

Knowledge Sharing in Polish Law Firms

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Abstract

The main purpose of this paper is to instigate discussion about knowledge management in Polish law firms. The paper describes the state of Polish legal services and legal education in Poland in the light of 20 years of economic transition. In the second part, the authors draw upon K. Sveiby's theory of knowledge flows and barriers to knowledge sharing. In third part, the above theory is being applied to the realities of Polish law firms.

Keywords: knowledge management, knowledge sharing, legal services, law firms in Poland.

1. Legal services in Poland

Poland has a population of over 38 million, which makes it the 34th most populous country in the world and the sixth most populous member of the European Union. Poland's high-income economy is considered to be one of the healthiest of the post-Communist countries and is currently one of the fastest growing within the EU. Having a strong domestic market, low private debt, flexible currency, and not being dependent on a single export sector, Poland is the only European economy to have avoided the late-2000s recession. Since the fall of the communist government (about 20 years ago) Poland has pursued a policy of economic liberalization and today stands out as a successful example of the transition from a centrally planned economy to a market economy. The country has enjoyed consistent GDP growth since its adoption of the market economy in 1989 and in 2009 Poland had the highest GDP growth in the EU. Poland is recognized as a regional economic power within Central Europe, possessing nearly 40 percent of the 500 biggest companies in the region (by revenues).

In 2004 Poland joined the European Union. Preparation for the accession went together with the transitional changes of the Polish economy. One of the effects of joining the EU was the incorporation of the Polish market into the internal market of the European Union. In the eve of accession and afterwards Poland became a good place for foreign investments. The main reasons were that Poland had a highly qualified work force and at the same time, the labour costs were one of the lowest among the new member states.

Adoption of EU legislation allowed Poland to reform the way in which its economy is regulated and reduce government intervention in the private sector. Changes in areas such as financial markets, company and competition law, accounting, and intellectual property rights have created a better environment for business and have contributed to economic growth. Polish economy may be briefly depicted as[1]:

- being robust and resilient to external shocks – mainly due to the country's significant internal market and diversified export structure,
- offering safe environment for undertaking economic activity and long-term planning (stable prices, permanent GDP growth),
- offering investment possibilities resulting from modernization of infrastructure and implementing modern technologies in corporations,

- being driven by a large number of small and medium enterprises (over 3 000 000 registered entities).

Variable	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP (billion PLN)*	780	809	843	925	983	1,060	1,175	1,266	1,342	1,412	1,470 ^{b)}
GDP change (preceding year=100)*	101.2	101.4	103.9	105.3	103.6	106.2	106.7	104.8	101.8	105.1	104.1 ^{b)}
FDI inflow (EUR million)**	6,372	4,371	4,067	10,237	8,330	15,741	16,674	10,970	8,384	7,351	2363 ^{c)}
Unemployment rate (%)*	17.5	20.0	20.0	19.0	17.6	14.8	11.2	9.5	9.5	12.3	13.1 ^{d)}
Exports (EUR million)**	46,537	49,338	53,836	65,847	77,562	93,406	105,893	114,566	96,326	586,994	38026,4 ^{c)}
Imports (EUR million)**	55,094	57,039	58,913	70,399	79,804	98,945	118,262	139,329	105,045	559,521	39280,4 ^{c)}
External trade turnover (EUR million)**	101,631	106,377	112,749	136,246	157,366	192,351	224,155	259,895	201,371	183,456	-
External trade balance (EUR million)**	-8,557	-7,701	-5,077	-4,552	-2,242	-5,539	-12,369	-24,761	-8,719	-3,302	-
Inflation rate (CPI, preceding year=100)*	105.5	101.9	100.8	103.5	102.1	101.0	102.5	104.2	103.5	102.6	103.8 ^{e)}

Source: *Central Statistical Office (GUS), **National Bank of Poland (NBP)

^{a)} data from I-III Q of 2010

^{b)} European Commission forecast:

http://ec.europa.eu/economy_finance/articles/eu_economic_situation/pdf/2011-03-01-interim_forecast_en.pdf

^{c)} As of Feb 2011

^{d)} As of Mar 2011

^{e)} As of 1st quarter 2011

20 years of Polish transition had also highly influenced Polish law firms. The citation below confirms this statement:

Two decades ago, when we were establishing our law firm, it would have been very difficult to imagine Poland as it is today. Early entrepreneurs and investors as well as their suppliers, advisers and employees were building their economic roles from scratch and, frequently, their innovation and entrepreneurial talents were far ahead of existing legal structures. The realities of the market required from us precedent-setting solutions, some of which have since become standard legal practice or have been incorporated into the Polish legal system. As the Polish economy developed and the capital market became broader and deeper, the needs and expectations of our clients changed. As transactions became progressively complex, an ever broader spectrum of legal services was required.

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Definition of legal services in Poland

A broad definition of legal services would include advisory and representation services as well as all the activities relating to the administration of justice (judges, public prosecutors, etc.). In the WTO “Services Sectoral Classification List” (document MTN.GNS/W/120), “(a) legal services” are listed as a sub-sector of “(1) business services” and “(A) professional services”. This entry corresponds to the CPC number 861 in the United Nations Provisional Central Product Classification.

The legal services sector in Poland has experienced a steady and continuous growth in the past two decades as a consequence of the growth in international trade and the emergence of new fields of practice, in particular in the area of business law. Sectors such as corporate restructuring, privatization, cross-border mergers and acquisitions, intellectual property rights, new financial instruments and competition law have generated an increasing demand for more and more sophisticated legal services in the past years. Unfortunately there are no comprehensive disaggregated data on the size of the sector, as legal services are often bundled together with other professional services or business services.

In Poland like in the vast majority of countries the legal profession is practiced by individual professionals or by small firms, while the large law firms are still a phenomenon limited to a small number of Anglo-Saxon, Common Law countries. In 2007 only 31 Polish law firms declared employment of more than 50 people.

A lawyer in Poland is slightly different from a legal advisor. Lawyers in Poland are called “Adwokat” (they can also deal with criminal issues) and Legal Advisers in Poland are known as “Radca Prawny”. Practicing law is also possible outside the legal professions but the scope of the activities which may be carried out by lawyers without a vocational title remains unclear. There are fewer lawyers in Poland than legal advisers. The profession of legal advisers in Poland falls under the regulations of the National Council of Legal Advisers. There are 19 local Councils that form the National Council. The profession of a lawyer is regulated by the Polish Bar Council, covering 24 local Bar Associations. Lawyers in Poland can be members of the both Council, but they cannot perform both types of activities. In order to be admitted to a Bar Association and practice law in Poland, one must hold a Master’s degree in Law or a Ph.D. It is necessary to follow a three-year period of training in a Bar before the final exam. The training, conducted by the local self-government bodies, begins with a state entrance exam. Each applicant has a different tutor that supervises the legal activity and teaches practical matters in terms of legal activities. The final exam after 3 years (now also of a state character) consists of five parts (test, civil, penal, commercial and administrative law). In certain other cases, the legal professions may be performed without both the training and the final exam. The exemptions are based on the previously obtained academic and vocational titles, as well as a prescribed period of specified practice.

Forms of practice

A lawyer in Poland can perform an individual practice in legal assistance, but he may also choose to be part of a law firm. Most of the international firms are in Warsaw, but there are Polish law firms in other cities too. Some lawyers in Poland remain in-house attorneys in public administration, police or other bodies in the public area. For this type of practice, lawyers in Poland do not need to register with a Bar Association. European lawyers can establish practice in Poland under the Establishment Directive and choose between the two professions. However, they must remain under the Code of Ethics of only one profession.

Activities

When it comes to the activities performed by a Polish attorney, he should specialize in one or more fields. A lawyer in Poland can either provide legal advice or represent a client's interests in court. Usually, lawyers in Poland are competent in criminal law, infraction law, financial law, civil law, family law, public business law, commercial law, labour law, administrative law or constitutional law.

Legal education in Poland

Several years running, the legal profession in Poland has gained a considerable amount of interest from high school graduates. Despite the market changes and the emerging of new types of occupations, lawyers are still perceived as esteemed, well off, well situated and *well educated*. The legal profession continues to be very much desired. This constitutes an unquestionable challenge for the respective education institutions: they are expected to process all those eager to follow a career in law and, simultaneously, provide high quality knowledge.

Currently, there are 458 higher education institutions – 132 public and 326 private ones, which educate almost 2 million students. Law was the third most popular field of study with 26,581 candidates [2]. In 2008 at the public law schools there were 3,815 regular and 2,420 evening graduates. The same data regarding the private law schools shows decidedly smaller numbers: 515 and 303.

Legal education in Poland starts with the 5-year master studies. The teaching is conducted by public and private higher education institutions in the form of regular and evening studies. Regular students are those who have been admitted to a school as a result of the basic admittance procedure and who attend classes during the week. The higher education for regular students at public schools is free. Evening students, on the other hand, are admitted outside the main enrollment and the respective admission procedure is reduced. They study during the weekends or in the evenings and pay tuition. At private schools, both regular and evening students are charged with fees. The public law schools decidedly have an advantage, because they are being viewed as upholding valuable traditions and standards of teaching. Also, the public schools prevail in that they have easier access to grants, international dialogue, qualified staff and infrastructure, *in addition to* the possibility of obtaining funding in the form of tuition.

After the completion of the studies, there are many options for pursuing one's career path in law. Some decide on an academic position and focus solely on the scientific and teaching activity. Most graduates, however, go into various kinds of legal practice within one of the legal and paralegal professions and become a judge, public prosecutor, notary, debt collector, receiver in bankruptcy, advocate, legal counsel, patent lawyer or tax advisor.

Forms of classes and teaching methods

The standards of the legal education, set a minimum of 10 terms, 2,400 hours, 300 ETS points, intermediate knowledge of a foreign language, three weeks of internship and 60 hours of physical exercise. There are 9 obligatory subjects: the basics of the jurisprudence, logics, civil, penal, administrative and constitutional law, civil, penal and administrative procedure. Apart from that there are also the compulsory subjects, a given amount of which needs to be taken throughout the studies, and the facultative subjects, the taking of which is left to decision of the students, as long as the overall point requirement is met.

According to both scholars and employers, a good lawyer should be able to recognize legal elements in the surrounding reality, communicate one's thoughts in a straightforward,

accurate manner, both orally and in writing, find the necessary information fairly quickly, argue a legal issue, make inferences and recognize his place in the team, *in addition to* a solid background of knowledge about the legal structures. The major law firms are of the opinion that law students fresh out of university lack the ability to effectively convey the quite decent knowledge they possess into practice, formulate short and clear legal briefs, create basic corporate documentation, move freely within the legal terminology of a foreign language and are short of lawyer-client communication skills. Thus, higher education and its graduates, do not meet many of the employers' expectations.

Comparison of Polish and Anglo-Saxon legal system

The main obstacle to knowledge management in legal services is represented by the predominantly national character of the law and by the national character of legal education. The legal profession is divided across national lines and reflects the national character of the law. National laws have been grouped in legal families, sharing common legal principles, and in some instances similarities in the structure of the legal profession. Comparative lawyers have identified the following main legal families: Romano-Germanic Law, Common Law, Socialist Law, Hindu Law, Muslim Law, Laws of the Far East, Black Africa and Malagasy Law [3]. The Romano-Germanic (Poland) and the Common Law families stretch well beyond the countries in which they originated and are the families of laws that bring together the largest number of national laws.

The Common Law legal family shares the same legal principle of *stare decisis*, which binds lower courts to decisions of higher courts on the same points of law. The corollary of the *stare decisis* principle is that case law constitutes the main body of law in common law countries. The Civil Law tradition is based on the concept of codification. The law is codified by the legislator in codes (civil code, commercial code, criminal code, etc.), which cannot be altered and must be applied by the courts. Codes differ among Civil Law countries - to a certain extent more than the case law between Common Law countries - as each country adopted its "national codes", however, some codifications, especially in the field of civil law have exercised important influences on others.

Legal families do not provide a satisfactory solution to the obstacles represented by qualification requirements in legal services, as the main aspect of a lawyer's education is still his knowledge of national law, which differs for each country within a legal family and in some cases even within the same country.

2. Knowledge sharing

Knowledge has been conventionally defined as beliefs that are true and justified. Sveiby [5] defines knowledge as "a capacity to act". Therefore, knowledge sharing can be defined as "the sharing of the capacity to act". Knowledge can be modeled as both a "thing" (stock) and a "flow" at the same time. Knowledge flows between tacit (subjective) and explicit (objective) states. Tacit knowledge is thus that component of knowledge that is widely held by individuals but not readily expressed. It is expertise, skill, and 'know how', as opposed to codified knowledge. Tacit knowledge is the personal knowledge resident within the mind, behavior and perceptions of individuals.

In the case of legal professions the explicit state is reflected in the law regulations, principles and codes. The explicit state is reflected in the ability to connect, interpret and implement the explicit knowledge. Knowledge transfer can take place between tacit and explicit forms of knowledge as described by Nonaka and Takeuchi in their SECI knowledge transfer model[6]. According to Nonaka and Takeuchi knowledge in organizations is

constantly changing its form from tacit to explicit and vice versa. In their SECI model, knowledge is continuously converted and created as users practice and learn. The process should be seen as a continuous, dynamic swirl of knowledge.

The study of knowledge sharing has its roots within the technology transfer and innovation literature [4]. Some traces of the current 'theory of knowledge sharing' can be found as early as in the late 1940s when Claude Shannon [7], a research mathematician at Bell Telephone Laboratories, invented a mathematical theory of communication. The main questions motivating this theory were how to design telephone systems to carry the maximum amount of information and how to correct distortions on the lines. Today Shannon's communication concepts are widely quoted in the marketing literature. Knowledge sharing, as opposed to information transfer, focuses on the human context of the information and the very act of understanding (not simply 'receiving' the information). The successful act of knowledge sharing is completed only when the recipient's ability to act is increased. In today's knowledge-intensive organizations knowledge sharing is just as important as the flows of money (cash flow). As nowadays more people are involved in providing knowledge-intensive services such as legal, consulting, advice, financial services, design, education, healthcare and IT, more importance should be given to the issue of knowledge sharing.

3. Why sharing knowledge is important

Knowledge sharing as a concept is very attractive and provides huge business opportunities that should not be missed. Knowledge sharing is an activity through which knowledge is exchanged among people, friends, or members of a family, a community or an organisation. Today, the creation and application of new knowledge is essential to the survival of almost all businesses. There are many reasons. Depending on the nature of a business, its strategy and scope of operations knowledge sharing helps increase the intellectual capital of an organization by:

- Increasing the speed of spreading good ideas and practices.
- Cost effectiveness – knowledge is developed and then re-used by many people.
- Time savings - professionals learn from their mistakes and those of others.
- Emotional relief and decreased tension are experienced when problems are shared.
- Bonds and connections between professionals are strengthened; solving problems brings people together.
- Increasing the productivity of knowledge resources by avoiding the 're-inventing the wheel' problem.

4. Barriers to knowledge sharing

The sharing of knowledge has an important feature: it stays in the organizations long after the employees leave it. Nevertheless, there are many reasons why employees don't want to share their knowledge. The most frequently quoted one: "knowledge is power" is just one of many of them (see: Box 1.1).

Box 1.1. Why employees do not want to share their knowledge.

„I don't have time, my boss is not interested in what I know, especially if he is not an expert in his field ...”
„I am a junior employee, I am not respected among colleagues from my work; they say I am 'young and inexperienced'. They don't trust my knowledge..”

„I am not willing to share my knowledge because I had to pay for my own education. I think knowledge has a price-tag on it and one should not share it freely”

„I am afraid other will use it for their own benefits. I don't trust them. Besides, my colleagues do not share their knowledge either. If I started sharing my knowledge, they would think I am not humble enough”.

„I do not believe others should have access to my knowledge on daily basis. Sometimes I hoard knowledge so that I can occasionally impress my boss and my colleagues with something new I know”.

„Team work is not rewarded at my work. I tend to hoard knowledge anticipating a promotion”

“I do not share my knowledge because I am rather shy. I do not mix with people very well. I am afraid I would be misunderstood which, in turn, would create errors”.

“My knowledge is my capital. I am afraid that if I pass it on to my employees I will become less indispensable”.

Source: Author's own research: interview with MBA students in Warsaw, Poland, 2008.

5. Knowledge flows in Polish law firms

Law firms are a good example of knowledge-intensive service organisations. As a knowledge-based sector, the legal profession faces great challenges and lawyers are constantly in need of new information to understand frequent changes in legislation. Lawyers are knowledge workers. They are professionals who have gained knowledge through formal education (explicit) and through learning (tacit)[8]. Nahapiet and Ghosal categorized the types of knowledge involved in the practice of law as: administrative data, declarative knowledge, procedural knowledge, and analytical knowledge. Administrative data includes all information about firm operations, such as hourly billing rates for lawyers or client names and matters. Declarative knowledge is knowledge of the law, the legal principles contained in statutes, court opinions or other sources. Procedural knowledge involves knowledge of the mechanics of complying with the law's requirements in a particular situation. Declarative knowledge is sometimes labeled know-that and know-what, while procedural knowledge is labeled know-how[9]. Finally, analytical knowledge pertains to the conclusions reached about the course of action a particular client should follow in a particular situation. Analytical knowledge results from analyzing declarative knowledge as it applies to a particular fact setting[11].

According to Karl Erik Sveiby there are three basic elements of intellectual capital which he calls: External Structure, Internal Structure, and Individual Competence [5]. Thomas Stewart calls them Customer Capital, Structural Capital and Human Capital. According to Sveiby there are nine types of knowledge flows which can be used as a description of knowledge sharing. The importance and complexity of each knowledge flow depends on the

applied business model and the characteristics of the market. Among the nine knowledge flows defined by Sveiby three concern the flows *within* the components of intellectual capital:

1. Knowledge flows within individual competence (human capital): relate to the interactions among employees. They are usually informal, unofficial. Informal, on-the-job training (including the transfer of tacit knowledge between professionals) is an example of this type of knowledge flow.
2. Knowledge flows within internal structure – these should not be confused with the previous type. Here, the transfer of knowledge is more formal. Although tacit knowledge can be also transferred in the form of collective knowledge (teams learning from teams), the most usual knowledge flows in the internal structure concern the exchanges between different business units and branches.
3. Knowledge flows within external structure – relate to the interactions between different players and agents surrounding the organizations. These include word-of-mouth communication among clients, opinions of so called ‘influentials’, communication in the Internet, e.g. blogs, communities of practice.

The other six knowledge flows take place *among* the three components of intellectual capital.

4. Knowledge flows from individual competences to internal structure – knowledge of individuals is retained and preserved within the organization in the form of databases, reports, best practices. Exit interviews are examples of such knowledge flows.
5. Knowledge flows from internal structure to individual competences – knowledge residing in the organization is shared with its employees. The most frequent example is internal trainings, including e-learning courses for newly hired employees. The transfer of organizational routines (organizational culture) is another example.
6. Knowledge flows from internal structure to external structure – all forms of public relations are examples of transferring knowledge to the external structure. Partnerships and strategic alliances are also forms of transferring knowledge from internal structure (these transfers should usually be counterbalanced with adequate knowledge transfers in the reverse direction in order to make the partnership mutually beneficial). Cooperation agreements with suppliers are another example of this type of knowledge transfer.
7. Knowledge flows from external structure to internal structure – organizational learning is the most frequent state of transferring knowledge from the external structure. Industrial espionage, however unethical, is a means of illegal knowledge transfer from the outside of an organization. Licenses and franchising agreements also play a role in leveraging internal knowledge resources.
8. Knowledge flows from external structure to individual competences – even if company’s employees utilize their knowledge to the benefit of their employer, the knowledge they possess remains their private property. Tacit knowledge is difficult to disseminate and the strengths of many professional organizations lie in the individual competences which cannot be externalized. Therefore, individual learning, e.g. participation in conferences or simply reading usually enriches individuals’ knowledge but is not available in the internal structure.
9. Knowledge flows from individual competences to external structure – individual employees share knowledge in professional forums and in this way externalize their knowledge without the direct intervention from their employer.

The above mentioned flows of knowledge take a specific form in Polish law firms due to Polish law education system and legal services market's structure after 20 years of transition. Explication of knowledge sharing in the specific case of Polish law firms is shown below:

Ad.1 Knowledge flows within individual competence (human capital): relate to the interactions among employees

Law firm's primary resources stem from the human capital and social capital of the individuals employed within. At the individual level, human capital attributes include education, experience, and skills. For the firm, human capital can be conceptualized as the sum of employees' knowledge and skills. In addition to formal education, professionals learn via work experiences, including working with others within their own firm, cooperating with other firms, and providing services to clients[12].

Ad.2 Knowledge flows within internal structure

Knowledge management must go beyond "document management," (which is how most attorneys currently view it), and support a variety of functions within the firm. KM has the capacity to tie various firm functions together, enhancing corporate department collaboration and point these "back office" functions in the direction of what the revenue producers (the attorneys) actually need to practice more efficiently and effectively. Knowledge management strategies for lawyers extend from the application of repetitive document assembly technology through creative uses of the conflicts database[8].

Knowledge management tools in law firms include at least the following types of innovations: portals, intuitive search tools, data mining, automated document assembly tools and practice management systems.

Ad 3. Knowledge flows within external structure

It is very important to build reputation (which is the sum of impressions held by company's stakeholders). Moreover, information about firm's products, record of activities, new developments inside a firm as well as breaking news should be gathered and shared.

Ad. 4 Knowledge flows from individual competences to internal structure

The essence of a Knowledge Management strategy is getting as much knowledge out of people's heads and have it embedded into other people's heads and/or into the corporate knowledge bank. Knowledge assets may exist in one of three places: on paper or in electronic records, in the businesslogic that define corporate systems (whether IT or otherwise), or in people's heads[8]. What every law firm should seek is a methodology that allows the systematic capture, development and use of legal and quasi-legal knowledge, together with the development of an internal knowledge market which provides incentives and rewards for creators to share their knowledge and the promotion of a corporate culture which demonstrates the benefits of corporate knowledge sharing.

After completing their advanced educational requirements, most professionals enter their careers as associates in law. In this role, they continue to learn and thus, they gain significant tacit knowledge through "learning by doing". Therefore, they largely bring explicit knowledge derived from formal education into their firms and build tacit knowledge through experience[13]. According to Polish law firms' managers' opinion, such process might take from three to four years[17].

Ad.5 Knowledge flows from internal structure to individual competences

Information technology provides knowledge workers with access to information that is typically stored in documents. Examples of documents are contracts and agreements, reports,

manuals and handbooks, business forms, letters, memos, articles, drawings, blueprints, photographs, e-mail and voice mail messages, policy statements, computer printouts and transcripts from meetings[11]. Knowledge management should help lawyers in becoming better at what they do and deliver more value to clients. Automated document assembly tools can restructure the methods lawyers use for repetitive drafting tasks, like routine complaints in divorce cases or documents prepared in uncomplicated real estate matters.

In the early years of a lawyer's career, research and document drafting are the predominant professional activities. More senior associates and young partners are entrusted with management responsibilities. At this they are responsible for a team of lawyers delivering legal services on specific matters needed by the firm's clients. These lawyers require information about the matters that the firm is handling drawn from a variety of internal information sources like the time and billing system, the conflicts system, the document management system and external sources like news reports, web updates and stock market reports. Knowledge about the client dominates the third, client development phase of a lawyer's career [10].

Ad 6. Knowledge flows from internal structure to external structure

The most used solutions in this area can be customer service, extranet, help desk, e-business, etc. All staff members should fill information sheets about customers after every meeting. These data and clients profiles should be available to other employees to provide better customer service.

One of the fundamental problems that a law firm may face is its reliance of individual 'stars' within the firm. The firm may want a client to hire the firm but not individual lawyers.

Ad.7 Knowledge flows from external structure to internal structure

Competences of customers, suppliers and other stakeholders can improve the organization systems, tools, processes and products. These activities range from the empowering workers and acquiring knowledge about the needs of customers based on their complaints to the alliances in the R & D.

Ad 8. Knowledge flows from external structure to individual competences

Customers not only give law firms money but also knowledge and other intangible assets. Workers learn a lot from the information obtained from customers and suppliers. They derive from their ideas, experiences, feelings about the product and the new technological knowledge. It is very important to distinguish individual and corporate clients of law firms. From individual (there is a huge imbalance of knowledge between lawyers and customers) they might learn expected level of quality and life experience. From corporate clients they might also learn different styles on management.

Ad. 9 Knowledge flows from individual competences to external structure

Most knowledge management efforts in Polish law firms are limited to internal firm use. Firms should consider making KM client-facing and examine the benefits of undertaking a KM initiative within the legal realm and its impact on quality, efficiency and client satisfaction. Law firms have many resources that can be made available to clients such as blogs, bulletins, precedents, extranets and on-line legal services.

Professionals' prestige (based partly on the institutions from which lawyers obtained their education) is a valuable organizational resource because of the elite social networks that provide access to valuable external resources for the firm [13].

6. Relations between firm size and knowledge sharing

K. Sveiby and R. Simons [15] had found out that in terms of flows of knowledge, cooperation and relationships between the lawyers as well as the size of law firm is significant. A common opinion was that small organisations have a more favourable collaborative climate, both because it is easier to share with a smaller number of people and because the small size suggests a closer-knit community. Surprisingly, it turned out that larger firm size is positively correlated with better collaborative climate. In small law firms less formal atmosphere and a shorter route decision-making does not guarantee an optimal flow of knowledge, or development of young staff. Even worse, in small law firms less creative, secretarial work is being ordered to young lawyers. Such situation does not happen in bigger law firms where lawyers have administrative staff to help. An interesting result from the further analysis suggests that employee attitude peaks with mid sized firms while Overall Culture and Work Group support both drop slightly with increasing firm size [15]. The best collaborative climate is expected in law firms which employ about 50 lawyers. Alas, there are not many such big law firms in Poland (especially those owned by Polish owners). Although there are so few of those, work in any of them is seen as an opportunity to learn from the best, get the best education and gives their employees a lot of prestige.

7. Barriers to knowledge sharing in a law firm

There are significant hurdles to overcome in order to embed successful Knowledge Management in the law firm context. Most of them may be categorized under the heading of ‘firm culture’. The most frequent examples are shown below (see: Box 1.2).

Box 1.2. Barriers to knowledge sharing in a law firm

Barrier	Way to overcome
<p>Organizational issues related to management Many of those in charge of companies do not effectively promote knowledge sharing. Sometimes managers do not endorse it at all (i.e., by omission) and some pay it lip service but do not provide the support required for this effort.</p>	<p>Navigating organizational barriers and constraints, identifying critical resources for proactive consultation with department managers, training of managers, creating more transparent knowledge sharing systems.</p>
<p>Knowledge is inaccessible Essentially, it is difficult to find the information employees need so that they could effectively collaborate and share knowledge. According to Alavi and Leidner [16], one survey found that 74 per cent of respondents believed that their organization’s best knowledge was inaccessible and 68 per cent thought that mistakes were reproduced several times. Such a perception of failure to apply existing knowledge is an incentive for mapping, codifying and storing information derived from internal expertise.</p>	<p>The principal idea is to make sure knowledgeable people in the organization are accessible to others for advice, consultation, or knowledge exchange.</p>
<p>Job security feeling Issue of job security may be two-fold: a) fear of losing face if others disagreed or one provided incorrect information; and b) the desire to control a particular situation or people by sharing or withholding information.</p>	<p>Assertiveness training for creative employees, encouraging them to share ideas.</p>
<p>Lack of incentives Lawyers increasingly feel the pull of their laptops and the need to be recording time. If clear incentives are not established through the appraisal system, then the existence of a knowledge marketplace might be obscured.</p>	<p>Incentives may take different forms –for example, stipulating a rate for recording time spent on KM activities such as categorising and profiling information for input into the practice’s knowledge base; and making contributions to the practice’s knowledge base a function</p>

<p>In order to overcome the cultural barriers to knowledge sharing, professional services practices may need to offer incentives for their knowledge workers to participate in the practice's KM initiatives.</p> <p>Bock and Kim [14] posited that, if employees believed they could make contributions to the organization's performance, they would develop a more positive attitude toward knowledge sharing.</p>	<p>of the fee- earners performance review. Management should "sell" the KM initiative as a path to more challenging work and tangible rewards. When your knowledge workers can see the value in the exercise for themselves, resistance to change is more easily overcome.</p>
<p>Communication</p> <p>The culture of informal sharing of experiences over the coffee machine may not be strong in all law firms. Information from knowledge workers should be stored and available to everyone in the firm and to designated external partners. Data-mining techniques can be applied here to find relevant information and combine information in data warehouses. Company should actively promote knowledge sharing</p>	<p>The solution is to create marketplaces, both physical and virtual, for knowledge exchange and the discussion of ongoing matters. Most importantly, the firm must back up its commitment by demonstrating the value it places on knowledge exchange. Thus, technology and cultural change must go hand in- hand. Technology can be used as an opportunity to change behaviour, but it has to be introduced carefully, cautiously and in a structured manner.</p> <p>Building applications, tools, and processes to develop an effective and up-to-date knowledge-sharing and collaboration program</p>
<p>Time constraints</p> <p>Time limitations are a definite factor. Lawyers are very busy. They've got other priorities. Any time spent sharing knowledge and experience is time not spent billing, and in a law firm time really is money. A KPMG report concluded that many organizations are too lean to exploit Knowledge Management to the full. It states, "49% of respondents said that people wanted to share knowledge but do not have the time. This was considered a greater drawback than the cultural issues popularly accepted to be barriers."</p>	<p>It's difficult to have a structure that brings lawyers out of their daily routine that gets them talking and sharing. Lack of time and inability to organize the vast information stores these organizations possess were also cited as factors that inhibited the effective sharing of knowledge. The advice is that the only way knowledge sharing could be effective is to add it to the goals of the organization and to measure its use.</p>
<p>Individuality</p> <p>Lawyers are not noted for their team-based approaches to legal work or for their willingness to share their expertise. Lawyers do not tend to 'group tackle' projects and therefore accumulate specialized individual expertise more quickly than their professional counterparts in accountancy or management consultancy. Each lawyer tends to take responsibility for a particular area, such as the drafting of a particular document or section of a document, or working on a particular legal issue. Lawyers are usually encouraged by the firm to be very client focused, usually at the expense of an inward knowledge-sharing focus.</p>	<p>Improvement of informal relationships between lawyers (integration, social events), recruitment of employees that match the organizational "knowledge sharing" culture.</p>
<p>(Un)willingness to share knowledge</p> <p>A variety of factors may affect the willingness to share knowledge. Workers first need to feel secure in their jobs. They need to know that the act of sharing knowledge with their co-workers would not diminish their job in any way. Moreover, office politics have the potential to become a barrier for effective collaboration and knowledge sharing, diminishing any eagerness toward knowledge sharing.</p>	<p>Lawyers need to trust and respect their co-workers. One of the most important factors is the level of comfort in dealing with others.</p>

Summary and conclusions

Knowledge is a strategic resource of law firm and may be a success factor in the functioning of the firm and the source of competitive advantage and reputation builder (which helps firm in acquiring most talented lawyers and attracting interesting clients to the

firm). That is why Polish law firms should create an atmosphere which conducts to knowledge sharing. Doing this requires knowledge-sharing skills, appropriate technical infrastructure, tools and processes to support knowledge management and the use of effective incentives. However, the path to successful KM may be difficult particularly in organizations like law firms where working alone and not sharing information or know-how can often reap rewards. It is also very important to eliminate many barriers of knowledge sharing which may occur.

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