

**THE EFFECT OF STRATEGIC KNOWLEDGE
MANAGEMENT INTENTIONS ON FIRM
INNOVATIVENESS: STUDY WITH SPECIAL
REFERENCE TO SOFTWARE DEVELOPMENT
INDUSTRY IN SRI LANKA**

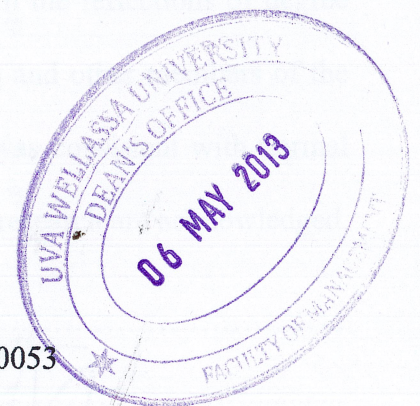
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ABSTRACT

The effect of Strategic Knowledge Management Intentions on Firm Innovativeness: study with special reference to the software development industry in Sri Lanka

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Knowledge forms an important asset in modern organizations. In order to gain and sustain competitive advantage knowledge has to be managed. Based on the resource based view, Strategic Knowledge Management (SKM) is known as the central of business concern. The problem focused in this study is Do SKM intentions affect on Firm Innovativeness (FI). It fills a knowledge gap through organized approach to Sri Lankan Software Development Industry (SDI) and an expansion of knowledge management exploration in relatively new era. The objectives of the study were to identify the relationship between SKM intentions and FI and degree of such intentions. This study empirically evaluated three SKM intentions (Knowledge Acquisition, Knowledge Sharing and Knowledge Application) and impact on the FI of the Software development industry in Sri Lanka. The population consisted of forty-three Software development companies and the whole population was tested. The data were gathered using self-administered questionnaires. The analysis signifies that SKM intentions explain 47.4% of FI and all 3 dimensions positively affects on FI. Moreover, the correlation analysis suggests there is a positive strong relationship between knowledge acquisitions, knowledge sharing, knowledge applications and FI. The result implies that knowledge application highly correlate with FI than other two dimensions. The results conclude that SKM intentions have a positive effect on FI in SDI and strong positive relationship. In addition, the Knowledge Application intention is a widely affected factor in SKM on FI. However, the SKM plays vital role in firm innovativeness.

Keywords: Strategic Knowledge Management, Firm innovativeness, Software Development industry