
ABSTRACTS**1. CAPITAL ACCOUNT LIBERALISATION IN AN EMERGING ECONOMY: PRIVATE CAPITAL FLOWS, EXCHANGE RATES AND STOCK MARKETS IN INDIA**

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ABSTRACT

The emerging economies of Asia have in 1990s, emerged as the epicentre of private capital flows in the global economy, attracting a significant proportion of FDI and portfolio flows. India too has attracted more than \$40 billion, during the second half of 1990s.

External capital inflows were expected to have a positive impact on the emerging market economies. At the macro level, capital account liberalisation is expected to lead to more efficient resource allocation at the global level. Flows into capital scarce emerging economies would lead to decrease in interest rates, accelerated investment and higher growth. At the micro-level, integration of the capital markets in such economies with global portfolio flows should lead to risk diversification and lower the cost of capital for individual firms by raising Tobin's q .

This paper examines the experience of India at the macro and micro level, which accompanied by large fluctuations in the quantum of flows. At the macro level, periods of large inflows with low current account deficits, forced the central bank to mop up the excess flows. To sterilise the impact of this reserve accumulation, the Central bank mopped up liquidity, raising interest rates and slowing down the growth. At other times, outflows of capital, specially during 1997 crisis forced central bank to defend the currency by raising short term interest rates. Hence interest rates remained high during periods of inflows as well as outflows, slowing down the economy and aborting corporate restructuring necessary under industrial reforms.

The impact at the micro-level is analysed by studying the impact of portfolio flows on the Indian stock market and the cost of capital for firms that accepted investment from foreign investors. The analysis shows that Tobin's q for such firms actually declined and the stranglehold of foreign pension and mutual funds reduced availability of funds from capital market to the Indian corporate sector.

2. THE RELATIONSHIP BETWEEN PROFIT-SHARING/GAIN-SHARING PLANS, PRODUCTIVITY AND ECONOMIC VALUE ADDED

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ABSTRACT

The influence of profitsharing/gainsharing plans on the performance of value drivers employed by EVA's methodology was the theme of this study. The financial drivers evaluated in this survey were: growth in sales, investment in working capital, investment in fixed capital, operating profit margins, income tax rate, cost of equity and cost of debt. And the non-financial drivers considered were: productivity, customer satisfaction, quality of the product or service, training of employee, satisfaction of employee, product innovation, process innovation, market share and safety of employee. This is a descriptive survey studied in a quantitative fashion. The data were collected through questionnaire and the statistical software SPSS was used for tabulation. The companies of the sample were of medium and large size, from the industrial sector, of different branches of activity, located in the State of São Paulo. The results suggest that the profitsharing and gainsharing programs have a favorable influence on the performance of value drivers. The favorable influence on the non-financial drivers was greater than on financial drivers. Productivity was the driver subject to the greatest favorable of all the drivers evaluated in this study.

3. MONETARY POLICY AND CAPITAL ACCUMULATION PROCESSES: HOW DID THE FED REACT TO THE TRANSITION PHASES?

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ABSTRACT

The present paper is related to the recent discussion about the efficiency of the Reserve Federal Bank on investment decisions. Our aim is not to propose an optimal policy rule but rather to appreciate and to understand the link between the monetary interventions of the FED and capital accumulation processes. Therefore, we propose to adopt a Smooth Transition Regression Model to take account of structural changes in capital stock for the sole equipment and computer goods. We analysed two periods (1967-1981 and 1982-1997) that correspond to the policy changes of the Federal Reserve Bank occurring in the early eighties. We conclude to a strong heterogeneity of the exogenous variables between the periods, and above all, to a modification of the effects of monetary policy during the transition phases. In fact, the different results over the two periods could be explained by the instability of the relation linking the decisions of the FED to investment expenditures.

4. TIME-SERIES ANALYSIS OF RETURN AND BETA IN U.S.

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ABSTRACT

Most CAPM tests following Pettengill et al. procedure (1995) have focused on the cross-sectional aspects of data. However, it is more appropriate to examine the conditional relationship between beta and return by using time-series analysis, as it is well known that the beta is not stable over time. This paper examines the conditional relationship between returns and betas by using Kalman filter technique that is the special case of the general state-space model. This paper provides another evidence from U.S. stock market that there is a significant and systematic relationship between return and Kalman filtered beta when the conditional nature of the CAPM is analyzed.

5. EXPERIMENTAL STUDIES WITH THE "MULTILATERAL BARGAINING MODEL": A STRATEGIC ANALYSIS

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ABSTRACT

This paper examines the Multilateral Bargaining model of Rausser and Simon (1991), using the Uruguay Round Uruguay provides but one data point, limiting the possibilities for field testing, pilot experiments are conducted whereby the model can be behaviorally tested in a laboratory setting. In the lab a controlled negotiation environment is created and repeated a significant number of times, employing payoff parameters that are empirically estimated with a general equilibrium model. The game is played in strategic form, assigning five players to each negotiating group. The players are asked to negotiate by making three strategy choices: (1) a policy proposal, (2) a feasible coalition and (3) a minimum payoff threshold at which he or she will join another's coalition. Findings from the experiments are compared to the actual negotiations, and to results that were generated in a companion set of simulation exercises. We find similar results as were found in the simulations, and find that the alternate approach from Redmond (2003), using a sector-specific scenario would more closely mimic the dynamics of the Uruguay Round. However the primary contribution of this study is to demonstrate how economic models of the impacts of policies can be integrated with bargaining models of negotiations over those policies, and then replicated in the experimental laboratory.

6. LEVEL OF INFORMATION ASYMMETRY AND MARKET IMPACT OF SEASONED EQUITY ANNOUNCEMENT: A COMPARISON OF MARKET REACTION ACROSS INDUSTRY GROUPS

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ABSTRACT

This paper examines the market reaction to seasoned equity issues on industry groups of Banks, Utilities, and Industrials. Due to information asymmetry between investors and the management of a company, market generally reacts negatively to seasoned equity issues [Myers and Majluf (1984)]. We hypothesized that since Industrials raise capital from the equity market more frequently than other groups, they will experience more negative market reactions. Results from this study support this hypothesis, though differences in abnormal returns between the groups, on and around the equity issue announcement date were not significant. Raymar (1993) argued that leverage of firm is negatively correlated to information asymmetry. To test this each industry group was subdivided into high and low levered samples. Low-levered group experienced more negative market reaction than the high-levered groups, but the differences were not significant. Overall, low-levered industrial group suffered the most.

7. A MODEL TO PRICE PUTTABLE CORPORATE BONDS WITH DEFAULT RISK

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ABSTRACT

This paper presents a model for pricing puttable corporate bonds that are subject to default risk. The model incorporates three essential ingredients in the pricing of defaultable puttable bonds: stochastic interest rate, default risk, and put provision. The stochastic interest rate is modeled as a square-root diffusion process. The default risk is modeled as a constant spread, with the magnitude of this spread impacting the probability of a Poisson process governing the arrival of the default event. The put provision is modeled as a constraint on the value of the bond in the finite difference scheme. This paper can be used both as a benchmark for models for pricing puttable corporate bonds that are subject to default risk and as a direction for future research.

8. A COMPARISON OF NEURAL NETWORKS AND ECONOMETRIC DISCRETE DEPENDENT VARIABLE MODELS IN PREDICTION OF OCCUPATIONAL ATTAINMENT

ABSTRACT

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A number of recent studies have compared the performance of neural networks to a variety of statistical techniques for the classification problems. In this paper, we compared the prediction of occupational attainment using a backpropagation neural network model and a multinomial logit model. Both techniques use variables related to education, experience minority status, disability status, marital status, sex, and geographic region as inputs to perform the prediction. The neural network training and performance evaluation is also discussed in detail. Although a comparison of the predictive ability of both models showed similar results, this paper presents neural networks as a more robust alternative for occupational attainment prediction application.

9. FAT-TAILS AND VaR ESTIMATION USING POWER EWMA MODELS

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ABSTRACT

It is well known that financial asset returns have a non-normal distribution and are leptokurtic, with the tails fatter than those of the normal distribution. The Standard EWMA estimator with a normality assumption (used in JP Morgan's RiskMetrics® model) is inefficient and leads to understating the true value of risk if the asset returns are fat-tail distributed. On the basis of the power exponential distribution (also known as the generalized error distribution) the family of EWMA estimators, nesting Power EWMA, Standard EWMA and Robust EWMA, were proposed by Guermat & Harris (2002). Using these newly developed estimators, we first forecast the VaR of daily returns for the TAIEX, FTSE 100, and DJIA. Subsequently, back-testing is performed to evaluate the VaR models. The performance assessment is based on a range of measures that address the conservativeness, accuracy and efficiency of each model. The results demonstrate that the family of EWMA estimators, based on a power exponential distribution, rather than normal distribution, offer superior coverage for extreme risk over the RiskMetrics estimator, and show that the Power EWMA performs with the highest accuracy in VaR estimation.

10. TECHNOLOGICAL OPPORTUNITY AND THE GROWTH PROCESS OF FIRMS

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ABSTRACT

The question of whether the growth process of firms is best explained by identifiable systematic influences, or by an essentially random process, is an important one in the literature on market structure. Within this context, the issue of whether firm size has a systematic influence on the growth rate of a firm has been the subject of extensive empirical studies. This paper attempts to re-examine the firm's size-growth relationship using data on large firms in the USA over the 1994-2000 period. The overall empirical results emanating from this study point to a tendency for the smaller firms to grow faster, and this tendency is stronger for industries facing greater technological opportunity.

11. POWER DYNAMICS: MANAGERS' POWER AND PERCEPTION OF THEIR SUBORDINATES' BEHAVIOUR

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ABSTRACT

The study examined the extent of power and influence managers had over their subordinates and how their powerfulness/powerlessness was related to various power tactics used to influence their subordinates. How managers' powerfulness was related to perception of subordinates' behaviour at work? Three hundred forty managers belonging to 4 public and 4 private sector banks participated in the study. The results showed that managers considered themselves moderately powerful. Enforcing Discipline, Authority to Sanction, Authority to Reward and Persuasiveness contributed positively to powerfulness of managers while Appeasement and Doing Favours to Superiors contributed negatively to the same. Powerful managers perceived their subordinates' behaviour relatively more positively. Enforcing Discipline, Pressure for Compliance, Persuasiveness and Authority to Reward emerged as important influence strategies to arrest dysfunctional Employee Behaviour. Exchange of Favours seemed to be ineffective influence strategy as it helped thriving dysfunctional Employee Behaviour.

12. PROFITING FROM INNOVATION STRATEGY: THE ROLE OF IT INITIATIVES AND R&D

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ABSTRACT

Company-wide pursuit of innovation is a pivotal condition of survival in the new competitive environment where this pursuit exists not only in the forms of goods and services, but also in processes, systems, and business practices (Shervani and Zerrillo, 1997). During the past two decades, rapid changes in information technology (IT) has enabled businesses to go through major transformations. Many new IT initiatives, including web-enhanced service, IT-enabled mega mergers, supply chain integration and distributed databases, were implemented. To support these initiatives, most companies have substantially increased IT spending (Hitt et. al., 2002). Empirical studies exploring the association between profitability and IT, however, have resulted in inconclusive, and often contradictory findings. At the same time, new technologies and techniques resulting from R&D investments have been seen as new differentiation factors (Lee, 2003). In order to shed additional light on the relationship between IT investments, R&D spending and firm performance, the importance of innovation strategy as an explanatory factor in understanding the relationship between IT and profitability needs to be examined further. The question of whether IT innovators spend more on R&D (including IT expenditures) and thus are more profitable than non-innovators is explored. Data was collected from over 100 firms in the U.S. chemicals industry. The statistical analyses suggest that chemical companies that invest heavily in information technologies are larger than their non-IT counterparts. The two groups of companies, IT innovators and non-IT innovators, differ in their strategic focus. The larger, IT intensive companies invest more heavily in information technologies while their smaller competitors appear to have the strategy of investing more intensively in R&D. Neither strategy seems to be more profitable than the other.

13. ADVENTURES OF A SERVICE LEARNING VIRGIN: WHAT STUDENTS TEACH YOU AND WHAT YOU LEARN YOUR OWN SELF

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ABSTRACT

Service learning is a robust pedagogical approach to both teaching and learning which can be applied across of range of courses and disciplines. This work compares the learning that ensued for both students and Instructor over three semesters in a Graduate-level Nonprofit Management course in a Southern California Master of Public Administration program following introduction of a substantive service learning component into the course.

14. MANAGEMENT COMPENSATION DISCLOSURES IN PRIVATE COLLEGES' AND UNIVERSITIES' FORMS 990: REPORTING STRATEGIES AND DONOR REACTION

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ABSTRACT

The Internet presence of private colleges' and universities' Forms 990 and their disclosure of top management's compensation amounts have led to fears of declines in donor contributions to these institutions. This paper explores donor reaction to two possible reporting strategies to counter negative perceptions: a high measure of management's financial efficiency; and a high level of management's non-financial success. The study finds that while each measurement type may succeed in countering some negative donor reaction, high non-financial success levels may offset greater amounts, a potentially

important discovery since many institutions fail to highlight significant non-financial achievements in Form 990.

15. PUBLIC ADMINISTRATION LABOR COST FORECASTING AND WAGE DISTRIBUTION. AN EXPLORATORY ANALYSIS

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ABSTRACT

The Maastricht Treaty constraints imply a continuous control of the Public Administration (PA) deficit: so there has been an increasing demand for an efficient and effective public expenditure management, especially regarding PA wages (about 12% of Italy's GDP). The Ministry of Economy and Finances (MEF). PA Model forecasts wage dynamics on the basis of economic and normative hypotheses. The labor cost higher increments correspond to the wage settlement years; there is however a background dynamic pattern - more evident in the no wage settlement years - arising from decentralized wage bargaining, personnel seniority, promotions and professional qualifications changes. A homogeneous balanced panel extracted from the PA personnel yearly survey allows an in-depth study on wage distribution levels and dynamics. An important feature of such a study is the information synthesis on each observation average wage by two index numbers - a quantity index of Laspeyres type and a price or wage index of Paasche type - so defined as to jointly measure levels and dynamics of two observationspecific effects: a share, based on the personnel qualifications structure (weighed with a given average national wage); a shift, based on average wages dynamic (weighed with observation-specific personnel qualifications structure).

16. SEQUENCE OF FDI ENTRY MODE DECISION MAKING PROCESS: NEW EVIDENCE FROM MULTINATIONAL PHARMACEUTICAL FIRMS' FDI INTO CHINA

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ABSTRACT

Based on Jiang's (2003) eclectic framework and the survey database established in 1999, this paper conducted a more refined comparative analysis into the sequence of FDI entry mode decision making process in the context of international pharmaceutical firms' FDI entry mode decisions into China by categorising firms according to different types of share of ownership; i.e. firms with less than 50% share of ownership (Minority-JV), firms with equal share of ownership (Equal-JV), firms with greater than 50% share of ownership (Majority-JV), and firms with 100% share of ownership (SV) in their China ventures. The results suggested that joint venture (JV) differs significantly from sole venture (SV) entry mode, and three types of JV entry modes also differed substantially from each other, which suggested that it would be more appropriate to treat each type of JV entry modes as a real alternative for SV entry mode.

17. THEORY OF THE FIRM: THEORETICAL PERSPECTIVES FROM AN INNOVATION POINT OF VIEW

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ABSTRACT

This paper explores the nature of a firm from an innovation perspective. An organization may be thought of as a collection of networked resources. Developments in information technology enable increased interactions between these resources for information and knowledge generation. Because of these increased interactions, the value of each resource is likely enhanced. The possibility of generating new knowledge and information resources as a result of these interactions would affect the structure which organizations adopt to manage environmental uncertainty and to effect innovation. The basic question we explore is whether the need for innovation is the fundamental reason for firms coming into existence in this era of information economy.

18. A CONTRIBUTION TO SOLVING AN OLD PUZZLE: WHY DIFFERENT TRADING STRATEGIES PERSIST IN COMPETITIVE MARKETS

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ABSTRACT

A simulation study is used to explore, how valuable information in a market is and how useful different trading strategies are. While earlier work in this field covered this question only with two levels of information I use ten different levels to control carefully for the influence of additional information. The analysis shows that additional information is mostly useless and sometimes even harmful for low and average informed investors. It can be shown, that trading strategies exhibit kind of a 'decreasing marginal return', i.e. the more agents use a specific strategy, the worse its results are. This leads to the general conclusion that different information levels should use differing trading strategies – there is no single optimal strategy in financial markets.

19. A KNOWLEDGE-BASED VIEW OF STRATEGIC ALLIANCES

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ABSTRACT

This paper presents a knowledge-based view of strategic alliances. Incorporating several approaches including transaction cost economics, property rights theory, and industrial organization economics into the analysis, this paper provides an integrative view of the knowledge-driven alliances, demonstrating that the motives and stability of these alliances are determined by the characteristics of markets, firms, knowledge, and contractual arrangements. Specifically, our main arguments include: (1) knowledge-driven strategic alliances are jointly motivated by the strategic value of alliance partner's knowledge to the focal firm and partner's appropriability of the focal firm's own knowledge; (2) if transfer of existing knowledge between partners is the primary concern, then the stability of alliances is determined by the leakage potential of knowledge and the strength of contractual protective mechanisms; and (3) if the property rights of knowledge generated during the alliances are the central issue, then the stability of alliances is a joint function of relative redeployability of the new knowledge between the partners and the regime of property rights regarding the new knowledge. We also discuss the relative transaction costs involved in each situation when analyzing the different types of knowledge-driven alliances.

20. VARIABLE WORK SCHEDULES: AN EMERGING TREND TO COMPLEMENT THE TRADITIONAL EIGHT-TO-FIVE SCHEDULE

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ABSTRACT

With the growing diversity in the workplace, there is an increased demand for greater variety in scheduling to meet the needs of diverse groups such as those of the knowledge workers, those of the dual-career family or the single head of household, those of the growing number of seniors desiring parttime work, those of the two new "moms" wanting to share one job, those of the older baby boomers with aged parents for whom they must care, and many other groups. Innovative companies have adopted many types of flexible scheduling programs including job sharing, telecommuting all or part time, compressed workweeks, flexibility in the eight-hour day which allows employees to work their eight hours at varying times, the paid time off bank (PTO), the increased use of part-time workers who retain benefits, and other programs. However, with all of these changes, there is more demand for flexibility in scheduling work than is currently taking place.

21. PUBLIC PRIVATE PARTNERSHIPS IN THE HONG KONG PUBLIC SECTOR: A RIGHT APPROACH?

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ABSTRACT

Public Private Partnerships (PPPs) is a right approach to enhance public productivity by bringing in business practices and approaches. Nevertheless, the case study of Hong Kong shows that the PPPs formula neglected social, political, and personnel costs. Cautions must be paid when PPPs are implemented in developing, undemocratic, and conservative states.

22. A STUDY OF THE FUNCTIONALITY OF HOTEL WEBSITES IN MAINLAND CHINA AND THE UNITED STATES

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Catherine Cheung, Hong Kong Polytechnic University

ABSTRACT

This paper reports on a study that applied the newly developed technique of measuring the incremental performance of websites to evaluate the websites of hotels in mainland China and the United States. On the basis of a conceptual framework that includes five dimensions of functionality, sixty hotel websites in mainland China and the U.S. were evaluated. The empirical findings indicate that the websites of the hotels in the U.S. significantly outperform their mainland China counterparts in four of the five dimensions. In addition, the overall performance score for hotel websites in mainland China is significantly lower than the corresponding number for the websites of hotels in the U.S.

23. DETERMINANTS OF ECONOMIC SUCCESS FOR WOMEN ENTREPRENEURS: AN ANALYSIS ACROSS RACIAL LINES

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ABSTRACT

The topic of economic success is central in both the scholarly and real-world discussions of women as entrepreneurs, yet few studies have examined determinants of economic success for women entrepreneurs across differing racial lines. This paper seeks to address the oversight by analyzing data from a nationally recognized database system - Dun and Bradstreet - to determine the role that race and other factors play in impacting the economic success of women entrepreneurs.

Our analysis focuses specifically on the relationship between sales volume (the dependent variable) and number of employees, industry type, race, geographic location and number of years (five independent variables). We suspect, based on previous research, that there will be a relationship between sales volume and: the number of employees and the number of years in business and the type of industry will each be positive. We also posit, based on the current literature, that while these independent variables will explain some of the dependent variable, they will not be the only determinants.

24. ORGANIZING SOCIAL COMPLEXITY IN PRODUCTION NETWORKS

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ABSTRACT

We developed a procedure for exploring and describing the insufficiently explored relationship between role expectations in the network, subjective motives, experiences and identifications, which might be employed during the iterative process of network construction. This procedure is derived from the interplay between network development, role structures, defining competence profiles and the integrated bundling in network-based value creation processes. Due to dynamic and complexity, this unit of analysis requires (1) an intensive focus on the notion of person-related competency and its importance in the dynamic context of networks, and (2) a method for describing and presenting subjective network constructions in as up-to-date a way as possible. We especially want to explore the mutual perception of actors within the framework of a soft factor controlling. We can gather data on context-specific personal constructs by the grid technique. Based upon the applied methods, it is possible to provide information about the relevant structures within networks, which can be used for Personal selection and competency development.

25. A CRITICAL REVIEW OF ONLINE AUCTION MODELS

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ABSTRACT

Online auction has become an integral part of Internet shopping. It is one of the few models of ecommerce that has proven to be successful. However, many auction sites have failed because they were not able to create a unique business model that appealed to buyers and sellers. This paper explores the myriad of business models associated with online auctions, and classifies them as consumer-to-consumer (C2C), business-to-consumer (B2C), business-to-business (B2B), business-to-government

(B2G), and government-to public (G2P). In addition, it identifies some of the key variables (such as user interactivity, product offerings, level of trust, rapid growth and adoption, networking, level of commitment, and payment options) that determine the success or failure of online auction models.

26. EMPIRICAL INVESTIGATION ON REPUTATION AND PRODUCT INFORMATION FOR TRUST FORMATION IN CONSUMER TO CONSUMER MARKET

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ABSTRACT

Online auctions have become one of the most interesting phenomena in electronic commerce. The online auction market is growing rapidly and providing auctioneers with many advantages. However, even though consumers can get the benefits of much more product diversity with potentially lower prices and sellers are able to meet many potential consumers, online auctions have their disadvantages such as fraud related to payment, delivery, and seller's anonymity. Accordingly, to be chosen by potential buyers, trust in the seller becomes one of the most important issues in an online consumer to consumer commerce (i.e. online auctions market or C2C market).

The purpose of this research is to develop a research model of trust in seller, and to identify the antecedents and consequence of trust in the C2C e-commerce context. Trust in the seller was hypothesized to have direct, positive effects on the intention to bid for unfamiliar sellers. Moreover, two antecedents of trust in the seller were identified. These were the perceived seller's reputation and the perceived quality of product information presented by the seller. These two factors were proposed to positively influence trust in the seller in the C2C e-commerce context. Data were collected from 120 college students in an experimental environment. Regression was employed to test three hypotheses, all of which were supported. As hypothesized, trust in the seller had a significant positive effect on the intention to bid. Two proposed positive relationships between trust in the seller and its antecedents, such as the perceived seller's reputation and the perceived quality of product information given by the seller, were supported. This study suggests that trust in the seller is one of the most important factors affecting buyers' auction behavior in even C2C e-commerce. Also, findings from this study suggest insights for online auction sellers, whether individual or small business e-tailers, in identifying important trust drivers, and in improving ability to impress potential consumers. Future research should further explore more antecedents related to trust in the seller in the C2C e-commerce context.

27. EFFECTS OF ORGANIZATIONAL STRUCTURE AND INFORMATION TECHNOLOGY CAPABILITY ON ORGANIZATIONAL EFFECTIVENESS IN EMERGING MARKETS

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ABSTRACT

This paper reports the results of a study designed to investigate the effect of organizational structure and information technology capability on organizational effectiveness. Data on organizational structure, information technology capability and organizational effectiveness were collected from 110 firms in two emerging markets. Findings indicate that the three components of information technology capability are all positively related to organizational effectiveness and organic structure is also positively related to each of the components of information technology capability. The study confirms that information technology capability leads to increased organizational effectiveness. It also shows that organic structure is a key determinant in the development of information technology capability.

28. KNOWLEDGE MANAGEMENT SUPPORTIVE HUMAN RESOURCE ENVIRONMENT

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ABSTRACT

The successful implementation of knowledge management (KM) can provide the capability to understand the market, accurately assess the customers' needs, and turn them into products and services by integrating organizational resources. Since organization's knowledge is personal, building of organizational knowledge is unthinkable without employees. This study has two objectives. One is to identify differences between the perceived importance (organizations without KM) and the actual importance (organizations with KM) attributes for successful KM implementation. The other is to develop and empirically examine the knowledge supportive human resource (HR) factors affecting the success of KM. From the results of statistical analysis, important generalizations are suggested. Attributes with lower degree of perceived importance were implemented less frequently and Top Management Support is a critical factor for KM success.
