

## **Impact of Participative Decision Making on Product Innovations (With Special Reference to Hotel Industry in Southern Province, Sri Lanka)**

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Participative decision making (PDM) has received a significant attention as a mode of reaching higher business performances in the modern business context. Innovations play a significant role in converting businesses towards growth orientation and they can be defined in different contexts like product, process, marketing innovations etc. The study aims at assessing the relationship between PDM and product innovations in the Hotel Industry in southern province Sri Lanka as the province is the heart of the tourism industry in Sri Lanka. PDM has been scanned through three dimensions namely structure of the PDM, form of the PDM and decision issues in PDM. Innovations have been identified through two dimensions namely products new to the market and products new to the company. The study was based on primary data gathered from 14 hotels in Southern Province in Sri Lanka categorized by Tourism Board as star hotels. Stratified sampling technique has been occupied within the study and 42 managers were selected from different levels of Management in the hotels. The questionnaire method along with the in-depth interview was used to obtain the primary data and information for the study. Main dimensions of PDM were identified through Likert Scale. Both qualitative and quantitative methods of analyzing data have been occupied within the study in analyzing the data. Results suggest that there is a positive relationship between PDM and product innovations in hotel sector. The result of the study presents a strong step toward providing practical as well as theoretical implication on the PDM and Product Innovations.

Key words: Participative Decision Making, Product innovations, Hotel industry