

Knowledge management as source of sustainable competitive advantage

Abstract:

Creation and sustenance of competitive advantage continues to be the central agenda in strategic research and practice. Farms strive to survive and succeed in competition by pursuing strategies that enable them to perform better than their competitors. Therefore, the study seeks to assess knowledge management as source of sustainable competitive advantage and its impact on the performance of Egerton University farms. Performance was analyzed in terms of productivity and profitability. The productivity was assessed as mean yields per acre for crops such as wheat, barley and maize. The Dairy sector assessment looked at average milk productivity per cow per day. Profitability was analyzed using Net Farm Income and Rate of Return on Assets (ROA). The farm business is a function of land, capital, labour and management particularly that of knowledge. In addition, it is subject to variability of prices, costs, yields and seasons. This study was necessary because the farm businesses are currently operating under a lot of competition, and thus the expected outcomes of effective knowledge management led to improved organizational effectiveness, improved productivity, a way to capture best practices, improved decision making, a more innovative organization, source of competitiveness and improved performance. The objectives were achieved by use of both secondary data obtained from the farm accounts and other productivity records while primary data was collected by the use of structured and semi-structured questionnaire from people who have had experience with or associated with the running of Egerton University farms. The data collected was analyzed using descriptive and inferential statistics with assistance of SPSS software. The hypotheses were tested using Mann-Whitney U test and Chi-Square test. The study came out with the following major findings; first the study established that the private farms were more profitable than Egerton University farms. Secondly, the study established that private Farms were more productive in both crops and milk productivity. Third, the study found out that the private farms were more aware why they acquired the information compared to Egerton University farms, a scenario which will make the private farms be more competitive than the university farms which were not clear on their reasons for acquiring information. Fourth, the private farms acquired, stored and shared information for their competitive advantage from various sources compared to Egerton University farms, a situation which made the private farms be more competitive than the university.