# Knowledge Management Strategies and Their Contribution to Small and Medium Enterprises Sales Growth: A Case of Hospitality Industry in Nakuru Town

# <sup>1</sup>Dr. Fredrick Mukoma Kalui, <sup>2</sup>Winfred Musangi Mulinge

<sup>1</sup>Department Of Accounting and Finance Egerton University P. O. Box 536, Egerton <sup>2</sup>Egerton University Department Of Business Administration P. O. Box 536, Egerton

ABSTRACT: Despite the many individual case studies on various knowledge management initiatives in large organisations, the perception of knowledge management practices and developments in Small and Medium enterprises suffers certain drawbacks. As such, there is paucity of information on the effects of different knowledge management strategies used by small firms in the hospitality industry in Kenya. The study sought to determine the contribution of knowledge management strategies on sales growth in the hospitality industry. Objective was to determine the contributions of knowledge management strategies on small and medium business sales growth. A cross-sectional survey research design was used for this study and a census was conducted on 39 businesses. A questionnaire with structured and unstructured questions was used to collect primary data from all the 39 top managers and supervisors of selected hospitality businesses since they are the key decision makers. Descriptive and regression analysis were used to analyze the data with the help of Statistical package for social sciences computer software. The findings from this study indicate that, though knowledge management strategies were used to a greater extent among the businesses, they did not significantly contribute to sales growth in the hospitality industry. This implies that the relationship was not significant because the use of the knowledge management strategies did not fully actualize the intended sales growth in the hospitality businesses. The results of this study have implications in enhancing the growth of Small and medium enterprises in Kenya.

Key Words: Knowledge, Management, Strategies, Sales, Growth.

# I. Introduction

The concept of knowledge management is concerned with the creation of structures that combine the most advanced elements of technological resources and the indispensable input of human response to decision-making. The early emphasis in knowledge management was on information systems. Later, the focus shifted towards organizational development, intellectual capital management, and competence management. Towards the end of the 1990's, social learning, organizational sense making, systemic innovation and change management became prominent themes in knowledge management.

In recent times, technological changes have shifted firms away from being majorly concerned with the exploitation of tangible assets only, but also towards a steadfast and holistic interest in leveraging intangible assets as well (Raisinghani, 2000). The management of information as a key to grasping and retaining competitive advantage has recently evolved into the more strategically focused management of knowledge. The notion of knowledge management is nothing new and corporate knowledge is what the organisations possess which is gathered from internal and external sources for years (Manyara, 2006).

Knowledge is a very strategic tool for contemporary organizations and the ability to use this tool determines the limits of organizations' life span. (Barca, 2002). It is not enough to have the knowledge of strategic characteristic to be successful because this valuable asset at hand should be somehow managed and this is only possible through knowledge management approach. Knowledge management framework is therefore based on the premise that the focus should be placed on the way knowledge is used to build the critical capabilities so as to succeed. These capabilities include the processes and activities that enable any business to compete. According to Nonana and Takeuchi (1995), competitive advantage is founded in the ability of companies to create new forms of knowledge and translate this knowledge into innovative action. They further affirm that the sure source of lasting competitive advantage is knowledge. Therefore, knowledge creation and use are critical if firms are to gain competitiveness (Susan *et al*, 2003). However, firms must come up with Knowledge Management strategies that identify the key needs and issues within the organization and provide a framework for addressing these.

Most previous discussions on knowledge management have concerned large organisations with little attention being paid to small business sector (McAdam and Reid, 2001). However, it should not be inferred that the thrust for knowledge management is driven by the size of the operation and therefore small businesses do not need it. Staff in small and medium enterprises just as in big corporations, need appropriate and up to date knowledge. They need to know what their colleagues know and to be connected with them to share knowledge. Small businesses have their own roles to play in the economy as do large organisations since both are crucial to the growth of the economy and they complement each other in the business chain. Thus, SME's are important in the economy and their competitiveness is indispensable to a country's growth and success. Therefore, they need ways to create, share and manage their knowledge.

The small business industry, by its very nature, normally has a high degree of informal sharing of tacit knowledge. Many people contribute and have expertise in more than one functional area, and there is a tendency for employees to be multi-disciplined simply to make the business succeed. In cases where knowledge is not openly shared in the enterprise, that becomes one of the primary objectives of a knowledge management strategy David (2006). SMEs appear to have a more mechanistic view and a limited vocabulary of knowledge, less systematic approaches for embodying and sharing knowledge and their perceived benefits. Moreover, in the hospitality industry where the expectations of clients change rapidly and a competition on a global level is raging, one of the most important tools to be used to compete is knowledge management.

Knowledge management can be a powerful tool for the SMEs. Wong and Aspinwall (2005) carried a study on characterising knowledge management in small business environment and observed that knowledge, if properly harnessed and leveraged can propel organizations to become more adaptive, innovative, intelligent and sustainable. It can increase productivity, effectiveness and efficiency in operations. Having a more complete view of the organization enhances the ability to understand new opportunities that were previously hidden from view. Any knowledge management initiative must be oriented towards communications, information sharing and value creation. David (2006) carried out a study on knowledge management, a tool for SME's to enhance competitiveness and found out that knowledge is at the heart of any business and that it can be a powerful tool for SME's competitiveness. It can increase productivity, effectiveness and efficiency in operations. However, he concluded that if you master knowledge the business will prosper and if you ignore it the business will fail. Nonana (1995) argue that competitive advantage is founded in the ability of companies to create new forms of knowledge and translate this knowledge into innovative action. He further affirms that -"the sure source of lasting competitive advantage is knowledge." Therefore, knowledge creation and use are critical if firms are to gain competitiveness (Susan *et al.*, 2003), but the different strategies for creating them are still not well understood (Alvaro *et al.*, 2004).

#### **Statement of The Problem**

Although there have been many individual studies on various knowledge management initiatives in large organisations Collison *et al*, 2001; Gerlach, *et al*, 2000, there is little empirical evidence regarding the actual penetration and impact of knowledge management in small firms. Few studies have investigated knowledge management use in small and medium sized enterprises (Kluge *et al*, 2001).

This study therefore seeks to examine the use of use of knowledge management strategies and their contribution towards small and medium enterprises sales growth in the hospitality businesses.

# General objective

The broad objective of the study was to establish the effect of knowledge management strategies on sales growth in the SME's in the hospitality industry in Nakuru Town.

# **Specific Objectives**

- 1. To establish the effect of knowledge creation and sharing on sales growth in the SME's in the hospitality industry in Nakuru Town
- 2. To establish the effect of knowledge use and application on sales growth in the SME's in the hospitality industry in Nakuru Town
- 3. To establish the effect of Knowledge storage & Protection on sales growth in the SME's in the hospitality industry in Nakuru Town

#### **Research Questions**

- 1. What is the effect of knowledge creation and sharing on SME's sales growth in the hospitality industry?
- 2. What is the effect of knowledge use and application on SME's sales growth in the hospitality industry?
- 3. What is the effect of Knowledge storage & Protection on sales growth in the SME's in the hospitality industry in Nakuru Town

#### Research Methodology

#### Research Design

In this study, cross-sectional survey research design was used. The design was chosen because it was an efficient method of collecting data regarding characteristic of a sample of a population, current practices, conditions or needs.

#### **Target Population**

The population consisted of thirty nine (39) SME's in the hospitality industry. A census was conducted on all the 39 small and medium-sized businesses within Nakuru town Municipality. A census was used because each business was unique in terms of the adoption and implementation of the knowledge management strategies depending on their specific goals, top management decisions and the surrounding environment and each individual business analysis was important in arriving at the overall research conclusion.

## **Data Collection and Analysis**

The study utilized primary data regarding the effects of knowledge management strategies on sales growth in the hospitality industry. The data was collected using both structured and unstructured questionnaire. The questionnaire was administered to the relevant senior managers in each of the targeted business.

Data collected on various firms was analyzed qualitatively and quantitatively. Data was analyzed using statistical package for social sciences (SPSS). Descriptive statistics was used to describe the population statistic and characterize different knowledge management strategies used by small businesses in the hospitality industry in Nakuru town. Multiple regression model was used to test the effect of knowledge management strategies on SME's sales growth in the hospitality industry. The knowledge management strategies represented the independent variables while growth in sales was the dependent variable.

## **Results and Discussion**

#### Respondents' Profiles

This section presents a brief description of the demographic characteristics of the sampled respondents and the profile of the sampled facilities in the hospitality industry in this study. Such a description is considered to be very important in providing a better understanding of the respondents included in the study and therefore provide a good foundation for a detailed discussion of the results based on the stipulated objectives of the study.

## Ownership of Business/Facilities

The study findings (Table 1) established that 48.7% of facilities were sole proprietorship, 23.1% were partnership, and 17.9% were Limited Liability Company while 10.3% were owned by churches.

**Table 1: Ownership of Business** 

Ownership	Percentage Frequency
Sole Proprietorship	48.7%
Limited Liability Company	23.1%
Partnership	17.9%
Other (church)	10.3%
Total	100%

Source: Field data

#### **Products/Services Offered By the Businesses**

The study found out that 92.3% of the facilities offered food, 84.6% offered accommodation as well as Seminars/Conferences, and 28.2% offered swimming while only 2.6% offered other activities such as sporting /recreation as indicated in Table 2. These findings indicate that a significant proportion of hospitality facilities offered mainly food, accommodation as well as Seminars/Conferences services.

**Table 2: Products/Services Offered** 

Product/Service	Perc	centage Response (%	<b>(6)</b>
	Yes	No	Total
Food	92.3	7.7	100.0
Accommodation	84.6	15.4	100.0
Seminars/Conferences	84.6	15.4	100.0
Swimming	28.2	71.8	100.0
Others(sporting/recreation)	2.6	97.4	100.0

Source: Field data

#### Number of Years Worked in Business

Respondents' working experience is an important factor with significant influence on the understanding of the organization's vision, mission and strategic goals. Results given in Table 3 indicates that 46.2% of the respondents had 4-5 years of working experience, 33.3% of the respondents had working experience of 2-3years, 12.8% had 1-2 years whereas 9.17.7% had worked for less than 1 year. These finding generally suggest that a significant proportion of the respondents (79.5%) had worked reasonably long in the hospitality industry and thus had experience in the hospitality sector.

Table 3: Number of Years Worked in Business

Duration	Frequency
< 1 yr	5
1-2 yrs	3
2-3 yrs	13
4-5 yrs	18
Total	39

Source: Field data

## **Key Decision-Makers in the Business**

With regard to the key decision-making in the business, study findings given in Table 4 indicate that in 48.7% of the facilities, Owners were the key decision makers, in 25.6% senior employees, in 20.5% departmental managers whereas in 5.1% of businesses were others majorly church leadership. These findings show that owners and senior managers were the key decision-makers and thus better placed in answering the questions regarding knowledge management strategies unlike other employees below them.

Table 4: Key Decision-Makers in The Business

Decision-makers	Frequency
Owners	19
Senior Employees	10
Departmental managers	8
Others	2
Total	39

Source: Field data

#### **Knowledge Management Strategies Used in the Hospitality Industry**

Objective one of the study sought to identify the knowledge management strategies used in the hospitality industry in the study area. Study findings on various aspects of knowledge management strategies are presented in the section below:

#### **Key Knowledge Assets in the Organization**

According to study findings shown in Table 5, the key knowledge assets in the organization were in order of magnitude: customer loyalty (59%), experience (48.7%), employee competence (43.6%), trust (30.8%), stakeholder relationships (15.4%) and know-how (10.3%). This suggests that customer loyalty and experience were the key knowledge assets in the organization.

Table 5: Key Knowledge Assets in the Organization

Asset	Percentage Response (%)		
	Yes	No	Total
Stakeholder Relationships	15.4	84.6	100.0
Know-how	10.3	89.7	100.0
Trust	30.8	69.2	100.0
Customer Loyalty	59.0	41.0	100.0
Employee Competence	43.6	56.4	100.0
Experience	48.7	51.3	100.0

Source: Field data

#### Information Communication and Sharing in the Organization

From the results given in Table 6, the various forms of information communication and sharing in the organization in order of magnitude were as follows: phone calls (71.8%), word of mouth (56.4%), memos/circulars (51.3%), letters (17.9%), and e-mails (15.4%). These findings imply that phone calls and word of mouth formed the bulk of the information communication and sharing in the organization.

Table 6: Information Communication and Sharing in the Organization

Method	Percentage Response (%)		
	Yes	No	Total
Memos/Circulars	51.3	48.7	100.0
Letters	17.9	82.1	100.0
Phone Calls	71.8	28.2	100.0
E-mails	15.4	84.6	100.0
Word of mouth	56.4	43.6	100.0

Source: Field data

## Training on New/Improved Technology in the Organization

The study also investigated the training on new and improved technology in the hospitality industry. According to the results shown in Table 7, 76.9% of the businesses used Meetings, 30.8% each employed workshops and retreats, 23.1% used Seminars, 17.9% used Manuals, 5.1% each employed brochures and further studies while none used magazines. These findings generally imply that majority of businesses mainly employed the use of meetings, workshops and retreats to train their employees on new and improved technology.

Table 7: Training On New/Improved Technology in the Organization

Method	Percentage Response (%)		
	Yes	No	Total
Seminars	23.1	76.9	100.0
Workshops	30.8	69.2	100.0
Retreats	30.8	69.2	100.0
Meetings	76.9	23.1	100.0
Magazines	0.0	100.0	100.0
Manuals	17.9	82.1	100.0
Brochures	5.1	94.9	100.0
Further studies	5.1	94.9	100.0

Source: Field data

# Use of Knowledge Management Strategies in the Hospitality Industry

Objective two of the study sought to establish the extent of use of knowledge management strategies in the hospitality industry in the study area. In order to achieve this objective, the study examined the various aspects of knowledge management strategies such as: knowledge creation and sharing; knowledge application/use as well as knowledge storage/protection as discussed in the sections below:

## Use of knowledge creation and sharing in the organizations

The study investigated the extent of use of knowledge creation and sharing in terms of: research and development, interdepartmental interactions, reward control system, organizational meetings, communication, team-building and documentation and the results presented in the section below:

On the extent to which research and development were achieved, survey results given in Figure 5 show that 48.7% of respondents reported to a high, 28.2% reported moderate extent whereas only 23.1% reported "low". It is evident from the findings that research and development was achieved moderately to high extent.

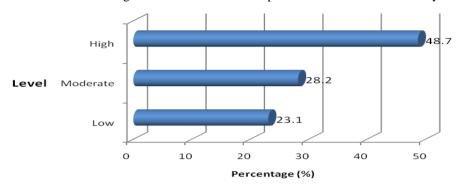


Figure 5: Overall Research and Development Index

#### **Extent of Inter-Departmental Interactions in The Organization**

With regard to extent to which noitcaretni latnemtrapedretni was achieved, survey data show that 43.6% of the respondents reported moderate, 41% reported "high" and only 15.4% reported "low". The study findings indicate that noitcaretni latnemtrapedretni was achieved moderately shown in Figure 6.

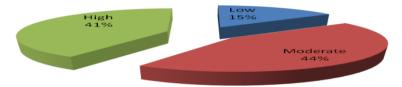


Figure 6: Overall Interdepartmental Interaction Index

## Extent of Control of the Reward System in the Organization

With regard to the extent to which deveihea saw lortnoc drawer, the study findings show that 48.7% of respondents reported to high extent, 40.1% reported moderate and only 10.3% reported low. Overall, the study findings indicate that knowledge management strategy in terms of lortnoc drawer had been achieved to a high extent as shown in Figure 7.

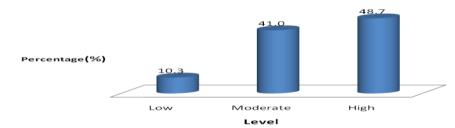


Figure 7: Reward Control Index

#### **Extent of Use of Meetings in The Organization**

On the extent to which the use of sgniteem was achieved, findings indicate that 46% of the respondents reported "moderate", 44% reported high extent while 10% reported "low". These findings generally indicate that use of sgniteem has been achieved to a great extent as shown in Figure 8.

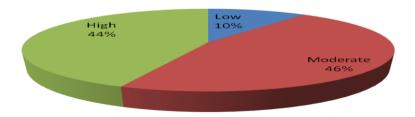


Figure 8: Overall Meetings Index

#### Extent of Establishment of Communication Channels in The Organization

On the extent to which the management of communications was achieved in the organizations, survey data in Figure 9 indicate that 51.3% of the respondents reported "moderate", 41% reported high extent while 7.7% reported "low". These findings generally indicate that communication level had been achieved to moderate extent.

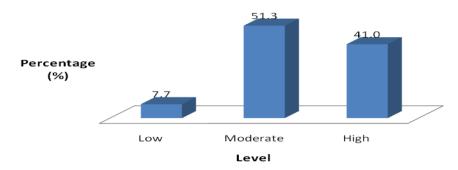


Figure 9: Overall Communications Index

# Extent of Use of Team-Building, Seminars and Workshops in The Organization

According to study findings in Figure 10, 51% of the respondents reported that the overall team building in the organizations was generally high, 36% reported moderate and only 13% reported low. On the basis of these results, the overall team building was generally high which indicates adequate knowledge sharing.

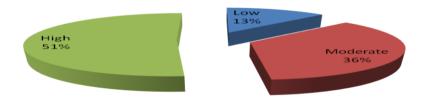


Figure 10: Overall Team Building Index

#### **Extent of Compliance with Documentation Procedures in The Organization**

According to study findings, 46.2% of the respondents reported that the overall level of documentation was generally high, 38.4% reported moderate and only 15.4% reported low. On the basis of these findings, the overall level of documentation in hospitality facilities was generally high as shown in Figure 11.

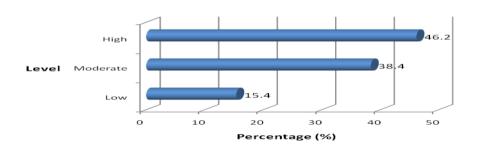


Figure 11: Overall Documentation Index

#### **USE of Knowledge Application in The Organizations**

Study findings on various aspects of knowledge application/use such as: utilization of the ICT department and knowledge champions; Knowledge assets and systems implementation are presented in the section below:

#### **Kev Business Drivers**

On the basis of the survey results Table 8, in 69.2% of the businesses customer satisfaction was a key driver in the organization, in 51.3% profitability, while 33.3% reported that growth was the key driver in the business. These findings show that customer satisfaction and profitability were key business drivers in the hospitality industry.

**Table 8: Key Business Drivers in the Organization** 

Driver	Percentage Response (%)		
	Yes	No	Total
Customer satisfaction	69.2	30.8	100.0
Profitability	51.3	48.7	100.0
Growth	33.3	66.7	100.0

Source: Field data

## **Key Knowledge Resources in The Organization**

According to study results Table 9, 53.8% of the businesses each identified information systems and communication styles as knowledge resources in the organizations, 38.5% materials, 35.9% each equipment and technology, 30.8% authority structures, 25.6% styles of working, 20.5% networks and 10.3% patents. These findings generally imply that information systems and communication styles were the main knowledge resources in the organizations.

Table 9: Key Knowledge Resources in the Organization

Driver	Percentage Response (%)		
	Yes	No	Total
Information Systems	53.8	46.2	100.0
Equipment	35.9	64.1	100.0
Materials	38.5	61.5	100.0
Styles of working	25.6	74.4	100.0
Authority Structures	30.8	69.2	100.0
Communication styles	53.8	46.2	100.0
Networks	20.5	79.5	100.0
Technology	35.9	64.1	100.0
Patents	10.3	89.7	100.0

Source: Field data

#### Use of Knowledge Storage & Protection in the Organizations

The study sought to characterize the knowledge storage and protection strategies and determine the effect on sales growth in the hospitality industry in the study area. Study findings on various aspects of knowledge storage and protection were presented in the section below:

## **Backing up Data in Organizations**

The study respondents were asked about how often their organizations backed up data and responses summarized in Table 10 below. It was established that 61.5% of businesses backed up data on daily basis, 23.1% backed up data weekly, 10.3% monthly while 5.1% did not back up data at all. These findings imply that majority of businesses backed up data daily

**Table 10: Backing Up Data in Organizations** 

Period	Percentage %
Daily	61.5
Weekly	23.1
Monthly	10.3
Not at all	5.1
Total	39

Source: Field data

#### Storage and Protection of Information in The Organization

According to study findings Table 11, the forms of storage and protection of information in order of magnitude include: files (84.6%), flash disks 64.1)%), CDs (35.9%), trademarks (10.3%), trade secrets (10.3%), patents (5.1%) and copyrights (2.6%). This suggests that files, flash disks and CDs were the main forms of storage and protection of information in the hospitality businesses.

Table 11: Storage and Protection of Information in The Organization

Driver	Percentage Response (%)		
	Yes	No	Total
CDs	35.9	64.1	100.0
Flash Disks	64.1	35.9	100.0
Files	84.6	15.4	100.0
Patents	5.1	94.9	100.0
Copyrights	2.6	97.4	100.0
Trademarks	10.3	89.7	100.0
Trade secrets	10.3	89.7	100.0

Source: Field data

#### Effect of Knowledge Management Strategies on Sales Growth

Objective three of the study sought to establish the effect of knowledge management strategies on sales growth in the hospitality industry. In order to achieve this objective, the study examined estimated annual sales among hotels (2006-2010) and the organizational growth attributed to various aspects of knowledge management strategies such as: knowledge creation and sharing; knowledge application/use as well as knowledge storage/protection.

Table 12: Estimated Annual Sales among Hotels During The Period 2006-2010

	Sales	Sales	Sales	Sales	Sales
	2006	2007	2008	2009	2010
Mean(sales)	876,000.00	1,037,272.72	1,091,692.30	1,323,428.57	2,357,750.00
Minimum	400,000.00	300,000.00	100,000.00	290,000.00	630,000.00
Maximum	2,400,000.00	3,200,000.00	2,800,000.00	4,600,000.00	10,000,000.00
Sales Growth	-	161,272.72	54,419.58	231,736.27	1,034,321.43

#### Sales Growth Attributed To Knowledge Management Strategies

Study findings Table 13 indicate that in 20.5% of the businesses knowledge creation and sharing was responsible for 0-25 percent increase in sales growth, in 30.8% (26-50 percent), in 48.7% (51-75 percent) and none in 76-100 percent increase in sales growth. Further, results show that in 10.3% of the businesses knowledge application and use was responsible for 0-25 percent increase in sales growth, in 23.1% (26-50 percent), in 48.7% (51-75 percent) and in 17.9 (76-100 percent) in sales growth. Finally, findings reveal that in 7.7% of the businesses knowledge storage and protection was responsible for 0-25 percent increase in sales growth, in 20.5% (26-50 percent), in 35.9% (51-75 percent) and in 35.9% (76-100 percent) in sales growth. These findings indicate that in significant proportion of the businesses, knowledge management strategies were responsible for between 51-75 % of the increase in sales growth.

**Table 13: Sales Growth Attributed To Knowledge Management Strategies** 

	Percentage Response (%)				Total
Strategy	0-25	26-50	51-75	76-100	
	Percent	Percent	Percent	Percent	
Knowledge creation and sharing	20.5	30.8	48.7	0.0	100.0
Knowledge application and use	10.3	23.1	48.7	17.9	100.0
Knowledge storage and protection	7.7	20.5	35.9	35.9	100.0

In this regard, the individual index score of knowledge management strategies that is Knowledge creation and sharing, knowledge application and use and knowledge storage and protection each was regressed against sales growth. The results of regression analysis were summarized in Table 14.

**Table 14: Regression Analysis Results** 

Mode		Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
1	(Constant)	128.786	33.999		3.788	.001
	Knowledge creation & Sharing	2.205	2.450	.199	.900	.374
	Knowledge storage & Protection	.700	3.484	.040	.201	.842
	Knowledge application	3.229	4.809	.158	.671	.506

#### **Observations**

R .159(a)
R Square .025
Sig. F Change .823

Dependent Variable: Sales growth

Predictors: (Constant), Knowledge application, Knowledge storage & Protection, Knowledge creation & Sharing

According to the regression results, findings indicate that knowledge creation and sharing did not significantly affect sales growth in the hospitality industry (P = 0.374, P > 0.05). This relationship is not significant.

Further, study findings reveal that knowledge application and use did not significantly affect sales growth in the hospitality industry (P=0.506, P>0.05). This implies that the relationship between knowledge application and sales growth was not significant.

Findings also indicate that knowledge storage and protection did not significantly affect sales growth (P=0.842, P>0.05). This indicates that the relationship between the knowledge storage and protection and sales growth was not significant. In summary, the regression results indicate that the three independent variables did not significantly affect sales growth of SMEs in the hospitality industry. This implies that the relationship was not significant.

According to the regression summary in Table 14, the co-efficient of determination (R) indicated a value of 0.159 and  $R^2 = 0.025$  or 2.5%. These findings confirm that the observed change in sales growth attributed to the knowledge management strategies that are knowledge creation and sharing, knowledge storage and protection and knowledge application was 2.5% while the remaining percentage could be explained by other intervening factors.

## **Summary**

The broad objective of the study sought to establish the effect of knowledge management strategies on sales growth in the hospitality industry. According to the regression results, findings indicate that knowledge creation and sharing, knowledge application and use and knowledge storage and protection did not significantly affect sales growth in the hospitality industry (P = 0.374, P > 0.05), (P = 0.506, P > 0.05) and (P = 0.842, P > 0.05) respectively where by significance was set at (P = 0.05). This implies that the effect was not significant.

#### **CONCLUSION**

From the study, the following conclusions were made:

i) Knowledge creation and sharing, knowledge application and use and knowledge storage and protection did not contribute significantly to the sales growth in the hospitality industry. This implies that despite adoption of knowledge management strategies in majority of hospitality businesses, this has not translated into corresponding levels of sales growth in these businesses. ii) Thus sales growth in the hospitality firms in Nakuru municipality may be attributable to other factors.

#### SCOPE FOR FURTHER RESEARCH

The researcher recommends that:

- i) The industry businesses need to adopt modern, effective knowledge management strategies such as best practice benchmarking, knowledge linking, strategic framing, capability protection, automation among others in order to achieve a reasonable level of sales growth.
- ii) In order to achieve higher sales growth, the businesses should consider applying more effective combination of knowledge management strategies while addressing other factors that affect sales growth for sustainable business performance.
- iii) A similar study should be replicated in other parts of Kenya with a view to compare the outcomes. Further research studies should also consider investigating other factors that influence sales growth that may not have been covered in this study.

#### REFERENCES

- [1] Appleyard, M. M. (1996) "How Does Knowledge Flow? Inter-firm Patterns in the Semiconductor Industry" *Strategic Management Journal* 17: 137-154.
- [2] Bruce, E., Leigh P., and Jeanne G. (2003). Knowledge Management strategies that create value. An outlook journal L 124.
- [3] Collison, C. and G. Parcell (2001) Learning to fly: Practical lessons from one of the world's leading knowledge companies, Capstone. Oxford.
- [4] Davenport, T. H., and Prusak, L. (1998). Working Knowledge: How Organizations Manage What They Know. Boston: Harvard Business School Press.
- [5] David, E. C., (2006). Knowledge Management, A tool for SMEs to enhance competitiveness. CACCI Journal, Vol. 1, 2006.
- [6] Gold, A. H., Malhotra, A., and Segars, A.H. (2001). Knowledge management: An organizational capabilities perspective. Journal of Management Information Systems, 18(1), 185–214.
- [7] Kipchumba, S. K, Chepkuto, K. S., Peterson, O.M, Richard B.(2010). Knowledge Management as a source of Competitive advantage. *African journal of Business and Management*. Vol. 1 14pp.
- [8] Liebowitz, J. (2000) Building organizational intelligence: A knowledge management primer, CRC Press, NY.
- [9] Lubit, R. (2001). Tacit knowledge and knowledge management: The keys to sustainable competitive advantage. Organizational Dynamics, 29 (3), 164-178.
- [10] Manyara, A. M (2006). Evaluation of KM practices in Kenyan firms. Unpublished MBA Research report, Egerton University.
- Daniel, P., Marqués, and Fernando J. S. (2006). "The effect of knowledge management practices on firm performance", *Journal of Knowledge Management*, Vol. 10 Iss: 3, pp.143 156
- [12] McAdam, M., and Reid, R. (2001). SME and large organization perceptions of knowledge management: comparisons and contrasts. *Journal of Knowledge Management*, 5 (3), 231-241.
- [13] Nielsen, A. P., (2006). Understanding dynamic capabilities through knowledge management. *Journal of Knowledge Management* 10 (4), 59-71.
- [14] Nonaka, I; and Takeuchi H; (1995). The Knowledge Creating Company, How Japanese companies create the Dynamics of innovation. New York: Oxford University press.
- [15] Raisinghani, M. S. (2000). Knowledge management: A cognitive perspective on business and education. American Business Review, 18 (2), 105-112.
- [16] Senge, P. M. (1994). The fifth discipline: The art and practice of the learning organization. New York: Currency Doubleday.
- [17] Soo, C., Devinney, T., Midgley, D. and Deering, A. (2002). Knowledge Management: Philosophy, Processes and Pitfalls. California Management Review
- [18] Susan, E., Michael A., and Angelo S. (2003). Managing Knowledge for Sustained Competitive advantage. 2003 480 pages.
- [19] Wong, K. Y., and Aspinwall, E. (2005)."An empirical study of the important factors for knowledge management adoption in the SME sector", *Journal of Knowledge Management*, 12(3), pp.64-82.