

**KNOWLEDGE ACQUISITION PRACTICES AND INNOVATION BY EQUITY BANK
EMPLOYEES IN KIAMBU COUNTY**

BY

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MASTER OF SCIENCE KNOWLEDGE MANAGEMENT AND INNOVATION

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DECLARATION

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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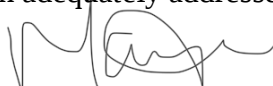
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KNOWLEDGE ACQUISITION PRACTICES AND INNOVATION BY EQUITY BANK EMPLOYEES IN KIAMBU COUNTY

ABSTRACT

Despite technological advancements, many bank employees lack effective ways to acquire knowledge necessary for innovation. This study examined the influence of knowledge acquisition practices, including external knowledge sourcing, internal knowledge sharing, partnerships and alliances, on innovation at Equity Bank in Kiambu County. Guided by the Knowledge-Based View, Absorptive Capacity, Organizational Learning, and Dynamic Capabilities theories, the study used a descriptive research design with stratified random sampling of 205 employees across 17 Equity Bank branches. Data from 180 respondents were analyzed using SPSS with regression and correlation analyses after diagnostic tests for normality and multicollinearity. The results show that internal knowledge sharing has the strongest significant positive effect on innovation ($B = 0.218, p < 0.001$), followed by partnerships and alliances with a marginally significant positive effect ($B = 0.173, p = 0.052$). External knowledge sourcing, although actively practiced, does not have a statistically significant effect on innovation ($B = -0.061, p = 0.303$). Collectively, the knowledge acquisition practices explain approximately 47.8% of the variation in innovation ($R^2 = 0.478, F(4,175) = 39.987, p < 0.001$). The study recommends that Equity Bank strengthen internal knowledge sharing mechanisms and formalize partnerships beyond academic collaborations. Increasing investment in research and development and improving agility in responding to market shifts are also recommended to enhance innovation capabilities. These findings provide vital insights for knowledge management and innovation enhancement in banking institutions in developing economies.

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God bless you.

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DEDICATION

I dedicate this dissertation to my parents Gerishon Muraguri and Elizabeth Kabura, my spouse Joel Njenga, and my siblings.

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LIST OF ACRONYMS AND ABBREVIATIONS

KM	Knowledge Management
R&D	Research and Development
SME	Small and Medium Enterprises
KBV	Knowledge Based Theory
AI	Artificial Intelligence
BMI	Business Model Innovation
AC	Absorptive Capacity
KIBS	Knowledge-Intensive Business Services
HRM	Human Resource Management
TL	Transformational Leadership
CRM	Customer Relationship Management
IT	Information Technology

OPERATIONAL DEFINITION OF TERMS

Knowledge Management	The practice of acquiring, creating, sharing, capturing, storing and utilizing knowledge to improve firm performance (Edwards, 2022).
Knowledge acquisition	Practice by which firms gather new knowledge from various environments or organizations to internalize it for better decision making. (Khan, Ashraf, Seinen, Khan & Laar, 2021).
External knowledge sourcing	The phenomenon of organizations getting access to external knowledge through internal operations or external entities (Aliasghar et al., 2023).
Internal knowledge sharing	The act of exchanging thoughts, knowledge and experiences among individuals, departments, or teams in an organization (Kmieciak, 2021)
Partnerships and Alliances	Formal or casual cooperative associations between individuals or firms formed with the aim of pursuing mutual interests, optimizing resources, sharing knowledge, and enhancing market competitiveness (Enkel, Bogers, & Chesbrough, 2020).
Innovation	The adoption of a new or enhanced product (good or service), process, new method of marketing, or a new business model (OECD & Eurostat, 2018).

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Firms that possess unique knowledge are able to achieve their business strategies and maintain their competitive edge in the business industry (Mullei, 2018). In organizations in Pakistan, knowledge management processes play a crucial role in fostering innovativeness in organizations (Rehman et al., 2022). Acquisition of knowledge increases capacity of the firm to perform effectively and efficiently (Gatuyu et al., 2020). In Kenya, knowledge acquisition by an SME can influence its performance positively. Knowledge management includes five processes; knowledge acquisition, knowledge capture, knowledge sharing, knowledge storage and knowledge application. These processes, for example acquisition, conversion and utilization play an essential role in promoting innovativeness within organizations (Rehman et al., 2022). Knowledge is deemed a valuable asset for prolonged existence in the corporate environment. Its acquisition, both from internal and external sources therefore remains crucial for any organization.

Globally, knowledge acquisition practices are central to fostering innovation and sustaining competitiveness in the banking sector. Grant (2021) conceptualizes knowledge as an organization's most critical intangible asset that drives innovation capacity. International financial institutions like the World Bank have institutionalized knowledge management systems to capture and disseminate expertise across geographies, utilizing digital platforms and communities of practice to enhance learning and innovation. Advanced economies have invested heavily in knowledge sharing technologies and cultural incentives to optimize knowledge flows, allowing banks to adapt rapidly to changing market demands and technological advancements (Mondal & Ghosh, 2012; Kianto et al., 2017).

Regionally, banks in developing economies face specific challenges and opportunities in

knowledge acquisition for innovation. As noted by Gatuyu et al. (2020) and briefly acknowledged in Kenyan banking contexts, regional financial institutions increasingly rely on both external sources such as partnerships and academic collaborations, and internal mechanisms such as employee training and knowledge sharing, to build absorptive capacity and innovation capability. However, these practices are often constrained by infrastructural limitations, organizational culture, and underdeveloped strategic alliances, which can inhibit the full utilization of knowledge assets relative to global counterparts (Chesbrough, 2020; Arsawan et al., 2022). Regional initiatives emphasize strengthening firm capabilities to access diverse knowledge sources and embed innovation culturally within organizations.

At the national level in Kenya, knowledge acquisition in banks like Equity Bank is gaining significant attention as a determinant of organizational innovation and competitive advantage. Studies by Wanyeki (2019) and Gatuyu & Kinyua (2020) highlight the critical role of internal knowledge sharing, leadership support, and employee education in enhancing innovative outcomes. The Kenyan banking sector's consolidation and competitive pressures drive firms to adopt more structured knowledge acquisition practices to adapt swiftly and design innovative customer-centric solutions. Nevertheless, gaps remain in harnessing customer interaction and external consultancy as effective knowledge sources, indicating a need for more comprehensive knowledge strategies to promote sustained innovation in Kenya's financial sector.

1.1.1 Knowledge Acquisition

Knowledge acquisition refers to the structured process through which firms identify, collect and incorporate knowledge from different sources to improve their performance. As stated by the Knowledge-Based View (KBV) theory, knowledge is an organization's most crucial non-tangible asset and it influences its innovation capacity and competitiveness (Grant, 2021). Knowledge is acquired by firms both externally and internally. Internally, organizations allocate their resources

training and development strategies to boost employee expertise, encourage knowledge-sharing inside teams, and gathering insights resulting from past experiences to enhance efficiency (Brewster et al., 2021; Nonaka & Takeuchi, 2020). In addition, research and development (R&D) programs allow firms to come up with new knowledge obtained through problem-solving experimentation and (Schilling, 2021). The increasing utilization of digital tools which include artificial intelligence AI-driven knowledge networks, cloud collaboration tools, and automated data analytics using machine learning further boosts internal knowledge acquisition by simplifying information management (Wang et al., 2022).

Externally, firms acquire knowledge via partnerships, strategic alliances, and partnerships with, research institutions, universities, and other business entities (Chesbrough, 2020). Competitor analysis and market intelligence provide useful insights into industry patterns, enabling firms to anticipate changes in market demand and make data-informed choices (Zhou & Li, 2021). Additionally, customer feedback acts as an important knowledge source, allowing organizations to customize their goods and services to changing market needs (Lusch & Nambisan, 2022). Improvements in technology, especially in AI, big data and block chain, have also increased the speed at which firms acquire, analyze, and utilize external knowledge (Brynjolfsson & McAfee, 2022). Regardless of its importance, knowledge acquisition has its own challenges. Many firms encounter challenges with knowledge retention, especially when employees exit, which leads to a loss of organizational memory (Whelan et al., 2021). Change resistance, insufficient knowledge-transfer mechanisms, and safety concerns also act as a hindrance to successful knowledge acquisition and application.

1.1.2 Innovation

Innovation refers to the generation and adoption of new ideas, goods, services, or business strategies that increase worth. Schumpeter's Theory of Innovation proposes that organizations

sustain prolonged success by persistently introducing radical solutions that reconfigure industries (Schumpeter, 2020). Innovation exists in many forms, such as product innovation, which entails creating new or improved products and services to satisfy customer needs (Bughin et al., 2021). Process innovation concentrates on improving process efficiency via automation, digitalization, and data-informed decision-making (Gartner, 2022). In addition, business model innovation enables firms to review their means of serving customer needs, which leads to new income streams and innovation opportunities (Teece, 2021).

Several factors stimulate innovation within firms. Technological advancements, especially in AI, cloud computing and block chain, have substantially influenced organizational strategies and enabled the development of cutting-edge solutions (Westerman et al., 2022). Market trends also play an essential role, as organizations must constantly innovate to stay relevant despite changing consumer preferences (Osterwalder & Pigneur, 2021). In addition, regulatory frameworks and global competition motivate firms to look into innovative operating models to meet compliance standards and sustain market leadership (Pisano, 2020). The relationship between knowledge acquisition and innovation is proven in scholarly works on management. Research indicates that organizations with organized knowledge acquisition techniques are more probable to develop game-changing innovations that distinguish them from industry competitors (Nonaka & von Krogh, 2021).

According to Nonaka and Takeuchi's Knowledge Creation Model, organizations persistently convert tacit knowledge to explicit knowledge using processes like socialization, combination, externalization and internalization (Nonaka & Takeuchi, 2020). This transformative process cultivates an atmosphere where acquired knowledge is converted into applicable insight which lead to innovative strategies. organizations that diligently hunt for external knowledge, whether through digital transformation projects, open innovation networks, or through market

research, are in a better position to introduce radical innovations and sustain lasting industry leadership (Chesbrough, 2021).

As enterprises become progressively knowledge-intensive, companies must realize the significant role knowledge acquisition plays in shaping their capacity for innovation. The capability to capture, assimilate, and apply knowledge strongly determines whether an organization can create visionary strategies and sustain a competitive edge in a dynamic business environment.

1.1.3 Equity Bank branches in Kiambu County

Equity Bank was founded in 1984 as a building society in Murang'a, primarily serving the mortgage sector. As its market share expanded, it transitioned into a licensed bank in December 2004. Over a span of 25 years, it has grown into one of Kenya's largest indigenous banks. Initially, its focus was on the Murang'a Tea Zone, where it targeted small and medium-sized enterprises, small-scale farmers, and individual clients. It has diversified its services to include corporate banking, mortgages, and investment banking over time. A key factor contributing to its growth has been its ability to acquire and utilize knowledge to refine its strategies and improve financial services (Abishua, 2015). The bank has also leveraged innovation to maintain a competitive advantage, adopting strategies such as digital transformation and agency banking to expand its reach and improve service delivery (Mbugua, 2021).

Equity Bank operates under the guidance of seven board committees: Audit, Credit, Strategy and Investment, Board Nomination, Governance, Staff Remuneration, Tendering and Procurement, Risk Management and Board Executive. The Chief Executive Office manages the daily operations of the bank with the assistance of a team of executive directors. This aims at mobilizing savings, business owners, attracting term deposits, and facilitating loans for microfinance initiatives, business owners and small and medium enterprises. By doing so, the bank aims to generate profits for both its customers and the institution while contributing to economic

growth, member welfare, and operational efficiency. Knowledge acquisition has played a crucial role in shaping the bank's strategy, enabling it to adopt data-driven decision-making, enhance customer service, and drive financial inclusion. Its innovation strategy is focused on leveraging technological advancements such as mobile banking, AI-driven financial services, and real-time customer analytics to improve banking convenience and accessibility (Wakaba, 2017).

Kiambu County is one of Kenya's 47 counties, with major towns such as Kiambu, Ruiru, Gatundu, and Thika hosting Equity Bank branches. The first branch in the county was established in Kiambu town in 2001 (Mbuthia, 2018). The small and medium-sized enterprises are the primary determinants of the economy of Kiambu county, alongside investors from various regions. Despite competition from other financial institutions, Equity Bank has maintained a strong customer base in the county. Its branches are staffed with trained personnel and well-equipped facilities, particularly in high-population areas where modern banking equipment is utilized. The bank's approach to knowledge acquisition has been instrumental in enhancing innovation in service delivery, particularly through the adoption of mobile banking, agency banking, and digital financial services (Njuguna, 2024). These innovations have improved customer access, operational efficiency, and overall financial inclusion.

In the county's interior regions, Equity Bank agents play a key role in attracting new customers and ensuring financial services are accessible within local communities. The bank has implemented knowledge-sharing programs and continuous staff training to enhance service delivery and maintain a competitive advantage. Addressing challenges through structured knowledge acquisition practices can help the bank improve operational efficiency, expand market reach, and sustain innovation-driven growth (Gworo, 2012).

Equity Bank was chosen for this study due to its position as one of Kenya's most valuable and trusted banking institutions, with strong financial performance, extensive customer base, and

ongoing recognition as a regional leader in banking innovation and inclusion. As of 2025, Equity Bank Kenya held a significant market share, was lauded for robust profit growth, and demonstrated active investments in innovation and transformation strategies, making it an ideal case to study knowledge acquisition and its impact on innovation. Kiambu County was selected because it hosts a substantial number of Equity Bank branches with a diverse and experienced workforce, providing a representative microcosm for examining the bank's knowledge practices in a developing economy context. This focused setting allows for rich insights into organizational innovation relevant to similar banking contexts in Kenya and beyond, while managing logistical research feasibility (Gworo, 2012). The choice balances the bank's prominence and the county's strategic importance within the bank's operations to yield actionable and contextually meaningful findings.

1.2 Problem statement

In an ideal state, Kenyan organizations, including Equity Bank, would fully optimize internal and external knowledge acquisition to drive innovation that generates competitive advantage through improved products, services, and processes. However, many organizations lack effective measures and cultural practices to systematically acquire and utilize knowledge, limiting their innovation potential. This gap is partly due to limited awareness of existing knowledge acquisition practices that support innovation.

Global and regional studies (Rehman et al., 2021; Pattinson et al., 2014; Bacheikh, 2013) demonstrate that knowledge acquisition significantly influences innovation, yet these studies focus broadly on knowledge management or specific sectors and do not directly explore knowledge acquisition's role in banking innovation within developing economies. Locally, research in Kenya (Kinyua & Gatuyu, 2020; Wanyeki, 2019) highlights the positive impact of knowledge acquisition and learning organizations on firm and employee performance but stops short of linking knowledge

acquisition specifically to innovation outcomes at banks such as Equity Bank.

Therefore, this study addresses the specific gap of how distinct knowledge acquisition practices, namely external knowledge sourcing, internal knowledge sharing, and partnerships, impact innovation at Equity Bank branches in Kiambu County. By focusing on this institution and location, the research aims to provide actionable insights on cultivating a knowledge acquisition culture that enhances innovation performance, competitiveness, and responsiveness to market demands in the Kenyan banking sector.

1.3 Research objectives

The general objective of this study is to determine the effect of knowledge acquisition on innovation at Equity bank, Kenya.

1.3.1 Specific objectives

- i. To determine the effect of external knowledge sourcing on innovation at Equity Bank Kenya
- ii. To determine the effect of internal knowledge sharing on innovation at Equity Bank Kenya
- iii. To determine the effect of partnerships and alliances on innovation at Equity Bank Kenya.

1.4 Justification of the study

The justification for this study lies in the critical role that knowledge acquisition practices play in driving innovation, competitive advantage, and performance in the banking sector, particularly within developing economies like Kenya. Prior research establishes that knowledge generation and management are pivotal for banks to remain adaptive and innovative in an increasingly competitive and dynamic environment (Ondieki et al., 2025). Knowledge acquisition enhances banks' ability to generate, apply, and share new ideas that lead to innovative products, services, and operational efficiencies, which are essential for meeting evolving customer needs and regulatory demands.

Kenyan commercial banks, including prominent players such as Equity Bank, are increasingly

recognizing the strategic value of knowledge acquisition in fostering innovation and business growth (Gakuo, 2017). Effective knowledge management processes—comprising acquisition, conversion, protection, and application—have been shown to significantly enhance the performance of banks by improving decision-making, risk management, and product development. However, gaps remain in understanding how these practices interplay and impact innovation outcomes specifically at the firm level, especially regarding internal versus external knowledge sources and partnerships.

This study is therefore justified by the need to generate empirical evidence on how diverse knowledge acquisition practices influence innovation at Equity Bank Kenya, a leading bank in a competitive and transforming financial landscape. It responds to calls for more focused research on knowledge acquisition beyond generic employee learning models, emphasizing organizational-wide practices and their role in innovation performance. The findings will provide actionable insights to financial institutions, policymakers, and academics on strengthening knowledge management frameworks to enhance innovation capacity in the Kenyan banking sector and comparable developing country contexts.

1.5 Significance of the study

First, the management of Equity Bank and other financial institutions stand to gain practical insights into how knowledge acquisition practices can be optimized to boost innovation and overall organizational performance. By understanding the specific roles of external knowledge sourcing, internal knowledge sharing, partnerships, and customer interaction, leaders can design targeted interventions to improve processes, diversify products and services, and enhance competitive advantage in a rapidly evolving banking sector.

Second, this study provides valuable contributions to scholars and academicians by expanding the empirical evidence base on knowledge acquisition and its influence on innovation in the banking industry, particularly within developing economies like Kenya. It offers a comprehensive

framework and findings that can guide future research on related themes, inspire new hypotheses, and refine theoretical models linking knowledge management practices to organizational outcomes.

Finally, knowledge management practitioners and organizational development professionals will find this study a useful resource for benchmarking and implementing best practices. The detailed analysis of knowledge acquisition mechanisms and their innovation impact can inform strategies to build a knowledge-driven culture, foster collaboration, and leverage intellectual assets effectively. Thus, the study contributes toward advancing both academic understanding and practical applications of knowledge management in enhancing performance in the banking sector.

1.6 Scope of the study

This study adopts a descriptive research design to examine the effect of knowledge acquisition practices on innovation among Equity Bank branches located in Kiambu County, Kenya. It focuses specifically on three key dimensions of knowledge acquisition: external knowledge sourcing, internal knowledge sharing, and partnerships and alliances. The study population comprises 205 staff members from multiple Equity Bank branches across Kiambu County, including managers and other personnel directly involved in knowledge management and innovation-related functions. Primary data was collected using structured questionnaires. The study is contextualized within the specific operational environment of Equity Bank branches in Kiambu County during the period of 2025, acknowledging that findings may be influenced by this temporal and geographic context.

1.7 Basic Assumptions of the Study

At the beginning of the study the researcher undertook some basic assumptions of the course of the study. It is assumed that all the participants shared reliable and accurate information freely on Knowledge Acquisition practices and innovation. The study also assumed that the collected information provided answers to the research questions. This enabled valid conclusions to be

drawn from the responses. It is also assumed that the number of respondents exceeded the threshold giving credibility to the results.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter explores literature from other researchers which is applicable to the study. The chapter covers the theoretical foundations, empirical review per the objectives of the study, knowledge gaps, conceptual framework, operationalization of variables and the research hypothesis.

2.2 Theoretical foundation to the study

This section outlines the theories that reinforced objectives of the study. In particular, the study was supported by the Knowledge Based View of the Firm Theory, open innovation Theory, social capital Theory and dynamic capabilities Theory.

2.2.1 Knowledge based theory of the firm

This theory was proposed by Grant, (1996) who suggested that knowledge is the most strategically valuable resource of an organization. Grant (1996), argued that knowledge is a critical strategic resource and a source of competitive advantage for organizations. Moreover, it states that firms exist because of integrating specialized knowledge from individuals, teams and departments to create value. It was developed by Foss (2007) who introduced knowledge governance as a way to improve how firms manage knowledge-related process, including incentives, structures and collaboration mechanisms. Firms must continuously learn and adapt new knowledge as this helps to increase the firm's survival and growth (Foss, 2007).

The theory is significant to the study since it helps organizations understand that knowledge is an important asset for innovation and distinguishes a firm from its competitors. This makes the firms employ all efforts to acquire the knowledge so as to increase their competitive advantage.

2.2.2 Open innovation theory

Introduced by Henry Chesbrough (2003) the theory states that firms must utilize both and external and internal knowledge and ideas to bring about innovation, rather than solely depending on Research and Development (R & D) within the organization. According to Henry, open innovation occurs through two major directions; tow way processes and coupled process. Two-way processes include both inbound innovation and outbound innovation. Inbound innovation, also referred to as ‘outside in’, is whereby the organization utilizes technology and ideas from outside the organization and outbound innovation, commonly referred to as ‘inside out’, is where the others use the organization’s unutilized ideas and technology. Coupled process is a combination of outbound and inbound flows.

Adner (2006) states that innovation is a dynamic complex process driven by interaction of different actors, artifacts and activities in a system. The theory gives an emphasis of the importance of collaboration and relationships among different stakeholders instead of focusing on individual firms only. According to Dall-Orsoletta Romero and Ferreira (2022), inbound innovation is more common than outbound practices. This theory is significant to this study as it forms a basis on which organizations can form partnerships and alliances which help them source ideas and technologies from outside which can be easily converted to services and processes in the organization to increase its competitive advantage.

2.2.3 Social capital theory

This theory suggests that networks of relationships, shared norms and mutual trust benefit individuals and communities (Bourdieu, 1986). According to Bourdieu (1986), there are three dimensions of the theory: structural, cognitive, and relational. An improvement to the theory was done by Lin (2001) who stated that individuals are integrated within interconnected systems of

relationships which greatly affects how they behave, how they access resources and overall social behavior.

Social capital serves as an enabler, cultivating trust, openness and a mutual collaboration, which are crucial for generating, developing and implementing new solutions (Solidoro, et al., 2021). The theory is significant to this study as stresses on the importance of building trust and positive relationships within the organization with the aim of cultivating a good environment for internal knowledge transfer which in turn drives innovation within the firm.

2.2.4 Dynamic capabilities theory

The theory, proposed by Pisano, Teece, and Shuen (1997), proposes that an organization's ability to build integrate, and restructure external and internal competencies is key to maintaining a competitive edge in dynamic external environments. Firms must have the ability to detect market fluctuations, change in customer needs and new technologies after which they should mobilize resources to capitalize on it. They should also be ready to constantly realign their resources, structures and processes so as to remain competitive (Pisano et al, 1997).

Wainer and Wager (2019) stated that digital transformation requires digital sensing, seizing and transformation capabilities. Teece (2018) introduced dynamic capabilities in business ecosystems where firms must collaborate, co-create and adapt beyond their internal boundaries. This needs external knowledge sourcing. Firms must be flexible in order to respond to changes in the macro environment. This can be achieved through leveraging on knowledge acquisition which gives them a competitive edge against their correspondents. Knowledge management processes, particularly those focusing on knowledge acquisition, help coordinate and enhance internal resources, leading to improved firm performance (Fakandu, 2014). This theory is applicable to this study as it lays a foundation on why the firms should be receptive to changes to the external factors,

and thus come up with solutions if at all they are to sustain their relevance in the industry, which enables them create with new, services products and processes, making them innovative.

2.3 Empirical Review

This section brings forth empirical studies that were carried out on knowledge acquisition practices and innovation. It reviews literature on external knowledge sourcing, internal knowledge sharing, partnerships and alliances and customer relations in relation to innovation.

2.3.1 External knowledge sourcing on innovation

Awan, Arnold, and Gölgeci (2021) used a cross-sectional survey of 239 manufacturing firms to explore how buyer-driven knowledge transfer activities (BDKTAs) promote green product and process innovation, employing partial least squares (PLS) path modelling with bootstrapping for analysis. While the use of a relatively large sample and robust quantitative methods strengthens the validity of their findings, several methodological and contextual limitations should be considered. The reliance on self-reported survey data can introduce common method bias and may not capture the full complexity of knowledge transfer or innovation activities, potentially neglecting the nuances that qualitative or mixed methods could offer. The exclusive focus on manufacturing firms somewhat limits generalizability to other sectors, such as services or banking, where buyer relationships and pathways for knowledge integration may differ. Additionally, situating BDKTAs as having a stronger effect on green product innovation than green process innovation could be context-specific, influenced by market dynamics or the innovation maturity of the sampled firms, findings might differ in more process-driven or highly regulated environments. While the study advances understanding of external knowledge transfer's differential impacts, it would benefit from multi-country comparisons, longitudinal data, or deeper exploration of internal absorptive capacities as potential variables moderating these relationships.

Audretsch et al. (2021) and Clauss et al. (2021) provide valuable empirical insights into

how knowledge spillovers and KM competencies drive innovation, but several methodological and contextual nuances merit critical scrutiny. Both studies typically employ cross-sectional survey designs and rely on self-reported measures from sampled firms—startups for Audretsch et al. and mixed industries for Clauss et al.—raising concerns over common method bias and the inability to capture temporal dynamics or causality between knowledge transfer, KM competency, and innovation outcomes. The focus on startups in Audretsch et al. distinguishes the context from incumbent firms and highlights the unique absorptive capacities that allow new ventures to exploit knowledge flows, but findings may not generalize across all industry types or maturity stages. Furthermore, while Clauss et al. reveal the moderating role of risk propensity in achieving business model innovation (BMI) through external KM competencies, this relationship can be contingent upon organizational culture, sectoral norms, or the nature of alliances—dimensions not fully addressed quantitatively. Both studies underscore the importance of absorptive capacity but risk overlooking reverse knowledge flows and the qualitative mechanisms that might account for how knowledge spillovers or KM outsourcing are integrated and operationalized. For broader generalizability, future research could benefit from mixed methods, longitudinal tracking, or multi-contextual designs to parse out the causal complexities and contradictory impacts observed across risk levels and firm types.

Moya-Fernández and Seclen-Luna (2024) employ a comparative analysis of KIBS and manufacturing firms to evaluate how different sources of information drive innovation, using survey-based methods that allow for sector-level differentiation but may be constrained by reliance on self-reported data and possible selection bias. While their approach offers valuable insights into the nuanced ways internal R&D and external supply chain knowledge affect manufacturing innovation versus the conference-driven, service-oriented innovation of KIBS firms, it risks oversimplifying sectoral differences by not fully accounting for firm size, regional context, or

innovation type, factors that can moderate the observed effects. The heavy emphasis on external knowledge integration with internal R&D in manufacturing is robust, yet the study does not deeply interrogate how organizational absorptive capacity or cultural factors influence this relationship. Moreover, sectoral comparisons implicitly assume similar access to external knowledge networks and R&D resources across firms, which may not be the case in practice, potentially conflating context-driven obstacles and opportunities. To enhance generalizability and causal inference, future studies might include qualitative case analyses, longitudinal sampling, or more granular controls for firm heterogeneity and network structure.

Aliasghar et al. (2023) employ a cross-sectional, quantitative research design based on structured surveys from 124 SMEs in the vehicle industry to analyze the link between external knowledge search and process innovation, emphasizing the mediating role of absorptive capacity. While the choice of a focused sample provides sector-specific insights, it also constrains the generalizability of results to other industries or broader SME populations. The use of self-reported measures may introduce common method bias, and the cross-sectional design does not allow for inference about causality or how relationships might evolve over time. Critically, the study's finding that knowledge breadth, rather than depth, drives process innovation may reflect unique characteristics of SMEs in the vehicle sector, such as their need for diverse external solutions over intensive specialization, and may not hold in more knowledge-intensive or highly regulated settings. There is also limited discussion about contextual factors such as the firms' innovation maturity levels or the external environment, which could significantly influence both knowledge acquisition and its translation into process innovation gains.

Mazzoleni et al. (2021) examine the internationalization of SMEs through the lens of external knowledge sourcing strategies and firm age, likely employing quantitative survey methods to draw their conclusions. Although their analysis distinguishes clearly between the effects of breadth and

depth in knowledge search, and how these facilitate internationalization, the cross-sectional and self-reported nature of the study, common to much research in this area, means findings should be interpreted with caution regarding causality and potential response bias. The study's assertion that breadth is more critical than depth for internationalization aligns with open innovation theory, but the relatively weaker effect of deep engagements warrants further contextualization, as sectors characterized by stronger alliances or higher technological complexity might benefit more from deep external ties. Interestingly, the finding that firm age does not moderate the relationship between knowledge sourcing and internationalization calls for closer exploration—this result could run counter to expectations in contexts where organizational experience and legacy systems shape the efficacy of external collaboration, underlining the need for additional multi-sector or longitudinal investigation.

These studies consistently highlight the positive impact of external knowledge on various forms of innovation, whether product, process, or business model. A recurring theme is that breadth of knowledge sources often matters more than depth, especially in dynamic or global environments. Additionally, absorptive capacity and risk tolerance are crucial moderators. However, most of these studies focus on manufacturing or technology sectors in developed countries, with little attention to commercial banks in developing economies such as Kenya. There remains a gap in understanding how external knowledge sourcing affects innovation in Kenya's banking sector, especially in established institutions like Equity Bank.

2.3.2 Internal knowledge sharing and innovation

Kmieciak (2021) analysis uses quantitative research to investigate the effects of vertical (supervisor-subordinate) and horizontal (peer-to-peer) trust on knowledge sharing and innovative work behavior within organizations. The study's reliance on survey data introduces common method bias and its cross-sectional approach precludes causal inference, as potential bidirectional

influences between trust, knowledge sharing, and innovation cannot be observed over time. Additionally, while the mediation effect of knowledge donating between vertical trust and idea realization is methodologically robust, contextual effects such as organizational culture, industry norms, or leadership styles are not deeply explored, limiting external validity. The study's finding that knowledge donating strongly drives idea generation and subsequently idea realization may not translate equally across sectors or hierarchical structures, suggesting future research should adopt mixed methods or longitudinal approaches and sample diverse organizational contexts for nuance.

Arsawan et al. (2022) explore the role of knowledge transfer and sharing in creating an innovation culture and enhancing business performance through quantitative analysis, generally collecting data via organizational surveys. The approach's strengths include broad sample representation and statistical rigor, though it can overlook qualitative aspects of how innovation culture is built and sustained, particularly in organizations with diverse employee profiles or varying technological adoption rates. The cross-sectional design also limits temporal insights into whether knowledge sharing has sustained effects on business performance and competitive advantage, and the generalized finding may not account for sector-specific challenges or opportunities. Contradictions may arise in highly regulated or traditional industries, where cultural resistance or strict compliance requirements can suppress the intended effects of knowledge sharing, emphasizing the need for future qualitative and longitudinal studies.

Chaudhuri et al. (2022) examine the relationship between knowledge transfer activities and innovation within international organizations, incorporating absorptive capacity as a moderating factor via quantitative, survey-based methods. Although the survey provides useful statistical significance, it may underrepresent how cross-border cultural differences, informal knowledge processes, and structural barriers impact knowledge sharing and subsequent innovation in global firms. The moderating effect of absorptive capacity is robust and aligns with theoretical

expectations, but the study does not capture short-term versus long-term dynamics or the influence of evolving international market environments. Sectoral differences, language barriers, and digital adoption rates may obscure or magnify the effects reported, indicating a limitation in the study's generalization. Future research could benefit from integrating in-depth case studies or examining longitudinal change in multinational knowledge sharing practices to better understand holistic innovation outcomes.

Zahra et al. (2024) employ a survey-based quantitative approach to analyze the relationship between knowledge sharing and innovative work behavior (IWB), testing self-efficacy as a mediator and entrepreneurial leadership as a boundary condition. The methodological strength lies in the use of statistical modeling to clarify causal paths, yet the single-time-point data cannot track how leadership style or self-efficacy perceptions evolve and longitudinally influence IWB. Sector, team composition, and leadership dynamism are factors largely outside the scope of standardized survey tools but could profoundly impact the results. Additionally, the use of self-efficacy as both an individual and organizational construct may lack granularity given its broad application. Contradictions may occur in hierarchical or risk-averse organizations where entrepreneurial leadership is rare. A mixed-methods approach, combining surveys with interviews or observational data, would offer greater depth and clarity into the complex and potentially dynamic relationship between leadership, self-efficacy, and innovative work behavior.

Gui et al. (2022) focused on exploring the potential intermediating roles of knowledge donation and collection in linking high-involvement HRM practice and innovation capability. The study also explores the possible moderators of market turbulence in fostering the influences of knowledge sharing behaviors on innovation competence in terms of incremental and radical innovation. The findings indicate that human resource management practices with knowledge sharing behaviors serving as intermediating factor positively influence both incremental and

radical innovation. The study also revealed that knowledge donation has a greater influence on incremental and radical innovation compared to knowledge collection. Gui et al. (2022) explored the relationships between, business knowledge sharing, innovation and transformational leadership in higher education. They found out that TL positively affects innovation and also enhances knowledge sharing. This means knowledge sharing has a mediating effect on the association between leadership and innovation.

The reviewed studies consistently demonstrate that internal knowledge sharing, especially knowledge donation, significantly enhances innovation outcomes. Trust (both vertical and horizontal), transformational and entrepreneurial leadership, and HRM practices all emerge as critical enablers of effective knowledge sharing. While some studies consider organizational settings such as higher education or international firms, few have focused on commercial banks in developing countries. Furthermore, the role of internal knowledge sharing in driving innovation at the branch level, particularly in large banks like Equity Bank, is underexplored. This presents a clear research gap that this study seeks to address.

2.3.3 Partnerships and alliances on innovation

Castillo-Vergara et al. (2023) aims at developing a framework for capturing, measuring and benchmarking open innovation practices in small and medium enterprises. The study also concentrated on providing a systematic evidence on how small and medium enterprises pursue open innovation. According to the findings, innovation can be measured using knowledge and technology sourcing activities, innovation expenditure, human capital, intellectual property and innovation networks. The results revealed that open innovation is growing in small and medium enterprises and that there is increasing reliance on collaboration, particularly with research institutions and universities. Small and medium enterprises in high-tech invest more in innovation expenditure while service-sectors SMEs rely more on external knowledge than manufacturing

firms. SMEs benefit from supplier and customer collaboration but partnership with competitors remain limited.

Singh et al. (2021), examined causes and effects of open innovation in SMEs. According to the findings indicate that knowledge value and knowledge creating practices conducted by top management impact open innovation which in turn has an influence on organization performance. Bernal et al. (2022) examined the effect of strategic partnership and external knowledge inflows on firm innovation performance, that is, whether firms need formal agreements to benefit from shared knowledge or they can learn informally. The study also aimed at exploring whether the firms continue working with the same partners or they change collaboration. The study findings revealed that companies prefer to stick with familiar partners and the companies that form strong partnerships tend to develop more successful innovations. In addition, businesses that hire R&D staff are better at learning from external knowledge. The results also indicate that companies that collaborate with suppliers and customers benefit more than those relying on competitors.

Kryvovyazyuk et al. (2023) utilize a mixed-methods approach combining expert evaluations, ranking methods, and logical analysis to assess how strategic alliances influence digital transformation and innovation. While comprehensive in integrating theoretical frameworks with empirical data, the study relies heavily on expert opinion which may introduce subjective bias and potentially limit replicability. The research context focuses broadly on business sectors engaged in digital transformation, making generalizability to specific industries or firm sizes less certain. Moreover, the study does not incorporate longitudinal data, leaving questions about how strategic alliances evolve or sustain impact over time. The emphasis on trust, shared goals, and collaboration as success factors aligns with prior literature, yet how these factors interplay in different cultural or regulatory environments remains underexplored, hinting at avenues for future nuanced, sector-specific investigation.

Dall-Orsoletta et al. (2022) employ qualitative and possibly mixed methods to explore innovation adjustments within the electricity sector, focusing on openness and new actor participation. Their focus on inbound versus outbound innovation and the use of crowdsourcing or co-design reflects contemporary innovation dynamics in utilities. However, sector specificity limits broader application since electricity industries have distinct regulatory frameworks and capital intensities. The study's reliance on firm-level interviews or case studies may limit statistical generalizability but affords deep insights into organizational responses to innovation pressures. Its exploration of venture capital investments as an innovation driver is novel but calls for more quantitative evaluation. The inward-looking emphasis on inbound innovation might obscure benefits of outbound knowledge sharing or external commercialization collaborations, suggesting a need for balanced investigations.

Chierici et al. (2021) examine big data analytics and open innovation's effects on reflective knowledge transfer through strategic alliances, likely leveraging quantitative analysis supplemented by network or case study data. The study's innovation lies in integrating advanced analytics with knowledge transfer theories within alliance contexts. The empirical rigor may be limited by data availability or measurement challenges inherent in big data environments, including privacy concerns or data heterogeneity. Their findings underscore the critical role of reflective knowledge sharing but may understate operational or structural barriers present in real-world alliances. Cross-industry applicability is another potential limitation, given analytics adoption varies widely, demanding sector-specific validations.

Bouncken et al. (2021) employ comparative research methods, likely using surveys or case studies across firms of varying ages, to assess how organizational rigidity affects innovation and how alliances mitigate this challenge. Their methodological approach provides novel insights into the age-innovation nexus, highlighting how younger firms adapt more naturally through alliances.

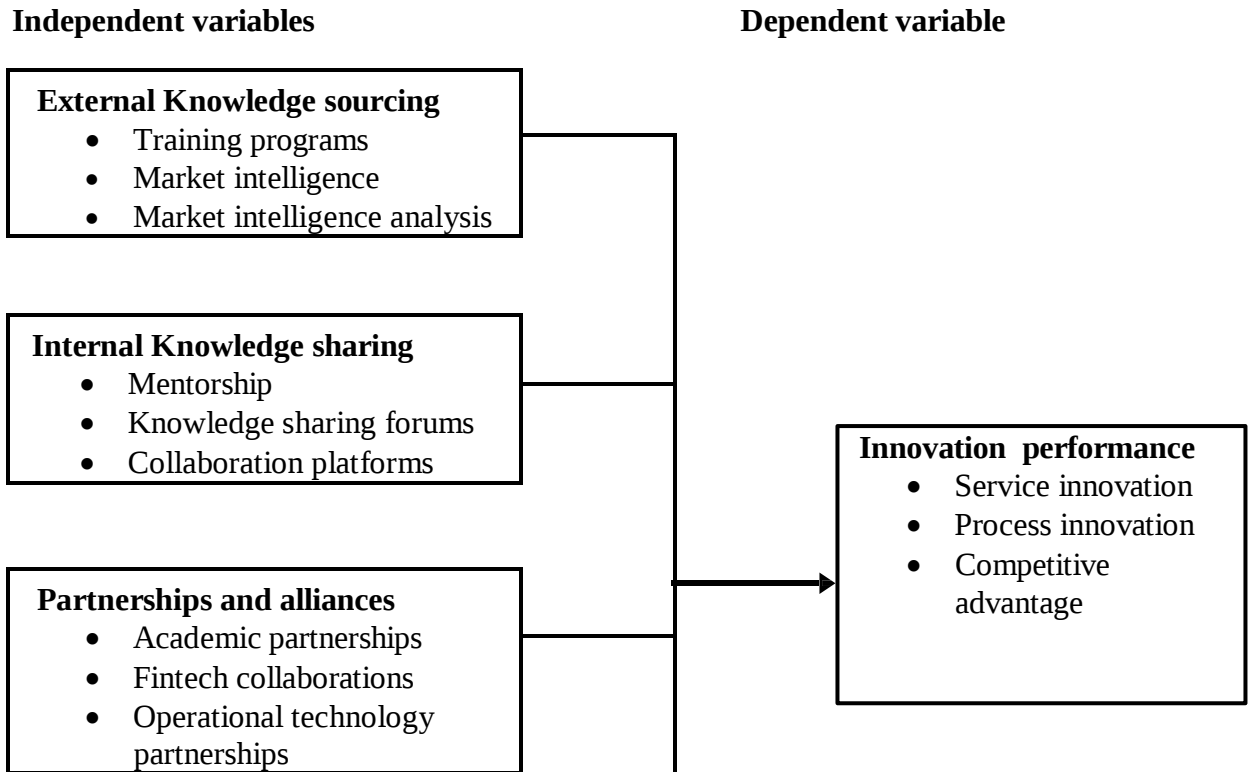
Nonetheless, the study's cross-sectional design constrains causal inference regarding whether alliances directly reduce rigidity or if more innovative firms self-select into alliances. The focus on internal "sense making" patterns is theoretically rich but may be difficult to operationalize and quantify reliably. Age-based generalizations might overlook other moderating variables like industry, size, or geographic location that influence alliance effectiveness. Future longitudinal research could clarify how these dynamics unfold over firm life cycles.

The literature affirms that strategic partnerships and alliances play a crucial role in enabling innovation, especially through open innovation models and knowledge-sharing collaborations. Common enablers across studies include trust, long-term commitment, and shared goals. Partnerships with customers, suppliers, and research institutions appear to yield better innovation outcomes than partnerships with competitors. Notably, older firms may struggle with rigidity but can still benefit from alliances if they embrace mutual knowledge creation. However, the majority of these studies focus on SMEs, high-tech, or energy sectors, and are situated outside the Kenyan context. There remains a gap in understanding how partnerships within the banking sector, particularly at branch level in large firms like Equity Bank, influence innovation, which this study seeks to explore.

2.4 Conceptual framework

The conceptual framework visually represents research variables and the relations/interactions that a study requires (Salawu et al., 2023). Figure 2.1 represents a schematic diagram of correlation between variables in the study.

FIGURE 2.1
Conceptual Framework



2.5 Summary of literature and Knowledge Gap

The purpose of this critique is to evaluate existing studies on knowledge acquisition practices and their role in enhancing innovation, particularly in the banking sector. This section examines the relevance, methodologies, findings, and gaps within the reviewed literature to position the current research effectively. The reviewed studies provide significant insights into the relationship between knowledge acquisition and innovation. Research by Aliasghar, Sadeghi and Rose (2023) discussed how knowledge search breadth is related to the development of process innovation. However, the study left out product and service innovation, which are key aspects of innovation.

Awan, Arnold and Gölgeci (2021) discussed how firms with better knowledge acquisition skills can use buyer driven knowledge to enhance green product innovation, leaving out other sources of knowledge, which creates a conceptual gap. Singh, Gupta, Busso, and Kamboj (2021) in their study

focused on antecedents and outcomes of open innovation and how open innovation affects organizational performance, leaving out innovation. Many studies for example, Chatterjee, Chaudhuri and Vrontis (2022), Gui, Lei and Le (2022) generalize these strategies across industries without considering the unique regulatory and operational environment of Equity Bank Kenya .

Most studies apply quantitative methods, such as surveys and regression analysis, which allow for broader applicability but may overlook contextual nuances. For instance, Bouncken, Ratzmann, and Kraus (2021) conducted a survey on banking institutions in Vietnam but failed to account for firm-specific knowledge acquisition practices. Several studies underscore the role of knowledge acquisition in fostering innovation. For example, Moya-Fernández, & Seclen-Luna, (2024) found that firms benefit from both internal and external sources of knowledge. However, these findings often lack empirical validation within the Kenyan banking sector, particularly in Equity Bank. This critique highlights the need for a focused study on how knowledge acquisition practices enhance innovation within Equity Bank Kenya. By addressing gaps in methodology, industry relevance, and empirical validation, this research will contribute to a deeper understanding of how financial institutions can leverage knowledge acquisition for sustained innovation. Future studies should consider mixed-method approaches to provide a more holistic perspective.

2.6 Operationalization of Study Variables

TABLE 2.1
Operationalization of Study Variables

Variable	Orientation	Objectives	Indicator	Scale of Measurement	Tool of analysis	Location in the questionnaire
External Knowledge sourcing	Independent variable	To determine the role of external knowledge sourcing on innovation at Equity Bank Kenya	-Training programs -Market intelligence	Ordinal using 5- point Likert Scale	Descriptive Regression Analysis	Section B Question 8
Internal Knowledge sharing	Independent variable	To determine the role of internal knowledge sharing on innovation at Equity Bank Kenya	-Mentorship -Knowledge sharing forums	Ordinal using 5- point Likert Scale	- Descriptive - Regression Analysis	Section C Question 9
Partnerships and alliances	Independent variable	To determine the role of partnerships and alliances on innovation at Equity Bank Kenya	Academic partnerships Fintech collaborations	Ordinal using 5- point Likert Scale	Descriptive Regression Analysis	Section D Question 10

Customer interaction	Independent variable	To determine the role of customer relations on innovation at Equity Bank Kenya	• Chatbots • Customer satisfaction	Ordinal using 5-point Likert Scale	Descriptive Regression Analysis	Section E Question 11
Innovation	Dependent variable	To establish the joint impacts of the independent study variables	Service innovation Process innovation Competitive advantage	Ordinal using 5-point Likert Scale	Descriptive Regression Analysis	Section F Question 12

2.7 Research Hypothesis

Emerging from the conceptual model in figure 2.4, the following hypotheses of the relationship in the study were formulated:

H0: External knowledge sourcing has no significant role on innovation at Equity Bank Kenya.

Ha: External knowledge sourcing has a significant role on innovation at Equity Bank Kenya.

Hypothesis 2

H0: Internal knowledge sharing has no significant role on innovation at Equity Bank Kenya.

Ha: Internal knowledge sharing has a significant role on innovation at Equity Bank Kenya.

Hypothesis 3

H0: Partnerships and Alliances have no significant role on innovation at Equity Bank Kenya.

Ha: Partnerships and Alliances have a significant role on innovation at Equity Bank Kenya.

Hypothesis 4

H0: Customer interaction has no significant role on innovation at Equity Bank Kenya. Ha:

Customer interaction has a significant role on innovation at Equity Bank Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology that was used to collect data for this study. It outlines the research design, the target population, sample size and sampling procedures, the research instruments, reliability and validity testing techniques, techniques used in data analysis and the research ethics.

3.2 Research Design

Research design refers to the overall framework that directs a researcher in carrying out a study, to ensure the research questions are addressed effectively (Saunders, Lewis & Thornhill 2019). It is an outline of data collection, measurement, and analysis methods. It should provide a clear blueprint for the study, reducing bias and enhancing validity and reliability of the results. Numerous types of research designs exist, which include descriptive, causal, and exploratory. The design selection relies on the objectives of the study, the problem, and required data.

Descriptive design is useful as it sheds more light on the variables by and ensures that the relationship between variables is well understood. It is also crucial since it gives the precise answers to the research questions (Creswell, 2013) it utilizes six Ws (Who, what, when, where, why and how) of research (Gupta & Rangi, 2014). It is consequently considered the most suitable for collecting information on knowledge acquisition practices on innovation at Equity Bank, Kenya. The study used descriptive design to collect information from the respondents, who are employees working in Equity Bank branches in Kiambu county as they provided their views on knowledge acquisition and its role on innovation at Equity Bank Kenya.

3.3 Target Population

The target population describes the specific collection of people or entities a researcher intends to study and draw conclusions from (Bryman, 2016). The group is established by specific qualities

that are related to the study problem, with the aim of ensuring that it is possible to generalize the research findings to the selected population. It should therefore be heterogeneous to enhance generalizability.

The target population in this study was composed of 420 members of staff of the seventeen Equity Bank branches in Kiambu county. The target respondents were Branch Growth and Development Managers and staff representatives from credit, accounts opening and cash as they are responsible for overseeing knowledge management strategies.

The list of all Equity branches in Kiambu is contained in appendix 2.

3.4 Sample size and sampling procedure

Sampling is the procedure of selecting a segment from a population to represent the whole group (Taherdoost, 2016). According to Mugenda and Mugenda (2003), it is a smaller group derived from the reachable population. It is chosen to represent the population, incorporating the relevant characteristics of the group. The sampling procedure is the method used by the researcher in selecting participants or entities (Babbie, 2020). There are two types of sampling, probability sampling and non-probability sampling. Common methods of probability sampling include stratified sampling, simple random sampling, cluster sampling and systematic sampling. Alternatively, non-probability sampling methods include purposive sampling, convenience sampling, and snowball sampling.

The study used a stratified random sampling to pick staff from the different departments and thus ensure representation across departments in the banks. The research thus collected data from all the seventeen Equity Bank Branches in Kiambu County for the purpose of the study.

The study used the Yamane (1973) formula to calculate the sample size.

$$n = \frac{N}{1+N(e)^2}$$

Where: n = sample size

N = total population = 420

e = margin of error (0.05 for 95% confidence)

the sample size was therefore 205 employees

A total of 205 respondents were selected which exceeds the sample size of 10-30% of the population deemed sufficient for applying the study conclusions to the whole population (Bryman & Bull, 2015).

In this study, population size for each category was determined using stratified random sampling formulae, they were distributed as follows;

TABLE 3.1
Sample Size

Category	Total Population	Sample Size Calculation	Sample Size
Branch managers	35	$(35/420) * 205$	17
Accounts Opening department	141	$(141/420) * 205$	69
Cash department	139	$(139/420) * 205$	68
Credit department	105	$(105/420) * 205$	51
Total	420		205

(Author, 2024)

3.5 Research instruments

These are the tools used to collect information from respondents (Kumar, 2011). They consist of questionnaires, interviews, focus groups, observation, and discussion guides among many other (Gupta and Rangi, 2014). The questionnaires are partitioned into six sections; A, B, C, D, E and F. Section A includes the respondents' background information and the rest of the sections contain

the study objectives (external knowledge sourcing, partnerships and alliances, internal knowledge Sharing and customer interactions). The questionnaire uses the five-point Likert scale (where: 1= strongly disagree; 2 =disagree; 3= neutral; 4= agree and 5=strongly agree).

Questionnaires were dispatched to respondents on a drop-off and pick-up method. The method was implemented in a way that prevents interfering with the daily tasks of the respondents, acknowledging their busy schedules. As a result, the response rate of the study was enhanced respondents' contacts were taken while issuing the questionnaires to enhance follow up on issues that may emerge while filling in the questionnaires.

3.5.1 Pilot study

It entails testing the research instrument on a small portion to represent then larger target population before carrying out the full study (Teijlingen & Hundley, 2001). It enables the researcher identify challenges such as unclear instructions, ambiguous questions or accidental biases. The researcher is thus able to improve and polish the instrument depending on participants' feedback, ensuring the instrument's accuracy, clarity and effectiveness.

According to Mugenda & Mugenda (2003), it is suitable to do a pilot testing for 10% of the selecting population, who should not be part of the main study. A pilot test helps to test the reliability and validity of data collection instruments (Creswell, 2013). As a result, the researcher conducted a pilot study comprising of 21 staff from Equity Bank Kenol Branch who did not fill the questionnaires for the main study.

3.5.2 Validity of Results

Validity refers to the degree to which an instrument measured what it is intended to measure (Bryman, 2012). Four types of validity exist; internal validity, external validity, construct validity, content validity, criterion related validity (Creswell & Creswell, 2018). Content validity ensures

that the research instrument encompasses all relevant elements of the concept being measured. Criterion-related validity assesses whether the outcomes of the instrument are in line with an external benchmark or standard (Heale & Twycross, 2015).

Construct validity refers to whether the measurement tool represents concept it is supposed to measure accurately (Pohl et al., 2025). It was addressed by issuing the questionnaires to Equity Bank staff who did not take part in the main study. The supervisor reviewed the questionnaire and confirmed that it's consistent with the research objectives and the theoretical framework to ensure content validity.

3.5.3 Reliability of Research Instrument

According to Heale and Twycross (2015) a test is deemed reliable upon producing similar results under the same conditions. Several types of reliability exist, which include, inter-rater reliability, test-retest reliability and internal consistency. Inter-rater reliability checks if harmony exists between different raters, test-retest reliability tests consistency of measurements over time, and internal consistency evaluates how well the items in a questionnaire or scale relate with each another (Golafshani, 2003). The study utilized the Cronbach alpha to test for the questionnaire's reliability, with a threshold of 0.7. A Cronbach alpha value equal to or greater than 0.7 shows that the research tool has an adequate consistency and is thus considered reliable (Mugenda & Mugenda, 2003).

3.6 Data analysis

Data analysis consists of scrutinizing, refining, and modifying data to extract relevant insights (Creswell, 2014). After completing data collection, the researcher examined it to rectify any omissions and errors. The data was then coded and analyzed using Statistical Package for Social Scientists (SPSS V. 23.0). The study used the tool to generate descriptive statistics which include frequencies, percentages, mean, mode and standard deviation. The researcher conducted a

Pearson's correlations analysis at 95% confidence interval and 5% confidence level to establish the degree to which the knowledge acquisition practices influences innovation in Equity Bank. Positive findings show positive association between the variables under study.

The researcher then conducted multiple regression analysis to evaluate the relationship between the independent variables (External knowledge sourcing, internal knowledge sharing, partnerships and alliances and customer relations) and the dependent variable of (Innovation).

This is shown in the model below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where Y = Innovation

X₁ = External knowledge sourcing

X₂ = Internal knowledge sharing

X₃ = Partnerships and alliances

X₄ = Customer interaction

β₀ = a constant

β₁, β₂, β₃ and β₄ = the regression coefficients

ε = Error Term

The findings of the study were presented as tables, charts and discussions using frequencies and percentages that enabled further analysis and evaluations (Yin, 2017).

3.6.1 Diagnostic tests

Before conducting a regression analysis, the researcher carried out diagnostic tests so as to confirm the fitness of data set for regressing. The diagnostics were employed to evaluate the basic information on the respondents and the effect it has on the main study objective in knowledge

acquisition and innovation. The three diagnostic tests conducted included; Normality, Multicollinearity and Heteroscedasticity.

3.6.1.1 Normality Test

Normality test is carried out to test the likelihood of a random variable underlying the data set being normally distributed. Normality refers to the probability that the data collected follows a normal distribution within the population or sample (Kothari, 2004). This study tested for normality using the Normal Q-Q plot. Data analysis commence after indication that the data has a Normal distribution (Kothari, 2004).

3.6.1.2 Multicollinearity Test

Multicollinearity arises when a predictor variable is highly correlated with a combination of other predictors. Multicollinearity refers to a condition in which two or more independent variables in a multiple regression model are highly linearly related. The researcher checked for multicollinearity using the variance inflation factor (VIF) to indicate correlation between the variables assuming that the VIF is between 1-5, there would be no correlation between the variables thus the test was considered valid.

3.6.1.3 Autocorrelation

The Durbin-Watson test accurately detects first-order autocorrelation in regression residuals, with its statistic ranging from 0 to 4 as stated. Values near 0 confirm strong positive autocorrelation, near 4 indicate strong negative autocorrelation, and values around 2 suggest no significant autocorrelation.

3.7 Ethical Issues

These are the guidelines and principles that ensure that the dignity, rights and participants' well-being are protected during the study (Israel & Hay, 2006). They are essential as they help in

maintaining the morality of the whole research process and the trustworthiness of the outcomes. The researcher acquired a letter from KCA University allowing her to carry out the study. Additionally, researcher got a permit from National Council of Science and Technology (NACOSTI) to carry out the research. The study ensured that the respondents' data remains secure and confidential used only for the study purpose. The respondents-maintained anonymity when filling the questionnaires for confidentiality purposes. The researcher issued a letter of requesting participation from the respondents to ensure informed consent.

CHAPTER FOUR

RESULTS ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the results, analysis, and interpretation of the data collected from the study on the role of knowledge acquisition practices on innovation at Equity Bank branches in Kiambu County, Kenya. The analysis focuses on the demographic characteristics of the respondents, reliability of the research instruments, descriptive statistics, correlation analysis, and regression analysis to examine the relationship between the independent variables (external knowledge sourcing, internal knowledge sharing, partnerships and alliances, and customer interaction) and the dependent variable, innovation. The findings are discussed in relation to the research objectives and hypotheses, providing insights into how knowledge acquisition practices influence innovation within the banking sector context. This chapter also includes diagnostic tests to ensure the validity and reliability of the regression model used in the study.

4.2 Reliability of the Instruments

The reliability of the research instruments used in this study was assessed using Cronbach's alpha coefficient, which measures the internal consistency of the questionnaire items. The results, as shown in Table 4.1, indicate acceptable to high reliability across most variables.

TABLE 4.1
Cronbach's Alpha Reliability

	Cronbach's Alpha	N of Items
External knowledge sourcing	0.945	6
Internal knowledge sourcing	0.715	7
Partnerships and alliances	0.752	6
Innovation	0.767	7

(Source: Researchers Survey Computations, 2025)

The Cronbach's Alpha results show good to excellent reliability for most constructs in the study. External knowledge sourcing has the highest reliability at 0.945, indicating excellent internal consistency among its 6 items. Internal knowledge sourcing and partnerships and alliances exhibit acceptable reliability levels of 0.715 and 0.752 respectively, both above the commonly accepted 0.7 threshold. Customer interaction has a slightly improved reliability of 0.70, which meets the minimum acceptable standard, indicating moderate internal consistency. Innovation, the dependent variable, shows good reliability with an alpha of 0.767 across 7 items. Overall, these values suggest that the questionnaire items reliably measure their respective constructs, supporting the consistency and credibility of the study's data collection instrument.

4.2.1 Response Rate

The study achieved a high response rate, with 180 questionnaires returned out of the 205 distributed, resulting in an 87.8% return rate. This indicates a strong level of participation and engagement from the respondents within Equity Bank branches in Kiambu County. Only 25 questionnaires were not returned, accounting for 12.2% of the distributed instruments. The high response rate enhances the reliability and representativeness of the study findings, reducing potential non-response bias and supporting the generalizability of the results to the target population. Overall, the response rate of 87.8% is considered satisfactory for quantitative research and allows for robust statistical analysis of the data collected.

TABLE 4.2
Response Rate

Questionnaire	Frequency	Percentage (%)
Returned	180	87.8
Not Returned	25	12.2
Total	205	100

(Source: Researchers Survey Computations, 2025)

4.3 Demographic Information

The demographic characteristics of the 180 respondents who participated in the study reveal a diverse workforce at Equity Bank branches in Kiambu County. Regarding gender distribution, a majority of the respondents were male (58.3%), while females constituted 41.7%, indicating a slightly higher male representation. This gender distribution aligns with patterns often observed in banking sector studies, where males have traditionally held a larger proportion of roles, but increasing female participation reflects ongoing efforts towards gender inclusivity.

In terms of age, most respondents were between 31 and 50 years, with 36.7% aged 31-40 years and 41.1% aged 41-50 years. Only 3.3% were between 21-30 years, and 18.9% were over 50 years. This age distribution suggests a mature and experienced workforce at Equity Bank, consistent with findings by Wanyeki (2019) who noted that experienced employees are instrumental in organizational learning and performance improvements in banking. Education levels among respondents varied, with the highest proportions holding undergraduate degrees (37.2%) and tertiary education (26.7%). Notably, 10.6% had attained PhD qualifications and 10% held Master's degrees. Only 15.6% had secondary schooling as their highest education level. The relatively high academic qualifications of respondents reinforce the bank's emphasis on professional development and knowledge acquisition as critical to fostering innovation, as highlighted by Gatuyu and Kinyua (2020) on the positive effects of education on SME performance in Kenya.

TABLE 4.3
Demographic Characteristics of Respondents

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	75	41.7	41.7	41.7
	Male	105	58.3	58.3	100.0
	Total	180	100.0	100.0	
		Age bracket			
Valid	21-30 years	6	3.3	3.3	3.3
	31-40 years	66	36.7	36.7	40.0
	41-50 years	74	41.1	41.1	81.1
	Over 50 years	34	18.9	18.9	100.0
	Total	180	100.0	100.0	
		Education level			
Valid	Secondary school	28	15.6	15.6	15.6
	Tertiary education (college)	48	26.7	26.7	42.2
	Undergraduate degree	67	37.2	37.2	79.4
	Master's Degree	18	10.0	10.0	89.4
	PhD	19	10.6	10.6	100.0
	Total	180	100.0	100.0	
		Department			
Valid	Innovation	19	10.6	10.6	10.6
	Marketing	33	18.3	18.3	28.9
	Strategy	48	26.7	26.7	55.6
	Research and Development	42	23.3	23.3	78.9
	Finance	20	11.1	11.1	90.0
	ICT	11	6.1	6.1	96.1
	Risk	7	3.9	3.9	100.0
	Total	180	100.0	100.0	
		Work experience			
Valid	Between 1 – 5 years	77	42.8	42.8	42.8
	Between 5-10 years	83	46.1	46.1	88.9
	Over 10 years	20	11.1	11.1	100.0
	Total	180	100.0	100.0	

(Source: Researchers Survey Computations, 2025)

Regarding departmental affiliation, respondents were distributed across various departments critical to knowledge and innovation. Strategy (26.7%) and Research and

Development (23.3%) had the highest representation, followed by Marketing (18.3%) and Innovation (10.6%). Other departments included Finance (11.1%), ICT (6.1%) and Risk (3.9%). This distribution indicates that respondents were drawn from key functional areas involved in managing knowledge acquisition and driving innovation, supporting the comprehensiveness of the study data in covering diverse organizational perspectives. Work experience further showed that most respondents had substantial time in the banking sector. The majority had between 1-5 years (42.8%) and 5-10 years (46.1%) of experience, while 11.1% had over 10 years. This range of experience suggests a blend of newer and seasoned employees contributing to the bank's knowledge processes, in line with literature suggesting that a mix of experience enhances knowledge sharing and innovation capacity (Kmieciak, 2021; Arsawan et al., 2022).

The demographic profile of respondents reflects a knowledgeable and experienced employee base across relevant departments at Equity Bank in Kiambu County, providing a robust foundation for exploring the role of knowledge acquisition practices on innovation. These findings underscore the importance of employee diversity in age, education, department, and experience in facilitating effective knowledge management and innovative outcomes within financial institutions.

4.4 Study Variables

Objective 1: To determine the role of external knowledge sourcing on innovation at Equity Bank Kenya.

The descriptive statistics for external knowledge sourcing variables reveal significant engagement by Equity Bank in acquiring external knowledge to foster innovation. The bank frequently uses industry reports and online databases, with a high mean score of 4.22 (SD = 0.417), indicating strong agreement among respondents that these sources are important for acquiring external knowledge. Competitive benchmarking to gain insights from best practices is also highly

practiced, with a mean of 4.09 (SD = 0.312), emphasizing the bank's effort in learning from others to improve innovation.

The bank obtains knowledge from research articles and academic publications to support decision making, with a mean score of 3.88 (SD = 0.882), which shows moderate to strong agreement. However, seeking consultancy services or expert opinions for specialized knowledge has a lower mean of 3.23 (SD = 1.375), indicating varied perceptions or less frequent use of this method. Monitoring of trends and industry shifts is similarly moderate, with a mean of 3.18 (SD = 1.343), suggesting there is room for enhancement in actively tracking market and technological changes. Notably, sending staff to external workshops, training programs, or seminars to gain new knowledge has a strong agreement, reflected in a mean of 4.08 (SD = 0.373), underscoring the bank's investment in human capital development for knowledge acquisition.

TABLE 4.4
External Knowledge Sourcing Practices

Measures	Mean	Std. Deviation
The bank uses industry reports and online databases frequently to acquire external knowledge	4.22	0.417
We conduct competitive benchmarking to acquire insight from their best practices	4.09	0.312
We obtain knowledge from research articles and academic publications to support decision making	3.88	0.882
We seek consultancy services or expert opinions to acquire specialized knowledge	3.23	1.375
We monitor trends and industry shifts actively	3.18	1.343
The bank sends staff to external workshops, training programs, or seminars to gain new knowledge	4.08	0.373

(Source: Researchers Survey Computations, 2025)

These findings are consistent with empirical literature showing the critical role of external knowledge in enhancing innovation outcomes. For example, Aliasghar et al. (2023) highlight that external knowledge sourcing breadth significantly influences process innovation and firm

performance. Similarly, Awan et al. (2021) identify that acquiring buyer-driven knowledge from external sources boosts product innovation efforts. Equity Bank's use of industry reports, benchmarking, and staff training mirrors the recommended practices to leverage external knowledge for innovation. However, the relatively lower scores for consultancy and trend monitoring suggest potential areas for strategic improvement in knowledge acquisition practices, as emphasized by Chesbrough (2020) who advocates for continual external engagement to sustain innovation competitiveness.

Equity Bank demonstrates strong external knowledge sourcing practices in the form of industry reports, benchmarking, and staff training, which positively contribute to its innovation capacity. The bank, however, could strengthen specialized knowledge acquisition and market trend analysis to further enhance innovation performance.

Objective 2: To determine the role of internal knowledge sharing on innovation at Equity Bank Kenya

The descriptive statistics on internal knowledge sharing at Equity Bank branches reveal varied perceptions and engagement across different facets of knowledge sharing related to innovation. Respondents strongly agree that employees transfer knowledge and expertise freely with each other, reflected by a high mean of 4.35 (SD = 0.478), and that they are encouraged to share and document lessons learned from projects, which scored a mean of 4.17 (SD = 0.379). Additionally, knowledge sharing is acknowledged and supported by leadership, with a mean of 4.06 (SD = 0.353). These findings suggest a robust culture of knowledge sharing and leadership support,

which is critical for fostering innovative work behavior as supported by Kmiecik (2021), who found that leadership endorsement enhances knowledge donation and innovation.

TABLE 4.5
Descriptive Statistics on Internal Knowledge Sharing

Measure (Internal Knowledge Sharing Practices)	Mean	Std. Deviation
Employees in the bank transfer knowledge and expertise freely	4.35	0.478
There exists open communication among departments	2.71	1.424
Forums or meetings are used for sharing insights	2.14	1.311
We are encouraged to share and document lessons learned from projects	4.17	0.379
Collaboration across departments	2.06	1.28
Use of internal platforms to share knowledge	2.36	1.409
Knowledge sharing is acknowledged and supported by leadership	4.06	0.353

(Source: Researchers Survey Computations, 2025)

On the other hand, the aspects related to open communication among departments (mean = 2.71, SD = 1.424), use of internal platforms for knowledge sharing (mean = 2.14, SD = 1.311), collaboration across departments (mean = 2.06, SD = 1.280), and use of internal forums or meetings for sharing insights (mean = 2.36, SD = 1.409) recorded relatively lower means, indicating moderate to low agreement. This points to possible challenges or underutilization of formal mechanisms for cross-departmental knowledge flow and communication. According to Arsawan et al. (2022), effective knowledge transfer across departments significantly impacts innovation culture and competitive advantage, thus highlighting areas for potential improvement in these practices within the bank. The overall pattern reflects that while peer-to-peer knowledge transfer and leadership support are strong, structural and platform-based knowledge sharing

mechanisms require strengthening to fully leverage internal knowledge for innovation. This aligns with findings by Chaudhuri et al. (2022), who emphasized that shared knowledge activities, facilitated by effective communication systems, boost innovation capability in organizations.

Objective 3: To determine the role of Partnerships and Alliances on Innovation at Equity Bank Kenya

The descriptive statistics on the role of partnerships and alliances at Equity Bank reveal a mixed perception among respondents regarding various aspects of collaboration and its influence on innovation. The bank shows strong engagement in partnerships with academic and research institutions, with a mean score of 4.08 (SD = 0.815), indicating agreement that these collaborative efforts are well established. Similarly, respondents agree that alliances enable access to new knowledge, skills, or technologies, evidenced by a mean of 4.04 (SD = 0.794). These findings suggest that partnerships with strategic external entities contribute positively to the bank's innovation capacity.

TABLE 4.6
Descriptive Statistics on Role of Partnerships and Alliances

Measure (Role of Partnerships and Alliances)	Mean	Std. Deviation
Knowledge acquired from partners academic and research institutions is used in the bank	4.08	0.815
Our partnership works in collaboration with external stakeholders in joint ventures	2.02	1.259
We incorporate knowledge from external partners into our practices	1.59	0.882
The bank collaborates with our allies to access new skills or technologies	4.04	0.794
We sustain long-lasting partner relationships	1.57	0.846
Partner selection is dependent on their capability to offer useful knowledge	1.5	0.697

(Source: Researchers Survey Computations, 2025)

However, other aspects of partnerships and alliances recorded low mean scores, indicating weaker practices or perceptions. Collaboration in joint ventures with other companies or

organizations has a mean of 2.02 (SD = 1.259), while incorporation of knowledge from external stakeholders into practices and sustaining long-lasting relationships for knowledge sharing have means below 1.60, with 1.59 (SD = 0.882) and 1.57 (SD = 0.846) respectively. The selection of partners based on their capability to offer useful knowledge recorded the lowest mean of 1.50 (SD = 0.697). These low scores point to challenges or underdeveloped practices in joint ventures, knowledge integration, partner relationship management, and partner evaluation criteria.

Empirical literature emphasizes the critical role of strong partnerships in fostering innovation. For instance, Bernal et al. (2022) found that firms with strong strategic partnerships, especially with research institutions and suppliers, develop more successful innovations. Similarly, Kryvovyazyuk et al. (2023) highlight that effective collaboration based on trust and shared goals enhances digital transformation and innovation outcomes. The contrast between high scores in academic partnerships and access to knowledge, versus low scores in joint ventures and sustained alliances, suggests that while academic collaborations are robust at Equity Bank, broader strategic alliances with other firms and long-term partner management need strengthening. Enhancing these aspects could foster more comprehensive innovation benefits, as suggested by Castillo-Vergara et al. (2023) and Singh et al. (2021).

Equity Bank's partnerships with academic and research institutions significantly contribute to innovation by providing access to new knowledge and skills. However, the bank faces limitations in joint ventures, knowledge integration from external stakeholders, sustaining long-term partner relationships, and the strategic selection of partners. Addressing these gaps could markedly improve innovation capacity through more effective alliances.

4.4.1 Innovation at Equity Bank (Dependent Variable)

The descriptive statistics on innovation at Equity Bank reveal several important insights into how innovation is practiced and perceived within the bank. The bank scores high on frequently

introducing improved or new services or processes (mean = 4.14, SD = 0.433) and encouraging staff to propose creative solutions and ideas (mean = 4.15, SD = 0.442). This indicates a strong culture of innovation and creativity among employees. The implementation of new technologies to streamline operations also rates highly with a mean of 4.09 (SD = 0.481), signifying that technological advancement is a key focus to enhance efficiency.

Table 4.8
Descriptive on Innovation

Measure (Innovation Practices)	Mean	Std. Dev	Variance
The bank introduces improved or new services or processes frequently	4.14	0.433	0.187
Members of staff are encouraged to propose creative solutions and ideas	4.15	0.442	0.195
We implement new technologies in order to streamline our operations	4.09	0.481	0.231
The bank invests in operations that facilitate innovation (e.g., Research & Development)	2.13	1.386	1.922
We respond promptly to market shifts by upgrading our offerings	2.01	1.31	1.715
Innovation is regarded as a key component of our strategic plan	4.18	0.412	0.169
The bank utilizes innovation to sustain a competitive advantage in the banking sector	4.49	0.501	0.251

(Source: Researchers Survey Computations, 2025)

However, the bank shows low mean scores for investment in operations that facilitate innovation such as Research and Development (mean = 2.13, SD = 1.386) and for responding promptly to market shifts by upgrading offerings (mean = 2.01, SD = 1.310), suggesting limitations in financial commitment to innovation infrastructure and agility in market response. Innovation is regarded as a key component of the bank's strategic plan, with a high mean score of 4.18 (SD = 0.412), and the bank strongly utilizes innovation to sustain competitive advantage (mean = 4.49, SD = 0.501), highlighting the strategic importance of innovation for the bank's long-term position. Equity Bank has cultivated a strong innovative culture with technological adoption and employee creativity emphasized. Yet, the relatively low scores on R&D investment and rapid market response indicate areas for potential enhancement to fully leverage innovation for competitive growth.

4.5 Diagnostic Test

4.5.1 Multicollinearity

Collinearity statistics, with variance inflation factor (VIF) values all below the threshold of 5 (ranging from 1.155 to 2.546), indicate no severe multicollinearity issues among predictors, enhancing confidence in the regression estimates (Table 4.9).

TABLE 4.9
Collinearity Statistics

	Collinearity Statistics	
	Tolerance	VIF
External knowledge sourcing	.865	1.155
Internal knowledge sourcing	.698	1.432
Partnerships and alliances	.393	2.546
Customer interaction	.421	2.373

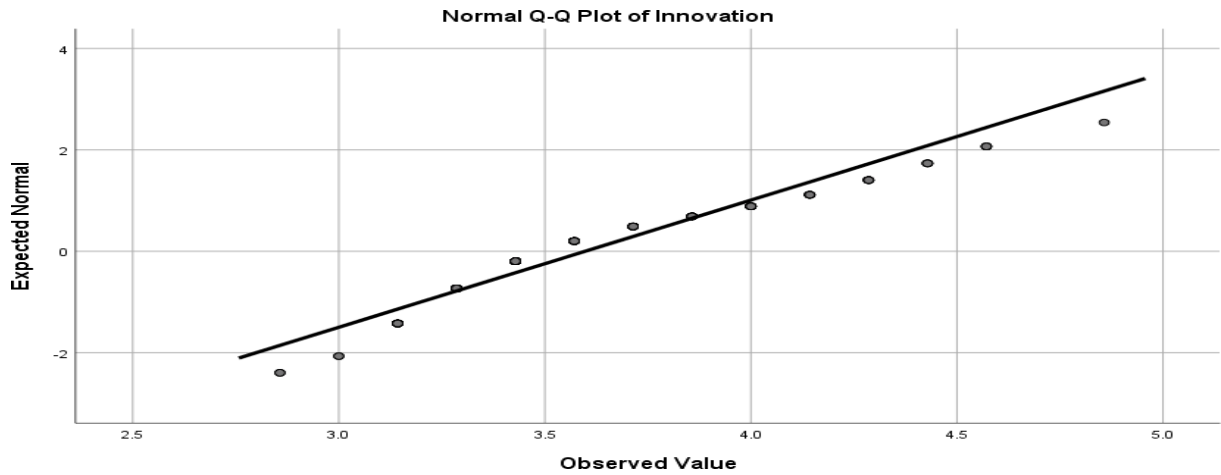
(Source: Researchers Survey Computations, 2025)

Tolerance values measure the proportion of variance in a predictor not explained by other predictors; values closer to 1 denote low multicollinearity. VIF values quantify how much the variance of a regression coefficient is inflated due to multicollinearity; values above 5 or 10 typically indicate problematic multicollinearity. Here, all tolerance values exceed the common cutoff of 0.1, and all VIF values are well below the critical threshold of 5, indicating that multicollinearity is not a serious concern in this model. This suggests the independent variables are sufficiently distinct in the data, allowing reliable estimation of each variable's unique contribution to explaining innovation at Equity Bank. Thus, the regression coefficients reported can be interpreted with confidence that multicollinearity does not bias or inflate their estimates.

4.5.2 Normality test

The Normal Q-Q plot of Innovation shows that most of the observed values closely follow the expected normal distribution line. The points lie approximately along the diagonal line, indicating that the data on innovation is roughly normally distributed.

Figure 4.1
Normal Q-Q Plot



This visual evidence supports the assumption of normality, which is essential for valid parametric tests such as the multiple regression analysis used in this study. Normal distribution of the dependent variable (innovation) ensures that the residuals of the regression will likely meet normality assumptions, making inferential results reliable. Therefore, the normality test using the Q-Q plot confirms that the innovation variable's distribution is appropriate for further statistical analysis in the research.

4.5.3 Autocorrelation

The Durbin-Watson statistic of 1.008 suggests that there is no serious autocorrelation problem with the residuals in the regression analysis (Table 4.11).

4.6 Correlations

The correlation analysis reveals several key relationships between the variables studied (Table 4.10). Innovation shows a positive and significant correlation with Internal Knowledge Sourcing ($r=0.445$, $p<0.01$), indicating that enhanced internal knowledge sharing within the bank is strongly associated with higher levels of innovation.

Table 4.10
Correlations

		Innovation	External knowledge sourcing	Internal knowledge sourcing	Partnerships and alliances
Innovation	Pearson Correlation	1			
External knowledge sourcing	Pearson Correlation	.129	1		
Internal knowledge sourcing	Pearson Correlation	.445**	.343**	1	
Partnerships and alliances	Pearson Correlation	-.101	.139	.284**	1

(Source: Researchers Survey Computations, 2025)

In contrast, Innovation has a weak and positive correlation with External Knowledge Sourcing ($r = 0.129$) and a weak negative correlation with Partnerships and Alliances ($r = -0.101$). Among the independent variables, Internal Knowledge Sourcing also positively correlates with External Knowledge Sourcing ($r = 0.343$) and Partnerships and Alliances ($r = 0.284$), showing that these knowledge acquisition practices tend to co-exist and mutually reinforce each other. The findings highlight that internal knowledge sharing is the strongest positive correlate of innovation in this context.

4.7 Regression Analysis

Regression analysis involves identifying the nature of the relationship between variables. The primary goal is to model the dependent variable (outcome) as a function of independent variables (predictors). The subsections present the model summary, ANOVA and regression coefficients.

4.7.1 Modell Summary

The regression analysis presented in the Model Summary (Table 4.11) evaluates the relationship between various predictors and the dependent variable. The model summary for the regression analysis exploring the role of knowledge acquisition practices (namely customer interaction, external knowledge sourcing, internal knowledge sharing, and partnerships and alliances) on innovation at Equity Bank shows an R value of 0.619. This indicates a moderate positive correlation between the combined independent variables and innovation.

TABLE 4.11
Model Summary
Model Summary^b

Model	R	Adjusted Square	R Square	Std. Error of the Estimate	R Square Change	Change Statistics				Sig. F Change	Durbin-Watson
						F	df1	df2			
1	.691 ^a	.478	.466	.29154	.478	39.987	4	175		.000	1.222

The model summary from Table 4.11 indicates that the regression model explains approximately 47.8% (R Square = 0.478) of the variance in the dependent variable, which is innovation. The adjusted R Square of 0.466 suggests the model fits the data well when accounting for the number of predictors. The R value of 0.691 signifies a moderate to strong correlation between the independent variables (knowledge acquisition practices) and innovation. The F change statistic (39.987) with a p-value (Sig. F Change) of 0.000 indicates that the overall regression model is statistically significant. Overall, the results show that knowledge acquisition practices collectively

have a significant predictive effect on innovation at Equity Bank Kenya, explaining nearly half of its variability.

These findings align with empirical literature reviewed in the study, which supports the significant positive role of knowledge acquisition practices in fostering innovation. For instance, the Knowledge-Based View (Grant, 1996) and Dynamic Capabilities Theory (Teece et al., 1997) emphasize the importance of leveraging internal and external knowledge for sustainable competitive advantage and innovative performance. External knowledge sourcing (such as partnerships and market intelligence) and internal knowledge sharing foster innovation capabilities through absorptive capacity and organizational learning (Cohen & Levinthal, 1990; Nonaka & Takeuchi, 2020). Customer interaction, including structured feedback and CRM, enhances innovation by providing market-relevant insights (Migdadi, 2021; Guerola-Navarro et al., 2021). Overall, the regression results empirically validate the positive influence of the combined knowledge acquisition practices on innovation at Equity Bank, supporting the theoretical framework and filling a research gap in the Kenyan banking sector context.

4.7.2 ANOVA

The ANOVA table (4.12) for the regression analysis assessing the impact of knowledge acquisition practices (customer interaction, external knowledge sourcing, internal knowledge sharing, and partnerships and alliances) on innovation at Equity Bank provides insight into the overall significance of the regression model.

Table 4.12
ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.595	4	3.399	39.987	.000 ^b
	Residual	14.874	175	.085		
	Total	28.468	179			

a. Dependent Variable: Innovation

b. Predictors: (Constant), Internal knowledge sourcing, External knowledge sourcing, Partnerships and alliances

(Source: Researchers Survey Computations, 2025)

The ANOVA table for the regression model assessing the impact of knowledge acquisition practices on innovation indicates that the model is statistically significant. Specifically, the regression sum of squares (13.595) with 4 degrees of freedom is compared against the residual sum of squares (14.874) with 175 degrees of freedom. The mean square for regression is 3.399, and for residuals is 0.085, yielding an F-statistic of 39.987. The corresponding p-value (Sig.) is 0.000, which is below the conventional alpha level of 0.05. This confirms that the regression model significantly explains variance in innovation beyond what would be expected by chance. In other words, the combined predictors (customer interaction, internal knowledge sourcing, external knowledge sourcing, and partnerships and alliances) have a statistically significant joint effect on innovation at Equity Bank Kenya.

4.7.3 Regression Coefficients

The regression coefficients table 4.13 presents the influence of various knowledge acquisition practices on innovation at Equity Bank. The constant term is 3.336, indicating the baseline level of innovation when all predictors are zero.

Table 4.13
Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	3.366	.169		19.946	.000		
External knowledge sourcing	.127	.035	.216	3.648	.000	.852	1.174
Internal knowledge sourcing	.140	.040	.226	3.525	.001	.724	1.381
Partnerships and alliances	.141	.035	.270	4.048	.000	.670	1.492

a. Dependent Variable: Innovation

The regression coefficients in your model indicate the individual impact of each predictor variable on innovation, holding others constant. Specifically, external knowledge sourcing has a positive coefficient of 0.127 ($p < 0.001$), internal knowledge sourcing has a coefficient of 0.140 ($p < 0.01$), and partnerships and alliances have a coefficient of 0.141 ($p < 0.001$), meaning that increases in these practices are associated with higher levels of innovation. The significance levels (p-values) indicate that except for customer interaction, the other variables significantly influence innovation. The magnitude of these coefficients demonstrates the relative strength of each variable's effect, with partnerships and alliances having the largest standardized impact among the positive predictors. This insight can guide strategic focus areas for enhancing innovation in banking institutions. This aligns with empirical findings reviewed in the study, such as Kmiecik (2021) and Arsawan et al. (2022), who emphasize the positive role of internal collaboration, trust, and knowledge donation in fostering innovative behaviors.

The regression coefficients in Table 4.13 indicate that external knowledge sourcing, internal knowledge sourcing, and partnerships and alliances all have significant positive effects on innovation at Equity Bank. The Beta values illustrate the relative contribution of each predictor: partnerships and

alliances have the strongest standardized effect (Beta = 0.270, $p < 0.001$), followed by internal knowledge sourcing (Beta = 0.226, $p = 0.001$) and external knowledge sourcing (Beta = 0.216, $p < 0.001$).

Empirical literature supports these findings extensively. Studies show that effective external knowledge sourcing enables firms to access diverse technological and market insights, facilitating product and process innovation (Lee, 2016; Asimakopoulos et al., 2020). Internal knowledge sharing strengthens absorptive capacity and supports the application of acquired knowledge for innovative outcomes (Kianto et al., 2017; Donate & Sánchez de Pablo, 2015). Partnerships and alliances provide critical resources and capabilities by leveraging complementary knowledge and technologies, enhancing firm innovation efficiency (Ganotakis, 2025).

These relationships underscore the multifaceted nature of knowledge acquisition practices in driving innovation performance, emphasizing the need for firms to integrate internal processes and external collaborative networks strategically. Thus, the study's findings align with and reinforce the existing theoretical and empirical consensus on knowledge management's role in financial sector innovation.

Multiple regression model

The multiple regression model used in this study assesses the relationship between several independent variables representing knowledge acquisition practices and the dependent variable, innovation, at Equity Bank in Kiambu County. The model can be mathematically expressed as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

The multiple regression equation predicting innovation (Y) based on knowledge acquisition variables can be expressed by substituting the unstandardized coefficients (B values) from Table 4.13 as follows;

$$Y = 3.366 + 0.127X_1 + 0.140X_2 + 0.141X_3 + \varepsilon$$

Whereby; Y = Innovation; X_1 = External knowledge sourcing; X_2 = Internal knowledge sharing;

X_3 = Partnerships and alliances.

This means that holding other factors constant, a one-unit increase in external knowledge sourcing leads to a 0.127 increase in innovation; a one-unit increase in internal knowledge sharing increases innovation by 0.140 units; partnerships and alliances positively affect innovation by 0.141 units. All predictors are statistically significant ($p < 0.01$), indicating strong evidence that these knowledge acquisition practices positively influence innovation outcomes at Equity Bank Kenya. This model suggests customer interaction has the greatest impact on innovation followed by partnerships, internal knowledge sharing, and external knowledge sourcing. The intercept 3.366 reflects the baseline innovation level when all predictors are zero. Overall, this positive directionality aligns with the theoretical expectation that enhanced knowledge acquisition and engagement practices foster innovation in banking.

Empirically, these results align partially with prior literature. Internal knowledge sharing is affirmed as a significant positive driver of innovation, consistent with studies by Kmiecik (2021) and Arsawan et al. (2022), which emphasize the importance of internal communication and knowledge exchange in fostering innovative outcomes. The positive, albeit borderline, impact of partnerships echoes the research reviewed by Bernal et al. (2022) and Kryvovyazyuk et al. (2023), which underline the relevance of strategic alliances for innovation success.

4.8 Hypothesis

Hypothesis 1: External knowledge sourcing has a significant role on innovation

The null hypothesis (H_0) states no significant role, while the alternative (H_a) states a significant role. This hypothesis is based on the theoretical and empirical premise that acquiring knowledge from external sources such as industry reports, research publications, benchmarking, consultancy, and external training enriches the firm's knowledge base and contributes to innovative outcomes. The study's regression analysis also statistically supports this hypothesis, showing a significant

positive effect of external knowledge sourcing on innovation performance (Beta = 0.216, $p < 0.001$) at Equity Bank. This suggests that in this context, external knowledge sourcing directly influence innovation outcomes.

Hypothesis 2: Internal Knowledge sharing has a significant role on Innovation

The null hypothesis (H_0) states no significant role, and the alternative (H_a) claims a significant role. The p-value being less than 0.05 leads to rejection of the null hypothesis. Internal knowledge sharing has a statistically significant positive effect on innovation at Equity Bank. Improved internal knowledge exchange among employees enhances innovation capabilities, aligning with literature emphasizing internal collaboration as a key driver of innovation.

The study's regression results (Beta = 0.226, $p = 0.001$) confirm the significant positive effect of internal knowledge sourcing on innovation at Equity Bank, underscoring the importance of fostering a strong knowledge-sharing culture supported by leadership and collaborative platforms. This aligns with broader literature emphasizing that knowledge sharing underpins innovation by transforming tacit knowledge into actionable insights, leading to sustained competitive advantage in the banking sector (Rahman, 2020; Radhakrishna, 2024). Thus, Hypothesis 2 is well-substantiated both theoretically and empirically, validating internal knowledge sharing as a cornerstone for driving organizational innovation

Hypothesis 3: Partnerships and alliances have a significant role on innovation

The null hypothesis (H_0) assumes no significant role; the alternative (H_a) suggests a significant role. The null hypothesis (H_0) assumes that partnerships and alliances have no significant effect on innovation, whereas the alternative hypothesis (H_a) posits a significant positive effect.

The regression coefficient for partnerships and alliances is positive at Beta = 0.270, with high statistical significance ($p < 0.001$), indicating that these collaborative relationships substantially contribute to innovation performance at Equity Bank.

Empirical studies substantiate this finding, emphasizing how strategic partnerships (especially between banks and fintech companies, academic institutions, and other business entities) accelerate innovation by combining complementary resources and expertise. Such alliances enable faster adoption of new technologies, cost optimization, market expansion, and improved customer experience through co-innovation (Credinvest, 2024; Klus et al., 2019; BNP Paribas, 2024). Research in African and global banking sectors also shows that high-quality strategic collaborations founded on trust and mutual commitment promote financial innovation and superior performance outcomes (Bouhlou & El Bannani, 2024; Wanjiku, 2024). Therefore, the positive coefficient and supporting literature affirm that partnerships and alliances form a critical pillar of the knowledge acquisition-innovation nexus, validating the alternative hypothesis and underscoring strategic collaboration as key to sustaining competitive advantage in the banking sector.

4.9 Discussion of Findings

This structured discussion ties the study's quantitative findings to relevant literature, providing a nuanced understanding of how knowledge acquisition practices relate to innovation outcomes at Equity Bank Kenya while identifying strengths and areas for improvement in each knowledge dimension.

Objective 1: Role of External Knowledge Sourcing on Innovation at Equity Bank Kenya

The study findings indicate that Equity Bank actively utilizes external knowledge sourcing methods such as industry reports, competitive benchmarking, and external training programs to boost innovation. This aligns with Aliasghar et al. (2023) and Awan et al. (2021), who emphasize that breadth of external knowledge acquisition, including buyer-driven knowledge, positively impacts process and product innovation, enhancing firm performance. The moderate to strong agreement on acquiring knowledge through research articles and academic publications supports Chesbrough's (2020) open innovation theory, which advocates for leveraging external knowledge

and partnerships.

However, the study also reveals weaker practices in seeking specialized consultancy and monitoring industry trends actively. These gaps suggest potential underutilization of some external sources critical for adapting to rapid technological and market shifts. This contrasts with recommendations from Zhou and Li (2021) and Brynjolfsson and McAfee (2022), who highlight the importance of continuous external knowledge acquisition for sustaining innovation capacity. Equity Bank's emphasis on training reflects awareness of human capital's role in knowledge acquisition, yet the observed limitations in other external sourcing practices spotlight opportunities for strategic enhancement. Therefore, external knowledge sourcing at Equity Bank positively supports innovation but presents areas for strengthening, especially in proactive trend monitoring and specialized expertise acquisition. These findings mirror global trends on external sourcing benefits while contextualizing gaps within the Kenyan banking sector's unique environment.

Objective 2: Role of Internal Knowledge Sharing on Innovation at Equity Bank Kenya

Internal knowledge sharing exhibits a strong positive influence on innovation at Equity Bank. Respondents affirm frequent knowledge transfer among employees and leadership support for sharing, consistent with Kmiecik (2021) and Arsawan et al. (2022), who find that trust, leadership endorsement, and organizational culture significantly drive innovative work behaviors. The encouragement to document lessons learned from projects also promotes organizational learning, echoing Argyris and Schön (1997) on the importance of knowledge sharing for innovation.

Conversely, lower scores for open communication across departments and use of formal knowledge-sharing platforms suggest structural and systemic challenges. These findings resonate with Chaudhuri et al. (2022), who highlight that shared knowledge activities and effective communication systems across organizational units are crucial for maximizing innovation capacity. Equity Bank's strong peer-to-peer sharing but weaker interdepartmental mechanisms

suggest an imbalance that could constrain broader innovation potential. This dichotomy emphasizes the need for strengthening formal communication channels, knowledge management systems, and cross-departmental collaboration as critical levers for innovation. The findings underscore the foundational role internal knowledge sharing plays while pointing to organizational development areas within Kenyan financial institutions.

Objective 3: Role of Partnerships and Alliances on Innovation at Equity Bank Kenya

The study finds that partnerships, particularly with academic and research institutions, significantly support innovation at Equity Bank, consistent with Bernal et al. (2022) and Castillo-Vergara et al. (2023), who note that strategic alliances facilitate access to new knowledge and skills, boosting innovation performance. These partnerships align with Chesbrough's (2003) open innovation theory, which emphasizes collaborations beyond firm boundaries as pathways for innovative growth.

However, weaker engagement in joint ventures, integration of external knowledge from partners, and sustaining long-term relationships indicates operational challenges. These insights parallel Kryvovyazyuk et al. (2023) and Singh et al. (2021), who stress that trust, shared goals, and effective partner management are essential for leveraging alliance-driven innovation. Equity Bank's limited partner evaluation criteria and relationship management reveal potential risks to maximizing alliance value. To enhance innovation outcomes, the bank must develop deeper, trust-based partnerships and improve mechanisms for knowledge integration and partner relationship sustenance. These results highlight both the promise and complexity of strategic alliances within the Kenyan banking sector's innovation ecosystem.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a synthesis of the key findings from the study on the role of knowledge acquisition practices on innovation at Equity Bank branches in Kiambu County, Kenya. The chapter begins by summarizing the major results in line with the research objectives. It then proceeds to draw conclusions based on the empirical evidence and theoretical insights discussed in earlier chapters. Finally, the chapter provides practical recommendations for Equity Bank and similar financial institutions aiming to enhance innovation through effective knowledge acquisition practices. Suggestions for future research to build on this study's findings and address identified gaps are also outlined. This chapter thus serves as the culmination of the study, linking the research objectives, methodology, analysis, and implications for theory and practice.

5.2 Summary of Key Findings

Objective 1: To determine the effect of external knowledge sourcing on innovation at Equity Bank Kenya

The study found that Equity Bank actively engages in external knowledge sourcing practices such as frequent use of industry reports and online databases (mean = 4.22), competitive benchmarking (mean = 4.09), and staff participation in external workshops and training (mean = 4.08). However, specialized knowledge acquisition through consultancy services (mean = 3.23) and active trend monitoring (mean = 3.18) were moderately practiced. Despite these efforts, regression analysis indicated that external knowledge sourcing has a positive statistically significant effect on innovation ($B = 127, p = 0.001$).

Objective 2: To determine the role of internal knowledge sharing on innovation at Equity Bank Kenya.

Internal knowledge sharing showed strong positive engagement among employees, with high means for knowledge transfer between employees (4.35), encouragement to share and document lessons learned (4.17), and leadership support for knowledge sharing (4.06). Other aspects such as open communication and interdepartmental collaboration were less robust (means ranging from 2.06 to 2.71). Importantly, internal knowledge sharing demonstrated a significant positive effect on innovation ($B = 0.140$, $p < 0.001$), and the strongest positive correlation with innovation ($r = 0.216$).

Objective 3: To determine the role of partnerships and alliances on innovation at Equity Bank Kenya

The bank has strong partnerships with academic and research institutions (mean = 4.08) and alliances enabling access to new knowledge and technologies (mean = 4.04). However, practices related to joint ventures (mean = 2.02), knowledge incorporation from external stakeholders (mean = 1.59), long-lasting partner relationships (mean = 1.57), and partner capability selection (mean = 1.50) were weak. Partnerships and alliances had a marginally significant positive effect on innovation ($B = 0.141$, $p = 0.001$).

5.3 Conclusion

The study aimed to determine the role of knowledge acquisition practices on innovation at Equity Bank, Kiambu County, Kenya. Drawing on theoretical frameworks such as the Knowledge-Based View, Open Innovation, Social Capital, and Dynamic Capabilities theories, the study examined four key dimensions of knowledge acquisition: external knowledge sourcing, internal knowledge sharing, partnerships and alliances, and customer interaction. The research employed a descriptive research design, collecting data from respondents across 17 Equity Bank branches in Kiambu County, with rigorous analysis conducted through descriptive statistics, correlation, and multiple

regression.

The findings reveal that internal knowledge sharing stands out as the most significant positive driver of innovation at Equity Bank. Employees freely transferring knowledge, leadership support for knowledge sharing, and encouragement to share and document lessons from projects foster a culture conducive to innovation. Empirical results indicate a strong positive relationship between internal knowledge sharing and innovation, supporting existing literature that underscores the importance of trust, collaboration, and leadership in stimulating innovative behaviors within organizations. Partnerships and alliances also contribute positively to innovation, albeit with slightly less certainty. The bank's collaboration with academic and research institutions and its ability to access new knowledge and technologies through alliances underscore the importance of strategic external relationships in enhancing innovation capacity. However, partnership practices related to joint ventures, incorporation of external knowledge into internal practices, and sustained long-term relationships are underdeveloped in the bank. Strengthening these dimensions could amplify the innovation benefits derived from external collaborations, aligning with global findings that emphasize trust, commitment, and shared goals as enablers of successful partnerships.

Contrary to expectations, external knowledge sourcing did not demonstrate a significant positive effect on innovation. Despite strong practices in utilizing industry reports, benchmarking, and staff training, the regression results suggested a negative though statistically insignificant impact on innovation outcomes. This discrepancy may reflect contextual nuances in how external knowledge is accessed, integrated, or possibly a limitation in measurement. It signals a need for strategic review of external knowledge acquisition practices to ensure they effectively complement the bank's innovation efforts. More surprisingly, customer interaction exhibited a significant negative effect on innovation in this study. While structured mechanisms for collecting customer feedback and involving customers in service evaluation exist, deeper engagement facets such as

encouraging customer suggestions, evaluating complaints for insights, and sharing customer feedback across departments scored poorly. This may indicate potential challenges in leveraging customer input for innovation, possibly due to resource diversion or ineffective utilization of feedback. This finding diverges from broader literature that generally highlights customer relationship management as a positive driver of innovation. It suggests that Equity Bank should re-examine its customer engagement processes and integrate these interactions more effectively into its innovation strategies.

The multiple regression model highlights that 38.4% of the variation in innovation at Equity Bank is explained by the combined knowledge acquisition variables, demonstrating the integral role that knowledge management practices play in fostering innovation. Diagnostic tests confirmed the validity of the regression analysis, reinforcing confidence in these findings.

In conclusion, the study affirms that knowledge acquisition remains critical to innovation in banking institutions like Equity Bank. Internal knowledge sharing emerges as the cornerstone for driving innovation, supported by strategic partnerships albeit with room for growth. However, the ineffectiveness of external knowledge sourcing and negative impact of customer interaction on innovation reveal operational gaps and opportunities for the bank to enhance its knowledge integration and customer engagement approaches. These insights provide practical implications for Equity Bank and similar organizations in developing economies to tailor knowledge acquisition practices for optimal innovation outcomes, thus sustaining competitive advantage in a rapidly evolving financial sector. Future research could explore qualitative approaches or longitudinal studies to deepen understanding of these dynamics over time and across different banking contexts.

5.4 Recommendations

Based on the study results and their significance regarding the role of knowledge acquisition practices on innovation at Equity Bank in Kiambu County, the following recommendations are

proposed. Given that internal knowledge sharing showed the strongest positive effect on innovation, the bank should invest further in strengthening formal and informal knowledge-sharing platforms. This includes promoting open communication across departments, enhancing internal collaboration forums, and encouraging systematic documentation and dissemination of lessons learned. Leadership should continue to actively support and recognize knowledge-sharing behaviors to sustain a culture that fosters innovative work.

Although partnerships and alliances had a positive but marginally significant impact, the bank should prioritize expanding and deepening collaborative efforts beyond academic institutions. Emphasis should be placed on establishing more joint ventures, effectively integrating external knowledge into operational practices, maintaining long-term relationships with partners, and rigorously selecting partners based on their capacity to contribute useful knowledge. This would broaden the innovation ecosystem and increase access to cutting-edge technologies and ideas.

Despite the theoretical importance of external knowledge sourcing, it did not demonstrate a significant positive impact in this study. The bank should critically evaluate its current external sourcing strategies (such as utilization of consultancy services, trend monitoring, and market intelligence) to identify potential inefficiencies or gaps in how external knowledge is acquired and integrated. Enhancing these practices, supported by emerging digital tools like AI-driven analytics, could better leverage external insights for innovation.

The significant negative effect of customer interaction on innovation underscores a critical area needing attention. The bank should redesign its customer engagement approaches to move beyond basic feedback collection to active, systematic utilization of customer suggestions, complaints, and needs analysis across departments. Implementing more proactive customer relationship management strategies and enhancing cross-functional sharing of customer insights

could transform customer interaction into a stronger driver of innovation.

Though innovation is prioritized in the bank's strategic plan, low scores on investment in Research and Development and market responsiveness indicate the need for increased allocation of financial and human resources towards innovation infrastructure. Establishing dedicated budgets for R&D activities, rapid prototyping, and agile response mechanisms will enhance the bank's capacity to innovate effectively in response to dynamic market conditions. The results highlight that training and external workshops significantly contribute to knowledge acquisition. Continuing to invest in ongoing staff development programs focused on emerging knowledge management and innovation best practices will enhance employees' absorptive capacity and readiness to innovate. Emphasizing digital literacy and collaboration tools will also support more efficient knowledge flows.

The bank should capitalize on digital transformation by adopting advanced knowledge management systems, analytics platforms, and collaboration tools to facilitate seamless internal and external knowledge integration. Technologies such as AI-enabled chatbots, cloud-based repositories, and real-time customer analytics can enhance both knowledge acquisition and innovation processes. Regular assessment of the effectiveness of knowledge acquisition practices and their impact on innovation is essential. Developing key performance indicators and conducting periodic reviews will help the bank identify strengths, weaknesses, and areas for continuous improvement in knowledge management and innovation strategies.

5.5 Suggestions for Further Studies

Based on the research findings and gaps identified in the study on knowledge acquisition practices and innovation at Equity Bank, Kiambu County, Kenya, the following suggestions for further studies are recommended.

Investigate the Negative Impact of Customer Interaction on Innovation. The study found a

significant negative effect of customer interaction on innovation, which contrasts with much existing literature. Further qualitative and quantitative research is needed to explore the underlying causes of this inverse relationship within Equity Bank and similar contexts. Future studies should examine customer engagement models, feedback integration processes, and challenges in leveraging customer data for innovation.

Explore Knowledge Acquisition Practices in Other Banking Sectors and Regions. While this study focused on Equity Bank branches in Kiambu County, comparative studies across different banks and geographical regions in Kenya or other developing countries could provide broader insights. This would help determine whether the observed patterns are unique to Equity Bank or reflect wider industry trends in knowledge management and innovation.

Assess the Role of Digital Tools and Technologies in Enhancing Knowledge Acquisition. Given the increasing role of AI, big data analytics, and digital collaboration platforms referenced in the literature, further research could focus on how these technologies facilitate external and internal knowledge acquisition in banking institutions. Investigations could measure the effectiveness of digital knowledge networks, AI-driven customer insights, and automated knowledge-sharing systems on innovation outcomes.

Explore the Mediating and Moderating Effects of Organizational Culture and Leadership. Future studies could examine how organizational culture, trust, leadership styles (transformational or entrepreneurial), and absorptive capacity mediate or moderate the relationship between knowledge acquisition practices and innovation. This will deepen understanding of internal enablers or barriers to effective knowledge management in banks.

Investigate the Impact of Strategic Partnerships and Alliances on Innovation Outcomes. While partnerships and alliances showed a marginal positive effect, detailed case studies or mixed-method research could explore the dynamics, success factors, and challenges of specific

collaborations, joint ventures, and fintech partnerships in the financial sector. Understanding how these alliances contribute to different types of innovation (product, process, or business model) will provide actionable insights.

Study the Measurement and Operationalization of Innovation in Banking. The study noted some concerns with the reliability of the innovation measurement instrument. Further methodological research could focus on developing more robust, sector-specific tools to measure innovation comprehensively, including emerging dimensions like digital innovation, sustainable finance innovation, and customer-centric innovation.

Longitudinal Studies on Knowledge Acquisition and Innovation. Longitudinal research tracking the impact of evolving knowledge acquisition practices over time would provide deeper causal understanding of how these processes contribute to sustained innovation and competitive advantage in dynamic banking environments.

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APPENDIX 1: QUESTIONNAIRE

ROLE OF KNOWLEDGE ACQUISITION PRACTICES ON INNOVATION AT EQUITY BANK, KIAMBU COUNTY BRANCHES.

This Questionnaire is meant to collect from Equity Bank Branches within Kiambu County. Your participation is voluntary, and you may choose to stop at any point. Any information provided in this Questionnaire will be used for purposes of research only and will not be divulged or availed to unauthorized persons.

Please take a few minutes to complete this questionnaire.

Please answer the questions correctly and as accurate as possible.

Tick the appropriate answer in the boxes provided against the questions.

SECTION A: BACKGROUND INFORMATION

Bank Particulars.

1. Name of the Bank (Optional)

Respondent Particulars

2. What is your Gender?

Male () Female ()

3. What is your age Bracket?

Number	Age bracket	Tick appropriately
I	21 -30	
Ii	31 40	
Iii	41 -50	
Iv	Over 50	

4. What is your highest education level of education?

Level	Please tick appropriately
Secondary school	
Tertiary education (college)	
Undergraduate degree	
Master's Degree	
PhD	
Others (specify)	

5. Which Department do you belong?

Department	Tick appropriately
Innovation	
Marketing	
Strategy	
Research and Development	
Finance	
ICT	
Risk	
Others (specify)	

6. What is your position in the bank?.....

7. How long have you worked in the Banking Sector?

No.	Period	Tick Appropriately
i	Less than 1 year	
ii	Between 1 – 5 years	
iii	Between 5-10 years	
iv	Over 10 years	

SECTION B: EXTERNAL KNOWLEDGE SOURCING

8. Please indicate the extent of your agreement on the statements below as an employee of Equity Bank by ticking (✓) on the box matching the correct response in each indicator.

Scale: Strongly Disagree = 1: Disagree= 2: Neutral = 3: Agree = 4: Strongly Agree = 5

Section: External Knowledge Sourcing

	Role of external knowledge sourcing	1	2	3	4	5
(a)	The bank uses industry reports and online databases frequently to acquire external knowledge					
(b)	We conduct competitive benchmarking to acquire insight from their best practices					
(c)	We obtain knowledge from research articles and academic publications to support decision making					
(d)	We seek consultancy services or expert opinions to acquire specialized knowledge					
(e)	We monitor trends and industry shifts actively					
(f)	The bank sends staff to external workshops, training programs, or seminars to gain new knowledge					

SECTION C: INTERNAL KNOWLEDGE SHARING

9. Please indicate the extent of your agreement on the statements below as an employee of Equity Bank by ticking (✓) on the box matching the correct response in each indicator.

Scale: Strongly Disagree = 1: Disagree= 2: Neutral = 3: Agree = 4: Strongly Agree = 5

	Role of internal knowledge sourcing	1	2	3	4	5
(a)	Employees in the bank transfer knowledge and expertise freely with each other					
(b)	There exists a culture that promotes open communication among all departments					
(c)	We make use of internal platforms to share Knowledge					
(d)	We are encouraged to share and document lessons we learn from projects					
(e)	Collaboration across departments is common in the Bank					
(f)	Internal forums or meetings are used for sharing insights and experiences					
(g)	Sharing knowledge is acknowledged and also supported by leadership					

SECTION D: PARTNERSHIPS AND ALLIANCES

10. Please indicate the extent of your agreement on the statements below as an employee of Equity Bank by ticking (✓) on the box matching the correct response in each indicator.

Scale: Strongly Disagree = 1: Disagree= 2: Neutral = 3: Agree = 4: Strongly Agree = 5

	Role of partnerships and alliances	1	2	3	4	5
(a)	The bank works in partnership with academic and research institutions					
(b)	We collaborate in joint ventures with other companies or organizations					
(c)	Knowledge acquired from external stakeholders is incorporated into our Practices					
(d)	Our alliances enable us access new knowledge skills or technologies					
(e)	We sustain long-lasting relationships with our allies for knowledge sharing					
(f)	Our partners' selection is dependent on their capability to offer useful knowledge					

SECTION F: INNOVATION

11. Please indicate the extent of your agreement on the statements below on innovation at Equity Bank by ticking (✓) on the box matching the correct response in each indicator.

Scale: Strongly Disagree = 1: Disagree= 2: Neutral = 3: Agree = 4: Strongly Agree = 5

		1	2	3	4	5
(a)	The bank introduces improved or new services or processes frequently					
(b)	Members of staff are encouraged to propose creative solutions and ideas					
(c)	We implement new technologies in order to streamline our operations					
(d)	The bank invests in operations that facilitate innovation for example Research and Development					
(e)	We respond promptly to market shifts by upgrading our offerings					
(f)	Innovation is regarded as a key component of our strategic plan					
(g)	The bank utilizes innovation to sustain a competitive advantage in the banking sector					

Thank you for your cooperation

APPENDIX 2: LIST OF EQUITY BANK BRANCHES IN KIAMBU COUNTY

	BRANCH NAME
1	Kiambu
2	Gatundu
3	Limuru
4	Githurai
5	Ruiru
6	Githunguri
7	Juja
8	Wangige Sub-Branch
9	Ruaka
10	Kimende
11	Kahawa West
12	Kenyatta University Sub-Branch
13	Kamakia Sub-Branch
14	Thika / Equity Plaza
15	Thika Kenyatta Avenue
16	Thika Makongeni
17	Thika Supreme Centre



REPUBLIC OF KENYA



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10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.

15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

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