

**THE RELATIONSHIP BETWEEN KNOWLEDGE MANAGEMENT
AND INNOVATION TOWARDS ORGANIZATIONAL
PERFORMANCE AT YAYASAN PEMBANGUNAN
USAHAWAN (YPU), TERENGGANU**

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Abstract

The purpose of this research is to study the relationship of knowledge management practices and innovation towards organization performance. This paper was correlational and descriptive statistic research which showed the knowledge management practices of Yayasan Pembangunan Usahawan (YPU), Terengganu. The knowledge management practice was the important element that can contribute to the innovation stage. The data was gathered by using the questionnaires method that had answered by 60 middle staffs in the company. This research is using the sampling cluster which is can save the time during doing this research. The study finds that the level of knowledge management practices and the innovation of Yayasan Pembangunan Usahawan (YPU) in moderate level. Then, the hypothesis was accepted where there have a significant relationship between knowledge management practices and innovation in private sectors. Hence, based on finding, knowledge management practices was totally influenced the innovation.