

## Reinsurance Companies' Knowledge Management in Bogotá Colombia

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### Abstracts

Business knowledge management is a crucial element and a quality differentiator in the services provided by organizations. However, despite their knowledge, due to the lack of strategic knowledge management, reinsurance companies in Colombia limit their organizational development, their strategies to respond to competition, and the generation of opportunities for expansion into other markets. This issue may converge in an inadequate and non-harmonic organizational culture. This paper analyzes and interprets the study categories: prevention, mitigation, transfer, acceptance, research, and appropriation of knowledge on management carried out by reinsurance organizations in Bogotá, Colombia. The aim is to establish indicators that respond to the potential effects of reinsurance. The study uses a qualitative approach, descriptive scope, and case study design. From the formulation of improvement guidelines, it has been possible to establish that the companies in the reinsurance sector, taken as a unit of study, have been made aware of the importance and role of adequate knowledge management in the progress and the business projection.

**Keywords:** knowledge management, competitive, reinsurance.

## Introduction

The evolution of organizations in recent decades has undergone significant changes reflected in their internal and external operations. Gu et al. (2022) noted that the human factor is privileged since it represents the intellectual capital with which operations that can enhance competitiveness are managed. In the knowledge society, qualification, training, and education to appropriate new knowledge are key factors that allow organizational growth and survival.

Although the appropriation and management of knowledge is a strategy focused on organizational progress (Morales, 2014; Li et al., 2021), different business entities limit in fulfilling their objectives and goals due to the lack of this knowledge. An example of this is reinsurance companies, which due to the extensive management of information and the lack of adequate knowledge management, hinder their incursion into new markets to being competent. However, knowledge is sometimes left in second place only to increase the number of clients, focusing on collecting reinsurance premiums that lead to a failure to analyze the importance of knowledge in the organization's internal management. This last one should be considered a key factor for managing processes, goals, and better service provision.

According to Gutiérrez (2017), poor knowledge management in the reinsurance operation limits the knowledge of the current market, processes, risks, and variables involved in reinsurance, leading to an ineffective operation, therefore, not achieving positive results for organizational progress.

Given the above, this study was oriented to analyzing the knowledge management carried out by some reinsurance companies in Bogotá, Colombia. The aim was to formulate criteria and guidelines that would allow the unified management of the different subsystems based on the knowledge within these organizations and to link new knowledge to strategic management as a competitive tool.

## Literature Review

This section expands on concepts and theoretical references that allow understanding and interpreting the object of study, specifically topics related to knowledge management in the business sector are addressed.

### Importance of knowledge in organizations

Knowledge in the modern business world is considered a fundamental factor for the development and progress of organizations. Therefore, companies need to analyze the organizational subsystems to establish critical knowledge allowing strategic decision-making in the search for solutions, product development, or services (Medrano and Suárez, 2002; Rivero, 2002). In addition, advancing and linking new emerging knowledge becomes essential for achieving corporate objectives.

On the other hand, appropriating knowledge is part of the 21st-century skills organizations adopt. Thus, it is necessary to consider it as a constant factor on which all activities developed within companies are directed. However, it is not enough for companies to have the appropriate

knowledge or to have the capacity to generate it; the most important thing is to have the ability and wisdom to apply it in organizational processes in the most convenient way to achieve goals and objectives (Davenport and Prusak, 2001; Silíceo, 2008; Sánchez, 2014).

Moreover, nowadays, knowledge management in the business sector is an added value that allows for achieving success. Studies (Nonaka and Takeuchi, 1999; Choo, 2000; Blanco, 2004) have determined that sound business practices derive from knowledge of human resources when global uncertainty arises. Hence, only those organizations that have strategically appropriated knowledge can give the correct answers to the problems.

In this sense, companies in the modern world are called to be part of intelligent organizations regardless of their nature or the work they perform. These companies develop, create, share, disseminate, and optimize organizational knowledge to build learning communities that generate added value to achieve business competitiveness.

### Implications of inadequate knowledge management in Organizations

In the previous section, it has been pointed out the advantages of the proper management of knowledge within organizations. However, analyzing the implications of poor knowledge management in business activities is pertinent. The human resource in the organization, to some extent, is responsible for organizational progress; therefore, the lack of knowledge or inadequate knowledge management limits the development of processes and activities, hinders innovation, and in the worst situation, does not allow companies to become highly competent (Máñez Guaderrama et al., 2015; Rodríguez, 2018; Weed Schertzer, 2020).

González (2007) points out that organizational failure, in most cases, results from the erroneous application of knowledge. In some companies, there is a belief that top executives are the only ones who possess knowledge capable of transforming the business horizon. This conviction has led to the failure to systematize work experiences that serve as input to encourage human resources to learn and focus on a leading role in organizational improvement and quality. Ochoa and Ríos (2011) argue that limiting knowledge transfer in a company leads to a lack of synchrony in the work team and, therefore, missed opportunities for progress and failure to achieve maximum quality.

Botello's (2016) opinion focuses on the fact that poor knowledge management in organizational entities is the main factor limiting the achievement of goals and objectives and that the proper application of knowledge should be assumed as the key to business positioning. The OECD (1999) earlier argued that business progress results from economies based on knowledge and use it to achieve goals.

Concerning knowledge management in reinsurance companies, situations that harm its progress have been established. Walker et al. (2006) point out that it is in decision-making aimed at meeting goals and achievements that most mistakes are made since the experiences acquired and the cognitive capacity to generate competitive advantages are not put into practice. Furthermore, Alviuessen and Jankensgard, (2009) indicate that reinsurance companies lag in mitigating operational risks. They limit strategic decision-making by not considering the experience and knowledge acquired. These companies usually act hastily without analyzing risk situations such

as the probability of occurrence of claims, impact, economic valuation, and identification of the risk universe. Actions taken hastily without linking knowledge lead them to face financial situations that significantly affect their profits.

Articles and Pumar (2013) also point out that most organizations focus on identifying the risks that threaten their progress. However, they are limited when making decisions to mitigate their impact because they do not put knowledge into practice as a critical tool to face them. Therefore, potential risks must be cognitively evaluated to establish their impact on the organization.

Continuing with the implications of poor knowledge management in reinsurance companies, Jaramillo (2012) argues that the lack of extensive knowledge makes these organizations unable to establish consistent improvement plans in response to potential losses arising from claims. In addition, erratic decision-making sometimes affects the quality of service the client has taken in the policy. On the other hand, the lack of knowledge management training on strategic management has meant that Colombian reinsurance companies do not have minimum indicators that guarantee that the information is reliable, authentic, and truthful and contribute to strengthening the effectiveness, quality, and productivity of the organizations.

The international standard ISO 9001 (ISO, 2015) indicates that companies must use knowledge to achieve their goals and objectives. Thus, it is necessary to consider factors that link organizational knowledge management, such as prevention, mitigation, transfer, acceptance, research, and appropriation of new knowledge.

From knowledge management prevention, Mahajan (2017) notes that employees in companies must put the acquired knowledge at the service of the organization. Otherwise, if they do not know, they must update themselves to detect, evaluate and seek solutions in advance to the occurrence of risks that may negatively affect organizational progress.

In agreement with the approaches above, Cvitanovic et al. (2016) and Phillip (2017) argue that the strategic management of knowledge in modern organizations should become a preventive tool for situations that may affect strategic planning. Therefore, top management must ensure that workers adequately use their knowledge to contribute to achieving goals and, more than that, to guarantee the safeguarding of organizations.

Appropriately using knowledge in business activities contributes to mitigating organizations' negative impacts. For example, Beasley et al. (2005), Alviunessen and Jankensgard (2009) indicate that most reinsurance companies privilege claims management but not the application of knowledge to mitigate them. Thus, reinsurance companies must propose mitigation strategies to reduce potential operational risks and not receive financial damages. Therefore, knowledge plays a relevant role in this situation.

It is not enough for workers and executives to have adequate knowledge. Chesbrough (2003) states that the most important thing is to achieve knowledge transfer so that it circulates in all organizational units. Therefore, knowledge must become the main asset of modern companies, even more so when it is typified as a differential value that allows for strengthening organizational structures. Pereira (2011) states that knowledge transfer is crucial for organizational progress since all activities to achieve objectives and goals are based on

knowledge. In addition, it is significant that in companies with human resources with limited professional training and knowledge, the circulation of knowledge is encouraged. In an event such as illness or voluntary retirement of employees, the other workers must have the necessary knowledge to cope with any situation.

Wiing (2000) considers that circulating knowledge must also be validated within organizations since not just any information can be recognized as reliable. Therefore, as shown in Figure 1, evaluating four types of knowledge is necessary.

Figure 1. Organizational knowledge



Note: The figure shows the types of knowledge to be validated in the organization.

According to Wiing (2000), idealistic thinking is focused on the organization's goals and objectives. Therefore, employees should not interpret it as an absolute truth until the organization has determined where its activity, mission, and vision are focused. On the other hand, the systematic knowledge related to standards, models, and reference schemes must be evaluated since it is necessary to determine whether it allows the company's activities to be fulfilled and responds to the requirements of the global world.

The pragmatic knowledge circulating in the organization must also be examined in detail because it is the basis for making decisions to solve problems. Thus, not just any information can be taken as accurate. Finally, although it is related to the knowledge that is continuously put into practice within the organization, automatic knowledge needs to be analyzed for continuous improvement in the different processes developed in each activity.

In addition, in updating organizational knowledge, companies must continuously train. As Edwards and Taborda (2016) indicate, appropriating new knowledge reduces uncertainty cases from reasoned decision-making. Therefore, organizational knowledge should not be assumed to be a static process but a dynamic activity directed to planning strategies to achieve objectives and performance measurement (Kaplan and Norton, 2008; Louisot and Ketcham, 2014).

In conclusion, the implications of poor knowledge management in some companies may affect the economic dimension. Beyond that, if the lack of knowledge is not corrected, organizations may disappear over time. Hence, in the modern world, the key to business success is the

application of knowledge in decision-making to solve organizational concerns or potential effects arising from risk events.

## **Materials and methods**

The present study corresponds to qualitative research. Through this approach, we sought to analyze the subjects' arguments, opinions, and reflections as a study sample. Through this qualitative paradigm proposed by authors (Taylor and Bogdan, 1989; Monje, 2011), a detailed description of aspects of the investigated phenomenon was reached from the contrast of the factors that affect the research object. Thus, the qualitative method identified the lack of knowledge and its integration in some reinsurers in Bogotá, D.C., Colombia.

The research scope was directed from the descriptive method to the examine study object characteristics. Therefore, the categories such as prevention, mitigation, transfer, acceptance, research, and appropriation of new knowledge were linked to organizational knowledge. According to Ander Egg (1995), description in the research process requires a holistic view of the phenomenon under study, referencing the subjectivity of those involved. Therefore, linking description in this study was to broaden aspects of the categories analyzed to formulate guidelines for adequate knowledge management in the reinsurance companies taken as a unit of study.

Finally, the study design corresponds to the case study, which, as noted by Hartley (1994), allows the researcher to interpret phenomena or social issues from a theoretical orientation based on the analysis of their characteristics. Hence, the case study typology suits the study's scope, focusing on a descriptive case study and reinsurance companies' knowledge management analysis and interpretation.

### **Unit of análisis**

The unit of analysis included 20 business people from the reinsurance representative offices Scor Re, Mapfre Re, Hannover Re, Swiss Re, and Munich Re, which operate in Bogotá, Colombia, and present problems related to decision-making, due to the lack of strategic knowledge management. In addition, convenience sampling was used, taking into account the following criteria:

- Economic activity of the companies involved in reinsurance.
- Companies with difficulties making decisions focused on mitigating the potential impact of reinsurance risks.
- Companies with limitations in knowledge communication at the different organizational hierarchical levels.
- Management endorsement for the development of the study.

The previous reinsurance companies are taken as a unit of analysis since, through interviews with some of their employees, it was found that they have not implemented strategic actions to

achieve a level of competitiveness in the reinsurance field due to a lack of management and knowledge training.

Study Categories

The study categories analyzed are related to organizational knowledge management, establishing the most appropriate type of treatment when facing a claim eventuality, and the most relevant decision-making in reinsurance companies operating in Bogota, Colombia.

Table 1 Knowledge management study categories and risk prevention strategies in the reinsurance companies.

Category	Subcategory	Dimension	Indicator
Gestión del Knowledge management in reinsurers	Prevention	Knowledge management activities aimed at avoiding the impact of potential risk factors.	Knowledge management analysis as a preventive strategy against claims affecting reinsurance companies.
	Mitigation	Decision-making based on organizational knowledge	Corrective actions focused on organizational progress from knowledge management.
	Transfer	Organizational knowledge formation and appropriation.	Organizational knowledge flow and use.
	Acceptation	Knowledge validity of reinsurance companies' officers.	Professional profile characterization and knowledge management of the officers who manage reinsurance.
	Research and new knowledge appropriation	Knowledge innovation. Knowledge updating in reinsurance companies.	Knowledge updating in reinsurance companies

Note: Central category of the study linking different factors found in organizational knowledge management

Study stages

The stages of the study are related to the objectives that guide the research. This study was developed in three stages, as follows:

- First Diagnostic Stage

This study phase focused on the analysis of the study categories formulated. It primarily sought to characterize how the reinsurance companies under study manage knowledge as a strategy to face the uncertain situations that arise from claims.

- Second Stage: Action Plan

Based on the results of the first stage, this study stage formulated guidelines for knowledge management improvement in the reinsurance companies included in the study.

- Third Stage: Discussion

In the final study stage, we reflected on knowledge's importance and role in fulfilling and achieving organizational goals. Consequently, based on the experiences of a focus group of business people from reinsurance organizations, the importance of adequate knowledge management in the progress of organizations and their positioning in the modern world was discussed.

## Results

The study results are derived from applying an opinion survey administered to employees working in the reinsurance companies mentioned above. The instrument applied was a survey validated by expert judgment, which linked items in the study categories (see Annex 1). For the opinion and argument analysis of the sample subjects, the qualitative research software Atlas Ti 9.1.7 was used based on developing open, axial, and selective coding processes. In addition, each respondent was assigned an identification code consisting of a consonant and a consecutive number indicating the order in which the survey was administered and a consonant identifying the respondent's gender; in the case of code E1H, this means that it is respondent 1 and that he is male. The identification allowed a detailed information analysis where twenty-five reinsurers officers were surveyed. The results were also related to the research stages.

- Results of the diagnostic stage

This stage of the research process aimed to characterize how the reinsurance organizations involved in the study manage knowledge and use it to face situations of uncertainty.

- Category: Prevention

The purpose of this category was to analyze how reinsurance organizations use knowledge to avoid potential risks that affect the achievement of business goals and objectives.

Based on the officers' answers analysis, it was possible to establish that most of the organizations in the reinsurance sector in Bogotá, Colombia, do not accumulate the experiences as strategic knowledge to prevent risks that constitute potential threats to their finances and business performance. The surveyed entrepreneurs and subjects reported that when a loss occurs, they analyze the situation, looking for possible causes and how it could be solved. However, no preventive actions are taken before the event. Likewise, in the opinion of the sample subjects, the knowledge that is part of the organizations is not stored for strategic use when required. On the other hand, the preventive activities carried out by knowledge management to safeguard organizational integrity, projection, and business progress are few because frequently, the decision makers are the executives, who are shown as experts. However, their decisions are sometimes inaccurate and can negatively affect the business's progress.

Some of the most representative excerpts from respondents regarding the study category are as follows:



- E1M: As an employee of a company in the reinsurance sector, with more than 15 years of experience, I have noticed that the internal knowledge that the organization has is not given enough relevance as a preventive strategy to face uncertain situations, nor is external knowledge linked to this purpose...
- E18H: I think that reinsurance organizations, more than any other entity, should systematize the knowledge generated as a key factor for the prevention and solution of potential situations that threaten organizational integrity, but the truth is that this does not happen because, in the particular case of the reinsurance company in which I work, the accumulated knowledge is not used as a preventive strategy...
- E5H: The truth is that knowledge management within reinsurance organizations should be the pillar of their operation. However, this is not the situation in Colombia, as significant experiences are wasted, which can become valuable knowledge for business performance and projection...
- E20M: I consider from my experience that reinsurance companies in the Colombian capital do not carry out activities focused on the appropriate use of knowledge; they may have extensive knowledge; however, when applying them, they do not use them in the best way to ensure the fulfillment of their objectives and goals, logistically it is necessary to formulate knowledge management strategies...

The analysis of the informants' discourse established that most organizations in the reinsurance sector in Bogotá, Colombia, do not carry out adequate knowledge management as a preventive strategy in the face of potential claims that may affect the financial profits of these organizations. In contrast with the requirements of the global world, if knowledge is not privileged as a critical factor in preventing situations that may affect business progress, reinsurance entities in the Colombian capital could put at risk their sustainability and prevalence in the market.

- Category: Mitigation

Through the mitigation category, we sought to analyze how business people and administrative officers use knowledge to make decisions focused on the business progress of reinsurance organizations.

The staff's opinions and arguments established circulating or internal knowledge in reinsurance organizations in Bogotá, Colombia, is not adequately managed for decision making. The management given to this knowledge is channeled more towards the simple production of income than to business growth through the satisfaction of market needs and market positioning. Therefore, the results showed that decision-making neglects the importance and significance of knowledge. As a result, processes and operations competencies are strengthened for sustainable development, and organizations reach a significant level of prestige in front of the competition.

The survey results recognized that organizations do not use their internal knowledge to make strategic decisions to protect the organizational structure. From the references in the survey, it is clear that the most significant error in the management of knowledge directed to decision-making occurs from the moment of its acquisition since sometimes any information is validated as reliable without being submitted to judgment. Furthermore, in distributing knowledge, top

management maintains a level of protection and confidentiality in business knowledge, which limits the assimilation by crucial management officials, sometimes leading to erratic decisions that may affect the development of the reinsurance entities.

Some representative excerpts from the sample subjects are the following:

- E13H: Based on my experience, I can say that in reinsurance companies, daily situations threaten their economic stability. Despite this, entrepreneurs do not make rational use of knowledge to mitigate these situations' impact; sometimes, decisions are taken hastily without analyzing the possible repercussions...
- E6M: One of the mistakes affecting reinsurance entrepreneurs is the lack of communication because, within the organization where I work, there is no dialogue using knowledge to reduce situations threatening the company's stability.
- E15M: In the case of the organization where I work, despite having a wealth of knowledge, it is not adequately managed to mitigate the impacts of adverse situations in the administration.

These sample excerpts made it possible to establish that management and senior executives did not adequately use internal knowledge and the experiences of other organizations, which can be taken as a reference in making decisions aimed at mitigation.

- Category: Transfer

This category aims to determine how knowledge is disseminated within the reinsurance companies participating in the study.

The analysis of the interviewed entrepreneurs' and employees' discourse shows that reinsurance companies have few opportunities to join knowledge transfer networks. Occasionally, some employees attend events to appropriate new knowledge to link it with their internal knowledge and achieve significant learning. However, some employees are not involved in updating activities, and the ones who receive training processes do not usually share the information they have acquired. Thus, a growing cognitive gap is unfavorable for the company's business projection.

Some officers also stated that the lack of appropriation has led to administrative processes in some reinsurance sector organizations developing at the margin of the business advances of the modern world. As a result, the quality management models used, and standards are considered outdated prevail.

Some representative excerpts in this category are as follows:

E9M: I consider that the fundamental factor in the success of any organization is the appropriation of knowledge. Despite this, in the organization I am part of, we have few opportunities to receive knowledge updating processes; therefore, I think we are not operating according to the requirements of modern organizations...

E14H: The transfer of knowledge in the reinsurance company in which I work is almost null because each employee is dedicated to the work he does use his knowledge; that is to say, the

knowledge is uni cognitive but not integral, the ideal would be that in the organization the employees would have considerable knowledge, that would allow them to act in any area of the company...

E5H: From my point of view, in the company where I work, there is no such transfer of knowledge because, on the contrary, some employees are suspicious of the knowledge they have. They do not like to share their knowledge with employees...

Among the reinsurance organizations analyzed in this study, all employees do not disseminate knowledge of business management, which limits decision-making and may affect the reinsurers' security. Likewise, managers privilege some employees to participate in knowledge-updating programs, but the information acquired is seldom shared with other workers. This situation leads to a lack of integrated knowledge management and generates dependence on the people who have it. Therefore, companies must integrate knowledge management to position themselves in the market and respond effectively to controversial situations arising from organizational administration.

- Category: Acceptance

Through this category, we inquired how officials and entrepreneurs in the reinsurance sector validate knowledge before using it in decision-making.

When analyzing the answers given by the officials of the reinsurance companies under study, it was found that occasionally the knowledge integrated with the decision-making process is analyzed. Managers assume that hiring officials with professions in administration, law, finance, and engineering, among other disciplines, is sufficient, and their professional knowledge is not questioned. However, experiences have shown that by presumptively validating this knowledge, some facts have affected these companies' finances and reinsurance operations. In addition, from the respondents' arguments, it was found that most reinsurance organizations do not have consultants to support the validation of the knowledge linked to decision-making. Consequently, the executives and the manager assume that the knowledge integrated into the organizational management is reliable. However, it is necessary to be suspicious until experts are consulted, and it can be considered valid. Some significant excerpts provided in the instrument applied are the following:

- E4H: In the planning meetings held in the organization in which I work, and I work in the technical area, I have noticed that the knowledge linked to decision-making is not subjected to analysis by experts, sometimes financial interests prevail over reason and knowledge, leads to a possible risk that may affect the organizational structure...

- E17M: As executive secretary, I can say that from experience acquired in the reinsurance company in which I work, there are very few times in which the boards of directors reflect on the decisions that are made, nor do they inquire whether the knowledge applied and information are valid enough to contribute to the progress of the company. On the contrary, I have been able to perceive that decisions have been made without even analyzing the consequences that may arise...

- E16M: In my opinion, one of the actions most frequently incurred by reinsurance companies is the failure to corroborate the information and knowledge circulating in the organizational environment and that which comes from outside. Experience has shown that the omission of this action has caused significant economic losses to the reinsurance sector, the loss of prestige in the clients, and the delay in achieving goals and objectives.

The results showed that in Bogota, Colombia, reinsurance organizations do not carry out validation processes for knowledge reliability and apply it to achieve organizational progress, despite internal knowledge and the linking of external knowledge. Consequently, information is not verified, and administrative processes within and outside the companies are not strengthened. As a result, companies act under random conditions when making decisions, i.e., leaving things to chance and exposing their progress and economic integrity.

- Category: Knowledge research and appropriation

The study of this category sought to characterize the new knowledge appropriation processes within reinsurance companies.

The analysis of the informants' responses indicated that in most reinsurance companies, the appropriation of new knowledge is conceived as the simple fact of sending an official to take part in activities such as conferences or training on the administrative management of the companies in the sector. However, from the respondent's discourse, it was found that in this type of action, knowledge tends to be treated theoretically, isolated from the application in the solution of confirmed cases. Therefore, it can be affirmed that there is no appropriation of new knowledge but only the reception of information.

Respondents also stated that their organizations do not have a research-oriented culture. Likewise, few staff members pursue higher education to update their academic knowledge. Although in the modern world, there are multiple possibilities, such as participating in MOOC courses, joining business knowledge management networks, and consulting databases, among many other possibilities that allow access to new business knowledge...

The following are excerpts provided by the surveyed employees:

- E2M: In my company, the appropriation of new business knowledge is limited. Excessive activities and tasks do not allow executives to acquire positive experiences from other organizations and replicate them to meet the projected goals...

- E10M: As head of the finance department in the reinsurance company where I provide my services, I have been able to identify that regarding the acquisition of new knowledge in reinsurance firms in Bogotá Colombia, there is a high level of the cognitive gap, because currently, the progress of organizations in the reinsurance sector is vast, every day new standards, models, and methodologies for project management arise. However, this knowledge has not yet been appropriated and implemented by Colombian businessmen...

- E11H: Unfortunately, in the organization where I work, there are no actions aimed at appropriating new knowledge of the reinsurance sector. It seems the organization has remained

stagnant since ambiguous methods are still being used to solve events that may be potentially risky and negative for the business structure...

Based on the assessments and arguments of the sample subjects, it was identified that most reinsurance companies do not carry out processes that allow them to appropriate new knowledge to improve their activities. There is a belief that their knowledge is sufficient. In times of uncertainty, there is a need to appropriate successful experiences from other organizations that have achieved recognition and prestige. Likewise, the number of executives and employees who like to continue receiving professional training is minimal since knowledge is not static. However, in the modern world, it is changing, which makes it necessary to be continuously updated.

From the knowledge management analysis carried out by reinsurance companies in Bogotá, Colombia, results have been found the need to use internal and external knowledge in these organizations strategically to face adverse situations that may impact their financial progress. However, it was possible to identify that there are gaps that limit the application of knowledge for the prevention of situations that have an impact on the organizational structure. Furthermore, faced with significant economic losses, the sector's entrepreneurs question what could have been done to mitigate such situations in time.

In addition, misconceptions held by some executives and employees have led to organizational knowledge not being strengthened and applied correctly. Concepts such as considering that knowledge in organizations must be safeguarded limit knowledge transfer to other employees; therefore, its application eventually threatens the company's integrity. In an ideal way, the lack of appropriation of reliable knowledge is another limiting conception for many reinsurance companies. Some employees tend to integrate knowledge that has not been validated, thus committing errors with negative financial repercussions.

Finally, although new standards are emerging and others are being updated to improve business management, there are still organizations in the reinsurance market whose knowledge has not been updated for decades. Entrepreneurs and officers believe a professional training degree is enough and do not need to update and innovate their knowledge. Therefore, the lack of research and appropriation of new knowledge is leading Colombian reinsurers to lag behind international organizations that carry out the same economic activity and in which any decision taken is analyzed several times by the administrative body of knowledge.

#### - Results of the second stage - action plan

Findings from the characterization or diagnostic stage revealed the need to establish guidelines or actions to enable reinsurance companies in Bogotá, Colombia, to appropriately manage internal and external knowledge to ensure their market maintenance and positioning under the demands of globalization.

Concerning the management of knowledge as a preventive strategy for possible situations affecting the organizational financial structure, it is pertinent that reinsurers in Bogotá link actions that allow the use of knowledge as a preventive factor. This integration is required in each of the organizational management activities. In addition, the administrative staff must

privilege mental models over managerial ones, considering that the basis of the latter is knowledge. Changing the paradigm of the organization's knowledge as an asset or property and the decisions based on this unquestioned knowledge is necessary. Organizations do not have validated knowledge; therefore, each administrative determination must be submitted to judgment based on organizational knowledge.

Regarding preventive actions, the manager must be the organization's representative figure, promoting knowledge management as a decisive factor in the actions to face possible threats to the well-being and safety of the organization. In addition, knowledge as a preventive factor must be aligned with business goals and objectives. Furthermore, teamwork must predominate within the rational use of knowledge and not in individual work. In this way, the exchange of knowledge can lead to making the right decisions to prevent the impact of situations of organizational uncertainty. It is essential to establish that the joint management of knowledge is a crucial factor for efficiently fulfilling reinsurance companies' goals, allowing the achievement of functional results.

Preventive knowledge management can contribute to reducing the impact of actions affecting reinsurance companies. Therefore, to use knowledge as a mitigation tool, these organizations must use their knowledge to achieve self-identification, i.e., to recognize their successes or difficulties, analyzing them holistically from the knowledge that is part of their business structure. This method will make taking on internal and external challenges possible to guarantee effectiveness in achieving results. In this sense, to mitigate the impact of claims, the organizational knowledge of reinsurance companies must be a fundamental part of it. It should be based on the analysis of the risks that insurance companies offer to reinsurers. Furthermore, the knowledge exchange should be based on the experience and professionals' knowledge from different disciplines, who, through their lessons learned from past events or claims, can be made available to the organization so that it can be a supporter in any possible loss event.

In the business environment, knowledge transfer must follow knowledge management since one of the reinsurance companies' objectives is to meet clients' needs. Thus, the organizational structures must be transformed into the employees' appropriate knowledge. Therefore, the reinsurance activities must be directed from the appropriate knowledge management, looking for organizations to be dynamic and creative and prioritizing the appropriation of knowledge by each company's employees. Only in this way is it possible to reach reflection and learning as a critical tools for transforming the business environment.

One of the main actions to be taken by reinsurance companies, or those engaged in any activity, is to enable the knowledge appropriation of all active human resources, regardless of their position. Their level of professional training or the length of time they have been linked to the companies. The appropriation of knowledge should focus on correcting errors as a continuous improvement in effectiveness. Moreover, continuous learning should be seen as an opportunity to foster new skills, strengthen competencies, and exchange experiences that can be used to respond to controversial situations that arise in companies. Therefore, organizations must set up spaces where knowledge can be shared among all human talent to make it a tool capable of generating positive changes and growth opportunities.

In addition, not all the knowledge in the organization and those outside it are valid. Therefore, for this knowledge to be used and generate competitive advantages in companies, experts must validate it. Moreover, they must have reliability, timely availability, and authenticity; since any information can not be integrated into the organization. Therefore, only that knowledge enables it to be in a position to face the changes in the environment and adapt to new market scenarios must be appropriated. Therefore, one of the actions that reinsurance companies can take before using any knowledge is to consult different experts to validate the effectiveness of the knowledge before making any decision.

Regarding research and appropriation of new knowledge, new knowledge is emerging daily to strengthen organizational management. Therefore, companies must keep themselves updated on the appropriation of new standards and management models that allow business progress and guarantee the prevalence of organizations in the market. Among the actions that can be taken to fulfill this purpose, reinsurance companies managers schedule knowledge updating days, linking experts who, through conferences and practical workshops, can transfer significant experiences to the organizations. On the other hand, it is advisable to encourage academic improvement among reinsurance companies' officers. Furthermore, completing a basic professional training program is not enough since the global world demands professionals to take postgraduate training programs such as master's degrees and doctoral studies to update the knowledge acquired in their fundamental training.

#### - Results of the third stage - Discussion

In the study's final phase, after providing guidelines and guidelines for knowledge management to the subjects involved in the research, a focus group is held to contrast their opinions and reach agreements that allow for continuous improvement in the organizational entities dedicated to the reinsurance activity.

Entrepreneurs recognize that adequate knowledge management is a core factor for the reinsurance organizations' progress since correctly using knowledge can enable them to meet their goals and objectives. However, some executives consider that it is not only a matter of managing knowledge but of knowing how to select what is relevant to be applied to organizational processes and which guarantees business progress. In this sense, the entrepreneurs' opinions agree with the postulates of some authors referred to in this study (González, 2007; Weed Schertzer, 2020), who indicate that in business entities, knowledge management falls on human resources, and it is the workers who must manage knowledge. Therefore, the unsuitable management of knowledge can lead to the failure of the companies.

In using knowledge as a preventive factor, entrepreneurs recognize that they mainly make the mistake of seeking answers to events that affect the business structure, i.e., they do not have a contingency plan that can provide an anticipated response to uncertain events. On the other hand, their opinions indicate that some workers do not have enough knowledge to reduce the possible negative impacts of the reinsurance activity. These references support the postulates of Jaramillo (2012), who indicates that not having adequate knowledge can lead organizations to make unwise decisions and, in the worst case, affect the financial structure. Therefore, knowledge management as a factor to reduce the possible effects arising from the reinsurance activity should

preferably be carried out by officers with the most significant knowledge. In the event of not having the necessary tools to apply knowledge correctly, it is advisable to resort to consultancies, seeking expert advice to provide the best solution to situations of business uncertainty.

In most reinsurance companies in Bogota, there is a tendency to handle knowledge confidentially, i.e., only a few employees have access to the knowledge necessary to deal with situations that may arise. From some entrepreneurs' points of view, organizations do not carry out knowledge transfer processes. Therefore, it is pertinent that these companies change their mindset considering that knowledge is a value that allows business progress. Some studies indicate (Chesbrough, 2003; Pereira, 2011) knowledge must be embedded in the organization's different departments. Suppose reinsurance companies in Bogota, Colombia want to achieve positioning and recognition in the market. Reinsurers should not limit the appropriation of knowledge by human resources, especially when situations may arise, leading to the few people with the knowledge or not being present at the required time in the organization. Wrong decisions may be made due to the lack of their presence.

The reliability of knowledge was analyzed in discussions with the entrepreneurs; some indicated that sometimes they assume a risk culture by using the knowledge that has not been validated. This situation has led to significant economic losses. Therefore, before making any decision based on organizational knowledge, it is convenient to analyze it several times because, as Wiing (2000) states, any information should not be taken as an absolute truth until it is analyzed. Then, it can be identified that it is truly effective to solve the problems that arise in the daily life of the organizations. In this sense, reinsurance companies should have the support of expert professionals to validate the knowledge before it is used in the operating processes.

The study results allow us to identify that the processes of updating business knowledge are late since most of the reinsurance companies in the purposive sample use management models and standards that, in the modern world, would be considered obsolete. Moreover, few entrepreneurs improve their academic training processes by taking postgraduate programs. Therefore, organizational knowledge does not respond to the requirements of the global world. This situation may limit business development since reinsurance organizations must communicate using the same language regardless of geographical location. Consequently, if the organizations' human resources do not update their knowledge, this may limit the process of entering new markets and thus hinder their progress and sustainability.

## Conclusions

The conclusions presented in the following lines are oriented to the study objectives fulfillment; therefore, it is concluded that:

Knowledge management in reinsurance companies must become the fundamental element for their success. Therefore, through the appropriation and fair use of new knowledge, it is possible to implement innovative actions that guarantee the projection of the business. In this sense, under no circumstances should companies refuse to disseminate knowledge in the organizational



environment since only through this is it possible to respond to the actual or potential problems constantly faced by the reinsurance sector.

It is also worth mentioning that in modern society, business success is conditioned by the capacity of companies to appropriate and manage knowledge since those that link this purpose within their mission and vision become intelligent organizations capable of responding to the transformations undergone by social environments.

In addition, regarding knowledge transfer, reinsurance companies need to link expert professionals in knowledge management who have the necessary skills to ensure that workers appropriate new knowledge, significantly when the role of consultants must positively impact companies, particularly people. Therefore, a knowledge analysis should be made of the most suitable for facing problematic or uncertain situations before any event that may be potentially damaging for reinsurance companies and compromise their organizational structure and before making any decision,

Finally, knowledge management in reinsurance companies should focus on defining treatment measures to mitigate the risks and potential threats the reinsurance sector faces daily. In addition, such measures should also lead to the design of more adequate management models which respond to the organizational structure and are aligned with the company's goals and objectives. However, knowledge must be seen as a critical asset for organizations since it can create added value, sustainability, growth, and permanence in the market, which is why, if it is not given the importance it deserves, organizations may fail.

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