



**EFFECT OF KNOWLEDGE MANAGEMENT  
PRACTICES ON PRODUCT INNOVATIONS**

**(WITH SPECIAL REFERENCE TO THE HOSPITALITY INDUSTRY IN  
SOUTHERN PROVINCE SRI LANKA)**

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## ABSTRACT

*Key words: Knowledge management practices, Product innovations, Hospitality sector in southern province.*

With the globalization, competitiveness is immensely increasing. As a result of that, businesses try to increase their core competency by doing innovations. As well as world is in knowledge era, thus knowledge management (KM) is valuable concept for current world.

In accordance with past researches, little number about KM practices (KMPs). So the aim of this study is, to analyse the effect of KMPs on product innovations in hospitality industry.

The study distinguishes three different types of KMPs as joint development of innovations strategy (JDI), regular meetings of department heads (RMD) and seminars and workshops involving several departments (SWI). Products innovations carried out by hotels are identified via main two dimensions namely product new to the market and product new to the company. The data are collected for four years commencing from 2007 to 2010.

The study has been conducted regarding the hotels in southern province which are categorized under the stars. Forty five managers have been selected from three levels of management. The questionnaire method along with the in-depth interview has been occupied to obtain the information of the study. The collected data have

been analyzed by using descriptive and inferential methods in optimizing the objective of the study.

Based on first objective “to observe current degree of KMPs in hospitality industry and current degree of KMPs in different classes of hotels”, the result of the study reveal that most of the hotels highly practice the RMD while, highest practicing of KMPs can be seen in five star hotels.

In accordance with second objective “to observe effect of different types of KMPs on product innovations”, the JDI and SWI make positive significant effects while RMD does not make significant effect on product innovations.

Based on third objective “to explore relationship between KMPs and product innovations”, the overall findings indicate that there is a positive relationship between different types of KMPs and product innovations in hospitality sector. It suggests that importance of KMPs and link to product innovations. As Sri Lanka is still a developing country, it is worthwhile to increase the rate of product innovations capability as a critical driver for their future business success in the hospitality sector.