

From the business perspective, Knowledge Management is useful only if information is used in a directed manner, such as to improve employee performance. If the information is useful, it should directly impact employee behavior and be reflected in increased efficiency, effectiveness, or diligence. Ultimately, the improvement in corporate competitiveness from the corporate perspective is the rationale for investing in Knowledge Management.

Intellectual Capital

In traditional management of early twentieth century that dealt with the optimum utilization of labor, parts, and other physical resources, capital was considered limited to the factories, machines, and other human-made inputs into the production process. In the modern corporation with a KM initiative, the concept of capital is extended to include ephemeral intellectual capital and its impact on individual and organizational behavior. Although intellectual capital can be lumped

EXHIBIT 1.4

