

Effects of Management Practices on Performance of Law Firms in Trans-Nzoia County

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Abstract

This study investigated the effects of management practices on performance of law firms in Trans – Nzoia County. The Economic environment is changing rapidly and this change is characterized by such phenomena as globalization, changing legal needs and heightened competition between firms. To compete successfully in this environment, firms continually need to rationalize their structures through management and administrative structures. Specifically this study sought to establish the effect of communication on performance of law firms, in Trans – Nzoia County. The study adopted a descriptive design because it was efficient in collecting large amounts of information within a short time. The study targeted a population of 230 employees, where the Slovin's formula sample size formula was used to select a sample size of 146 respondents, where simple random samplings were applied. Questionnaires and interview schedules were used to get information from informants, and were major instruments of data collection. Collected data were analyzed using descriptive method. Mobility of the researcher in the firms however was restrained due to fear of unknown. There were limited materials on management practices on performance of firms to support the study findings, and fear of the unknowns from respondent's complicated further the study findings. The study envisaged to contribute towards the need for adoption of management practices to enhance performance at law firms in Trans – Nzoia County. The p-value for communication was $p = 0.000$ which was less than the significant level of 0.05 ($p < 0.05$) and the results indicated that (r-value) of 0.719 thus representing a strong, positive relationship between communication and law firms performance. Findings indicated that management practices positively affects law firm's performance in Trans – Nzoia County.

Keywords: Communication, Law Firms Performance

1.0 Introduction

Law Practice Management (LPM) is the study and practice of business administration in the legal context. It involves the management of people, workplace facilities and equipment, internal processes and policies as well as the financial matters. LPM is informed by the debate over law as a profession or a business and the difficulty of balancing the management functions of a law firm with client matters. The global market has brought about a new workplace for every firm to the shifting demands. The general business economy is in turmoil and law firms are facing new risks and uncertainties. Clients are no longer tolerating arrogance and mediocre services as they demand law firms to provide higher service standards. This calls for law firms to drastically change their models for conducting business in order to serve the new customer expectations. Organizational performance, effectiveness, and leadership must rise to higher standards. Organizational management, problem solving, and action taking skills must be enhanced. Firms must improve their overall management effectiveness and use every management tool available. Law firms will need to identify "best management practices" that can be employed to enhance management effectiveness (Olmstead, 2003). Serious organizational challenges persist that relate to the increasing power of governments; the complexity and intrusiveness of regulation; the weakness of the processes of justice and to corruption in its various forms; some to social change and the changing expectations of society; reinforcing the need to serve clients more effectively in an increasingly complex world (Adams & Jex, 2008).

Today's global market has brought about a new workplace for every firm to the shifting demands. Management practice is the management of people, workplace facilities, equipment, internal processes and policies as well as the financial matters, organizational performance, effectiveness and leadership must rise to higher standards. The idea is supported by Olmstead (2003), who adds that law firms will need to identify "best management practices" that can be employed to enhance management effectiveness. Organizational management, problem solving and action taking skills must be enhanced.

According to Adams (2008) serious organizational challenges persist that relate to the increasing power of governments, the complexity and intrusiveness of regulation, the weakness of the processes of justice and to corruption in its various forms; some to social change and the changing expectations of society, reinforcing the need to serve clients more effectively in an increasingly complex world. In Malaysia, law firms must be on top of every opportunity and aware of every threat to survive in the changing needs. The idea is supported by

Reenen (2007) who adds that, this will involve adapting the way law firms are run; to stand up to challenges lawyers face. According to Hess (2007) as markets change, approaches to the delivery of legal services must change as well through strong and effective law firm management. Reynolds (2003) stated that internal and external environment has been affected. The greater size and changing market conditions have created pressure on legal organizations to rationalize their structures through management and administrative structures. He then says this has resulted into an increasing demand for efficiency and productivity for law firms. According to Khandelwal (2003) law firms are increasingly being pressured by their clients to achieve productivity gains through the use of technology to become more efficient. Business clients expect law firms to have certain technologies in place and are not willing to pay lawyers to deliver work in what is seen as inefficient and expensive ways (Dublin 2005). The most devastating cost; associated with frustrated clients can be the loss of future business which can have an overwhelmingly negative effect on profitability. Mugambi (2010) stated that firms “information management”, the culture, its value, norms, and practices with regard to the management and use of information was more important to information use outcomes than information management. He further explains that since management practices involves valuable processes which can influence the productivity, financial performance, staff performance, innovation, work relationship and customer satisfaction and finally organizational performance. Improved management practice is one of the most effective ways for a firm to outperform its peers (Bloom et al, 2007).

Most organizations – irrespective of their size, age, or industry – are increasingly faced with the challenge of continuous and dynamic change and therefore needs an effective, comprehensive business plan because the process of developing the plan forces the entrepreneur to think about the harsh “reality” of the business world, rather than the more common dream world (Herter, 2005). Effective LPM is necessary for organizations to survive and make appreciable contribution in an environment characterized by high competition. While there have been great breakthroughs in other fields, there has not been any significant breakthrough in the field of strategic planning to enable organizations respond effectively to the challenges posed by the current and the unfolding environment in which they exist. This has mostly been the case because there has been lack of investment on LPM in general as compared to other fields of knowledge and practice (Patel, 2005). The intensity of competition in an industry is not a matter of luck. Rather, competition is rooted in underlying industry economics and goes well beyond the established competitors. Not all industries have equal potential. They differ fundamentally in their ultimate profit potential as the collective strength of the forces of competition differs; the forces range from intense in industries like tires, paper and steel, where no firm earns spectacular returns, to relatively mild in industries such as oil field equipment and services, cosmetics and toiletries, where high returns are common (Delmar & Shane, 2003). Effective LPM is therefore needed for firms to transform potential into actual comparative advantage. The ways to achieve profit, win elections and transformation of people are different and therefore necessitate conscious differences in their LPM.

Pearce and Robinson (2001) indicated that LPM enables an organization to identify the prevailing environmental opportunities and threats, and also to figure out or estimate the organization’s resource capabilities taking into account the strengths and weaknesses of its resources so as to align itself accordingly to battle with the environmental challenges. Competition, uncertainty, and the realities of business risks have become accepted constants to the law firms in Kenya. Some firms, recognizing the importance of common direction, commitment, and values - have instituted effective strategic planning processes. They have seen that being different, not the same, is the key to success and, accordingly, have developed externally focused plans. The present level of effectiveness of LPM is not sufficient to meet the market conditions law firms are facing. There is still a belief that planning can be accomplished quickly (on a weekend retreat) and that the focus of planning ought to be on internal issues and concerns. Further, any consideration of longer term strategic issues, even in a planning environment, takes a back seat to a focus on the short term and unless monitored and managed, short term considerations always drive out long term ones. A law firm’s LPM must dramatically improve for firms to more effectively compete and do something that virtually every partner wants his/her firm to do - control its own destiny.

In a fast moving and globalised world, a firm must maintain its competitive advantage to constantly enhance its performance and compete with its competitors. The competitive advantage concept includes the capabilities, resources, relationships and decisions that permit a firm to take advantage of its opportunities and avoid threats within its industry sector (Tsai and Chen, 2008). Law firms therefore are not being left behind in this era of information and technology; this is mainly because an advance in information communication technology has given them a platform to increase their horizons. Law firms continue to expand beyond borders in what was considered to be their traditional markets. This situation has therefore gone a long way to increase competition from other global players (Wall, 2008). The fact that the services of alternative law firms may be sought anywhere in the world poses a threat to the local law firms (Jackson, 2001) Firms are therefore being compelled to differentiate themselves from their competitors and develop business strategies to manage knowledge about their market position, competitors, and key clients. Many firms perceive in United State,

Canada, United Kingdom, Germany and Australia law the need for the profession to reinforce its ethical and professional standards in order to face these challenges from a position of greater strength. This will involve adapting the way law firms are run: to provide an environment to develop skills to stand up to the challenges lawyers face (Bloom, Dorgan, Dowdy and Reenen, 2007. In Malaysia Law firms, As the profit squeeze, competition, and the maturing marketplace for legal services continue; law firms must be on top of every opportunity and aware of every threat to survive in the changing needs. As markets change; approaches to the delivery of legal services must change as well through strong and effective law firm management. Lawyers and administrators and other management professionals will need to continue to sharpen management skills (Ganesan and Hess, 2007).

The internal and external environments have been affected as the law firms grow larger and complex with their markets becoming competitive. The greater size and changing market conditions have created pressure on legal organizations to rationalize their structures through managerial and administrative structures. This has resulted into an increasing demand for efficiency and productivity for law firms (Hopkin & Reynolds, 2003). In South Africa, Nigeria, Malaysia, India, Dublin (2005) notes that research in a law firm is often duplicated by a number of lawyers meaning agreements, memoranda and other documents may be created from scratch when adequate models for such documents already exist. Dublin (2005) also states, 'the concerns not just inefficiency but also the inability to take advantage of best practices and current information and to make proper assignments to people with appropriate experience.' This is an important issue because the costs associated with neglecting to assign the appropriate work to the appropriate people can have a negative effect on efficiency within the firm and can result in lost or misplaced knowledge (Khandelwal & Gottschalk, 2003). Other consequences of such action include wasted time and poor quality work. Although most law firms have implemented programs that attempt to standardize their practices, they still have a long way to go before their practices are efficient.

According to Khandelwal and Gottschalk (2003) law firms are increasingly being pressured by their clients to achieve productivity gains through the use of technology to become more efficient. This problem is magnified because so many other businesses are achieving productivity gains through the use of technology. Furthermore, 'business clients expect law firms to have certain technologies in place and are not willing to pay lawyers to deliver work in what is seen as inefficient and expensive ways' (Dublin, 2005). As clients become increasingly frustrated with the inefficient practices of lawyers, both tangible and intangible costs will result (Lambe, 2003). The most devastating cost associated with frustrated clients can be the loss of future business, which can have an overwhelmingly negative effect on profitability.

The legal industry in Kenya has become very competitive and for a legal firm to survive. It has to have a well laid out effective Management Practices to give it direction and purpose in its operation. The performance of a legal firm depends on the extent to which the use of management practice is put in place in order to accomplish the set objectives. Mugambi & Kwasira (2010) and others studied management practices in a large Kenyan law firm that had invested significantly in management strategy, technologies, and processes. They found that the firm's "information culture", its "values, norms, and practices with regard to the management and use of information", was more important to information use outcomes than "information management", the "application of management principles to the acquisition, organization, control, dissemination, and use of information." Therefore since management practices involves valuable processes which can influence the productivity, financial performance, staff performance, innovation, work relationships and customer satisfaction and finally organizational performance, studying the influence of management practices on organizational performance in legal firms is important. However, studying law practice management in legal firms in Kenya has not been sufficiently considered in literature, and limited studies have been conducted to investigate the effect of law practice management practices on their organizational performance.

The Law Society of Kenya is Kenya's Premier Bar Association with its membership currently standing at about 8,000 advocates. The Society has the mandate to advice and assist members of the legal profession in Kenya in respect of conditions of practice. By law, one must be a member of the Society in order to practice as an advocate in Kenya. Membership to the Society is however individual and not corporate. There are about 600 law firms operating in Nairobi with about 50 of them being large in size. Majority of them are sole proprietorships (LSK, personal communication, August 19, 2013). The practice of law has for many years been regarded as a noble profession guided by certain guarded norms and practices. For instance, legal practitioners were not permitted to advertise their services. In recent years however, there has been a paradigm shift in that law firms are now permitted to advertise albeit minimally. These firms therefore have had to shake off the nobility tag and embrace business management principles and practices.

Kenya is increasingly regarded as an attractive investment destination for businesses from all over the world. This surge of interest in Kenya brings with it the need for higher quality legal advice at the local level and in many situations, at a cross border level. On the other hand, the legal system has matured considerably with the emergence of many law faculties in Kenyan Universities and it is estimated that about 500 advocates will be enrolled annually in Kenya. However the legal practitioner in Kenya is faced with a myriad challenges, key

among them are the emergence and the entry of foreign law firms and especially from the East African region. These firms bring with them expertise in various spheres of their specialization and thus incumbent upon law firms operating in this country and in particular in Nairobi to design strategies that gives them a competitive edge in the environment in which they operate in.

Law firms are in a state of turmoil due to the harsh global economic forces. The internal and external environments have been affected as law firms grow larger and complex with their markets becoming internally competitive. The greater size and the rapidly changing market conditions have created pressure on organizations to rationalize their structures through managerial and administrative structures. There is an increasing demand for efficiency and productivity for law firms. The explosive growth of demand for corporate legal services and an increase in personal-client demand has portrayed lawyers as weak competitors in the corporate client market. This has resulted into minimal revenues and rising client turn over. Most attorneys overlook the importance of making client relations a central focus on their daily planning, yet it is this focus that separates them with stellar client relations from the rest of the crowd. The changing legal needs and heightened competition between law firms have altered the organization of legal practice and reshaped the lawyer client relationship. Globally, firms that apply accepted management practices perform better than those that do not. Improved management practices is one of the most effective ways for a firm to outperform its peers (Bloom *et al*, 2007). It is also associated with large increases in productivity and output and retention of clients. The belief that management matters for firm performance may seem obviously true. However, there is not yet much empirical evidence published on the subject. This seems to be a gap in social science. So far, only a small number of quantitative studies have been published. However, these focus on related topics, rather than on management practices directly. Law firms are in a state of turmoil due to the harsh global economic forces. Business experts throughout the world agree that the business competitions and management practices are undergoing profound transformations due to the greater use of information technology, which has made possible a better communication and coordination across organizational boundaries. It is observed that firms which apply accepted management practices perform better than those that do not. Improved management practice is one of the most effective ways for a firm to outperform its peers (Bloom *et al*, 2007). Studies conducted till now have shown an increasing interest in understanding the effect of law practice management on their organizational performance. These studies have resulted in different views. Some assert a positive impact (Olmstead, 2003), while others hold the contradictory views (Mugambi & Kwasira, 2010).

The changing legal needs and heightened competition between law firms in Trans – Nzoia have altered the organization of legal practice and reshaped the lawyer client relationship. Despite this, it is of pressing importance to find the significance of the effects of management practices on performance of law firms. This study therefore attempts evaluate the effect of communication on performance of law firms in Trans-Nzoia County. Law Practice Management enables law firms to influence the future. The very act of management practice has resulted in an increased demand for efficiency and productivity for law firms (Hopkin and Reynolds 2003). The study on management practice on performance of law firms has the potential to influence the productivity, financial performance, staff performance, and innovation, retention of clients, work relationship, customer satisfaction and finally organizational performance.

2.0 Effect of Communication on Performance of Law Firm

The ability to communicate effectively with clients can have an immense impact on a lawyer's practice and on the success of the law firm as a whole. Communication is the means by which information or instructions are exchanged. Successful communication occurs when the received meaning is the same as the transmitted meaning. Communication is fundamental to the P3 environment. Poor communication can lead to misunderstood requirements, unclear goals, alienation of stakeholders, ineffective plans and many other factors that will cause a project, programme or portfolio to fail.

None of the tools and techniques described in this body of knowledge will work without effective communication. Communication takes many forms. It can be verbal, non-verbal, active, passive, formal, informal, conscious or subconscious. How communication is executed affects understanding and feelings, both of which impact the meaning received. It must be tailored to convey the communicator's meaning as accurately as possible to the target audience. This is why all projects, programmes and portfolios have a communication management plan that spells out what needs to be communicated: why, how, when and to whom.

Morgan & Hunt (2004) mention the concept of communication as a second building block for trust. Morgan & Hunt (2004) state that the formal and informal communication from the company is a factor that affects how meaningfulness can be created in relationships. Morgan & Hunt (2004) mean that the frequency, quality and reliability determine how the communication affects trust in relationships. Rempel, Holmes & Zanna (2005) as well as Hovland, Janis & Kelley (2003) also mention the reliability aspect of communication and mean that the partners' ability to keep its promise and demonstrate competence is the underlying influence of trust in communication. There are many factors that affect the effectiveness of communications. Cultural background

and transient features, such as mood, current environment and team dynamics, create a 'moving target' for the communicator. The effective communicator is sensitive to the prevalent atmosphere and structures the message and method of delivery accordingly. Language should be neutral, clear, objective and avoid unnecessary emotive terms. However, there may be occasions where appropriate emotion and associated delivery mechanisms such as body language can generate a specific, desired effect. There are often barriers to effective communication. These can be physical, as in the team location or the working environment. They can be cultural, arising perhaps from lack of a common language or understanding across disciplines. Barriers can lead to negative perceptions and related emotions such as envy, fear, mistrust and suspicion.

According to Ganasan & Hess (2007), reliability has a significant affection on the interpersonal trust that exists between a sales representative and an individual. By this, Ganasan & Hess (2007) mean that the concept reliability affect the relationship between individuals to a further extent than the relationship between individuals and organizations and it is therefore important that the sales representatives gives a credible behavior where they demonstrate competence to create trust. The range of media available for communication is greater than ever. Paper, telephone and face-to-face meetings are often replaced by email, intranets, social media and SMS messaging. The wide range of media available provides great opportunity but also increases the risk of poor communication through poor choice of medium. Selecting an inappropriate delivery medium will create barriers. Poor structure and weak delivery obstruct meaning and have the potential to create barriers to understanding or communication that can hasten or aggravate failure. Professionals must recognize different needs within their audience and use appropriate and specifically targeted media.

Effective communication is a two-way process. Actively seeking out and listening to feedback are integral parts of good communication. This feedback should inform and make the next round of communication more effective. Most organizations have well-established communications functions, systems and standards. These should be exploited to the full. By adhering to organizational standards, projects, programmes and portfolios will be aligned with the organization as a whole. Such standards may have been developed in relation to specific audiences, both internal and external. Communications with government and regulators often need to follow a particular standard and format. The importance of tailoring the message and medium to the target audience cannot be overestimated. The communicator must always consider the intended impact of the communication and fashion it accordingly. A third major issue that law firms need to address is the problem associated with communications within the firm. Knowledge transfer 'inside or outside the firm occurs by happenstance or through one-on-one conversations without a sharing of information by all who need the information' (Dublin, 2005). The lack of sharing knowledge effectively has negative effects on productivity, which may lead to inefficiencies. According to a study by Khandelwal and Gottschalk (2003), teamwork is generally not rewarded in firms with an overwhelmingly busy senior staff who cannot reflect on their experiences. Being unable to share valuable information may have a number of negative consequences. The information itself may be lost, or may be possessed by a single individual whose contribution to the firm may be lost through death, disability or retirement. Additional time and expense may be required in order to extract the information from those who possess it, creating inefficiencies and unnecessary delay. Law firms must encourage and enable efficient internal communication mechanisms if they are to benefit from knowledge management.

Organization Performance is described as an organization's ability to acquire and utilize its scarce resources and valuables as expeditiously as possible in the pursuit of its operational goals (Griffins, 2006). It has to do with the manner in which the resources available to firms are used to achieve output in form of productivity, effectiveness, employ satisfaction, and profitability. (Psomas & Kafetzopoulos, 2012) argue that performance contributes to providing the competitive advantage to the firms in cut-throat competition in the market. The firm takes advantage over its competitors and performs better in business. Performance is one of the most critical areas of law firm management, which many management scholars and practitioners have focused on improving via strategic variables such as knowledge management practices (Cho, 2001) past studies have conceptualized firms performance with measures of return on assets, sales growth, new products success, market share and overall performance. Organization performance could be considered as the most important criterion for testing the success of an organization. Jonsen and McMahon (2005) considered return on assets, return on shareholder's salary, and return on investment and dividend as the performance indices of organizations. Koh et al, (2007) used three criterion to measure organizational performance, including organizational effectiveness (the relative quality of the product, successes in the provision of new product, and the ability of the organization to keep the customers). Share and growth of market (sales levels, sales growth, and relative market share) and profitability (capital return rate and profit margin). In addition, Huang (2001) considered the indices of effectiveness, efficiency, productivity, life quality, innovation and profitability for measuring the organizational performance. Since the considered indices for measuring performance of organization are different, some of the most important indices applied in previous researches have been selected for this study. The indices which are considered here for measuring the performance of these firms include; productivity, staff performance, innovation, works relationship and customer's satisfaction. In order for organizations to be more successful and

survive in competitive market they need to consider adaptive and intelligent strategies including knowledge management processes and best practices Ibrahim and Reid (2009) indicate that knowledge management practices improve organizational operational activities in a variety of ways such as reducing the design cycle time, lead time, cost, reducing time product – to – market and improving the quality of the product. In addition sharing best practices allows the organization to improve its quality and reduce lead – time and cost, since new ways and techniques of process improvement through knowledge creation and sharing processes would have been found.

Laws firms face increased competition and pressure to be more productive and efficient. The productivity, competitiveness and success of a law firm is predominantly determined by how well it deploys its human assets and the information assets upon which they rely to deliver their advise. Effective information asset management will allow a law firm to produce certain documents more efficiently, increase productivity and reduce stress (Kabene, King & Skaini, 2006). More efficient and effective deployment of these assets can increase revenue, reduce cost, improve profitability, mitigate risk, improve compliance and increase competitiveness (Bedford & Morelli, 2006). The countless number of ways has been brought forward to measure financial performance and among them are: measurement of performance as the level of Return on Assets (ROA), Return on Equity (ROE) (Heenetigala and Armstrong, 2011), Tobin-Q, Profit Margin (PM),

3.0 Method

The study adopted a descriptive design with a target population of 230 respondents from a population of employees, clients, and lawyers in law firms. Stratified random sampling was used in selecting respondents which gave rise to 146 respondents. Piloting was done to test validity and reliability of the data collection instruments which was open ended questionnaires. Data was analysed using SPSS computer software. Regression as defined by Sekaran (2003) was applied to analyze and identified the relationship between variables.

4.0 Discussion

The study sought to establish the effect of communication on performance of law firms in Trans-Nzoia County The findings are presented in a five point Likerts scale where SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree and T=total. Morgan & Hunt (2004) mention the concept of communication as a second building block for trust. Morgan & Hunt (2004) state that the formal and informal communication from the company is a factor that affects how meaningfulness can be created in relationships. Morgan & Hunt (2004) mean that the frequency, quality and reliability determine how the communication affects trust in relationships. Rempel, Holmes & Zanna (2005) as well as Hovland, Janis & Kelley (2003) also mention the reliability aspect of communication and mean that the partners' ability to keep its promise and demonstrate competence is the underlying influence of trust in communication. According to Ganasan & Hess (2007), reliability has a significant affection on the interpersonal trust that exists between a sales representative and an individual. By this, Ganasan & Hess (2007) mean that the concept reliability affect the relationship between individuals to a further extent than the relationship between individuals and organizations and it is therefore important that the sales representatives gives a credible behavior where they demonstrate competence to create trust.

From table 4.1 below, the respondents were asked whether there is presence of regular communication between the lawyer and the clients. The distribution of findings showed that 30 percent of the respondents strongly agreed, 41.8 percent of them agreed, 22.7 percent of them were neutral, 5.5 percent disagreed while 0 percent of them strongly disagreed. These findings implied that there is presence of regular communication between the lawyer and the clients.

The respondents were also asked whether clients can communicate any time with the lawyer and employees. The distribution of the responses indicated that 9.1 percent strongly agreed to the statement that clients can communicate any time with the lawyer and employees, 16.4 percent of them agreed, 30.0 percent of them were neutral on the statement that clients can communicate any time with the lawyer and employees, 27.3 percent of them disagreed while 17.3 percent of them strongly disagreed to the statement. These findings implied that clients can communicate any time with the lawyer and employees.

The respondents were also asked whether the the management ensures effective and easy communication between themselves. The distribution of the responses indicated that 18.2 percent strongly agreed to the statement that the management ensures effective and easy communication between themselves, 29.1 percent of them agreed, 19.1 percent of them were neutral, 28.2 percent of them disagreed while 5.5 percent of them strongly disagreed to the statement. These findings implied the management ensures effective and easy communication between themselves.

The respondents were further asked whether there have been improved communications channels. The distribution of the responses indicated that 13.6 percent strongly agreed to the statement, 28.2 percent of them

agreed, 23.6 percent of them were neutral while 34.5 percent and 0 percent of them disagreed strongly and disagreed to the statement respectively. These findings implied that there were no improved communications channels.

Finally, the respondents were asked whether there is regular communication between the management and the employees. The distribution of the responses indicated that 36.4 percent strongly agreed to the statement that there is regular communication between the management and the employees, 40 percent of them agreed, 22.7 percent of them were neutral, 0.9 percent of them disagreed while 0 percent of them strongly disagreed to the statement respectively. These findings implied that there is regular communication between the management and the employees.

Table 4.1: Effect of communication on performance of law firms in Trans-Nzoia County

| Statements | | SA | A | N | D | SD | T |
|---|---|------|------|------|------|------|-----|
| There is presence of regular communication between the lawyer and the clients | % | 30.0 | 41.8 | 22.7 | 5.5 | 0 | 100 |
| Clients can communicate any time with the lawyer and employees | % | 9.1 | 16.4 | 30.0 | 27.3 | 17.3 | 100 |
| The management ensures effective and easy communication between themselves | % | 18.2 | 29.1 | 19.1 | 28.2 | 5.5 | 100 |
| There has been improved communications channels | % | 13.6 | 28.2 | 23.6 | 34.5 | 0 | 100 |
| The regular communication between the management and the employees | % | 36.4 | 40.0 | 22.7 | 0.9 | 0 | 100 |

4.2 Inferential Statistics

4.2.1 Pearson Correlation

The study sought to establish the strength of the relationship between independent and dependent variables of the study. Pearson correlation coefficient was computed at 95 percent confidence interval (error margin of 0.05). Table 4.2 illustrates the findings of the study.

Table 4.2: Correlation Matrix

| Law firm's Performance | | |
|------------------------|---------------------|--------|
| | Pearson Correlation | .719** |
| Communication | Sig. (2 – tailed) | .000 |
| | N | 110 |

As shown on Table 4.2 above, the p-value for communication was found to be 0.000 which is less than the significant level of 0.05, ($p < 0.05$). The result indicated that Pearson Correlation coefficient (r-value) of 0.719, which represented a strong, positive relationship between communication and law firm's performance.

4.2.2 Multiple Linear Regression

Multiple linear regressions were computed at 95 percent confidence interval (0.05 margin error) to show the multiple linear relationships between the independent and dependent variables of the study.

4.2.3 Coefficient of Determination (R^2)

Table 4.3 shows that the coefficient of correlation (R) is positive 0.529. This means that there is a positive correlation between Law practice management and Law firm's performance in Trans- Nzoia County. The coefficient of determination (R Square) indicates that 27.9% of Law firm's performance in Trans- Nzoia County is influenced by law practice management. The adjusted R^2 however, indicates that 25.2% of organizational performance at Law Firms in Trans – Nzoia County is influenced by law practice management and Law firm's performance in Trans- Nzoia County leaving 74.8% to be influenced by other factors that were not captured in this study.

Table 4.3: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .529 ^a | .279 | .252 | 4.10718 |

a. Predictors: (Constant), communication

4.2.4 Analysis of Variance

Table 4.4 shows the Analysis of Variance (ANOVA). The p-value is 0.000 which is < 0.05 indicates that the model is statistically significant in predicting how law practice management and Law firm's performance in Trans- Nzoia County. The results also indicate that the independent variables are predictors of the dependent variable.

Table 4.4: ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 686.766 | 4 | 171.691 | 10.178 | .000 ^b |
| | Residual | 1771.234 | 105 | 16.869 | | |
| | Total | 2458.000 | 109 | | | |

4.2.5 Regression Coefficients

From the Coefficients table (Table 4.9) the regression model can be derived as follows:

$$Y = 29.741 + 0.350X_2$$

The results in table 4.5 indicate that all the independent variables have a significant positive effect on Firm's performance. communication with a coefficient of 0.360 (p-value = 0.023). According to this model when all the independent variables values are zero, firm's performance of will have a score of 29.741.

Table 4.5: Regression Coefficients

| Model | Unstandardized Coefficients | | Standardized Coefficients Beta | t | Sig. |
|-----------------|-----------------------------|------------|-----------------------------------|--------|------|
| | B | Std. Error | | | |
| 1 (Constant) | 29.741 | 2.638 | | 11.273 | .000 |
| 1 Communication | .350 | .147 | .282 | 2.387 | .019 |

4.2.6 Hypothesis Testing

Ho₂: There is no significant effect of communication on performance of law firms in Trans -Nzoia County.

From Table 4.5 above, communication ($\beta = 0.350$) was found to be positively related law firm's performance. From t-test analysis, the t -value was found to be 2.387 and the ρ -value 0.019. Statistically, this null hypothesis was rejected because $\rho < 0.05$. Thus, the study accepted the alternative hypothesis and it concluded that communication affects law firm's performance in Trans-Nzoia county. The result revealed that there is presence of regular communication between the lawyer and the clients in law firms and there is good communication with the lawyer and employees in an effective and easy communication between themselves. The findings implied that there were no improved communications channels. The findings also implied that there is regular communication between the management and the employees.

5.0 Conclusion and Recommendations

From the findings of the study, Communication ($\beta = 0.350$) was found to be positively related to law firm's performance. From t-test analysis, the t -value was found to be 2.387 and the ρ -value 0.019. Statistically, this null hypothesis was rejected because $\rho < 0.05$ thus, the study accepted the alternative hypothesis and it concluded that communication affects law firm's performance in Trans-Nzoia County. Based on the findings, the researcher recommended that the law firms should focus on offering / rendering their services in a more effective and efficient way in a competing environment. They should practice confidentiality and client involvement in decisions as per the client-lawyer's best interestes. They should also provide regular and open communication through an improvement communications channels. The law firms should embrace working in latest technology to improve their ways of work.

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