

## **Knowledge - based innovation: case studies in Sri Lankan consultancy firms**

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Construction firms are increasingly being challenged for successful innovation. The knowledge resources such as human, structure and relationship of the firms are taken a significant part in the process of innovation. Managing these capitals to achieve innovation is a challenging task to firm's management. Thus, the aim of this study is to explore how consultancy firms in Sri Lanka, manage this knowledge capital towards innovation. Multiple case studies were conducted by direct observation and interviews with top and middle level managers of the firms. During interviews documents and archival records were examined. Nvivo software was used to codify and content analyse the transcripts. The findings explore the nature of innovation in Sri Lankan consultancy firms in terms of its focuses, drivers, barriers and outcomes. The results indicate that the client's requirements are a key factor in the process of innovation. Due to the less intention of clients and the management on innovation, the innovation process is observed slow in Sri Lanka.

**Key words:** Construction innovation, Knowledge capitals, Consultancy firms, Sri Lanka

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