

**FACTORS INFLUENCING KNOWLEDGE MANAGEMENT  
PRACTICES IN FINANCIAL INSTITUTIONS**

**A Survey of Saccos in Meru County**

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## ABSTRACT

In the fast changing business environment, knowledge has become the mainstay of every organization in creating and sustaining competitive differentiation. This study sought to investigate the factors influencing knowledge management practices of financial institutions in Meru County. Business enterprises operate in environments characterized by increased need for intellectual capital and knowledge to create and sustain competitive advantages. Organizations therefore, need to be cognizant of the factors that influence the success of knowledge management initiatives. There is increasing need for knowledge management as a strategy for creating and sustaining competitiveness. In order for financial institutions such as Sacco's to succeed in highly dynamic business environment, it is critical that they embrace knowledge management practices in their operations. This study used a descriptive survey design. The target population was the 44 human resource managers of the 44 SACCOs in Meru County which have been in existence for over two years in the year 2014. The study used census study methodology. The study used both primary and secondary data. Descriptive statistics was used to analyze the data. Logistic regression was also used to link the relationship between independent variables and dependent variable and to test the hypothesis. Descriptive data was presented in the form of frequency tables, pie charts and percentages. The study concluded that the knowledge management practices factors were significantly associated with successful knowledge management practice. These findings provide some meaningful implications for the practitioners and researchers that are interesting in knowledge management system design in financial institutions. The researcher recommends that: Awareness to management be made so as to understand the importance of knowledge management as a strategic asset which gives organisation sustainable competitive advantage. Saccos to have a website where norms, values and inspirations are disseminated to the stakeholders. The organisations to have on-job training and off-job training for employees so as to have employees who can serve customers better and this will lead to an increase in the number of clients. The organisations to encourage employees to be innovative by rewarding innovative employees. The power of the organisation to be decentralized so as to improve organisation efficiency.