational performance index

(table 7), were used to test the relationship between the two constructs. Pearson Correlation Analysis was used to test the relationship between the two variables that had been hypothesized as:

H_{02}: There is no significant relationship between knowledge capture and acquisition strategies and organizational performance in Real Estate Management firms in Nakuru town

From table 8, the correlation between Knowledge Capture and Acquisition, and Organizational Performance of Real Estate Management Firms was positive and significant at 0.05 significance level ($r= 0.353$, $p=0.041<0.05$). Coefficient of determination R^2 is 12.4% (table 9). This implies that there is no evidence to accept the null hypothesis which stated that there is no significant relationship between Knowledge Capture and Acquisition and organizational performance. The hypothesis was thus rejected.

Knowledge acquisition is the process of seeking and acquiring new knowledge or create new knowledge out of existing knowledge through collaboration between individuals and business partners (Liao, 2009). There is limited research on testing the relationship between KM strategies such as acquisition and organizational performance of firms. However, drawing from organizational learning theory, the assumption has often been made that effective acquisition and utilization of new knowledge is a source of flexibility, adaptability, and competitive advantage (Stata, 1989; Spicer & Sadler-Smith, 2006), and hence associated with better organizational performance.

The above results revealed that the relationship between knowledge acquisition and organizational performance of the real estate management firms was positive and significant. The results are consistent with a study done by Kosilov (2010) in Italy. Kosilov was of the performed depends to a large depends on Information and knowledge availability. These in turn depends on the adequacy of the ability to acquire knowledge. Rasula,Vuksic and Stemberger (2012) also identified knowledge acquisition as a significant contributor to performance.

Knowledge acquisition (KA) plays an important role in building knowledge based systems (Cao & Compton, 2005). Organizations are now integrating knowledge management into its business philosophy because of the benefits associated with it. As a result more and more

knowledge is becoming available while at the same time knowledge it is becoming more sophisticated making knowledge management more complex. Lee and Choi (2003) acknowledged the role of knowledge acquisition in the knowledge management when they noted that businesses with the ability to capture knowledge embedded in their organizations would own the future.

Effect of Knowledge Processing Strategies on Organizational Performance

The study focused on the effect of Knowledge Processing Strategies on organizational performance, hypothesizing an association. Knowledge Processing Strategies index was calculated to represent all the items that were used to measure the construct. Knowledge Processing Strategies (table 6) and organizational performance index (table 7), were used to test the relationship between the two constructs. Pearson Correlation Analysis was used to test the relationship between the two variables that had been hypothesized as:

H_{03}: There is no significant relationship between knowledge processing strategies and organizational performance in Real Estate Management firms in Nakuru Town

From table 8, the correlation between knowledge processing strategies and organizational Performance of Real Estate Management Firms was positive and significant at 0.05 significance level of significance ($r=.546$, $p=0.001<0.05$). Coefficient of determination R2 is 29.8% (table 9). This implies that an organization with high knowledge processing capability tend to perform better. On the basis of these results there is no evidence to accept the null hypothesis which states that there is no significant relationship between knowledge processing and organizational performance. The null hypothesis was thus rejected.

The ability of organizations to process knowledge that it has acquired is among knowledge management enablers that have been recognized as important for successful knowledge management (Vidovic, 2010).The hypothesis test results revealed that knowledge processing strategies is significantly related to organizational performance of the real estate management firms. Uhlaner, Van Stel, Meijaard and Folkeringa (2007) noted that firms with knowledge processing capabilities performed better. Chen (2009) in a study that involved manufacturing and financial services industries in Hsinchu, noted a close association between knowledge processing and performance. Wu and Lee (2006) aver that performance of firms are enhanced if knowledge is processed, relevant, and is accessible to those who need it.

Effect o Knowledge Sharing Strategies on Organizational Performance

The study supposed that there is an association between knowledge sharing strategies organizational performance. An index was developed for knowledge sharing strategies (table 6), considered against an index for organizational performance (table 7). Pearson Correlation was used to test the relationship. The relationship was hypothesized as:

H_{04}: There is no significant relationship between knowledge sharing strategies and organizational performance in Real Estate Management firms in Nakuru Town

An examination of data in table (8) revealed that correlation between knowledge sharing and organizational Performance of Real Estate Management Firms was positive, but insignificant at 0.05 significance level ($r = 0.313$, $p=0.071 > 0.05$). Coefficient of determination R^2 is 9.8% (Table 9).This means that improving knowledge sharing has only marginal positive effects on performance. The fourth hypothesis which stated that there is no significant relationship between knowledge sharing and organizational performance of Real Estate Management firms was accepted.

This is contrary to the findings of Uhlaner, Van Stel, Meijaard and Folkeringa who observed that knowledge sharing among small scale enterprises enhanced their performance. The results also conflict with those done by Vidovic (2010) in Croatia. Successful transfer of knowledge inside organizations is considered as pre-condition for firms' ability to achieve a competitive advantage (Reagans, 2008). Effective sharing of knowledge and expertise among individuals in organization matters as it increases individuals' creativity and potentials and also acts as a stimulus for generation of innovations (Tortoriello, Täube & Möbus, 2014). It is these attributes of knowledge sharing that enhance performance. Information from the respondents reveals that there is not much of knowledge sharing amongst the employees in a Real Estate firm, which explains why the relationship in this study is insignificant.

The Effect of Knowledge Evaluation Strategies on Organizational Performance

The study supposed that Knowledge Evaluation Strategies have an association with Organizational Performance. An index for knowledge evaluation strategies (table 6) and index for organizational performance (table 7) were calculated. Pearson Correlation was used to test the relationship between knowledge evaluation strategies and organizational performance. The relationship was hypothesized as:

H_{05}: There is no significant relationship of knowledge evaluation strategies and organizational performance in Real Estate Management firms in Nakuru Town.

The results displayed in table 8 revealed that there is a positive and significant correlation between knowledge evaluation strategies and organizational performance of Real Estate Management Firms, at 0.05 significance level ($r=0.587$, $P=0.000<0.05$). Coefficient of determination R^2 is 34.4% (Table 9). There is therefore no evidence to accept the null hypothesis which stated that there is no significant relationship between knowledge evaluation and organizational performance, hence the hypothesis was rejected.

Businesses with high knowledge evaluation capabilities perform better than their counterparts with low capabilities. The results support the findings of (Furneaux and Ward (2008). In their study they found out that knowledge evaluation results into selection of appropriate knowledge and this affects performance of organizations.

In order to implement the Knowledge Management strategies successfully, organizations must have the ability to evaluate and select a favorable Knowledge Management strategy before that Knowledge Management implementation (Wu & Lee, 2006). Organizations must assess their knowledge resources and capabilities as well as broadly conceptualize their knowledge strategy to address any gaps. Maier and Remus (2003) suggested a process-oriented evaluation that bridges the gap between human and capabilities. This implies that it is only after an effective evaluation that a firm can come up with appropriate knowledge strategies, resources and time lines that would enable it realise the expected business outcomes.

The Effect of Knowledge Management Strategies on Organizational Performance

The study sought to relate knowledge management strategies (and in respect of its components) with organizational performance. The index of each of the constructs and the index of organizational performance were calculated (tables 6 and 7). A Regression Model that was run found out the composite effects of the five constructs (Use of knowledge management systems, knowledge capture and acquisition, knowledge processing, knowledge sharing, and knowledge evaluation), and ascertained the weight of each of the constructs on its contribution on the changes in organizational performance. A Multiple Regression was used to determine the strength of the variables relationship with operational performance. The relationship was hypothesized as:

$H_0$6: There is no significant effect of combined components of knowledge management strategies on organizational performance in Real Estate Management firms in Nakuru Town.

Table 10: The B, t-values and p-values of the regression output

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	St. Error	Beta		
(Constant)	1.505	.677		2.221	.035
Knowledge management systems use mean	-.220	.127	-.316	-1.738	.093
Knowledge capture and acquisition means	.183	.132	.256	1.383	.178
Knowledge sharing strategies means	.158	.174	.142	.906	.373
Knowledge processing strategies means	.248	.131	.302	1.886	.070
Knowledge evaluation strategies means	.293	.106	.409	2.773	.010

Table 11: Regression Results for Knowledge Management Strategies (and its constructs) and Organizational Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.720[a]	.518	.432	.42809

Table 12: The output of Regression ANOVA

Scale	Sum of Squares	do	Mean Square	F-ratio	p-value
Regression	5.522	5	1.104	6.027	.001
Residual	5.131	28	.183		
Total	10.653	33			

The hypothesis was tested using the multiple regressions. Regression procedures are used to established causal relationships between variables and also explain the power of each of the independent variable in accounting for variations in the dependent variable Kothari(2008).

Hypothesis six sought to find out the composite effect of knowledge management strategies (knowledge management systems, knowledge acquisition, knowledge processing, and knowledge sharing and knowledge evaluation) on organizational performance of real estate management firms. A Regression Model was run to determine the level of significance between the independent and the dependent variables, the results of which are shown in (tables 10,table 11, and table 12) above:

The results in the Tables shown above showed that the intercept (constant) was $\beta_0 = 1.505$, while the Beta values of independent variables Knowledge management systems use, knowledge Capture and acquisition, Knowledge sharing, Knowledge processing and Knowledge evaluation were; $\beta_{1} = -0.220$, $\beta_{2} = 0.183$, $\beta_{3} = 0.158$, $\beta_{4} = 0.248$ and $\beta_{5} = 0.293$ respectively. Based on these results, the equation relating performance of real estate management firms and the five constructs of Knowledge Management Strategies is shown below:

$Y_1 = 1.505 - X_1 0.220 + 0.183X_2 + 0.158X_3 + 0.248X_4 + 0.293X_5$

Where

Y_1 = Organizational performance of real estate management firms

X_1 = Knowledge management systems

X_2 = Knowledge Capture and Acquisition

X_3 = Knowledge Processing

X_4 = Knowledge Sharing

X_5 = Knowledge Evaluation

Beta values can be used to rank the independent variables contribution on the dependent variable. From table 10 above, considering the standardized coefficient beta, knowledge evaluation strategies factor has the highest (β_5=0.293), which implies it has the highest effect on organizational performance. Knowledge processing strategies factor has the next highest effect (β_3=0.248), followed by knowledge capture and acquisition factor (β_2=0.183), knowledge sharing strategies factor (β_4=0.158), and knowledge management system factor (β_1= -0.220) in that order.

From the results of the regression analysis, the real estate management firms should put more emphasis on knowledge evaluation as the first priority and knowledge processing in that order for better performance, as reflected in both the Correlation and Regression Analyses.

The following observations were made from the regression analysis:

The equation relating the dependent variable to the independent/explanatory variables do exist as the p-value of the ANOVA was significant ($p=0.001<0.05$) at 0.05 level, table 12 and the R-squared (R^2) showed 51.8% of variation in organizational performance of real estate management firms was explained by variations in the Knowledge Management Strategies. The adjusted ^{R2} was 43.2% (table 11)

The above results showed that the five knowledge management strategies combined have a significant effect on organizational performance of real estate management firms. The sixth null hypothesis which stated that there is no significant effect of combined components of knowledge management strategies on organizational performance in real estate management firms in Nakuru town was thus rejected. The results are in line with those of Vidovic (2010). The study investigated the link between knowledge management and performance of an organization, using the data from the research conducted in Croatia. The research confirmed that there is a link between knowledge management and performance. The results are also consistent with those of Liao (2009) who conducted a study using a sample of Taiwan knowledge-intensive firms engaged in manufacturing and financial. Empirical evidence from the study also supports the perspective that Knowledge Management Strategies affects organizational performance. These findings demonstrate the importance of Knowledge Management Strategies for better firm performance. Knowledge Management activities such as knowledge acquisition, storage, creation, sharing and evaluation can help firms achieve capabilities, such as problem solving, dynamic learning, strategic planning, decision-making, and improving their organizational performance as a whole (Gholami1, Asli, Nazari-

Shirkouhi & Noruzy, 2013). Knowledge Management Strategies involves valuable processes which can influence the productivity, financial performance, staff performance, innovation, work relationships and customer satisfaction. It can also be used as a means of survival in today's knowledge economy, and a tool to gain competitive advantage, achieve long-term success on the market, and consequently receive benefits in terms of performance (Crossaq & Bapuji, 2003).

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Summary and Conclusion

According to the findings, Male respondents accounted for 58.1% while female respondents accounted for the difference, 41.9%. The results as well, revealed that the majority of the respondents (57.6%) were aged 40 years and below. The distribution of the sample by level of education reflected that 3.7% had attained primary level education, 29.6% had reached the secondary school level, 55.6% had a bachelor's degree, and 11.1% were holders of a post graduate certificate. Further examination of the analysis reveals that the level of education of the employees is fairly high given that 42.4% of the sample size are holders of university degrees and post graduate certificates. Out of the 34 respondents 38.2% were from the Administration and Accounts Department, 35.3% were from Marketing section, 2.9% from Legal Advocacy office, and the remaining 23.5% were the CEOs.

The first hypothesis was accepted that there is no significant relationship between knowledge management systems and organizational performance. While other studies show otherwise, this study supposes that the relationship is only possible in light of necessary ability and skills. hypothesis two was rejected, showing a significant relationship between knowledge capture and acquisition and organizational performance. These results are consistent with other studies. The effect Knowledge processing strategy on organizational performance (hypothesis 3) was rejected, which shows that there is significant relationship between the two variables. This is consistent with other studies that knowledge processing enhances organizational performance, if knowledge is processed, relevant, and accessible to those who need it.

Knowledge sharing strategies have a positive but insignificant correlation with organizational performance. This is contrary to what other studies show, that the correlation is positive and significant. Analysis of the information from respondents reveals that there is not much of knowledge sharing among the employees, which explains why the relationship is insignificant in this study. The fifth hypothesis was thus rejected. There is a positive and significant correlation between knowledge evaluation and organizational performance. In order to implement the knowledge management strategies successfully, organizations must

have the ability to evaluate and select a favorable knowledge management strategies before the knowledge management implementation. This implies that it is only after an effective evaluation that a firm can come up with appropriate knowledge strategies, resources, and time lines that would enable it realize the expected business outcomes.

The sixth hypothesis that was about composite effect of Knowledge Management Strategies on organizational performance was tested by use of Multiple Regression Analysis. Model summary results indicated a contribution of 51.8% by the predictor (independent) variable while the remaining proportion (48.2%) is explained by other factors and also by chance of error. From the Output of the Regression Anova, R-Square was significantly different from zero. This means that an equation relating the dependent variable to the independent/explanatory variables do exist.

The results from the equation relating performance of real estate management firms, and the Knowledge Management Systems, Knowledge Capture and Acquisition, Knowledge processing, Knowledge Sharing and Knowledge Evaluation was:

$$Y_1 = 1.505 - X_1 0.220 + 0.183X_2 + 0.158X_3 + 0.248X_4 + 0.293X_5$$

From the results of the regression analysis, the real estate management firms should put more emphasis on knowledge evaluation as the first priority and knowledge processing in that order for better performance, as reflected in both the Correlation and Regression Analyses.

5.2 Implications of the study and Recommendations

The results of the study showed that there is no association between knowledge management systems on one hand and knowledge sharing on the other hand, and organizational performance of real estate management firms. This is contrary to what is in literature that shows that adoption of knowledge management Systems applications and knowledge Sharing Strategies enhances performance. This study therefore recommends that the firms review their polices on, knowledge sharing strategies and knowledge management systems with a view of improving their effectiveness. On knowledge sharing, studies show significant relationship, this study shows otherwise. Analysis of respondent's data showed lack of knowledge sharing. The researcher recommends that the staff in Real Estate management

firms should be encouraged to share knowledge as to benefit from the Knowledge Sharing Strategies reflected in other studies.

Given that knowledge capture and acquisition, knowledge processing, and knowledge evaluation enhance performance, the study recommends that Real Estate Management firms adopt these strategies as a way of boosting performance to maintaining a competitive edge.

5.3 Areas for Further Research

This study focused on only 5 selected constructs: use of knowledge management systems, knowledge capture and acquisition, knowledge processing, knowledge sharing and knowledge evaluation on organizational performance in respect of market share and customer satisfaction in the real estate management firms. It is necessary for further research to be done on other performance indicators such as firm's profit and sales volume. It would also be interesting to find out the relationship between other knowledge strategies such as knowledge creation and storage on organizational performance. More studies could be done to capture the effect of the moderating variables on organizational performance e.g inflation, political, and economic factors.

REFERENCE

Abu-Khadegeh, M. (2011). The effect of knowledge management process on e-Organizational performance. Unpublished Pdoctorate Symposium Brunel University West London

African Business; Kenya Property Valued Among the Best in the World; 4th. October, 2012

Alavi,M.,andD. Leidner. (2001). "Knowledge Management and Knowledge Management Systems: Conceptual Foundations and Research Issues." *MIS Quarterly* 25(1): 107–36.

Althoff, K'; Maurer, F. & Rehbold, R. (2009). Multiple Knowledge Acquisition Strategies in Moltke

Andreas P,Schaefer C and Armonat S. (2004) Aligning corporate real estate to real estate investment functions: Improved

Barua A, Kriebel CH, Mukhopadhyay T. (1995). Information technologies and business value: an analytic and empirical investigation. Information Systems Research 1995;6(1):3–23.

Batholomew, D. (2005). Sharing Knowledge. DBA

Bierly P, Chakrabarti A. (1996); Generic knowledge strategies in the US Pharmaceutical industry. Strategic Management Journal 1996;17:123–35.

Blyth, M. L., Friskey, E. A., & Rappaport, A. (1986). Implementing the shareholder value approach. *Journal of Business Venturing*: 48-58.

Carrillo, P.M, Anumba, C.J. and Kamara, J.M. (2000). Knowledge Management Strategy for Construction: Key IT and Contextual Issues, *Proceedings of CIT 2000*, Reykjavik, Iceland, 28-30 June, Gudnason, G. (ed.), 155-165

Carrillo, P.M, Robinson, H.S, Al-Ghassani, A.M and Anumba, C.J (2002), Knowledge Management in Construction: Drivers, Resources and Barriers (*in press*)

Carrillo, P. M.; Robinson, H. S.; Anumba, C. J. & Al-Ghassani, A. M (2003). IMPaKT: A Framework for Linking Knowledge Management to Organizational performance . *Electronic Journal of Knowledge Management,* 1(1), 1-12

Chang, T. & Chuang, S. (2009). Performance Effects of Knowledge Management: Corporate Management Characteristics and Competitive Strategy Enablers. Asian Journal of Management and Humanity Sciences,4(4), 181-199

Chiang, Y. H., & Hung, K. P. (2010). Exploring open search strategies and perceived innovation performance from the perspective of inter-organizational knowledge flows. R&D Management, 40, 292–299.

Chang & Chuang (2009). Examining The Link Between Knowledge Management, Organizational Learning And Performance. Organizational Learning and Knowledge.

Choi B, Lee H. (2003). An empirical investigation of KM styles and their effect on corporate performance. Information & Management 2003;40:403–17.

Choo, C.W., (1998). The Knowing Organization: How Organizations Use Information to Construct Meaning, Create Knowledge and Make Decisions. Oxford University Press, New York.

Constant, D., Sproull, L., Kiesler, S., (1996). The kindness of strangers: the usefulness of electronic weak ties for technical advice. Organization Science 7 (2), 119–135.

Crossan, Mary M. Bapuji, Hari B. Crossan, Mary M. (2003). Examining The Link Between Knowledge Management, Organizational Learning And Performance. Organizational Learning and Knowledge 5 International Conference Friday, 30 May – Monday 2nd June 2003, Lancaster University, UK

Danskin, P., Englis, B. G., Solomon, M. R., Goldsmith, M. and Davey, J. (2005). Knowledge Management as a competitive advantage: Lessons from the textiles and apparel value chain. *Journal of Knowledge Management*

Du, R., Ai, S. Z., & Ren, Y. Q. (2007). Relationship between knowledge sharing and performance: A survey in Xi'an, China. Expert Systems with Applications, 32, 38–46.

Edwards, J. (2011). A Process View of Knowledge Management: It Ain't What you do, it's the way That you do it *Electronic Journal of Knowledge Management*, 9(4), 297-306

Freeman R. (1984). Strategic Management: a Stakeholder Approach. Pitman: Boston, MA.

Fugate, B.S., Stank, T.P. & Mentzer, J.T. (2009). Linking improved knowledge management to operational and organizational performance. *Journal of Operations Management*, (27), 247-264.

Furneaux & Ward (2008). Knowledge Management and Business Process Reengineering for Organizational performance Improvement

Garud, R. and A. Kumaraswamy (2005). \Vicious and virtuous circles in the management of knowledge: The case of Infosys Technologies." MIS Quarterly 29(1): 9-33.

Galbraith, J.R., (1973). *Designing Complex Organizations*. Addison-Wesley, Reading.

Gallupe, B. R. (2000). Knowledge Management Systems: Surveying the Landscape http://www.business.queensu.ca/kbe

Goh, S. C. (2002). Managing effective knowledge transfer: An integrative framework and some practice implications. Journal of Knowledge Management, 6, 23–30.

Grant, R. M. (1991). The Resource-based theory of competitive advantage: Implications for strategy formulation. *California Management Review*

Hall, R. and Andriani, P. (2002). Managing Knowledge for Innovation. *Long Range Planning* .Oxford University Press, New York.

Hansen M, Nohria N, Tierney T. (1999). What's your strategy for managing knowledge? Harvard Business Review 1999;77(2):106–16.

Harch M. J. (1997) Organization Theory. U.K Oxford University Press.

Hill, C. W. L. and Jones, G. R. (2001). Strategic Management Theory. Boston: Houghton Mifflin Co.

Hitt, M. A, Keats, B. W. and DeMarie, S. M. (1998). 'Navigating in the new Competitive landscape: Building strategic flexibility and competitive advantage in the 21st century. Academy of Management Executive 12(4), 22-42.

Hoerl, R.W., (2001). Six Sigma black belts: what do they need to know? Journal of Quality Technology 33 (4), 391–406.

Hofer, C. W. (1983). ROVA: A new measure for assessing organizational performance. In R. Lamb (Ed.), Advances in Strategic Management, Vol. 2: 43-55. New York: JAI Press.

Hulsebosch, J.; Turpin, M. & Wagenaar, S. (2009). Monitoring and evaluating knowledge management strategies. IKM Background Paper October 2009

Jelena Rašul, Vesna Bosilj Vu kšić & Mojca Indihar Štemberger (2012). The Impact of Knowledge Management on Organizational Performance. *Economic and Business Review*, 14(2), 147–168

Kaplan, R. (1984). Yesterday's accounting undermines production. *Harvard Business Review*, July/August: 95-101.

Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard - Measures that drive performance. *Harvard Business Review*, Jan-Feb: 71-79.

K'Kumu, O. A. (2006); Evaluation of Housing Statistics in Kenya. Habitat International 30 (2006) 27–45

Keskin H. (2005). The relationships between explicit and tacit oriented KM strategy, and firm performance. Journal of American Academy of Business, Cambridge 2005;7(1):169–75.

Kothari, C.R (2008) *Research Methods: Methods and Techniques*. 2nd edition. New Delhi: New Age international.

Krueger, G. (1995). 'Transition strategies for former state-owned enterprises in Russia.' *Comparative Economic Studies*, 37, 89-10.

Kogut, B., & Zander, U. (1996). What firms do? Coordination, identity, and learning. Organization Science, 502–518.

Kunkel, S. W. (1991). The impact of Strategy and Industry Structure on New Venture Performance. Unpublished Doctoral Dissertation, University of Georgia, Athens, GA.

Law, C. C. H., & Ngai, E. W. T. (2008). An empirical study of the effects of knowledge sharing and learning behaviors on firm performance. Expert Systems with Applications, 34, 2342–2349.

Lara, F. J. (2008). The Effect of Knowledge Management on Organizations, Analysis of Directive Competencies. http://www.ucv.es/jovellanos

Lee, H., & Choi, B. (2003). Knowledge management enablers, processes, and organizational performance: An integrative view and empirical examination. Journal of Management Information Systems, 20, 179–228.

Leonard-Barton, D., (1992). Core capabilities and core rigidities: a paradox in managing / new product development. Strategic Management Journal 13 (8), 111–125.

Lundvall, B. A., & Nielsen, P. (2007). Knowledge management and innovation performance. International Journal of Manpower, 28, 207–223.

March, J.G., (1991). Exploration and exploitation in organizational learning. Organization Science 2 (1), 71–87.

McDermott, C.M., O'Connor, G.C., (2002). Managing radical innovation: an overview of emergent strategy issues. Journal of Product Innovation Management 19 \ (6), 424–438.

Moballeghi, M. & Galyani-Moghaddam, G. (2011). Knowledge Management and Measuring its impact on OrganisationalPerformance. 2011 International Conference on Financial Management and Economics *IPEDR 2011,* Singapore

Morrisey, S. (2005). Design and Implementation of Effective Knowledge Management System *http://www.ejkm.com ©MCIL All rights reserved*

Mugenda, O. M. and Mugenda, A. G. (1999). *Research Methods: Qualitative and* Quantitative Approaches, ACT Press, Nairobi

Mugenda, O. M. and Mugenda, A. G. (2007). *Research Methods: Qualitative and* Quantitative Approaches, ACT Press, Nairobi

Murray E. Jennex, (2005). 'Case Studies in Knowledge Management,' Idea Group Publishing, New York

Mwithiga, A and Jivanjee M. (2010); Property was the investment of the decade in Kenya ahead of the stock market. Retrieved on 5th. October, 2011. from http://www.hassconsult.co.ke/special report.pdf

Nonaka, I., (1991). Nevo, D., Furneaux, B. & Wand, Y. (2008). Towards an evaluation framework for knowledge management systems. *Information Technology and Management,* 9(4), 233-249.The knowledge-creating company. Harvard Business Review 69 (6), 96–104.

O'Lear, D. E. ( ). Knowledge Management in Accounting and Professional Services *University of Southern California*

Oshrat and Margaret (2011) REITS attracts most cash since 2006.Retrived 17 October,2011 from http://www.bloomberg.com/news/2011-09-13/reits-lure-most-cash-since-2006-as-investors-seek-yield-inflation-hedge.html

Pai DC. (2005). Knowledge strategies in Taiwan's IC design firms. Journal of American Academy of Business, Cambridge 2005;7(2):73–7.

Perrow, C., (1970). Organizational Analysis: A Sociological View. Wadsworth, Belmont.

Phillips, Bernard S. (1976). *Social Research: Strategy and Tactics.* 3rd ed. New York: Macmillan.

Polanyi, M. (1958). Personal Knowledge: *Toward a Post-Critical Philosophy.* Chicago: Chicago University Press.

Porter M. (1980). Competitive Strategy. Free Press: New York.

Porter, M. E.(1985). Competitive Advantage. New York: Free Press.

Priem, R.L., Butler, J.E. (2001), Is the Resource-Based Theory a Useful Perspective for Strategic Management Research? Academy of Management Review; 26, (1), pp. 22–40.

Robles-Flores, J. A. (2004). Knowledge Management Systems and their Impact on Knowledge-Intensive Business Processes. II Coloquio Predoctoral Latinoamericano Puerto Plata, Santo Domingo, XXXIX Asamblea Anual de CLADEA

Rothaermel, F.T., (2001). Incumbent's advantage through exploiting complementary assets via interfirm cooperation. Strategic Management Journal 22 (6/7), 687–699.

Rosen D and Mausser H (1999), Efficient Risk/Return Frontiers for Credit Risk.

Sabherwal, R., Jeyaraj, A., Chowa, C., (2006). Information system success: individual and organizational determinants. Management Science 52 (12), 1849–1864.

Schulz M, Jobe LA. (2001). Codification and tactiness as knowledge management strategies: an empirical exploration. Journal of High Technology Management Research 2001;12(1):139–65.

Soo, C., T.M. Devinney and D.F. Midgley, (2002), Knowledge Creation in Organizations: Exploring Firm and Context Specific Effects, INSEAD 1-34 www.knoweldge.insead.edu [visited: 2005/05/19].

Stoner, J. A. F, Freeman, E. R. and Gilr, J.R.D (2002). *Management* New Delhi Prentice Hall.

Swan J, Newell S, Robertson M. (2000). Limits of IT-driven knowledge management for interactive innovation processes: towards a community-based approach. In: Schriver Sprague RH, editors. Hawaii international conference on system sciences. Los Alamitos, CA, Maui HI: IEEE Computer Society Press; 2000.

Tsoukas, H., (1996). The firm as a distributed knowledge system. Strategic Management Journal 17 (Winter Special Issue), 11–25.

Tucker, A.L., (2007). An empirical study of system improvement by frontline employees in hospital units. Manufacturing and Service Operations Management 9 (4), 492–505.

United States Office of Personnel Management (2006). Learning and Knowledge Sharing Strategy

Uhlaner, L.; Van Stel, A.; Meijaard, J & Folkeringa, M. (2007). The relationship between knowledge management, innovation and firm performance: evidence from Dutch SMEs. *www.eim.nl/smes-and-entrepreneurship.*

Wilkesmann, U. (1999): Lernen in Organisationen. Die Inszenierung von kollektiven Lernprozessen, Frankfurt/New York 1999

World Bank (2001). World development report 2000/2001: Attacking poverty. Oxford: Oxford University Press.

Wu, W. & Lee, Y. (2007). Selecting knowledge management strategies by using the analytic network process. Science Direct Expert Systems with Applications 32, 841–847

Yang and Ye (2010), Return Correlation of China's Real Estate and Stock Markets

Zheng, W., Yang, B. & McLean, G.N. (2009). Linking organizational culture, structure, strategy, and organizational effectiveness. Mediating role of knowledge management, article in press.

APPENDIX I

SPECIMEN LETTER TO THE RESPONDENTS

Egerton University,
Nakuru Town Campus,
P.O. Box 13357
Nakuru

Prof /Dr /Mr /Mrs /Miss……

Dear Sir/Madam

I am a postgraduate student pursuing a master of Business Administration degree at Egerton University. I am currently carrying out a research project on "The influence of Knowledge Management as a strategic tool for organizational performance .

The purpose of this questionnaire is to gather information from people who have knowledge and experience in the of Real Estate business. You have been selected as one of the respondents with that kind of knowledge and experience which assist the researcher in providing the necessary data for the study.

My supervisors and I assure you that the information supplied will be used for research purposes only and your name and views will be treated with confidentially.

Thank you for your cooperation.

Frida Gitonga
MBA student

APPENDIX II

QUESTIONNAIRE TO THE REAL ESTATE FIRMS

Part I: Respondent Personal information

1. Gender Male ( ) Female ( )
2. Respondents age Less than 25 yrs ( ) 25-40 yrs ( )
   41-50 yrs ( ) Over 50 years ( )
3. Level of education Primary ( ) Secondary ( ) University ( )
   Masters ( ) PhD ( ) Others ( )
4. Department Admin and Accounts ( ) Marketing ( ) Legal ( )
   Managing Director ( )

Part II: Use of Knowledge management Strategies

Please put a tick mark ☑ in the appropriate box wherever required.

5. What is the current status of organization information resource/Knowledge Management in Real Estate Business?

   a) Not in existence at all. [ ] b) Development stage [ ]

   c) Introduction stage. [ ] d) Growth stage [ ]

6. Do **Real Estate** Firms recognize knowledge as a part of their asset base?

   a) Yes [ ] b) No [ ] c) Can't say [ ]

7. What are the problems of managing **Real Estate**?

   a) Lack of Information [ ]

   b) So much information. [ ]

   c) Discovering new information [ ]

   d)Loss of crucial information/knowledge due to a key employee leaving the organization. [ ]

   e) Poor sharing of information in the organization. [ ]

8. How much time does it take for an employee to get the relevant information/knowledge in Real Estate?

   a) A few minutes [ ] c) A few days [ ]

b) A few hours [ ] d) Week or more [ ]

9. Which of the following best describes Real Estate culture?

a) Their basic values & purpose emphasize on sharing of knowledge. [ ]

b) They have an open, encouraging & supportive culture. [ ]

c) They think knowledge management is each and everybody's job and so everybody have the best of knowledge. [ ]

d) The prevailing notion is that the knowledge management is the task of a few designated ones and there is no need for knowledge sharing. [ ]

10. What are the problems faced by Real Estate in using information technology for Knowledge Management?

a) Lack of training. [ ]

b) System too much complicated. [ ]

c) Lack of identifying the proper IT tool [ ]

d)Lack of time to learn. [ ]

e)Lack of user uptake due to insufficient communication. [ ]

f) Every day use did not integrate into normal working practice. [ ]

g)Unsuccessful due to technical problems. [ ]

11. On a scale of 1- 4 indicate how significant is the role that effective information/knowledge can play in achieving the best result with reference to the following in Real Estate

4 – Very significant 3 – Significant

2 – Fairly significant 1 – Not significant

a) Improving competitive advantage ☐

b) Improving customer focus ☐

c) Innovations ☐

d) Inventory reduction. ☐

e) Employee development. ☐

f) Cost reduction. ☐

g) Revenue growth ☐

h) Better decision-making. ☐

i) Intellectual property rights management. ☐

j) Faster response to key business issues. ☐

g) Improving quality ☐

h) Improving delivery ☐

Part I11: Knowledge Management Systems

13. The following table concerns the use of knowledge management systems as a competing tool in the organization performance. Kindly indicate your perception by ticking (☑) the level of agreement or disagreement on a continuum from Strongly Agree to Strongly Disagree to the following statements; SA- Strongly Agree, Agree, NO - No Opinion D- Disagree and SD- Strongly Disagree.

Knowledge Management Systems		**SA**	**A**	**NO**	**DA**	**SDA**
1	Our firms have acquired the latest technologies on knowledge management					
2	Our firm has acquired knowledge management software to run knowledge sharing					
3	Our firm has a reliable internet connection					
4	Our firm has a website					
5	Our firm has accurate data processing and storage systems in place					
6	Our firm is connected to other strategic networks					
7	Members of our staff have the right training to use the knowledge processing systems.					

Part IV: Knowledge Capture and Acquisition

The following table concerns the use of knowledge acquisition as a competing tool in the organization performance performance. Kindly indicate your perception by ticking (☑) the level of agreement or disagreement on a continuum from Strongly Agree to Strongly Disagree to the following statements; SA- Strongly Agree, Agree, NO - No Opinion D- Disagree and SD- Strongly Disagree.

Knowledge capture and acquisition		SA	A	NO	DA	SDA
1	Our firm has well structured procedure on knowledge acquisition					
2	Our firm has invested in the equipment for knowledge acquisition					
3	Our firm has invested in the equipment for knowledge acquisition					
4	Our firm capture and use knowledge obtained from other industries related to our business					
5	Capture and use knowledge related to our business form journals, trade indices, labs etc.					
6	Dedicate resources for knowledge acquisition					
7	Involve employees in knowledge acquisition as a matter of priority					
8	The acquired knowledge is used as a business unique selling point against our competitors					

Part V: Effect of Knowledge processing on organization performance

The following table concerns the sharing of tacit and explicit knowledge as a competing tool in the organization performance. Kindly indicate your perception by ticking (☑) the level of agreement or disagreement on a continuum from Strongly Agree to Strongly Disagree to the following statements; SA- Strongly Agree, Agree, NO - No Opinion D- Disagree and SD- Strongly Disagree.

Knowledge processing		SA	A	NO	DA	SDA
1.	Our firm has computers for knowledge processing					
2.	Our firm has the right software for knowledge processing					
3.	The systems processing knowledge is accurate					
4.	The systems processing knowledge are reliable					
5.	The systems processing knowledge are efficient					
6.	The systems processing knowledge are effective					
7.	The systems processing knowledge are use-friendly					
8.	The systems processing knowledge are networked					

Part VI: Knowledge Sharing

The following table concerns the sharing of tacit and explicit knowledge as a competing tool in the organization performance. Kindly indicate your perception by ticking (☑) the level of agreement or disagreement on a continuum from Strongly Agree to Strongly Disagree to the following statements; SA- Strongly Agree, Agree, NO - No Opinion D- Disagree and SD- Strongly Disagree.

Knowledge Sharing		**SA**	**A**	**NO**	**DA**	**SDA**
1.	I share factual knowledge (know-what) from work with my coworkers					
2.	I share business knowledge about the customers, products, suppliers and competitors with my co-workers					
3.	I share internal reports and other official documents with my coworkers.					
4.	I share work experiences with my co-workers.					
5.	The Firms strategists describe the inclusion of knowledge management as a primary asset					
6.	I share know-how or tricks of the trade from work with my coworkers.					
7.	I share expertise from education or training with my co-workers					
8.	I share know-why knowledge from work with my co-workers					

PartV11: Evaluation of Knowledge Management on Organization Performance

The following table shows the indicators for the evaluation of knowledge management as a competing tool in the organization performance. Kindly indicate your perception by ticking (☑) the level of agreement or disagreement on a continuum from Strongly Agree to Strongly Disagree to the following statements; SA- Strongly Agree, Agree, NO - No Opinion D-Disagree and SD- Strongly Disagree.

Knowledge Evaluation		**SA**	**A**	**NO**	**DA**	**SDA**
1.	Our firm has a framework for evaluating knowledge management systems operating our business					
2.	Our firm hires independent evaluators who evaluates our knowledge management systems					
3.	Our firm use the results of evaluation to improve its knowledge management strategies					
4.	Our firm has a budget for the evaluation exercise					
5.	All stakeholders of the firm are involved in the evaluation					

Part VI11: Organizational Performance Indicators

The following table contains information on your performance in the real estate management market in Nakuru. Kindly indicate your perception by ticking (☑) the level of agreement or disagreement on a continuum from Strongly Agree to Strongly Disagree to the following statements; SA- Strongly Agree, Agree, NO - No Opinion D- Disagree and SD- Strongly Disagree.

		Perceptions				
How do you measure your Market Share due to Knowledge Management?		**SA**	**A**	**NO**	**DA**	**SDA**
1.	Perform better than other firms financially					
2.	Competitive market measures					
3.	Customers/consumer behavior					
4.	Direct customers enquires					
5.	Our competitors regard us as market leader					
6.	Most of our products are superior to competitors product					
7.	We are leading in business turnover in real estate in Nakuru town					
8	We have different segments of customers					
9	We have created an image impact in the mind of most of the residents in Nakuru					
10	Our corporate identity is found in most places in Nakuru					
11	We have been ranked the best market leader in real estate in Nakuru town					

How do you measure your customer satisfaction due to knowledge management		SA	A	NO	DA	SDA
1	Our firm delivers superior services beyond customers expectation					
2	Knowledge management has made our services unique compared to other competitors					
3	Our firm has one of the best customer relations due to knowledge management					
4	We continuously review our service quality to make it exemplary					
5	Our firm has a 24 hour service enquiry support on service delivery					
6	Our customers are our first concern					
7	Our customer are very happy with our services					
8	We get repeat business from our customers					
9	We get referrals based on quality services					
10	Many customers have shifted to our firm due to superior customer care.					
11	We have specialized services to our customers based on their respective segments					

EGERTON UNIVERSITY LIBR

APPENDIX III

LIST OF REAL ESTATE MANAGEMENT FIRMS IN NAKURU TOWN

(Source: Nakuru Business Association Directory)

1. Achero Commercial Agencies
2. Abbey Commercial Agencies
3. Amber Realtors
4. Green Gates Agencies
5. Housing Finance
6. Jojean Properties Ltd
7. Muigai Commercial Ltd
8. Metrocosmo Commercial Ltd
9. Nairobi Homeland Management Services
10. National Housing Corporation
11. Ngotho Commercial Ltd
12. Pata Commercial
13. Point "A" Commercial Agent
14. Realcare Properties
15. Resma Commercial ltd
16. Rhineland Properties
17. Unipac Real Estate
18. Valco International Agencies

EGERTON UNIVERSITY LIBRARY