ASIAN JOURNAL OF KNOWLEDGE MANAGEMENT

CONTRIBUTORS

All manuscripts and editorial correspondence pertaining to articles and related matters should be addressed to The Chief Editor, Asian Institute of Knowledge Management Sdn Bhd at the publisher address.

PUBLISHER

Asian Institute of Knowledge Management Sdn Bhd
5, Jalan 3/125D, Desa Petaling, 57100 Kuala Lumpur, Malaysia
Tel: +603-9057 2233 Fax: +603-90571323
Email: info@asianikm.com Website: www.asianikm.com

PRINTED BY

James Aries Printing Sdn Bhd
No. 40 & 42, Jalan TPK 2/5, Taman Perindustrian Kinrara
58200 Puchong, Selangor
Tel: +603-80752502

POLICY AND DISCLAIMER

The Asian Journal of Knowledge Management is published twice a year by Asian Institute of Knowledge Management Sdn Bhd. Its main objective is to provide a platform for the publication of articles based on research, concept, theory and commentaries related to the knowledge management. The views and opinions expressed are those of the individual authors and do not necessarily represent those of the institute.

CONTENTS

Editor's Note

The global financial debt market and the recent development of world economy, particularly the Euro-zone debts, Asian debts and America public borrowing. It is a reminder of the next financial crisis seem to be around the corner.

The first article on this issue is entitled, "Predicting Financial Distress amongst Public Listed Companies in Malaysia – evaluating the effectiveness of Altman's *Z*-Score Model." This article looks into the effectiveness of Altman's *Z*-Score Model in predicting financial distress amongst Public Listed Companies (PLCs) in Malaysia and provides recommendations for action to be taken to overcome and manage financial distress.

The second article looks into "Knowledge Management and Pursuit of Financial Freedom – the ultimate challenge in life management."

Dr Tan Thai Soon
Editor, *Asian Journal of Knowledge Management*

Predicting Financial Distress amongst Public Listed Companies in Malaysia – evaluating the effectiveness of Altman's Z-Score Model

Yee Hun Leek
yhlgroup@yahoo.com

Dr. Junaid M. Shaikh
Curtin University Sarawak campus
Miri, Sarawak, Malaysia

Dr. Pauline Ho Poh Ling
Curtin University Sarawak campus
Miri, Sarawak, Malaysia

Abstract

Financial distress prediction models were pioneered by Beaver's univariate test (1966) and Altman's Multiple Discriminant Analysis (1968). Over the last five decades, prediction of financial distress is of paramount importance as a tool for timely identification of financial distress for signs of business collapses. Early identification of financial distress provides the stakeholders, financial institutions, regulatory bodies and government the opportunity to take corrective actions that assist in preventing the failure of Public Listed Companies (PLCs).

Financial distress companies are PLCs that triggered the Practice Note 17 (PN17) of the Main Market Listing Requirements of the Malaysian Stocks Exchange (Bursa Malaysia). PN17 companies are financially unhealthy, and have failed to meet the financial and equity requirements of Bursa Malaysia. This article looks into the effectiveness of Altman's Z-Score Model in predicting financial distress amongst Public Listed Companies (PLCs) in Malaysia and provides recommendations for action to be taken to overcome and manage financial distress.

Keywords: Financial distress, Public Listed Companies, Practice Note 17, non-Practice Note 17, Altman's Z-Score Model and Multiple Discriminant Analysis

1. Prediction of financial distress

According to World Bank report, market capitalization of PLCs in Malaysia as a percentage of GDP is 144.9 in 2017. The market capitalization of the PLCs was RM 1.9 trillion with over 900 PLCs as at 31 December 2017 (Bursa Malaysia Annual Report 2017). Therefore, early identification of financial distress would enable corrective actions to be taken to assist in preventing the failure of PLCs which would have significant and multiple impacts on Malaysia's economy.

On 1 August 2012, Silver Bird Group Berhad and two wholly-owned subsidiaries filed an action in the Kuala Lumpur High Court in relation to financial irregularities against both their external auditors and internal auditors. This suit, premised on alleged negligence and breach of duty of care and / or their duties and responsibilities as auditors, is believed to be the first such legal action by a PLC in Malaysia against the auditors. The warning signs of business failure provided by financial distress prediction model could have detected the factors contributing to financial distress much earlier (Oh, 2012).

This effort to predict financial distress could reduce bankruptcy costs, avoid financial distress and contribute towards business and financial environment stability. In addition, such prediction knowledge and skills can be useful for statutory auditors who are required by law to determine a company's ability to continue its existence as a going concern which create the much needed transparency and accountability for effective corporate governance.

2. Altman's Z-Score Model and predictive accuracy analysis

2.1. Altman's Z-Score Model

Altman developed the original Z-Score Model (1968) for public listed manufacturing companies. The Altman's Z-Score Model is a quantitative model where the required information for the five financial variables is obtained from the audited financial statements. Financial statements quantify information concerning the financial position of an entity and the results of its operations.

The five variables Altman's Z-Score Model is set out below:

Z = 1.2X1+1.4X2+3.3X3+0.6X4+0.999X5

Where:

X1 = Working Capital / Total Assets

X2 = Retained Earnings / Total Assets

X3 = Earnings before Interest and Taxes / Total Assets

X4 = Market Value of Equity / Book Value of Debt

X5 = Sales / Total Assets

Z = Overall index or Z-Score

Z-Score < 1.81 indicates financial distress (unhealthy)

Z-Score between 1.81 and 2.99 indicates uncertain or grey area

Z-Score > 2.99 indicates non-financial distress (healthy)

2.2. Predictive accuracy analysis of PN17 and NPN17 companies

As of 1st September 2010, there are thirty six (36) companies classified as PN17. Thirty five (35) PN17 companies and thirty five (35) NPN17 (non-

PN17 or non-financial distress companies) of similar industry and size were chosen as paired samples for this study.

2.2.1. Predictive accuracy analysis of PN17 companies

The analysis of PN17 companies is set out below:

	Altman's Z-Score predictive accuracy					
Altman's Z-Score model classification	***Current year***	***1 year before***	***2 year before***	***3 year before***	***4 years before***	***5 years before***
Financial distress	**82%**	**76%**	**62%**	**62%**	**65%**	**47%**
Uncertain or grey area	6%	3%	18%	12%	9%	21%
Non-financial distress	12%	21%	20%	26%	26%	32%
Total	100%	100%	100%	100%	100%	100%

Based on the analysis of the above, it can be concluded that Altman's Z-Score has predictive accuracy of 82% for current year (the year the companies are classified as PN17 i.e. financial distress) and the predictive accuracies reduced to 47% for 5 years before the companies are classified as PN17.

Altman's Z-Score model has predictive accuracy of 79% on average for the current and 1 year prior to PN17 (first 2 years). Predictive accuracy has declined from 2 years before PN17 onwards indicating the difficulty in predicting financial distress over a longer period.

2.2.2 Predictive accuracy analysis of NPN17 companies

The analysis of matched samples which are non-PN17 (NPN17) companies is set out below:

	Altman's Z-Score predictive accuracy					
Altman's Z-Score model classification	***Current year***	***1 year before***	***2 year before***	***3 year before***	***4 years before***	***5 years before***
Financial distress	15%	9%	9%	21%	24%	15%
Uncertain or grey area	9%	18%	18%	12%	9%	12%
Non-financial distress	**76%**	**74%**	**74%**	**68%**	**68%**	**74%**
Total	100%	100%	100%	100%	100%	100%

Based on the analysis of the above, it can be concluded that Altman's Z-Score has predictive accuracy of 76% for current year (the year the companies are classified as NPN17 i.e. non-financial distress) and the predictive accuracies reduce marginally to 74% for 5 years before the companies are classified as NPN17.

Altman's Z-Score model has predictive accuracy between 68% and 76%. This narrow range and inconsistent predictive accuracy indicates that Altman's Z-Score model is insufficient for predicting non-financial distress amongst PLCs in Malaysia.

3. Application of Altman's Z-Score Model in Malaysia and recommendations

3.1 Application of Altman's Z-Score Model

The Altman's Z-Score Model could be applied in Malaysia by entering the required financial data from the financial statements to compute the Z-Score. Based on the Z-Score, the company will be classified as financial distress (unhealthy) if the Z-Score is less than 1.81; uncertain or grey area if Z-Score is between 1.81 and 2.99; and non-financial distress (healthy) if Z-Score is more than 2.99. The objective of corporate financial distress prediction is "the higher score, the better".

3.2 Recommendations

Variables	Description	Value	Desired Objective/Actions to be taken
X1	Working Capital / Total Assets	Higher	Higher working capital - Increase credit sales - Tighten credit control - Reduce current liabilities
X2	Retained Earnings / Total Assets	Higher	Higher retained earnings - Declare lower dividends - Increase current and future earnings - Review accounting policies and treatments
X3	Earnings before Interest and Taxes / Total Assets	Higher	Higher earnings before interest and taxes - Reduce interest expense - Reduce taxes with tax planning - Reduce cost of sales and other expenses

X4	Market Value of Equity / Book Value of Debt	Higher / Lower	Higher market value of equity - Enhance branding and market position - Enhance investor relations - Consistent dividend policy Lower book value of debt - Reduce short term and long term debts - Review of debts and equity structure. - Rationalization of debts
X5	Sales / Total Assets	Lower	Higher total assets - Increase investment and assets. - Purchase own assets - Enhance value of assets

Table 3-1: Reflection of desired objectives and actions to be taken

Based on the recommendations stated in table 3-1 above, the management and Board of Directors of the company could formulate practical actions to be taken to overcome and manage the immediate financial distress status to steer away from the predicted financial distress impending.

4. Conclusion

The Altman's Z-Score Model can be used as a tool for timely identification of financial distress or "early warning system" for signs of business failure and has a high prediction accuracy of up to 2 years prior to financial distress in Malaysia. This model is cost-effective and easy to use by decision makers and stakeholders.

References

- Altman, E.I. (1968). Financial Ratios, Discriminant Analysis and Prediction of Corporate Bankruptcy. The Journal of Finance, 23, 589 – 609.

- Beaver, W.H. (1966). Financial Ratios as Predictors of Failure. Journal of Accountancy Research, 4, Empirical Research in Accounting: Selected Studies (Supplement), 71-111.

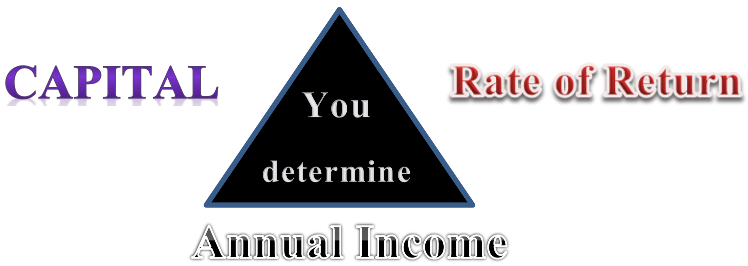
- Oh, E. (2012, August 11). Will audit have its day in court? StarBizWeek, 2-3.

Knowledge Management and Pursuit of Financial Freedom – the ultimate challenge in life management.

KP Bose Dasan
kpbose@gmail.com

Introduction

Knowledge is a desirable human pursuit but when it comes to achieving financial freedom how much of a role does knowledge play? There are many rich people and they have used many pathways to achieve their goal of financial independence. Very early in my career I stumbled onto the formula offered by Robert Kiyosaki who himself was quoting Buckminster Fuller for his appreciation of this formula. It defines financial independence or financial freedom as a personal formula dictated by three variables – your capital, the rate of return and your desired income level.



Principal required for financial independence is dependent on the desired income level and the rate of return that one earns.

Principal * R/R = Annual Income

Therefore, if you desire an annual income of RM 60,000 and can earn a return of 5% per annum, the principal or capital required is: RM 60,000/0.05 = RM 1,200,000.

An annuity income of RM 5,000 per month or RM 60,000 per annum is not very much in today's ringgit. But you need to have a capital sum of RM 1,200,000 to earn that revenue. I believe the predominant Malaysian statutory retirement fund, the EPF, does not contemplate that its contributors on average will be withdrawing this amount of capital when they retire. Perhaps only the top 20% of employees can even dream of this withdrawal sum. The EPF basic withdrawal platform is calculated based on RM 950 per month for 20 years following the current minimum wage level.

(RM 950 * 12 * 20 = 228,000)

With this capital sum of RM 228,000 and, if you earn 5% p.a., you will receive RM 11,400 p.a. or RM 950 per month. We call this the perpetuity formula. As long as you have RM 228,000 as capital, and as long as you can earn 5% p.a. return on that capital, you will have RM 950 income per month.

If one decides to liquidate his capital over the 20 years of expected life and with investment return of 5% p.a., the monthly withdrawal will be higher at RM 1,504. In the earlier example of a capital sum of RM 1,200,000 if liquidation is allowed over the 20 years, the monthly withdrawal can be RM 7,919 per month.

Capital Liquidation:
Example: (Using TVM) Present Value = 1,200,000 Return I/yr =5% p.a. N= number of months 12 * 20 =240 months. To Calculate Payment per month = 7,919. With capital liquidation, by the end of 20 years the capital sum will be reduced to zero.

In personal finance just this simple deliberation requires a bit of maths. But that is not all that is required. One must appreciate the difference between the perpetuity formula and the liquidation formula. The liquidation formula offers a higher withdrawal sum for living expenses, while the perpetuity formula allows for a legacy to be left behind to some beneficiaries. Financial planners can show various scenarios between incomes required, capital acquired during lifetime and the desired legacy to be left behind for beneficiaries.

From chart 1 above, the direction for financial independence is clear. The journey begins with trying to accumulate your required capital. The rate of return determines the growth potential of your capital savings, and in the end the capital accumulated determines the income or annuity that can be drawn. Clearly, higher savings will accelerate your capital accumulation and putting your money to work harder will also allow for bigger growth. Your savings and your ability to earn will determine your financial independence. We are fortunate that we have a compulsory savings mechanism in the Employees Provident Fund (EPF), which allows you to accumulate capital on a tax favoured basis.

Tax favoured Employer Contribution

We in Malaysia have a compulsory savings scheme which pits a personal contribution of 11% of income earned and an employer contribution of 12% of income earned into the provident fund. The employer's contribution is tax favoured in that the employee is not taxed on this contribution and the employer claims a tax deduction up to 19% of remuneration on this employment expense. All contributions accumulate tax free in the EPF account and the distribution of EPF monies are also tax exempt. For these tax incentives the government literally controls the investment and management of these monies which rightfully belongs to the employees and is largely contributed by employers. The EPF has become a valuable financial resource for the government of the day. Given its long-term financing nature the fund has grown to be one of the largest in the world.

The many pathways to financial freedom

The story of financial independence can begin in a hundred different ways. Every author is spoilt for choice as to how to begin this journey of financial freedom. It can start with Income and savings, and income itself can start with education. The education of the individual in the right field that is in high demand and that offers good remuneration is a very good start. Each generation is offered a unique brand of good jobs. The computer and internet revolution has provided a range of jobs that tech and internet savvy people can participate and enjoy. The true blue professions of law, medicine, dentistry, engineering, architecture, accounting, valuation are still going strong. The hundreds of universities churning out graduates in arts, management, science, agriculture, economics, business, mass communication and religious studies depend heavily on a good employment climate. The period of graduate unemployment has become a major issue in most countries of the world. In Malaysia it is particularly acute as we also have a language proficiency issue. The language issue goes both ways; a lack of English proficiency and the lack of Bahasa Malaysia (National language) proficiency.

Your job determines the first differential in life. Each job enjoys different income potential. The prime minister in Malaysia earns less than the corporate heads of government linked companies. There is an equalisation program hidden inside this. In the government and political space there is room to make side money from corrupt practices. People in politics and government find themselves embroiled in compromising positions. One hopes that leaders and government servants perform their services in an ethical and honest manner to bring the cost of doing business, and the cost of living, manageable for the ordinary citizens of the country. But this is a topic beyond our control and financial authors will certainly hope that corruption and economic inefficiencies are kept to a minimum.

Sales as a career

A good talking point is the number of people who enter sales as a career. Almost everyone sells but what they sell varies. The president of a company sells his performance to the board of directors and his shareholders. Countless salespeople are involved in financial products and services. Hundreds of thousands of people qualified and not so qualified are just into selling. One of my favourite subjects in my Cranfield MBA program was marketing. It is mind blowing how very wide and interesting this subject can get. Using information learned from this marketing module I was able to prepare a paper which won an entrepreneur a whole distribution licence from an Original Equipment Manufacturer in USA.

Sales – a very rewarding career

I suppose the Pareto principle may apply here. Only 20% of the sales people see rewards that are comparable to the highest earners in any profession. Sales commissions are not limited to only salespeople. Helping the government buy arms or even a submarine can give you hundreds of millions in commission income. Selling is profitable but hardly advertised as a noble and rewarding occupation. Many terminologies are used to describe a salesperson - a negotiator, an arranger, financial intermediary, agent, consultant and even adviser. It's not clear the percentage of graduates who enter sales as a profession. But institutions like banks have joined in the fray and handle a variety of financial products through their tellers or even specialised personal financial executives. Selling skills should be given its rightful place in skill sets that contribute to high income and consequently to wealth accumulation.

Business as a vocation

By far the highest numbers of financially independent persons come from the business community. Business is defined in the Income Tax Act as a profession, vocation and trade and every manufacture adventure, or concern in the nature of trade. Business can be conducted as a sole-proprietor, partnership, limited liability partnership or private or public limited company. Therefore in a capitalist economy people who provide the country's goods and services will have the best chance of accumulating capital. However, business carries the highest risk factor with high chances of failure in the early years. Once aloft it can generally stay profitable as more factors are brought under control. The investment adage, the higher the risk the higher the return applies especially to business. Converting your business capital to personal retirement capital is truly the realm of knowledge management. Financial Planners need to involve themselves with business owners to help them realize their financial independence through conscious management of their business resource into a personal retirement asset.

Cash Flow Management

The key to capital accumulation resides in cash flow management. The real story of financial freedom begins with how you manage your cash flow from income earned. Two financial statements tell the story of how a person is managing his cash, and I dare say his life. They are the Personal Income Statement and the Personal Balance Sheet. These two statements epitomize the cash flow management of an individual. A good start to this discussion would be, to look at what George S Clason wrote in his phenomenal book, "The Richest Man in Babylon", in the year 1926.

The Richest Man in Babylon (1926) THE PATH

1. A part of all you earn is yours to keep	Save 10% from your take-home pay
2. Control your expenditure	Budget, Differentiate needs vs. wants. Live within 90% of your take-home pay
3. Multiply your savings	Re-invest your returns – compound growth
4. Guard against loss	Scams, get-rich quick schemes, wrong and incompetent advisers, avoid bubbles
5. Buy your own home	Invest in your home, flowers, herbs and garden for wife and children
6. Protect your future income	Provide for family protection and retirement income
7. Increase your capacity to earn income	Sharpen your saw. Look for ways to increase income

It's all about managing cash flows

KP BOSE DASAN 5

These seven steps can dictate your financial future. The most important first step is disciplined savings. He says a part of all you earn is yours to keep. The taxman or the creditor cannot touch this sum. Another prolific author/financial planner, George Kinder says, the greatest inner resource around money is your ability to earn income and the capacity to save. Being an inner resource means it is innate and natural to the individual and can really foretell the people who achieve financial freedom and those who don't. If you do not inculcate savings as a habit you will be hard pressed to invest and grow your wealth. It's a mind-set. Delayed gratification for a greater good in the future is a distinctive mark of successful people.

Directly linked to the savings habit is the need to have control over your expenditure. Our income is never enough to satisfy all wants, and therefore, one has to be stringent in managing his cash to meet important future goals and needs. It should be observed that people are so different in this aspect alone. The self, ego, foolishness, living for the day, keeping up with the Joneses and wayward thinking is all reflected here. For example, how many of us track our expenses, and know exactly where our money went each month. If we do not track our money flow, how can we be expected to squeeze some savings for investment purposes? Financial Planners have to get this important step organized before any help can be offered to clients.

The third step was to multiply one's earnings through an appreciation of compound return which requires the investor to re-invest the dividends, interest and income earned. Financial Planners revel in this engagement as many are remunerated by commissions earned from funds recommended. This is a vast arena for financial planners and represents the rate of return portion of the basic financial independence formula. The continuum of risk and return requires a full understanding of the investment world and the risk profile of an investor. We have inherited a vast amount of investment literature over the centuries, and to date there is no absolute authority or principle that a lay person can follow. There are wide variations in what people believe in and the degree of risk each individual is prepared to take. Good knowledge management resides in this very important step. It has been said that 60 % of Malaysians put their faith in fixed deposits which earns less than 4% return p.a.. Using the rule of 72 it would take 18 years for these risk-averse individuals to double their money. Returns of 8% p.a. in a stock portfolio will double your capital in 9 years. A huge industry has blossomed in this area and investments will continue to receive wide attention from the media and the investing public.

The fourth step is as true today as it was in 1926. Guarding against losses is a major theme. Scams and bubbles continue to plague us. Scammers prey on our ignorance and greed. So it is vital to arm ourselves with protection against scams and get rich quick schemes. Another aspect to this is to ask, "Who do we use as our financial advisers and counsellors?" Self-interest and conflict of interest is pervasive and it is difficult to trust intermediaries whose incomes depend solely on sales commissions. Financial planning and financial advising has become licensed financial professions and hopefully this will help in bridging the trust deficit.

Step five is a topic of great national interest. Affordable homes for the low and middle income group, has engendered great interest in the socio-economic discussions of the country. Ordinary buyers want to commit to a home but a bubble in the property market after the world financial crisis has put house prices beyond the reach of the average house buyer. Banks had also tightened liquidity, by raising the price to loan ratio, to 70 per cent. A smaller number can now find the balance 30% to make a down payment. But a house is a long-term commitment and besides a roof over your head, it provides stability and an important asset to fall back on if situation worsens. In advanced countries reverse annuity mortgages provide much needed liquidity in old age. The question of rent-to-purchase had also been tossed around but it is yet to take root in a major way. It is always the case that when policies are introduced to handle a crisis, the economic climate may have changed. Rent or buy is always a function of affordability and price. The saga of home ownership will always be an important issue.

Step six is most laudable for George Clason to identify especially since insurance had hardly started but his advice certainly paved the way for the future of the insurance industry. Step six talks about protection of future income, which can be very important during bad turbulent times and during your retirement years. A major industry has developed since 1926 to provide protection in the event of premature death and disability and in the healthcare and medical care sector. Knowledge management is deeply required in this field. Provision of future income or retirement income is also a major field and involves major players in the industry. Knowledge management expertise is vital in this area.

The seventh step is common among financial authors. We should always strive to increase our income each year. How, we can grow our income for the New Year should be the first resolution a person makes. Then perhaps, the expense and habit side of behavioural change can be contemplated. Steven Covey, in his phenomenal book "The Seven Habits of Highly-effective People" called his seventh habit, "sharpen your saw." He advised readers to find ways to improve your productivity and efficiency. This will lead to an increase in income. Steven Covey identified a common weakness among people. He called it procrastinating on Quadrant II activities; activities which are important to growth but not urgent. People tend to procrastinate on these important activities. I believe this is another important knowledge management area. Helping people improve their productivity and efficiency can contribute immensely to their financial well-being.

If a person steps back and looks at George Clason's seven steps described briefly here, and rate himself as to how well he or she is doing on these seven thresholds, I believe that very good progress can be made by that individual in his or her march to financial freedom. A competent financial planner or adviser will be useful in this process.

In summary, it should be noted that the two key areas of capital accumulation and working on an acceptable rate of return are major thrusts in achieving financial freedom. There is a need for a part two to this article to discuss at length what knowledge is required to facilitate the achievement of financial independence.

Conclusion

In conclusion, the discovery process to achieve financial freedom, the direction must be established first. Knowledge is required to find ways to accumulate capital. Knowledge is required to find ways to improve your rate of return given your risk appetite and goals that need to be achieved. Income is a function of capital invested and capital accumulated. How best to sustain the income and hedge it against inflation is a major thrust of personal financial management. To say that we have hardly touched the surface is a fair statement.

DECLARATION FORM

____

Title of Paper

____

____

Organisation or Company's Name (if any):

____

Author's Name: ______________________________

Designation: ________________________________

Address:

____

____

Email: ______________________________________

Tel: ____________________ Fax: ____________________

I/We _______________________________________

confirms that that my/our submission to AJKM is my/our original work/ manuscript. I/We have read and understood the terms of reference of the **Asian Journal of Knowledge Management**. I/We shall not hold the Asian Institute of Knowledge Management Sdn Bhd liable for the consequences of my/our failure to comply with the terms.

Author's signature: __________________________

Date: ______________________________

Call for Paper

Asian Institute of Knowledge Management would like to invite researchers, scholars, academicians, professionals, industry experts and management consultants from all over the world to publish their work in our journal (ISSN: 2289-6287) on any topic relevant to aim & scope of the journal includes:

Knowledge Management Input

- Knowledge management enablers;
- Learning and eLearning;
- Trust and culture;
- Talent;
- Leadership skills and manager skills;
- Information technology support; and
- Business strategy

Knowledge Management Process

Knowledge creation:

- Knowledge creation process; and
- Strategic creation and strategic plan

Knowledge conversion:

- Critical & emotional thinking;
- Business analytical skills;
- Management analysis; and
- Human resource management skills

Knowledge communication and sustainability:

- Marketing communication mix;
- Entrepreneurship skills and communication mix;
- Customer relation & communication mix;

- Economic resource planning;
- Enterprise resource planning; and
- Corporate governance and corporate social responsibility

Knowledge change:

- Change management;
- Risk management;
- Re-inventing & re-engineering; and
- Re-skills and re-engaged

Knowledge Management Outcome

Organization performance:

- Financial measurement;
- Balance scorecard;
- Benchmarking;
- Competitive advantage; and
- Productivity

The use and applications of knowledge management

Knowledge-based economy and development:

- Efficient use of existing & new knowledge;
- Effective creation, dissemination and processing of information;
- Effective system of firms and research centers; and
- Creation, sharing and transferring of knowledge

Knowledge management in the energy Sector:

- New resource revolution;
- Renew energy development; and
- Energy Innovation

Knowledge management in the public sector:

- Public sector structural change;
- Fiscal Management and issues; and
- Knowledge public services.

Knowledge management in the service sector:

- Knowledge management in accounting practices;
- Knowledge management in management consulting;
- Knowledge management in financial services; and
- Knowledge management in private healthcare services

Knowledge management in human resource management:

- Knowledge talent management;
- Knowledge sharing; and
- Knowledge transfer

Knowledge management in general:

- Knowledge customer management;
- Knowledge financial management;
- Knowledge innovation management;
- Knowledge project management; and
- Knowledge wealth management.

Submission of manuscript

All submitted works will be reviewed rigorously and will be accepted after the positive response of reviewers. All the submissions should be original and free from plagiarism; it should not have been published elsewhere. Currently there are no submission, processing or publication fees in this journal.

Our objective is to notify authors of the decision on their manuscript(s) within four weeks of submission. Following approval, a paper will normally be published in the next issue.

AJKM also invite competent scholars and academicians to voluntarily join our review/editorial board. We would appreciate it if you could share this information with your colleagues and associates.

All manuscripts and editorial correspondence pertaining to articles and related matters should be addressed to:

The Chief Editor

Asian Institute of Knowledge Management Sdn Bhd

5, Jalan 3/125D, Desa Petaling, 57100 Kuala Lumpur, Malaysia

Tel: +603-9057 2233 Fax: +603-90571323

Email: info@asianikm.com Website: www.asianikm.com