Knowledge Conversion Processes and Transient Competitive Advantage in International Non-Governmental Organizations in Kenya

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Abstract
The current business and natural environment is characterized by turbulence resulting in an erosion of traditional competitive advantages. The resulting volatility has ushered in an era of temporary advantages collectively termed as transient competitive advantages. This study aimed to explore the relationship between knowledge conversion processes and transient competitive advantage among International Non-Governmental Organizations (INGOS) in Kenya. The study was driven by positivism philosophy and used a descriptive correlational research design. The target population was 1784 programs, MEAL (monitoring, evaluation, accountability and learning) and knowledge management managers in INGOS registered with the NGO Coordination Board, from which a sample of 392 respondents was obtained using simple random sampling. To gather data, a standardized questionnaire was administered online using google forms. The collected data was analyzed using descriptive statistics (means, percentages, frequencies and standard deviations) and Partial Least Squares Structural Equation Modelling (PLS – SEM). The findings from the study indicated that knowledge conversion processes have a significant and positive effect on transient competitive advantage among INGOS in Kenya (t = 13.088, p < 0.05). The recommendation from the study findings for INGOS to ensure that knowledge acquired is appropriately converted for use through putting in place measures that ensure it is continuously integrated with what is already known and it is validated by stakeholders involved in the operations of the organization.

Keywords: Kenya, Knowledge Conversion, Transient Competitive Advantage.

Introduction
Present day organizations face difficulties in their operating environments due to volatility in both the business and natural environments which have resulted in rapid evaporation of traditional sources of competitive advantage (Dagnino, Picone & Ferigno, 2021). The past few years have seen firms that once controlled a significant market share in their respective industries through seemingly endless competitive advantages such as Motorola, Blackberry, Kodak, Ericsson, and Nokia lose their dominance, further emphasizes the need to recognize new opportunities in a timely manner (Dąbrowska et al., 2019). The INGOS face similar challenges arising from reduced resources caused by disruptions affecting all countries globally. The disruptions affect sources of funding for operations for international NGOs (Tallack, 2020). An increase in the number of NGOs combined with a decline in donor...
funding (Board, 2020) has contributed to increased competition for reduced donor funding among INGOs (Arasa & Kioko, 2014). McGrath (2013) studied transient advantages developing from disruptive business environments and consequently advanced the notion of temporary advantages and coined the term transient competitive advantage (TCA) by describing the components of the strategic response needed to thrive and survive in business environments where competitive advantage was temporary and intermittent. She continued to elaborate that firms that will survive each wave of temporary (transient) advantages were those that were positioned to exploit each wave of temporary advantage fully and proceed to the next one before the ongoing one has dissipated.

Exploiting transient/temporary advantages entails adopting practices that are congruent with environments where advantages come and go (Salgado et al., 2022), where companies need to constantly deploy new strategic initiatives within a short period of time (Forrest, Nicholls, Schimmel & Liu, 2020). Such an environment requires a strategy that is characterized by steady reconfiguration (as opposed to abrupt restructuring), resource allocation to new advantages, continuous innovation and swift but healthy disengagement when competitive advantages are no longer viable (Leavy, 2013). There are several areas of recommended research into the evolving transient competitive advantage strategic management theory (Dagnino et al., 2021). These include investigations into causal relationship between the globalization process and an organization’s ability to develop TCA in both developed and emerging countries and competitive aggressiveness and successful pursuit of TCA. In response to volatile and uncertain competitive environments, both profit and non-profit organizations, need to implement strategies that adapt the organization to changing internal and external conditions (Sus & Organa, 2019).

Knowledge conversion is one of the processes in the KM process capabilities described by (Gold et al. (2001). Knowledge conversion activities are geared towards making existing knowledge useful (Gold et al., 2001; Granados et al., 2017). This is achieved through the organization being able to sort, structure, synchronize and allocate knowledge according to their needs in order to reduce redundancy, increase consistency and boost efficiency of operations that benefit from the knowledge being available for utilization (Nguyen et al., 2019). Knowledge conversion processes comprise of knowledge integration, filtering, organization, and distribution of knowledge (Gold et al., 2001) which describe the SECI (socialization, externalization, combination and internalization) model in more practical terms. Knowledge integration represents socialization and externalization as it utilizes using formal processes and structures to enable capture and that enable the capture and integration of market and other types of knowledge among different functional units within the firm. Through knowledge conversion, knowledge is made available for use by individuals and teams in the organization.

International NGOs are defined by the NGO Coordination Act (GOK, 2012) as those originally incorporated in other countries other than Kenya and operating in Kenya under a certificate of registration. Tallack (2020) described five major challenges affecting INGOs which include resource constraints emanating from disruptions affecting all countries globally. In Kenya, there has been increased competition for reduced global funding (Arasa & Kioko, 2014). The study sought to address the knowledge gap on how INGOs can benefit from knowledge conversion processes to position themselves to exploit transient competitive advantages.
Statement of the Problem

There is a paucity of research on the transient competitive advantages for international NGOs yet they are similarly affected by a disruptive, hypercompetitive operational environment characterized by a shrinking funding base (Pratt, 2020; Shava, 2021). A significant number of NGOs operating in Kenya depend on international donor support, which makes them vulnerable to external shocks and threatens their long-term viability and competitive positioning (Kanogu & Mahinge, 2022). Previous studies have focused on competitive advantage for business enterprises (Hu et al., 2022; Mucai, 2018) with none considering the same for INGOs. Similarly, studies on transient competitive advantage have focused on business enterprises (Hermina et al., 2018) with none on INGOs. Previous studies on NGOs in Kenya have investigated use of knowledge management capabilities and processes for improved performance (Omondi & Muthimi, 2019) but have not investigated their use in exploiting transient competitive advantage. This study considered the role of knowledge conversion in influencing transient competitive advantage for INGOs. Based on this, the hypothesis below was developed:

\[ H_0: \text{Knowledge conversion has no influence on transient competitive advantage among INGOs in Kenya} \]

Literature Review

This section reviews the theories anchoring the research on knowledge conversion and transient competitive advantage and further provides an empirical review of literature that considers previous studies that have investigated the influence of knowledge conversion on competitive advantage.

Theoretical Review

Dynamic Capabilities Theory

The dynamic capability theory is among those developed from the resource-based view (RBV) theory of the firm. It describes an organization’s ability to continuously adapt and redesign business processes and operational capabilities in order to align the organizations assets and capabilities in response to the changing business environment in order to gain competitive business environment (Zaefarian et al., 2017). The dynamic capability theory has gained significance as a theory of strategic management in recent years (Forkmann et al., 2018) due to the fast-changing business environment both globally and locally. ‘A firm needs to reconfigure its resources into dynamic capabilities if it wants to achieve competitive advantage’ (Chien & Tsai, 2012). This theory aligns with the constructs of transient competitive advantage that were used in the study key of which is reconfiguration, as it is through reconfiguration that an organization’s assets, people and other resources are able to efficiently make the shift from one advantage to another more suitable one (Muneer, 2019).

The Knowledge Based View of the firm

The Knowledge Based View of the firm is also an extension of the RBV of the firm as it considers knowledge as the most important strategic resource for the firm, which meets the four aforementioned characteristics (Grant, 1996a). Knowledge as a strategic resource has risen in prominence as the world economies have shifted from material-based production to information-based production. Increasingly, knowledge workers are at the core of the organizations’ functions (Curado & Bontis, 2006). Knowledge is now widely recognized as an important resource for organizations as through managing it, the organization is able to influence the success of operations (Davenport, 1997; Maravilhas, 2014; Maravilhas &
Martins, 2019). Knowledge conversion increases the value of knowledge acquired to make it an important strategic resource.

Empirical Review

Influence of knowledge conversion on transient competitive advantage

There is a paucity of research on the influence of knowledge conversion on transient competitive advantage. Dahou et al. (2019) carried out a study on the effect of knowledge conversion on organizational learning, which they argued affected competitive advantage for international hotels in Algeria.

Rehman et al. (2021) carried out a study to investigate the role of intellectual capital and knowledge management on competitive advantage with the mediating role of innovation for manufacturing firms in Lahore, Pakistan. The data was then analyzed using the partial least square structural equation modeling (PLS-SEM) method. From the findings, the authors averred that knowledge conversion significantly determines innovativeness, a key component of transient competitive advantage. Ben Arfi and Hikkerova (2021b) examined the role of digital platforms on corporate entrepreneurship, production innovation and knowledge conversion. The researchers argued that knowledge conversion through the SECI conversion model gained value in quantity and quality through filtering, integration and transferring it from individual to collective levels. An exploratory longitudinal case study approach was used to collect data from three Tunisian SMEs. The findings indicated that knowledge conversion was critical to for the spread of knowledge contributing to innovation.

Hock-Doepgen et al. (2021) investigated the role of knowledge management capabilities and organizational risk taking for business model innovation in SMEs. The researchers believed knowledge conversion processes enabled the firm to transform knowledge acquired externally into a language that the firm was able to understand and interpret in order to make it ready for experimentation and use for business model innovation characterized by environmental dynamism and competitive intensity among others. Data analyzed for this study was from 197 SMEs, with less than 500 employees, with PLS-SEM, in the technology sector using questionnaires targeted at key informants. The findings suggested that external KM capabilities, among them knowledge conversion were essential in enabling SMEs innovate their business model and remain relevant in competitive environment.

Salunke et al. (2019) conducted an investigative inquiry into the central role of knowledge integration capability in service innovation-based competitive strategy. The study examined the role of the antecedents of knowledge integration capability and how this in turn contributed to sustainable competitive advantage. The results indicated that acquisition of knowledge was not sufficient and it did not lead to the delivery of client-focused solutions but rather what is needed is new knowledge configurations that are achieved through developing knowledge integration capacity that combines external and internal sources of relevant knowledge.

There is a paucity of research considering the impact or influence of knowledge conversion on transient competitive advantage, yet knowledge has been identified as a strategy resource when positioning an organization to exploit temporary advantages.

Conceptual Model

Figure 1 presents the conceptual framework which illustrates the hypothesized relationships
Knowledge conversion processes comprise of knowledge integration, filtering, organization, distribution and absorption of knowledge (Gold et al., 2001) which describe the SECI model in more practical terms. Knowledge integration represents socialization and externalization as it utilizes using formal processes and structures to enable capture and that enable the capture and integration of market and other types of knowledge among different functional units within the firm. Through knowledge conversion, knowledge is made available for use by individuals and teams in the organization.

Methodology
The study was conducted using a descriptive correlational research design and guided by the positivist research philosophy. The positivist research philosophy strictly focuses on scientific observable and measurable facts and is designed to yield pure unbiased data and facts using data collected from a relatively large sample and analyzed using quantitative methods of analysis. (Saunders et al., 2019). The study’s target population consisted of 1784 program; MEAL/ KM leads in an INGO (NGO Coordination Board, 2023).

Yamane (1967) sample size formula was used to compute a sample size of 360 programs, MEAL/KM Leads. Data was collected using an online questionnaire. The findings were summarized using descriptive statistics such as frequencies, means, and standard deviations, and structural equation modelling.

Results
The study targeted 360 respondents but managed to collect data from 291 respondents representing a response rate of 80.3%. Majority of the study respondents (55.7%) were male while 44.3% were female; this implies that the study findings represented both genders. Most of the respondents (63.9%) were between the ages of 30 and 45 years, 25.8% were between the ages of 46 and 5 years while 10.3% were below the age of 30 years which implied that the study findings were representative as they incorporated diverse ages. At least 52.76% of the respondents had attained an education level of a masters degree and above while 47.24 had either a bachelors degree, a diploma or certificate. Those who had been in leadership positions for a period of 10 to 16 years constituted 44.14%, while 43.1% had served in leadership positions in the INGOs for less than 10 years and 12.76% had served in leadership positions for a period of 15 to 20 years implying that the study respondents had relatively good work experience in leadership that would enable them to handle the study variables adequately.
Descriptive Analysis of Variable Measures

Data on both the dependent and independent variables was collected using a 5-point Likert scale where respondents were required to rate their level of agreement with statements on a scale of 1-5, with one indicating strong disagreement and five indicating strong agreement.

Adoption of Transient Competitive Advantage

The four constructs measuring transient competitive advantage were innovation, continuous reconfiguration, healthy disengagement, and resource allocation. Descriptive statistics of the means (M) and standard deviations (SD) were used to analyze the responses, with mean values of 1.0-1.80 representing strongly disagree; 1.81-2.60 representing disagree; 2.61-3.40 representing neither agree nor disagree; 3.41-4.20 representing agree, and 4.21-5.0 representing strongly agree. The table below shows the mean and standard deviation results for constructions under TCA.

Table 1. Adoption of Transient Competitive Advantage

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Innovation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization has continuous training to improve services and products offered</td>
<td>4.21</td>
<td>.468</td>
</tr>
<tr>
<td>My organization embraces disruptive innovations to create new opportunities</td>
<td>4.19</td>
<td>.472</td>
</tr>
<tr>
<td>5-10% of the staff in my organization are available to be deployed to business areas where they can have significant and speedy impact</td>
<td>3.97</td>
<td>.604</td>
</tr>
<tr>
<td><strong>Continuous Reconfiguration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization is able to free up resources quickly from projects that are no longer advantageous.</td>
<td>4.13</td>
<td>.463</td>
</tr>
<tr>
<td>My organization continuously re-configures resources and activities</td>
<td>4.14</td>
<td>.472</td>
</tr>
<tr>
<td>My organization engages in bold moves to engage in new opportunities.</td>
<td>4.24</td>
<td>.494</td>
</tr>
<tr>
<td><strong>Healthy Disengagement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization is able to create and maintain focus on a significant competitive opportunity.</td>
<td>4.21</td>
<td>.515</td>
</tr>
<tr>
<td>My organization has an agile organizational structure</td>
<td>4.24</td>
<td>.514</td>
</tr>
<tr>
<td>My organization focuses more on NGO sector and industry opportunities as opposed to sub-sector opportunities.</td>
<td>4.08</td>
<td>.425</td>
</tr>
<tr>
<td><strong>Resource Allocation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization is able to reallocate resources to new investments in a timely manner</td>
<td>4.12</td>
<td>.422</td>
</tr>
<tr>
<td>My organization is able to assemble complementary assets, such as human capital and equipment, appropriately</td>
<td>4.40</td>
<td>.557</td>
</tr>
<tr>
<td>My organization’s structure is able to realign accordingly, with the change in resource allocation.</td>
<td>4.14</td>
<td>.449</td>
</tr>
</tbody>
</table>

Knowledge Conversion Processes

Respondents strongly agreed or just agreed to all the statements regarding conversion from external sources internal resources and the use of technology as detailed in the table below:
Table 2. Knowledge Conversion Processes

<table>
<thead>
<tr>
<th>Questionnaire Items on Knowledge Conversion</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Knowledge Integration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge in my organization is organized and integrated through reports</td>
<td>4.24</td>
<td>.446</td>
</tr>
<tr>
<td>Collaborative meetings among relevant stakeholders assist in integrating knowledge in my organization</td>
<td>4.24</td>
<td>.461</td>
</tr>
<tr>
<td>Interactions between staff and stakeholders i.e. partners and beneficiaries, are encouraged in my organization</td>
<td>4.08</td>
<td>.645</td>
</tr>
<tr>
<td><strong>Filtering, organization, distribution</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information technology is used in the processing, filtering and distribution of information in my organization</td>
<td>4.25</td>
<td>.493</td>
</tr>
<tr>
<td>Staff in my organization are able to elicit and translate the knowledge garnered from stakeholders into an easily understandable form</td>
<td>4.21</td>
<td>.453</td>
</tr>
<tr>
<td>Useful information is purposefully disseminated throughout my organization</td>
<td>4.21</td>
<td>.550</td>
</tr>
<tr>
<td>My organization has practices for replacing outdated knowledge</td>
<td>4.23</td>
<td>.516</td>
</tr>
<tr>
<td><strong>Absorption</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization has processes for absorbing knowledge from staff within the organization</td>
<td>4.16</td>
<td>.514</td>
</tr>
<tr>
<td>My organization uses communities of practice of enhance the absorption of organizational knowledge by staff internally</td>
<td>4.17</td>
<td>.441</td>
</tr>
</tbody>
</table>

**Inferential Analysis**

In this section both Pearson’s correlation analysis and PLS - SEM were conducted to ascertain the relationships between study variables as well as how independent variables influence the dependent variable. The results are illustrated in this section.

**Correlation analysis**

The results of the correlation analysis, conducted using Pearson test, showed that knowledge conversion had a moderate and significant positive relationship with transient competitive advantage ($r = 0.681$, p-value < 0.05). This finding is consistent with that of Rehman et al. (2021) who is their study investigating the role of intellectual capital and knowledge management on competitive advantage with the mediating role of innovation for manufacturing firms in Lahore, Pakistan identified knowledge conversion as being key to innovation, a dimension of transient competitive advantage, for Pakistani manufacturing firms.

None of the relationship tests had a VIF above 5, they ranged between 1.118 and 1.484 indicating that no multicollinearity existed between the measures of knowledge acquisition.
Confirmatory Factor Analysis

The research used CFA to ascertain the component loadings of the questionnaire items utilized for measuring knowledge conversion. The results suggest that all the questions in the questionnaire measuring the knowledge conversion variable had factor loadings of more than 0.5, the factor loadings varied between 0.526 an 0.828, indicating that they accounted for more than 50% of the variability in the knowledge conversion variable. These results indicate that all the questionnaire items met the minimum factor loading requirement of 0.5, which qualifies them for inclusion in the subsequent analysis using PLS-SEM.

**PLS-SEM for Knowledge Conversion Processes**

To test the study hypothesis and determine the statistical significance of the PLS-SEM model, the structural model was fitted through bootstrapping. The resultant model provides the t tests with t values of above 1.96 showing statistical significance whereas t values of below 1.96 show no statistical significance. The structural model is provided in Figure 2 below.

![Figure 2. PLS-SEM Structural Model for Knowledge Conversion](image)

The t tests are an important component of PLS-SEM as they denote the significance of one variable in relation to the next, as well as the significance of constructs on the variable. The t statistics for the PLS-SEM model are elaborated in Table 3.
Table 3. PLS-SEM Coefficients for Knowledge Conversion and Transient Competitive Advantage

<table>
<thead>
<tr>
<th>Knowledge Conversion -&gt; Transient Competitive Advantage</th>
<th>Constant</th>
<th>Original Sample Mean (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T statistics (O/STDEV)</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.875</td>
<td>0.679</td>
<td>0.678</td>
<td>0.052</td>
<td>13.088</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The PLS-SEM model on Figure 2, along with the output in Table 3 show that the standardized regression weight of the fitted structural equation model from knowledge conversion to transient competitive advantage is 0.679. This means that a unit change in knowledge conversion would lead to a 0.679 change in transient competitive advantage. In addition, the findings on Table 4.48 reveal a positive and statistically significant influence of knowledge conversion towards transient competitive advantage at 5% significance level (t = 13.088, p < 0.05). As a result, the null hypothesis, H02: Knowledge conversion has no influence on transient competitive advantage among INGs in Kenya, was rejected and the alternative hypothesis was supported.

The model derived from the analysis was:

Transient Competitive Advantage = 1.875 + 0.679 (Knowledge Conversion) + ε

Discussion

Findings from the study indicated a strong correlation coefficient between knowledge conversion and transient competitive advantage where a unit change of knowledge conversion processes would lead to units change in transient competitive advantage among INGs in Kenya. This is in line with the findings of Rehman et al. (2021) in whose conclusion, they aver that knowledge conversion is a key component of knowledge management processes that significantly influenced Pakistan’s competitive advantage in the manufacturing industry (p <0.000 and t = 4.137). Knowledge conversion for this study was measured by the level to which the manufacturing firms absorbed knowledge from individuals, business partners, integrating different sources and types of data and replaced outdated knowledge.

The study found that deliberate filtering, organization and distribution measures are in place for INGs in Kenya. These processes are achieved through having technology and digital solutions in place that staff have been trained on and are competent to use. This is in line with the findings of Ben Arfi and Hikkerova (2021b) who carried out an exploratory longitudinal study on three Tunisian SMEs and found that digital platforms positively influence the knowledge conversion process as described by the SECI model.

From the study, INGs in Kenya deploy knowledge integration processes through organizing and combining knowledge in reports, and by facilitating meetings between staff and stakeholders to enable integration of external and internal sources. This is consistent with the findings of Sanlunke et al. (2019) who studied the effect of improved knowledge integration capacity on innovativeness and competitive advantage for B2B service firms in Australia and
the USA and found a positive relationship between knowledge integration (which resulted in new knowledge configuration) and competitive advantage. However, Ngah and Wong (2020) in their study examining the role of knowledge management in the formulation of competitive strategies for SMEs in Malaysia found that knowledge conversion had no effect on competitive strategies (both differentiation and cost leadership) contrasting previous studies that emphasized the need to utilize and integrate knowledge from both internal sources for innovation. The measures considered under knowledge conversion for this study were utilizing knowledge in the design of new services and products and integrating different types and sources of knowledge.

**Conclusion**

The study concluded that knowledge conversion has a positive and significant influence to transient competitive advantage in INGOs in Kenya. The study rejected the null hypothesis and concluded that knowledge conversion influences transient competitive advantage among INGOs in Kenya. Once knowledge is acquired in an organization, it is enriched through integration, staff make sense of it through filtering, organizing it and distributing it to those that need it who in turn internalize it in order to absorb it. These processes positively influence the ability of the organization to innovate, reallocate resources, reconfigure and where necessary disengage from opportunities that are no longer viable; characteristics that make up transient competitive advantage.

**Recommendations**

The study recommends that INGOs ensure that the knowledge acquired is appropriately converted for use through putting in place measures that ensure that it is continuously integrated with what is known already and validated by interacting with all stakeholders involved in the operations of the organization. By making it available to the people who need it by utilizing available technology and replacing what is outdated, the organization will be better placed to initiate innovation and better decision making when reallocating resources for better positioning to exploit transient competitive opportunities. When valuable information is validated and disseminated it is informative when re-configuring resources and making the decision to disengage from opportunities that are no longer competitive.

The study also recommends that similar studies be carried out in other sectors such as in the manufacturing and financial services sector. This will be key in the comparison of results, growing the body of knowledge in both the fields of knowledge as an inimitable resource for the organization and agility to respond to competitive opportunities that the transient competitive advantage strategic posture espouses.

**References**


advantages in the unstable business environment. *Sustainability (Switzerland), 12*(21), 1–16. https://doi.org/10.3390/su12218832


