

the importance of maintaining existing employees through any KM effort. Together with the head of human resources, Mary and the CEO develop a company policy that recognizes employee contributions with public approbation as well as bonuses and stock options. The policy necessarily reflects the CEO's vision of the company—namely his sense of preserving intellectual capital to maintain an edge over the competition and to increase the value of the company.

Issues

Mary's experiences with Medical Multimedia illustrate several key issues:

- Although Knowledge Management is fundamentally about information and power sharing, the interpretation of Knowledge Management depends on the perspective of senior management.
- The role of the chief knowledge officer or other knowledge manager is situation-specific.
- Knowledge Management isn't process reengineering.
- Senior management must evaluate the potential benefit of a KM program relative to other initiatives.
- The applicability of Knowledge Management is a function of the underlying business model.
- A KM program must respect the knowledge hierarchy by rewarding employees for sharing their knowledge with the organization.

These issues are expanded and explored next.

Matter of Perspective

The corporation was invented in the seventeenth century as a legal entity designed to generate capital while minimizing the risk to the owners and operators. For the first few hundred years, labor was considered a largely undifferentiated raw material used in the capital-generating