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DIGITAL BUSINESS STRATEGY AND STRATEGIC PARTNERSHIPS IN TIER 1 LAW FIRMS IN NAIROBI, KENYA

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ABSTRACT

The integration of digital business strategies has become essential for law firms to maintain a competitive advantage. Key pathways include enhancing customer experience, operational efficiency, innovation, agility, service optimization, and fostering collaborations. This study explores the relationship between digital business strategy and strategic partnerships in Tier 1 law firms in Nairobi, Kenya. It specifically examines the influence of digital capabilities, digital coordination on these partnerships. The study is grounded in Resource-Based Theory, and Coordination Theory. A descriptive cross-sectional research design was used and data collected from 42 of the 50 Tier 1 law firms in Nairobi. Data were collected through semi-structured questionnaires. Findings reveal that digital capabilities, such as IT infrastructure and training, played a pivotal role in maintaining long-term partnerships, allowing firms to meet evolving client and partner needs. Digital coordination, through the alignment of digital systems and processes across departments, facilitated more effective communication and decision-making. The study recommends that Tier 1 law firms in Nairobi to continue to invest in digital technologies and enhance workforce capabilities to remain competitive. Future research should explore the application of digital strategies in other sectors of the legal industry, with a broader geographic focus to assess varying impacts of digital strategies on partnership dynamics.

Key Words: Tier 1 Law Firms, Digital Business Strategy, Strategic Partnerships, Digital Capabilities, Digital Coordination

Background of the Study

In the dynamic legal profession landscape, the speedy integration of digital technologies is replacing the traditional approaches of case management and legal research adopted by law firms (Masoud & Basahel, 2023). Globally, the concept of digital transformation has advanced, with law firms worldwide recognizing the need to adapt and thrive in the digital age (Ferreira & Carayannis, 2022). Digital transformation involves adopting and implementing digital technology to revolutionize existing products and services, as well as operational processes (Njuguna, 2023). Thus, digital transformation can be defined as the use of technology by an entity to improve its business performance (Van Tonder et al., 2020). Therefore, it entails the extensive and swift way in which businesses restructure their operations, models, and competencies to fully exploit the changes presented by technology (He et al., 2020).

As a result, the organization enjoys more prospects of profitable revenue, increased efficiency, and a highly competitive advantage. Schwertner (2017), observes that companies that have adopted the use of big data, social technologies, mobile and cloud as an integration in their business often have an added competitive advantage. Thus, law firms are progressively compelled to digitize their business processes, ushering in a new era of efficiency, client-centricity, and strategic collaborations. In legal practice, digital technologies have been successfully applied to carry out due diligence, contract reviews, legal research, case predictions and document automation. Moreover, web-based collaborative and partnership platforms are becoming more common.

In the legal field, just like the other sectors, digital transformation not only influences operational excellence but is equally key to generating competitive advantages. According to Armour and Sako (2020), digitalization sets apart law firms based on their professional norms and associated commercial results. Therefore, firms encounter the necessity to transition from the traditional professional partnerships to more advanced professional enterprises. Additionally, digitization has been used as a tool for lowering the cost of legal services towards achieving organizational competitive advantages. Cost lowering is achieved through outsourcing, automation, remote working by lawyers, deployment of artificial intelligence and big data to aid and perform legal tasks.

Digital transformation requires clear implementation plans to be fully beneficial. Thus, digital business strategy is conceptualized as a plan or approach that focuses on utilizing technology to enhance the performance of a business, whether it involves creating new products or reimagining existing processes (Proksch et al., 2021). It encompasses the use of digital technologies to achieve business goals and improve the value created for customers. This strategy involves the need to rebalance three key relationships: human minds and machines, physical products and digital platforms, and the core and the crowd. By understanding and optimizing these relationships, companies can leverage digital business strategies to achieve real-time transactions, accelerate product development, create and discover new sales channels, and improve overall performance.

Additionally, Park and Mithas (2020) states that a digital business strategy is the outline in which an organization functions in the world of technology to achieve its objectives. Developing a digital business strategy requires an analysis of the strategic role of technology, the change it brings, the organizational structure with the capacity to implement it successfully and the financial capacity of the organization (Becker & Schmid, 2020). Law firms are significantly impacted by the presence of digital business strategies. Armour and Sako (2020) indicates that Artificial intelligence has improved delivery of services, process mapping, project management and design thinking.

Traditionally, law firms have embraced organizational changes to maintain competitive edge. Specifically, strategic partnerships are increasingly being deployed as an approach to reforming large law firms. Digital business strategies are used in strategic partnerships to enable fast and efficient communication and collaboration. Collaboration is achieved through global networking on digital platforms which allows diverse expertise and perspectives. In essence, strategic partnership also termed as strategic alliance revolves around the notion of a collaborative relationship between two organizations or more (He et al., 2020). The partnerships come together with the aim of achieving specific business objectives.

This strategic partnership is dependent on the relationship of the partners and the integration level. Thus, characterized by their mutual commitment in resource sharing, working together and leveraging on each other’s strengths to attain a common goal. The main significance of a strategic alliance is to avoid skill substitution and development of synergistic capabilities. Businesses often seek to adopt new partners with the required skills within the same market. Bibi et al. (2020), demonstrates the concept by stating that large law firms and small firms flourish when they partner. The large law firms have the necessary resources but lack the flexibility enjoyed by small law firms. Hence a strategic alliance benefits both ends. Additionally, Dinovitzer and Garth, (2020) states that today’s law firm partnerships are not entirely based on the prestige of having partnership but rather it plays a role in establishing an entry position in the field of law. Implying that digitization can be used a crucial business strategy.

Statement of the Problem

In Kenya's highly competitive legal landscape, law firms must continuously innovate to survive and thrive. However, while some firms excel, others struggle, leading to stagnation, declining revenues, or even dissolution (Nyaberi et al., 2020; Gitonga, 2016). Annually, nearly one-quarter of Kenyan law firms fail to meet their profitability goals, with a third experiencing stagnant or declining revenue due to reduced client growth (Gitonga, 2016). This underscores the urgent need for robust business strategies to navigate the industry's stiff competition.

In a rapidly evolving digital environment, the adoption of digital business strategies presents opportunities for sustaining growth and competitiveness in the legal space (Proksch et al., 2021). Specifically in enhancing operational efficiency, knowledge management, communication, client relationship management, professional norms and partnerships (He et al., 2020). Digital business strategies are particularly significant in enhancing mutual resource sharing, working together and leveraging on each other’s strengths, avoid skill substitution and develop synergistic capabilities, towards achieving sustainable competitive advantages.

Despite several studies on the subject, existing literature in the legal profession in Kenya predominantly focus on how ICT is used to enhance efficiency and access to justice (Muigua, 2022; Olang, 2023; Kigwiru, 2019). There is limited empirical evidence on full integration of digital technologies into the legal firms’ business model. Moreover, the relationship between digital business strategies and strategies has not been fully explored in the legal profession in Kenya. Further, research specifically targeting Tier 1 Law Firms in Nairobi is scarce. These firms, as market leaders, significantly influence industry standards, yet little is known about how they leverage digital business strategies to shape strategic partnerships and drive business success. This study sought to address these knowledge gaps by exploring the influence of digital business strategies on strategic partnerships in Tier 1 Law Firms in Nairobi. Specifically, the influence of digital capabilities, and digital coordination.

Research Objectives

To explore the relationship between digital business strategy and strategic partnerships in Tier 1 Law Firms in Nairobi, Kenya.

Specific Objectives

1) To examine the influence of digital capabilities on strategic partnerships of Tier 1 Law Firms in Nairobi, Kenya
2) To explore the influence of digital coordination on strategic partnerships of Tier 1 Law Firms in Nairobi, Kenya

LITERATURE REVIEW

Theoretical Framework

Resource-Based Theory (RBT)

Resource based theory is a model in strategic management that focuses on the internal resources and capabilities of a firm to aid in driving its competitive advantage. However, Hitt et al. (2016), states that the theory originated from the field of economics and got rejected due to its heterogeneous nature. Scholars in strategic management redefined the concepts as had earlier been presented to leverage on the resource-based nature of the theory to help in advancing the competitive advantage of a firm. Utami and Alamanos (2022), states that the firm's performance is based on the structure and the interest of the managerial team. As a result, RBT tries to address the internal systems of an organization such as its resources and capabilities.

Resources in RBT entails the firms' attributes, assets and processes which are in the control of the company. Depending on the industry and firm, resources can vary within and outside an organization. An organization can group resources in terms of human resources; the expertise, interpersonal connections, education of the workers, physical resources; a company's equipment, facilities, access to raw materials, geographic positioning, and the tangible technologies employed in its operations, and organizational resources; which are the mode of operation, the structure and management that runs a firm (Utami & Alamanos, 2022). The concept of capabilities refers to the organizations specific resources that focus on improving production. Capabilities in an organization can be both tangible and intangible processes. The concept has also been defined as dynamic capabilities; consistently expands and enhances the relevance on the organization. They are the resources that can be managed to increase value creation.

RBT can be applied in this study to understand how the unique resources and capabilities of law firms, especially in terms of digital technologies and strategic partnerships, contribute to their competitive advantage and performance. According to Nason and Wiklund (2018), in the field of technology, the resources include software's, databases, hardware's, servers, management support and the system architecture. Further, resources can also focus on the personnel entailing IT skills, ability to solve problems and understand the business. Nason and Wiklund (2018), defines the capability in IT as a segment that comprises of business partnerships, IT infrastructure, Strategic thinking and business integration. The concept can be used to understand strategic partnerships and their importance in law firms.

Coordination Theory

Coordination theory was put forward in 1994 by the authors Malone and Crowston. The theory was founded to show how activities can be coordinated seamlessly between multiple actors (Crowston et al 2015). The initial foundation was interested in learning how software can help a group of people working together. Therefore, contributing to the knowledge gap by bringing forward a definition of coordination; stating that it refers to managing dependencies between different tasks. The theory provided a framework to help in analyzing coordination. It proposes that group action ought to be analyzed acknowledging the efforts of multiple actors and the interdependent activities existing. Lastly, the main concept is the typology of dependencies where it claims that dependencies and mechanisms used in managing them lies within an organizational setting. In solving coordination problems, the authors state a concept 'coordination mechanism' where actors are required to take on additional work to resolve a problem.

The theory can be used to understand the context of digital coordination within organizations. In digital coordination different dynamics need to align within to achieve a common goal. An organization integrating its processes with technology can use the interconnectivity to handle the interdependencies between different tasks. Arkhipova and Bozzoli (2018), states that technology components such as cloud computing, big data and the internet of things help in coordinating activities within a firm. This is throw enhancing communication, reducing redundancies, allowing remote work and streamlining operations. Through the concept of multiple actors, coordination theory helps to understand that digital coordination is not only the integration of technology but also the alignment of people and processes. Therefore, organizations can use coordination theory to understand and optimize their digital initiatives that ultimately leads to improved collaboration and overall organization performance in the digital landscape.

Conceptual Framework

In this study, the conceptual framework depicts the relationship between the independent variables digital capabilities, digital coordination and the dependent variable, which is the success of strategic partnerships in Tier 1 Law Firms in Nairobi, Kenya. By establishing these connections, the framework highlights the potential impact of various digital business strategies on the formation, maintenance, and effectiveness of strategic partnerships within these firms.

Digital Capabilities encompass the skills, resources, and infrastructure that support the effective use of digital technologies. These capabilities are measured through data on digital skills training, IT infrastructure quality, and investment levels, gathered from firm records and staff surveys.

Digital Coordination involves the alignment and integration of digital systems and processes within the firm to enhance internal and external collaboration. It is measured by examining the use of digital platforms for communication and service delivery, supported by survey responses and document analysis of system integration practices.

The conceptual framework underscores the importance of these digital dimensions in shaping the strategic outcomes of law firms operating in a competitive and increasingly digitalized environment. By examining how digital business strategies influence the formation and success of strategic partnerships, this study aims to provide valuable insights into best practices for Tier 1 law firms in Nairobi.

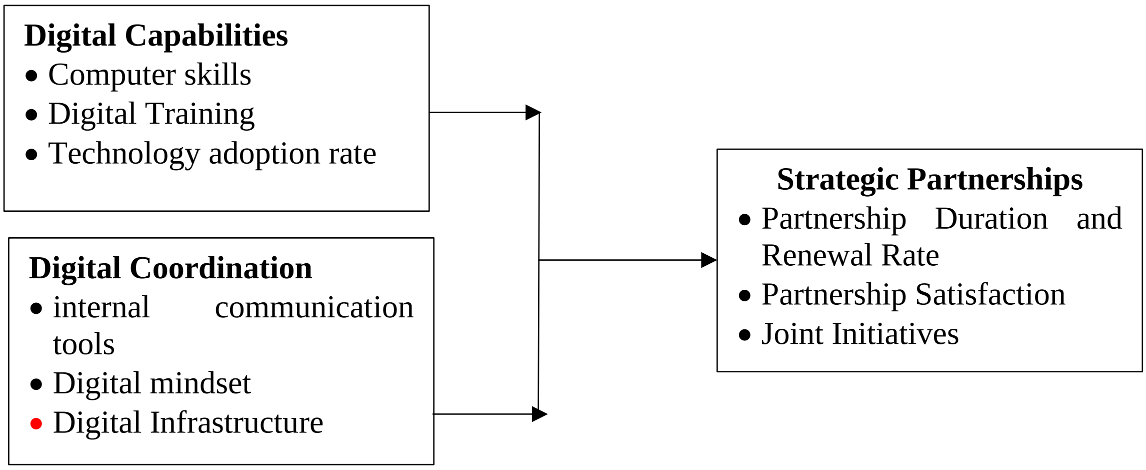

Figure 2.1: Conceptual Framework

Digital Capabilities

Digital capability refers to the intersection of people and technology, focusing on how individuals can learn and apply technological concepts in their daily work processes (Bartlett-Bragg, 2017). Freitas Junior et al. (2017) extend this definition by emphasizing that digital capability involves skills that go beyond IT, encompassing aspects such as social media literacy and data analysis. A comprehensive understanding of digital capability draws from the concept of digital literacy, which includes network literacy, computer literacy, information literacy, and media literacy. This implies that individuals working within the digital landscape must possess a foundational level of digital skills.

As organizations undergo digital transformation, they must consider the skills and competencies of their employees. According to Arkhipova and Bozzoli (2018), when a company shifts its operations towards digital integration, the capacity of its human resources becomes a critical factor in the success of this transformation. The effectiveness of new technologies relies heavily on the know-how of the employees tasked with utilizing them. Recognizing these challenges, leading organizations are investing in empowering their workforce to meet the demands of new technology.

The future of legal firms, like many other industries, is closely tied to digital capability. Freitas Junior et al. (2017) suggest that digital capabilities not only improve operational efficiency but also enhance customer relationships, ultimately impacting both digital business and strategic fields. The ability to adapt to a rapidly changing market enables firms to innovate and implement new ideas, products, and services. Furthermore, digital capability can significantly improve the customer experience by moving beyond traditional methods to meet clients' needs more effectively.

In terms of IT infrastructure, digital capability enables organizations to redefine their operations, reducing costs and improving efficiency. For example, the Kenyan online platform Uwakili.com facilitates legal services for businesses, helping them process documents like contracts and wills—tasks that were previously cumbersome. Similarly, applications like M-Sheria offer messaging services that allow individuals to access legal services more conveniently (Kigwiru, 2019). However, this perspective is broad and may require more specific research to understand the nuances within the legal profession in Kenya.

Understanding the influence of digital capabilities on strategic partnerships is essential. To explore this concept, it is necessary to break down digital capabilities into key components. According to various literature, these components include Agility: The ability to adapt to market changes (Freitas Junior et al., 2017).IT Capability: The skillset enabling employees to engage with digital infrastructures and fulfil the firm's digital needs. Transformation Capability: The ability to develop and implement solutions that meet organizational requirements (Wiesböck & Hess, 2018).

From a strategic perspective, digital capabilities are crucial for enhancing strategic partnerships. They influence collaborative efforts, inter-organizational networks, automation, and the integrated use of data. Integrating digital capabilities within strategic partnerships creates new opportunities, improving the regulation, planning, and organization of processes (Braun & Sydow, 2019).

Therefore, this study will explore how digital capabilities influence strategic partnerships in Tier 1 Law firms in Kenya. The research will focus on how employees interact with technological advancements, how organizations incorporate learning to empower their workforce, and how prepared these organizations are to handle emerging challenges. Key measurable elements include computer literacy, the employee digital training index, and technology adoption rates.

Digital Coordination

Digital coordination refers to the ability of an organization to integrate and align its operations, processes and resources across its departments (Castañer & Oliveira, 2020). It involves linking and meshing of actions for the purpose of alignment. Specifically, coordination in an organization considers information-sharing, decision making and feedback mechanisms. In an organization, coordination efforts are required to ensure a flow of activities that are interdependent from one department to the other. It is also crucial in managing tasks and resolving uncertainties that occur both internally and externally. According to Arkhipova and Bozzoli (2018), technology within most firms consider aspects such as cloud computing; which allows the company to store and access data over the internet reducing expenses that could have been used on IT server infrastructure, big data; a large group of data that that can be easily accessed inside and outside of the organization, mobile technology; portable technological devices that provide more functionality to users as compared to the desktop devices, internet; the connectivity that allows transfer of data between devices and artificial intelligence; in their daily operations.

Digital coordination as part of digital transformation processes is crucial in developing an organization's competitive edge. Law firms have for a longtime been traditional in their operational approach and integration with the digital technology pose more benefit. According to Kronblad, (2020) aspects of digital technology such as automation, artificial intelligence, big data and information and communication can be used in the day-to-day functioning's of a law firm to improve quality and efficiency. Further, digital technologies often offer cost-effective solutions compared to traditional methods. For example, cloud computing can reduce the need for extensive physical infrastructure, leading to cost savings for the firm. Usage of digital tools can facilitate collaboration and communication among employees. Additionally, virtual collaboration platforms and communication apps contribute to increased employee engagement and teamwork. While technologies such as the Internet of Things (IoT) and blockchain can enhance visibility, traceability in the workplace (Arkhipova & Bozzoli, 2018).

Further, digital coordination has an influence in the operations of a strategic. In a partnership coordination allows the partners to share a common goal, understand their responsibilities and interdependencies that come with an alliance (Leong et al., 2023). Digital coordination plays the crucial role of linking activities and processes in an organizational structure and in alliances. This is because the roles and responsibilities taken by partners in an alliance can vary. Therefore, coordination in a strategic partnership brings forward core concepts such as centralization where a firm engages in decision making, integration; how the different aspects are coordinated through sharing information, formalization; the standards in which work is done and differentiation; referring to division of labor (Badasjane et al., 2022). These concepts attain meaning through collaboration and synchronization which is enabled by the process of digital coordination. Moreover, for an organization to transform their operations, it is essential that the firm is continuously receptive to the changing environment and adapt accordingly (Badasjane et al., 2022).

Therefore, the study will investigate the effects of digital coordination on strategic partnerships of Tier 1 law firms in Kenya by measuring specific aspects. In terms of integration, the measurable component was adoption to new IT infrastructure and digital solutions within the legal services. In centralizing a partnership, the aspect to be measured is cross department communication tools to understand how effectively digital information and strategies are communicated across the organization. Lastly the firms' digital mindset would be measured to assess the adaptability to the digital innovations. Additionally, it will measure the extent to which employees embrace and contribute to a digital culture within the workplace.

Strategic Partnerships

In the earlier chapter, the study defined strategic partnership—also referred to as a strategic alliance—as a cooperative relationship between two or more organizations formed with the goal of accomplishing specific business objectives (He et al., 2020). Culpan (2008) defines strategic alliances as long-term collaborations, either equity or non-equity-based, established to give partners a competitive edge. Similarly, Gulati (1998) describes these alliances as voluntary arrangements between firms involving the exchange, sharing, or co-development of products, technologies, or services.

The success of strategic partnerships hinges on the quality of the relationship between the partners and the extent of their integration. The underlying rationale for forming alliances is the additional value they bring, particularly in areas that might be challenging for the partners to tackle independently. According to Ahern (1993), strategic alliances are often part of each partner's competitive strategy, involving shared decision-making and pooling of resources. This cooperative approach enables firms to respond effectively to complexity and change in their environments.

However, despite the potential benefits, measuring the success of an alliance is complex. Traditional metrics often rely on financial performance, including cost reduction, profit growth, and sales increases during the alliance period (Jiang, 2008). However, these metrics may not capture the full spectrum of an alliance's success, especially when non-financial objectives like knowledge exchange, technology learning, or market expansion are the primary goals (Dacin, Oliver, & Roy, 2007). It is important to recognize that the termination of an alliance does not necessarily signify failure. In fact, alliances often dissolve after achieving their intended purpose, such as gaining entry into new markets or acquiring specific skills.

Strategic alliances, while beneficial, also pose challenges. Sampson (2002) highlights the risk of moral hazards within partnerships, where the lack of oversight increases the likelihood of opportunistic behavior. There is often uncertainty regarding each partner's contribution, and the shared outcomes can lead to concerns over competition. For instance, one partner might use assets from the alliance to advance its own position, potentially at the expense of the other. Nonetheless, despite these challenges, strategic alliances remain a valuable business strategy. They allow firms to achieve objectives that might be difficult to accomplish alone, such as market entry, acquiring institutional legitimacy, or responding to environmental changes (Culpan, 2008).

Ukko et al. (2019) emphasize the role of sustainability strategies as a moderating factor in the relationship between digital business strategy and financial performance. This is particularly relevant in sectors like legal services, where aligning digital strategies with broader sustainability goals can enhance overall performance (Caserta, 2020). Therefore, this study aims to explore the relationship between Digital Business Strategy and Strategic Partnerships within the legal sphere, specifically focusing on Tier 1 law firms in Nairobi, Kenya.

In exploring strategic partnerships, several indicators can be identified including partnership duration and renewal rate, joint initiatives and partnership satisfaction. First, measuring partner duration and retention rate serves as indicators of their strength and success. By tracking how long partnerships last and the frequency at which they are renewed, firms can gauge the stability and sustainability of their alliances. Secondly, measuring partnership satisfaction involves gathering feedback on communication, collaboration, and overall satisfaction with the partnership (Cravens et al., 2000). This metric provides insights into the relational quality of the alliance and can predict its long-term viability. Lastly, assessing joint initiatives would require assessing the depth of strategic partnerships by evaluating joint initiatives, projects, or collaborations. Creating an index that considers the number and significance of these joint efforts can reveal the level of engagement and the value generated by the partnership.

Empirical Literature Review

The range in which digital strategies are applied in law firms is a crucial area of research. Kronblad (2020), conducted research on digital innovation in law firms. The main concepts were digitalization and a focus on law firms which aligned with this current study. However, the context of the research was focused on law firms in Sweden and not Kenya. Moreover, digital scope covers several components including digital channels, digital transformation, digital technology, digital regulations, digital culture and data analytics. The author mainly focused on digital innovation leaving several other components for future research. Further, the methodology employed was a case study on law firms in Sweden using interviews for data collection. The research was quantitative necessitating the need for qualitative approaches to have an in-depth understanding of digital scope in law firms. The findings from the research imply that there is conflicting information regarding digitalization in law firms. It states that there is a new logic for digitalized law firms that require further research (Kronblad, 2020).

In light of digital transformation, the capability of employees in a law firm to use technological concepts in their daily work processes should be a key consideration. A study investigated knowledge management as a tool to improve work performance among law firms in Nairobi (Meso et al., 2023). The concept of the study is based on knowledge management and law firms which slightly differs from this paper that is interested in understanding digital capabilities specifically. However, the context of the study discusses the need for employees within a law firm to attain relevant knowledge. A focus that aligns with the component of digital capability. Additionally, the authors focus on Kenyan law firms which is in the interest of this paper. The research was based on a quantitative methodology which applied a random sampling technique selecting a total of 22 law firms to participate. Findings indicate that law firms should invest in information technology, provide trainings for their employees and find ways to retain knowledge within the firm (Meso et al., 2023). The results match several crucial areas that this paper seeks to find clarity on such as technology in law firms and digital capability among employees.

The ability of an organization to integrate and align its operations and processes using digital tools is area researchers are keen on. Omuom (2022), investigated factors affecting innovation and adoption of legal technology by legal professionals in Nairobi. The key concepts were innovation and technology adoption which are similar to concept components in this paper. The context of the study was to investigate the factors affecting innovation and technology in legal firms. Thus, differing with this research paper which tries to understand the technology adopted in law firms and how it is being integrated in operations. Therefore, the study leaves a contextual gap for further research. In terms of methodology, it employs a quantitative approach targeting individuals in law courts as target audience and used questionnaires in data collection. The study reports that the questionnaires were limited affecting the ability of respondents to express their opinions (Omuom, 2022). Being quantitative research, it leaves room for qualitative research to be conducted by future researchers.

A different study investigated the influence of strategy implementation on performance of law firms in Nairobi city. According to the author Mawia (2020), the study operated from the background knowledge that strategic management is crucial to a high performance of a law firm and therefore proper implementation should be adhered to. The study indicates a conceptual gap having discussed strategy implementation in relation to performance of an organization. However, it did not address the concept of digitalization or strategic partnerships. Further, it employed a descriptive research design to explore the fundamental aspects of the research. 257 law firms located in Nairobi city were targeted and as a result of purposive sampling the sample size identified were 77 law firms. The data collection instrument used was questionnaires that also included a Likert scale measurement. The methodological approach used in data collection did not focus on Tier 1 law firms specifically, leaving a gap to be addressed by future researchers. The findings indicated that through the use of IT the organization realized a change in the management. Furthermore, it found that IT played a crucial role in communication helping to explain new responsibilities and tasks, training and disseminating knowledge without environmental restraints. The study also found that strategic implementation is linked to performance of a firm contributed by its influence on the services offered. Despite the findings in relation to technology and IT, a focus into firm digitalization and strategic partnership is still lacking (Mawia, 2020).

RESEARCH METHODOLOGY

This research employed a descriptive cross-sectional research design. The target population for this study was Tier 1 law firms in Nairobi. According to the Law Society of Kenya (LSK, 2013), the estimate number of Tier 1 law firms operating in Nairobi is 50. The unit of observation comprised of Senior Partners in these law firms. According to Kiprono (2013), Nairobi hosts over 600 law firms in Kenya. However, only 50 are classified as Tier 1 law firms (The Lawyer Africa, 2023, which happen to all be operating in Nairobi. Thus, census was carried out and all the 50 Tier 1 law firms targeted for data collection. Narrowing the focus to the top 50 Tier 1 law firms enabled thorough analysis of the characteristics of this category of law firms with regards to digital business strategy. It enabled acknowledgement of the distinctive characteristics and challenges Tier 1 law firms encounter within this specific metropolitan context, ensuring a detailed exploration of the digital business strategies and strategic partnerships depending on the individual Tier 1 law firm experiences. The study method employed the use of survey questionnaire to collect primary data from the target population. The study utilized a quantitative and qualitative approaches in data collection. The Likert scale responses was first coded into numerical values for ease of quantitative data analysis. The quantitative data was analysis using measures of central tendency, measures of dispersions and inferential statistics. The findings were the present in tables and figures. Qualitative data responses were categorised into common themes related to the study concepts. Thematic analysis provides a systematic understanding of the different perspectives of participants thereby forming a comprehensive narrative (Clarke & Braun, 2017). The presentation was then structured to highlight key themes that emerge from the coded data, offering a coherent narrative synthesis. Further, visual aids, such as charts and tables, were utilized to enhance the clarity of complex relationships or patterns identified during the analysis.

RESEARCH FINDINGS AND DISCUSSION

The study targeted all 50 Tier 1 law firms categorized in Nairobi, Kenya. Census approach was adopted for data collection but the researcher was able to receive back only 42 duly filled questionnaires. The returned questionnaires formed a response rate of 93%. According to Mugenda and Mugenda (2016), a response rate of 50% and above is good for analysis and reporting, that of 60% is sufficient while 70% and above is excellent. Therefore, since the response rate was above 70% it was considered to be excellent and was used for further analysis and reporting.

Descriptive Statistics

In this section the study presents the findings of various questions that aimed to establish the relationship between digital business strategy and strategic partnership outcomes. The respondents were asked to indicate their level of agreement or disagreement on the statements using a 5-point Likert scale where: 1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree. The study used mean and standard deviation to interpret the findings.

Digital Capabilities

Respondents gave the extent to which they agreed with statements about digital capabilities in their firms. Table 1 presents the findings obtained.

Table 1: Descriptive Statistics for Digital Capabilities

Statement	Percentage (%)					**Mean**	**Std. Dev**
	Very Low	Low	Neutral	High	Very High		
Computer skills							
Leaders' proficiency with digital tools	0.0	0.0	10.0	40.0	50.0	4.29	0.708
Employee's computer literacy level	0.0	0.0	1.6	40.4	58.2	4.50	0.552
Support on usage of digital tool	0.0	0.0	5.0	50.8	44.2	4.31	0.604
Sub Aggregate	***0.0***	***0.0***	***5.5***	***43.7***	***50.8***	***4.37***	***0.621***
Digital Training							
Digital training needs assessments	0.0	0.0	6.9	61.7	31.4	4.17	0.581
Digital skills training for employees	0.0	0.0	9.6	21.4	69.1	4.48	0.740
Impact of digital training	0.0	0.0	0.0	46.8	53.2	4.48	0.505
Sub Aggregate	***0.0***	***0.0***	***5.5***	***43.3***	***51.2***	***4.38***	***0.609***
Technology adoption rate							
Usage of digital tools by employees	0.0	0.0	6.8	56.5	36.7	4.21	0.606
Extent of service digitization	0.0	0.0	10.7	68.6	20.7	4.02	0.563
Routine task automation	0.0	0.0	40.0	53.3	6.7	3.57	0.590
Sub Aggregate	***0.0***	***0.0***	***19.2***	***59.5***	***21.4***	***3.93***	***0.586***
Aggregate	**0.0**	**0.0**	**10.1**	**48.8**	**41.1**	**4.20**	**0.605**

The findings in Table 1 indicate that respondents generally agreed on the importance of digital capabilities in influencing the success of strategic partnerships within law firms. With a mean score of 4.20, (SD = 0.605), respondents acknowledged the significant investment in computer skills, technology adoption rate, and digital skills training. The respondents reported a high level of investment in developing digital capabilities on computer skills (M = 4.37, SD = 0.621), digital skills training (M = 4.38, SD = 0.609), and technology adoption rate (M = 4.20, SD = 0.605) emphasizing the critical role that these investments play in maintaining and sustaining effective partnership.

These findings align with studies such as Bharadwaj et al. (2013), which noted that firms investing in digital capabilities often experience enhanced strategic outcomes, including improved partnerships and collaboration. The feedback highlights that investments in digital tools and infrastructure provide a competitive advantage in forming and sustaining partnerships. This is also consistent with findings from Verhoef et al. (2021), who pointed out that robust digital infrastructures improve inter-organizational communication, critical for the formation and maintenance of strategic partnerships.

Digital Coordination

Respondents were asked to indicate the extent to which they agree with statements about the relationship digital coordination within their firms. The findings obtained were as presented in Table 2.

Table 2: Descriptive Statistics for Digital Coordination

Statement	Percentage (%)					Mean	Std. Dev
	Very Low	Low	Neutral	High	Very High		
Internal Communication Tools							
Usage of digital platforms for internal communication	0.0	5.5	32.9	54.8	6.8	3.48	0.740
Effectiveness of digital communication tools	0.0	0.0	5.0	55.9	39.1	4.26	0.587
Integration of digital communication tools across departments	1.4	5.5	24.7	54.8	13.7	3.48	0.969
Sub Aggregate	***0.5***	***3.7***	***20.9***	***55.2***	***19.9***	***3.74***	***0.765***
Digital Mindset							
Employee’s openness to adopting new digital tools	0.0	0.0	3.2	40.6	56.1	4.45	0.593
Experimentation with new digital tools	0.0	2.5	22.8	55.7	19.0	3.76	0.759
Positive digital culture	0.0	3.8	22.5	42.5	31.3	3.81	0.890
Sub Aggregate	***0.0***	***2.1***	***16.2***	***46.3***	***35.5***	***4.01***	***0.747***
Digital Infrastructure							
Assessment of quality of our digital infrastructure	0.0	0.0	14.1	56.5	29.4	4.05	0.661
Reliability of online services	0.0	3.7	14.8	56.8	24.7	3.86	0.814
Management of digital infrastructure defects	0.0	0.0	18.1	57.8	24.1	3.95	0.661
Sub Aggregate	***0.0***	***1.2***	***15.7***	***57.0***	***26.1***	***3.95***	***0.712***
Aggregate	**0.2**	**2.3**	**17.6**	**52.8**	**27.2**	**3.90**	**0.741**

According to Table 2, the respondents agreed that digital coordination within the law firm has great influence (M=3.90, SD=0.741) in strategic partnerships. The digital coordination is highly influenced by the firm’s internal communication tools, digital mindset and available digital infrastructures. In the findings, there was high levels of internal communication tools (M=3.71, SD=0.765), digital mindset (M=4.01, SD=0.747), and digital infrastructures (M=3.95, SD=0.712) across the sampled law firms.

According to Bharadwaj et al. (2013), effective digital coordination enables seamless communication and resource sharing across departments, which is vital for forming strong partnerships. This coordination allows firms to align goals and processes more efficiently with external partners, improving the chances of collaboration success. Moreover, Verhoef et al. (2021) argues that firms with higher levels of digital coordination are better positioned to integrate digital tools into partnership frameworks, which enhances overall strategic alignment.

These aligns with the study’s findings that digital coordination is perceived as crucial for partnership success in law firms, as it facilitates better decision-making and strengthens the firm’s ability to respond to external pressures. Firms that invest in aligning their digital processes internally are more likely to develop resilient partnerships that can withstand technological disruptions and competitive challenges. This reinforces the notion that digital coordination is essential not only for the formation of partnerships but also for maintaining their success over time, which is consistent with the responses from the study’s participants.

Strategic Partnership

Table 3: Descriptive Statistics for Strategic Partnerships

Statement	Percentage (%)					Mean	Std. Dev
	Very Low	Low	Neutral	High	Very High		
Partnership Duration & Renewal Rate							
Long lasting partnerships	4.3	57.4	25.5	12.8	0.0	2.24	0.726
Our partnerships are sustainable	0.0	0.0	10.0	40.0	50.0	4.29	0.708
Partnerships have a very high renewal rate	0.0	0.0	11.9	45.5	42.6	4.29	0.708
Sub aggregate	***1.4***	***19.1***	***15.8***	***32.8***	***30.9***	***3.6***	***0.714***
Partnership Satisfaction							
The digital tools enable meeting of partners' expectations	0.0	0.0	3.4	60.3	36.3	4.26	0.544
My firm has increased its number of partners through digital platforms	0.0	0.0	5.1	63.6	31.3	4.19	0.552
Partners satisfied with digital strategies	0.0	0.0	8.5	52.0	39.5	4.21	0.645
Sub aggregate	***0.0***	***0.0***	***5.7***	***58.6***	***35.7***	***4.2***	***0.580***
Joint Initiatives							
Digital tools have made it possible for us to generate more revenue from partner-induced leads	0.0	0.0	14.1	56.5	29.4	4.05	0.661
Digital transformation has reduced partnership costs in my firm	0.0	3.6	14.5	45.8	36.1	3.95	0.882
We engage better with our partners through digital tools	0.0	0.0	12.1	53.2	34.7	4.12	0.670
Sub aggregate	***0.0***	***1.2***	***13.6***	***51.8***	***33.4***	***4.04***	***0.738***
Aggregate	**0.5**	**6.8**	**11.7**	**47.7**	**33.3**	**3.95**	**0.677**

According to the findings in Table 3, the respondents reported good partnership standings (M=3.95, SD=0.677). There is robust joint ventures (M=4.04, SD=0.738), high levels of partnerships satisfaction (M=4.20, SD=0.580), and a significant partnership duration and renewal rates (M=3.60, SD=0.714).

Correlation Coefficients

Findings in Table 4 illustrate the correlation between the various study variables.

Table 4: Correlation Analyses

		SP	**DAP**	**DOO**
Strategic Partnerships (SP)	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	42		
Digital Capabilities (DCP)	Pearson Correlation	.833**	1	
	Sig. (2-tailed)	.000		
	N	42	42	
Digital Coordination (DOO)	Pearson Correlation	.730**	.399	1
	Sig. (2-tailed)	.000	.000	.000
	N	42	42	42

Digital Capabilities is also seen to have a strong significant relationship with Strategic Partnerships ($r=0.833$, $p< 0.05$). The findings further showed that Digital Coordination and Strategic Partnerships are strongly related ($r=0.730$, $p < 0.05$). The correlation between Digital Capabilities and Strategic Partnerships is further supported by a comprehensive analysis conducted by Lee and Park (2024). Their longitudinal study of 200 international corporations demonstrated that organizations with robust digital management capabilities were able to forge more effective and enduring strategic partnerships, leading to increased innovation and market share. Zhang et al. (2022) provided additional evidence for the strong relationship between Digital Coordination and Strategic Partnerships. Their cross-sectional study of 300 small to medium-sized enterprises revealed that firms with superior digital coordination processes were significantly more successful in establishing and maintaining strategic partnerships, resulting in improved operational efficiency and competitive advantage.

Digital Capabilities and Strategic Partnership

A simple regression was run to establish the effect of digital capabilities on strategic partnerships.

Table 5: Digital Capabilities and Strategic Partnerships

Source	SS	Df	MS	Number of obs	= 42
Model	.166	8	.45	F (1, 41)	=.858
Residual	.006	1	.03	Prob > F	= .015
Total	.172	9	.48	R-squared	= .989
				Adj R-squared	= .896
				Std. Error of the Est.	= .943
Strategic Partnerships	Coef.	Std. Err.	Beta	T	P> t
Constant	.543				
Digital Capabilities	0.358	0.073	0.149	3.507	0.003

From the findings, the Model summary is thus presented as follows;

$$Y = 0.543 + 0.358 X + \varepsilon$$

Where;

X= Digital Capabilities and ε the estimated error

The findings suggests that Digital Capabilities significantly influence Strategic Partnerships. The regression model has a very strong fit with an R^2 of 0.989, $p=0.015$ indicating that a significant portion of the variance in Strategic Partnerships is explained by the independent variables. The adjusted R^2 of 0.896 also indicates that the model maintains explanatory power after adjusting for the number of predictors. The results indicate that improving Digital Capabilities can significantly enhance Strategic Partnerships.

Digital Coordination and Strategic Partnership

A simple regression was run to establish the impact of digital coordination on strategic partnerships.

Table 6: Digital Coordination and Strategic Partnerships

Source	SS	Df	MS	Number of obs	= 42
Model	.240	11	.045	F (1, 41)	= .568
Residual	.320	1	.013	Prob > F	= .021
Total	.56	12	0.58	R-squared	= .768
				Adj R-squared	= .887
				Std. Error of the Est.	= .998
Strategic Partnerships	Coef.	Std. Err.	Beta	T	P> t
Constant	.456	.123			
Digital Coordination	0.301	0.077	0.303	4.377	0.020

From the findings, the Model summary is thus presented as follows;

$$Y = 0.456 + 0.301X + \varepsilon$$

Where;

X= Digital coordination and ε the estimated error

In the model, t-statistic (4.377) tests the null hypothesis that the coefficient is equal to zero (no effect). Digital Coordination is a significant predictor, positively influencing Strategic Partnerships with a p-value of 0.020. This p-value indicates that the coefficient for Digital Coordination is statistically significant at the 0.05 level (since $0.020 < 0.05$). This suggests that Digital Coordination significantly influences Strategic Partnerships and that improving Digital Coordination can significantly enhance Strategic Partnerships.

Conclusions

the results show that Digital Capabilities such as IT infrastructure and digital skills are fundamental in creating and sustaining strategic partnerships, as they enable organizations to operate more efficiently and effectively within the digital landscape. This finding emphasizes the importance of continuous improvement and development in digital technologies and skills to stay relevant and competitive.

Finally, Digital Coordination was also identified as key contributors to successful partnerships. Coordination of digital activities enhances communication and collaboration, ensuring that partners are aligned in their goals and operations.

Recommendations

organizations should focus on building strong Digital Capabilities by providing continuous training and development programs for employees to strengthen their digital skills. This investment in human capital is essential for leveraging digital tools and fostering successful strategic partnerships. Furthermore, organizations should allocate sufficient resources toward upgrading software systems, ensuring that employees are well-equipped to utilize these technologies in partnership management. A digitally skilled workforce will not only enhance internal operations but also contribute to more effective collaboration with external partners.

Areas for Further Research

First, future research could investigate the long-term impact of digital technology adoption on strategic partnerships. While this study demonstrates a significant correlation between digital technology and partnership success, a longitudinal study could provide deeper insights into how these relationships evolve over time and the lasting effects of digital transformation on partnership dynamics.

Secondly, there is a need to examine industry-specific digital adoption strategies across different sectors, beyond the legal industry. The findings of this study can be applied to a broader range of industries, such as finance, healthcare, or manufacturing, where strategic partnerships and digital integration play a pivotal role in competitive advantage. Comparative studies across industries could offer a more comprehensive understanding of how digital tools are used to enhance collaboration and partnership success in diverse contexts.

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