

## Cooperative core competencies in tourism: Combining resource-based and relational approaches in destination governance

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### Abstract

Community-based tourist destinations can be understood as networks of tourism service providers, which need to combine their resources and competencies to generate the overall holiday experience. Building on strategic management theories, the study aims at exploring the relationship between the destinations management's reflexive capabilities and the cooperative core competencies of a tourist destination. By means of reflexive capabilities, destination management is suggested to be able to induce a high level of network quality, which in turn may be a pre-condition for the interlacing of the service providers' competencies and resources, i.e. for the development of cooperative core competencies. Based on a quantitative survey in Bavaria, the results support these assumptions and indicate that reflexive capabilities may promote the development of cooperative core competencies in tourist destinations. The paper advances tourism literature by introducing, operationalizing and testing the idea of cooperative core competencies in the context of tourist destinations.

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**Keywords:** destination management; destination governance; networks; cooperative core competencies; reflexive management capabilities

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## Introduction

Extant literature repeatedly recognized tourist destinations as complex service networks (Dredge, 2006; Pforr, 2006; Shian Loong, 2012; Tinsley & Lynch, 2001). Within destinations, complementary services are provided by a large number of inter-dependent businesses, including hotels, ski resorts, other sports businesses, theatres, shopping centres and attraction points as well as local or public authorities (Pechlaner, Herntrei & Kofink, 2009). Due to this fragmented nature of tourism supply, cooperation in destinations is needed (Augustyn & Knowles, 2000).

'Cooperation' and its corollary 'coordination', with their various building blocks (Camagni, 1991), are major functions of destination management and governance (Beritelli, Bieger & Laesser, 2007; Bramwell & Lane, 2011; Derco, 2013; Kozak, 2004; Nordin & Svensson, 2007; Pechlaner, Raich & Beritelli, 2010; Pechlaner & Volgger, 2012; Raich, 2006; Volgger & Pechlaner, 2014). As a focal actor in the tourist destination network, the destination management organisation (DMO) is usually called to account for these duties (Flagestad & Hope, 2001; Presenza, Sheehan & Ritchie, 2005; Ritchie & Crouch, 2003). According to Sainaghi (2006), a DMO's tasks may be grouped into primary and supporting management tasks. The primary tasks include strategic or operative ones. Operative tasks deal with the management of tourist infrastructure, whereas strategic ones involve the development of new tourist products, which in the end means a (re)configuration of resources. These primary tasks are backed up by a second class of tasks – the supportive jobs. This class of tasks first and foremost includes the destination management's coordinating function, which helps the service providers to act in a concerted manner. This happens in a twofold way (Sainaghi, 2006):

- Supportive tasks back the collection and evaluation of information from the tourism service providers and help deducing goal-oriented measures in order to structure their cooperation. The supportive tasks enhance learning processes and support the

development of learning routines, which aid the partners in sharing a greater amount of knowledge (Grant, 1991).

- Supportive tasks furthermore facilitate refining resources of the single service providers into network-specific resources. These resources are applicable in the network context only - they are network specific. The extent of this network specificity is determined by the degree of the tourist actor's participation in the network and the degree to which the partner's inputs are complementary to each other (Dyer & Singh, 1998).

Building on strategic management theories (Barney, 1991; Duschek, 2004; Dyer & Singh, 1998; Hamel & Prahalad, 1994) and the related school of evolutionary economics (Dosi, Faillo & Marengo, 2008; Nelson & Winter, 1982), the paper links a DMO's supporting tasks to the establishment of cooperative core competencies in tourist destinations.

Cooperative core competencies are core competencies located at the network level and come into existence by linking up complementary resources and competencies of more than two interdependent partners (Duschek, 1998; Duschek, 2004; Fischer, 2009). They express themselves in inter-organisational routines. Cooperative core competencies may form the basis for the establishment of a sustainable competitive advantage for the destination network and its partners (Duschek, 2004; Dyer & Singh, 1998). Indeed, the aforementioned supportive jobs of DMOs are mainly aimed at establishing a high network quality, in terms of a high degree of integration, of complementarity of resources, of network-specificity and learning routines in the destination network (Fischer, 2009; Sainaghi, 2006). High network quality, in turn, is considered a pre-condition for the development of cooperative core competencies and thus for competitive network-based tourist products and services.

With few exceptions (Denicolai, Cioccarelli & Zucchella, 2010; Haugland et al., 2011; Rodríguez-Díaz & Espino-Rodríguez, 2008), research in tourism was relatively reluctant in

attempting empirical examinations of competencies on the destination network level. In other words, tourism research has not always integrated competence-based perspectives (e.g. Evans, Campbell & Stonehouse, 2003; Watson & McCracken, 2002) with those rooted in social network analysis (e.g. Scott, Baggio & Cooper, 2008) or in stakeholder-oriented research (e.g. Sautter & Leisen, 1999; Sheehan & Ritchie, 2005).

Therefore, it is highly valuable to investigate the circumstances, under which destination management and governance may support the establishment of cooperative core competencies. To do so, the present study assumes that the destination management's ability to fulfil its supporting jobs and to consequently sustain cooperative core competencies depends on reflexive capabilities (Hinterhuber & Stahl, 2000). Reflexive capabilities refer to the "perfectionist urge to address issues and raise themes, and provide for permanent feedbacks" (Hinterhuber & Stahl, 2000, p. 249). This assumption leads to the research question:

*Do destination management organisations dispose of reflexive management capabilities and if yes, do these capabilities have a positive effect on the development of cooperative core competencies in the destination network?*

The article is structured as follows: based on a discussion of cooperative core competencies and of reflexive capabilities, the literature review section justifies the main hypothesis. The subsequent section reports the empirical study, which explores the impact of reflexive capabilities on the development of cooperative core competencies within a tourist destination network. This empirical part consists of a quantitative survey in Bavaria, based on a sample of 158 tourism service suppliers.

## **Literature review**

### *Cooperative core competencies*

To manage the dynamics of destination management and governance, the so-called resource-based view of strategic management (Barney, 1991; Penrose, 1959; Wernerfelt, 1984) may provide a viable basis. In the

context of hospitality, its applicability has been recognized (see Olsen, 2004). According to this theory, enterprises dispose of a specific resource endowment (Freiling, Gersch & Goeke, 2008). This is either due to their historical development (Dierickx & Cool, 1989) or due to the fact that not all resources can be traded on markets (Peteraf, 1993). These specific "custom-made" resources may provide competitive advantages to the enterprise in case they are valuable, rare and sustainable (Barney, 1991).

However, not every single resource leads to competitive advantage; for instance, a high-quality hotel infrastructure may be a necessary but not a sufficient condition to offer a memorable tourism experience (Mehmetoglu & Normann, 2013). In most cases, it is rather arranging and organizing specific (bundles of) resources, which leads to sustainable success (Aung, 2000). Combining high-quality infrastructure with social skills of personnel may build up and put to use a multifaceted competency of hospitality – the competency of receiving and treating a guest in a disposable and friendly manner (Volgger, Pechlaner & Pichler, 2013).

*There is a key distinction between resources and capabilities... on their own, few resources are productive. Productive capacity requires the cooperation and coordination of a team of resources. A capability is the capacity for a team of resources to perform some task or activity (Grant 1991, p. 118f).*

The interrelated elements of knowledge and routines are generally seen to contribute decisively to the existence of competencies (Dosi et al., 2008; Grant, 1996; Hallin & Marnburg, 2008; Kogut, 2000; Nelson & Winter, 1982). Routines coordinate an organisation's members and serve as a memory bank for the organisation's tacit knowledge (Grant, 1991; Polanyi, 1958; Nelson & Winter, 1982). Therefore, routines can be defined as "most of what is regular and predictable about business behaviour" (Nelson & Winter 1982, p. 15). Coming back to the above example, only if the hospitable behaviour of personnel in a hotel or destination is internalized to such an extent that

it becomes routinized and repeatable, we may attribute this competency in the form of a routine to the hotel or destination. However, to avoid getting stuck in the rigidities of such internalized behaviour and to adapt to changing circumstances (e.g. attention and simplicity are considered as increasingly important elements of hospitable behaviour), it is detrimental to continuously develop and exploit knowledge (Pavlou & Sawy, 2011). Knowledge can stem from individuals, which work in an organisation (or a network) or it can originate from the organisation (or the network) itself. The latter implies collective learning processes. Thus, taking learning and routines together, we can deduce that learning routines have a special importance for the development of competencies.

In case competencies contribute directly to the customers' value and if they are unique and unrivalled, capable of offering further development potential to the enterprise and are not easily imitated, then they may be labelled as *core competencies* (Duschek, 2004; Grant, 1991; Prahalad & Hamel, 1990). Thus, core competencies are a subset of ordinary competencies. A specific and memorable instance of the discussed hospitable behaviour might qualify as core competency: It can be used in different markets (e.g. accommodation, restaurants, retail), provides significant customer value (as indicated by its importance in a guest's repeating behaviour) and is not easily imitated because depending on complex routines (see Volgger, Pechlaner & Pichler, 2013). Apart from the above-mentioned characteristics, core competencies exhibit the peculiarity that the enterprise's members usually command them particularly well (Hamel & Prahalad, 1994).

According to the relational view, the same is true for networks of enterprises such as for instance tourist destinations (Dyer, 1996; Dyer & Singh, 1998). In networks, a competitive advantage can be generated by valuable, rare and sustainable competencies (Gulati, 1999). However, the difference is that in networks, these *cooperative* competencies come into existence via the inter-organisational cooperation of independent companies. They develop either from the combination of the

participating enterprises' resources and competencies, or are set up newly by the network itself (Denicolai et al., 2010; Duschek, 2004; Dyer, 1996; Dyer & Singh, 1998; Eisenhardt & Schoonhoven, 1996; Fischer, 2009). Thus, cooperative core competencies are based "not only on (complementary) intra-organisational resources which networking companies have to bring along for the creation of inter-organisational revenues, but also on resources which have their source exclusively in the network structure" (Duschek, 2004, p. 66f). In any case, the quality of the competitive advantage depends on the quality of interaction processes (coordination of resources and competencies) and the quality of the resources and competencies that have been fed into the network by the partners (Das & Teng, 2000; Duschek, 2004; Teece, 1986).

The hospitable behaviour provided by a destination can qualify as such a *cooperative core competency*. The overall degree of a destination's hospitality offered to visitors consists of the combination of various actors behaving in a particular and somehow aligned way; on the other hand, it is often the product of a very particular culture or social configuration in a destination. In other words: To a notable extent, such a competency stems from the network level and depends on the quality of the hospitality competency as such and on the quality of social ties to share and improve it.

Based on these considerations, three criteria may be identified that help to detect cooperative core competencies: intensive knowledge exchange, expert command of a competency and intensive participation of the partners in network activities.

Firstly, the control of a competency in terms of the degree of a skill is chosen as an indicator of *core competencies*, because core competencies may often be found in case *ordinary competencies are performed above average*. In other words: If a service provider ranks a skill as especially well controlled, then it may be considered as an entrepreneurial strength in terms of a core competency.

Secondly, *cooperative core competencies*, i.e. core competencies that are rooted in the

network, are the result of cooperative relations (Duschek, 2004). This means that *the routines that coordinate the interaction* between the network partners need to be commanded especially well. Or in other words: If partners practice exceptionally sophisticated interaction routines, ordinary cooperative competencies may be evolved into cooperative core competencies. Participation and knowledge exchange may be indicators of the cooperative characteristic of core competencies.

#### *Reflexive management capabilities*

To help service providers refining cooperative competencies into cooperative core competencies by an especially sophisticated command of interaction routines, management may require special skills that involve knowledge-based skills but also social skills. As discussed above, collective learning processes are crucial in this regard.

Core competencies may be interpreted as an ability to diversify from the competitors (uniqueness), to operate in different sectors and under different conditions (sustainability) whilst maintaining a valuable core set of values (see Prahalad & Hamel, 1990). Thus, balancing variety with redundancy is a crucial element of creating and sustaining core competencies (Hinterhuber & Stahl, 2000; Stahl, 2000). This holds all the more for *cooperative* core competencies, since the attractiveness of networks lies in their potential to combine weak ties and strong ties (Capaldo, 2007), variability and rigidity, governance and competence. Thus, balancing continuity with flexibility in a network context appears to be a fundamental requirement in the context of cooperative core competencies.

Balancing stability and variety necessitates knowing existing things (epistemic competency), being able of understanding and solving new things (heuristic competency), dealing with social relation (relational and reputation competency) and integrating these elements in a reflexive way into a synergistic whole (integrative competency) (Stahl, 2000). In brief: Refining cooperative core competencies needs reflexive capabilities that problematize the current situation of the focal organization and its environment as well as

facilitate feedback loops (Hinterhuber & Stahl, 2000). In the following these collective learning competencies are outlined in detail:

- *Epistemic competency* refers to the knowledge of an expert. Epistemic competency originates from explicit theoretical knowledge, but also benefits from practical experiences, and is thus related to tacit knowledge (Henderson, 1994; Nelson & Winter, 1982; Polanyi, 1958). Therefore, it relates to applying previously acquired skills. In the context of winter sports destinations, this type of competency may refer to knowledge about organizing transportation in funiculars.

- *Heuristic competency* refers to the skills required to cope with new and different situations (process knowledge) (Barreto, 2010; Teece, Pisano, & Shuen, 1997). These skills derive from ways of thinking that feature a superior, unspecific character and are applicable in manifold situations (Stäudel, 2004). Thus, heuristic competency is about learning. For example, this relates to the innovation capability of a destination due to its expert command of product development.

- *Relational competency* deals with the relationships of an organisation with the network partners (Jarratt, 2004; Capaldo, 2007), and is based on the ability of role taking, ambiguity tolerance and the openness to absorb external impulses (Bellmann & Hippe, 1996). For instance, DMOs network with innovative businesses to form clusters. They may integrate innovation ideas from other branches into their own products and processes.

- *Reputation competency* exceeds purely relational ability and unites all the skills needed to establish maintain reputation capital, such as setting trustworthy actions and monitoring reputation (Håkansson & Snehota, 1995).

- *Integrative competency* is a meta-competency at the highest agency level. Integrative competency has the goal of collecting individual skills within a network and combining them as an organised whole. It completes the "what" in networks with the "how". In this sense, it refers to a kind of governance ability (Reinhardt & North, 2003). Moreover, it enables the actor to switch the perspective from a positional (ego) view towards a more systemic view on

competencies of social networks (Hinterhuber & Stahl, 2000).

It is hypothesized that these five reflexive capabilities enable the DMO to promote intensive interaction, which in turn enables knowledge transfer and an expert command of cooperative competencies in the destination network (Kogut, 2000). In the context of destination networks, DMOs may fulfil their primary and supportive jobs (Sainaghi, 2006), by establishing learning routines and refining simple network competencies into cooperative core competencies.

*Hypothesis: Reflexive capabilities (on the side of the DMO) positively influence the development of cooperative core competencies in the destination network.*

## **Method**

### *Research design and sample*

The survey has an exploratory character and was designed to first, identify cooperative core competencies in the studied destination, and second, investigate the *existence* of a relationship between perceived reflexive destination management capabilities and perceived cooperative core competencies in the destination network. A detailed analysis of *how* such management capabilities might influence network-based cooperative core competencies is not included.

To test the aforementioned hypothesis, a quantitative study in the tourist destination of Bavaria was conducted. With an area of 35,500 square kilometres, Bavaria is the largest federal state of Germany, and also the most important tourist destination of the German Federal Republic. During 2008, approximately 76.9 million overnight stays were recorded in accommodation providers with more than nine rooms. In total, Bavaria comprises approximately 42,000 hospitality establishments and approximately 13,400 accommodation providers. The majority of these establishments are small- and middle-scaled enterprises with between one and five employees (Bavarian Ministry of Economics, Infrastructure, Traffic and Technology, 2009; Bavarian Office for Statistics and Data Processing, 2007).

Within in the scope of this survey, 501 tourism service suppliers of the Bavarian tourist industry were contacted. This group included accommodation providers, restaurants and innkeepers, representatives of transport service providers, local tourist facilities and regional tourist organisations. All of them were members of the DMO Bayern Tourismus Marketing and formed part of the destination network that is coordinated by this DMO. Thus the interviewees were familiar with the DMO and its network coordination activities. The response rate amounted to 158 replies (sample size  $n=158$ ). This response rate (32%) is equal to or better than in similar studies in the tourism and hospitality sector (Keegan & Lucas, 2005). Representativeness is further supported by including several industries into the sample and thus improving the approximation of the structure and members of the whole study population of the destination of Bavaria. The analysis was realized as an online survey between July and August 2008. Thus, potential biases and sampling errors may arise from particular features of this survey technique (Lohmann & Schmücker, 2009).

### *Instrument, construct measures and data collection*

The questions and items of the survey were developed in context of a pilot study, which was conducted with service providers and representatives of tourist organisations. The survey consisted of two parts: (1) questions on the core competencies of the tourism service providers on the one hand and of the destination network on the other hand, in order to check whether the single enterprises' competencies have been interlaced into a set of cooperative, network-specific core competencies; and (2) questions on the reflexive competencies of tourism service providers on the one hand and of the DMO on the other hand, in order to see whether the destination management has a distinct influence on the development of the destinations cooperative core competencies in comparison to ordinary network members.

### *Measuring the destination's cooperative core competencies*

As outlined in the literature review, it was assumed that the multidimensional construct of

*core competency* is characterized by a high degree of command (that is, an expert command of an ordinary competency). Moreover, *cooperative* core competencies are regarded as characterized by two additional criteria: an intense knowledge transfer and the intensive participation of the tourism service providers in the network's activities. On the single enterprises' level, a destination network member exerts a core competency, for example, in the distribution of his/her tourist products if he/she controls the related distribution processes (for example online, fairs, direct mailing) extremely competently. On the network level, a cooperative core competency may be identified if distribution processes are additionally object of cooperation and knowledge transfer between many network members and/or the DMO.

To capture eventual cooperative core competencies, 15 items were formulated. These items were grouped along the three destination management processes (operative, strategic and supportive tasks) (Sainaghi, 2006), which were hinted at in the introduction. They include for example the development of new tourist products and brands, quality management activities, or professional training services. Since cooperative core competencies are characterized by a high degree of participation in the network, the participation of tourism service suppliers in the activities of the DMO was surveyed by eight items, which included amongst others: the active use of destination brands and marketing material in their communication activities, the recommendation of products and services to the destination network and the active application of recommendations by the DMO regarding product development. All items were surveyed using a five-point Likert Scale (ranging from 1=lowest to 5=highest).

#### *Measuring the reflexive competencies of tourism service suppliers and the DMO*

In order to survey the reflexive capabilities of tourism service providers and the DMO, five questions were formulated analogically to the concepts of epistemic, heuristic, relational, reputation and integrative competencies. The epistemic competency, for example, was made operational by reference to professional skills.

Concerning the heuristic competency, the questions referred to knowledge acquisition. The relational skills were conceived as "skills for the construction of a social network". The integrative competency was referred to as "ability to integrate regional tourism activities" (e.g. under a common umbrella brand identity or by promoting the use of regional products). It was surveyed, how well each capability was commanded by the single service provider as well as by the DMO Bayern Tourismus Marketing.

#### **Analysis**

To identify cooperative core competencies, in the first part of the analysis a portfolio method was applied (Henderson, 1973; Hinterhuber, 2004; Laimer & Weiss, 2009). Generally, portfolio techniques strive to graphically represent a set of strategic fields by positioning them in relation to at least two dimensions in order to identify strengths, weaknesses and development potentials. Thereby, it is possible to keep track of the overall strategic positioning of a firm, region or destination.

In this particular application, the portfolio technique was used to identify and classify cooperative core competencies. Cooperative core competencies were requested to perform well on both dimensions of "level of excellence" and "level of knowledge exchange". In other words, a cooperative core competency was assumed to be existent if the related item (for example, customer care) was ranked to be controlled particularly well (between 4 and 5 on the five-point Likert scale) by the tourism service provider and if he/she simultaneously said to have an intensive degree of knowledge exchange with another network member and/or the DMO (that is, between 4 and 5 on the five-point Likert scale). These average evaluations were mapped in a portfolio matrix, where cooperative core competencies are to be found on the right hand, upper side.

To inquire into the central question of the present study, the second part of the analysis focused on the relationship between the perception of reflexive capabilities of the single service providers as well as the DMO, and the perceived cooperative core competencies of the Bavarian destination network. To this end,

multivariate statistical procedures were applied: Using SPSS, both a factor analysis and a gradual regression were conducted.

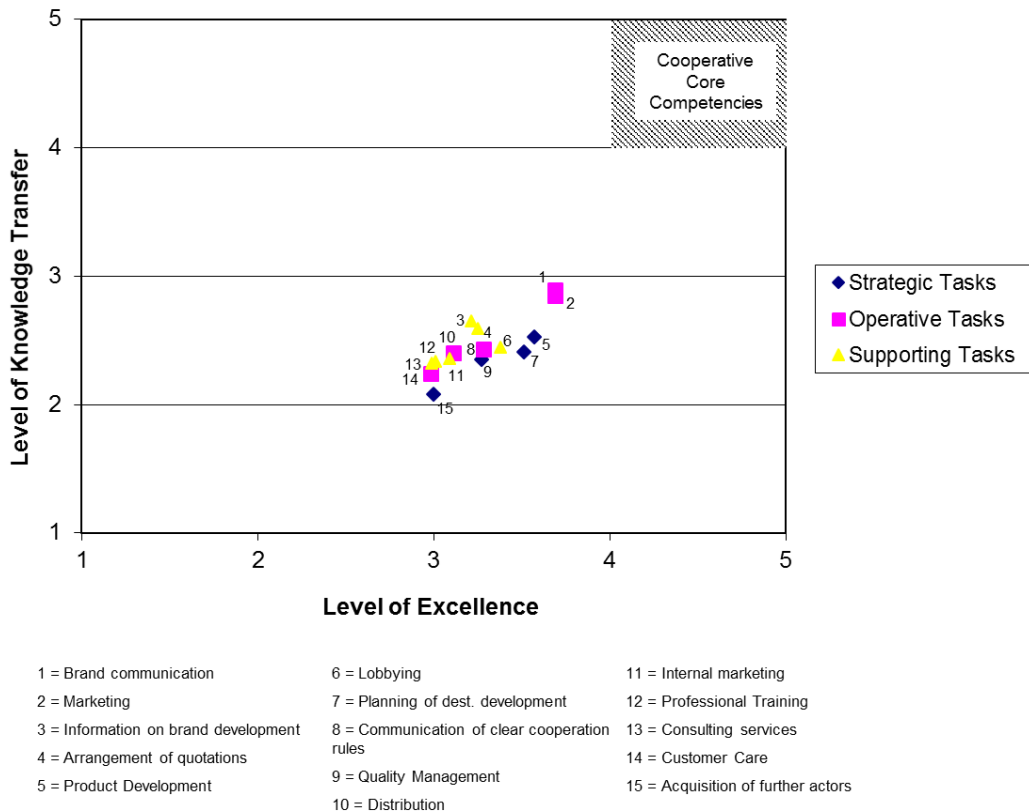
## Results

### Portfolio analysis

Applying the portfolio method to the sample, the surveyed Bavarian network does not seem to dispose of any clear cooperative core competencies. None of the competencies present within the destination network would be located in the upper-right area in Figure 1 (high control, high degree of knowledge exchange). According to the coding scheme, this area was defined as the area of cooperative core competencies, because there knowledge exchange and level of competence-control are highest. For none of the 15 items neither the level of excellence in competence-control nor the level of knowledge exchange exceeded an

average value. Average values indicate an average command of the surveyed competencies as well as an average level of knowledge exchange.

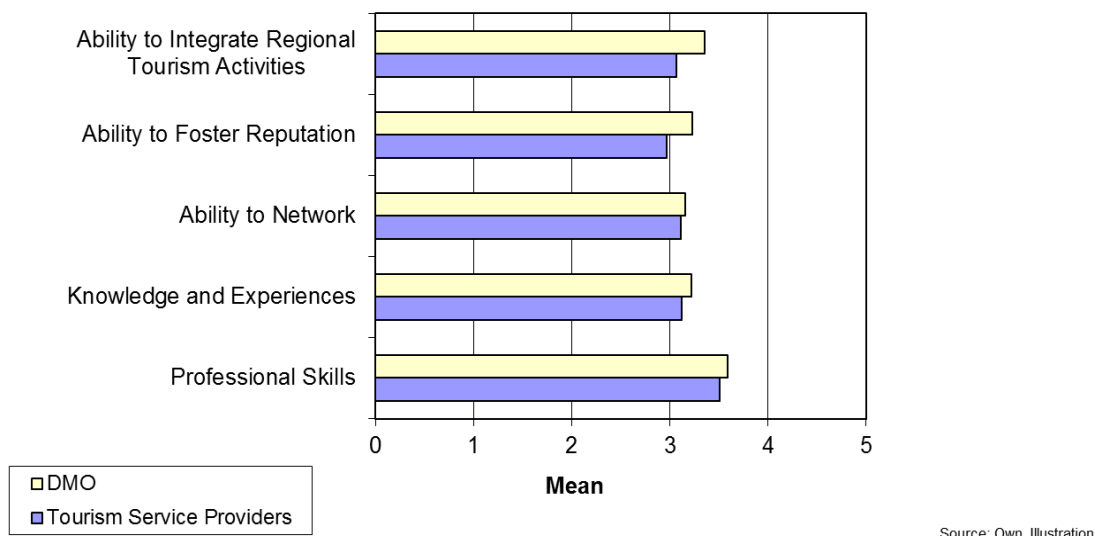
Interestingly, relatively higher values of excellence and of knowledge exchange can be found concerning operative competencies such as brand communication and marketing. These operative competencies are followed by supportive competencies such as information on brand development and arrangement of quotations and the strategic competency of product development. All in all, the level of excellence is judged higher on average than the level of knowledge transfer or exchange. This indicates that the destination network in Bavaria still has development potential particularly in the area of network governance and the anchorage of core competencies on



Source: Own Illustration

**Figure 1.** Cooperative core competencies in the Bavarian destination network





**Figure 2.** Reflexive capabilities in the Bavarian destination network

the network level.

A similar picture may be drawn for the reflexive management capabilities of the DMO as well as of the single service providers. Both groups achieved only average scores for the five competencies under survey (between 3 and 4 on a five-point scale).

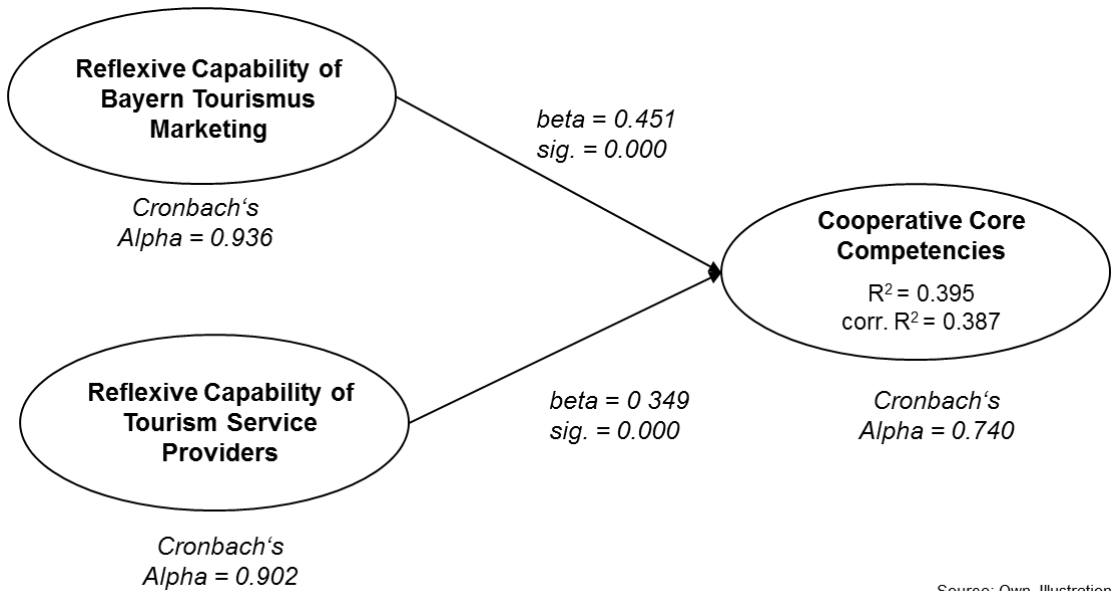
However, the DMO features higher scores than the tourism service providers in all five surveyed reflexive competencies. A particularly substantial difference is evident regarding the integrative competency (the skill of combining tourist activities) and regarding the reputation competency. It may therefore be deduced that the DMO assumes superordinate or coordination tasks. Thus, the important role of the destination management’s supporting jobs (Sainaghi, 2006) referred to in the introduction is emphasized empirically.

*Factor analysis*

Factor analysis was applied to reduce the items that describe the reflexive capabilities of the service providers as well as of the destination management, and those that help to measure cooperative core competencies in the destination network. The factor analysis

resulted in three factors, which are based on theoretical findings as well as on the results of the pilot study: Factor 1 may be named as “reflexive competencies of the tourism service providers”, Factor 2 constitutes the “reflexive competencies of Bayern Tourismus Marketing” and Factor 3 aggregates the “dimensions of the cooperative core competencies”. The reliability (internal consistency) of the factors was examined by calculating the Cronbach alpha coefficient.

Factor 1 relates to the reflexive capabilities of the tourism service providers. It contains items, which describe the epistemic, heuristic, relational, reputational and integrative competencies according to Hinterhuber and Stahl (2000). In more detail the items’ contents were as follows: “technical competency”, “knowledge and experiences in destination management”, “construction and servicing of a powerful network” and the “concentration and integration of tourist competencies and local resources respective of state-wide tourist competencies and resources”. Factor 1 reached a Cronbach alpha coefficient of 0.902, which is considered to indicate high reliability (Nunnally & Bernstein, 1994).



**Figure 3.** Relationships between reflexive capabilities and cooperative core competencies in the Bavarian destination network

Factor 2 relates to the reflexive capabilities of Bayern Tourismus Marketing (the DMO). It contains the same items as Factor 1, however targeted at Bayern Tourismus Marketing as DMO. It reached a Cronbach alpha coefficient of 0.936 (highly reliable).

Factor 3 relates to the cooperative core competencies of the tourist destination. It contains items, which describe the interaction of the tourism service providers with the Bayern Tourismus Marketing as their DMO and/or other network members: “comprehensive skilled knowledge exchange with other tourism service providers”, “comprehensive technical knowledge exchange with Bayern Tourismus Marketing”, “comprehensive participation strength regarding the services, measures and projects of Bayern Tourismus Marketing” and the “current networking among the tourism actors of the tourist destination Bavaria”. Factor 3 reached a Cronbach alpha coefficient of 0.740, which is above the limit of 0.6 and thus is still acceptable (Nunnally & Bernstein, 1994).

**Regression analysis**

After having created the three factors, the relationship between the perceived presence of reflexive capabilities and perceived cooperative

core competencies of the destination network was calculated using a gradual regression procedure. Factor 3, “dimension of the cooperative core competencies” represents the dependent variable, Factor 1, the “reflexive capabilities of tourism service providers”, and Factor 2, the “reflexive capability of Bayern Tourismus Marketing”, represent the independent variables.

The results of the regression analysis are shown in Figure 3. In both cases, for the single service provider as well as for Bayern Tourismus Marketing (DMO) a positive and significant effect of perceived reflexive capabilities on perceived cooperative core competencies of the destination network could be found. The data shows, however, that the influence is a bit stronger for the DMO as for the service providers. In sum, these findings indicate that those respondents who perceive the DMO to have higher reflexive capabilities tend to increasingly see potential for the development of cooperative core competencies in the destination network. Thus, the central hypothesis of the study was supported. A perceived relationship could be found, which might indicate also corresponding relationships

in objective terms as well as in cross-destination comparisons.

### **Discussion and conclusion**

Based on the study findings, the research question can tentatively be answered as follows: In Bavaria, the DMO disposes of reflexive management capabilities; these capabilities are commanded in an average manner. However, they exceed the reflexive capabilities of single tourism service providers and thus may be recognized as distinct. These reflexive capabilities seem to have potential to contribute to the development of cooperative core competencies in the destination network, although, strictly speaking, there are no such competencies in Bavaria at the moment. Our findings therefore indicate that the destination "Bavaria" does not optimally exploit its tourism potential. It still seems to lack in degree of destination governance and leadership that might be capable of rooting highly valuable capabilities on the level of the destination network.

Overall, reflexive management capabilities seem to contribute to the development of cooperative core competencies in a destination network and thus to the creation of a sustained competitive advantage. In sum, therefore, the study offers support to the main hypothesis.

This study contributes to tourism research by integrating the often separately discussed competence-based (e.g. Evans et al., 2003; Watson & McCracken, 2002) and relational (mostly social-network-based) perspectives (e.g. Scott et al., 2008). Thereby, it advances the research program promoted recently by Sainaghi (2006) and Denicolai et al. (2010) to investigate network-based competencies. It introduces the concept of cooperative core competencies to tourism research and offers an approach to its potential operationalization and testing in the context of tourist destinations. Additionally, the study contributes to research on destination management and governance (e.g. Beritelli et al., 2007; Bornhorst, Ritchie & Sheehan, 2010; Pechlaner et al., 2010; Pechlaner & Volgger, 2012) by putting special emphasis on the contribution DMOs and their (reflexive) competencies may

make to promote the development of network-based, cooperative core competencies.

Two main managerial implications for destination management and governance may be derived: First, since reflexive management capabilities seem to influence the development of cooperative core competencies, which in turn are a source of sustained competitiveness, a professionalization of destination management should take place, which may help reflexive capabilities to fully evolve. To this end, personnel of DMOs may need to acquire profound general tourist knowledge and particular knowledge of their territory as the basis for their epistemic competency. Beyond that, they may need network experience to be able to successfully activate the service providers for network activities. In other words, they may need relational competencies that reflect their capability of identifying adequate partners for tourist projects. In a further step, the reputation competencies of the destination management constitute a core element: factors such as trust, reputation, appreciation and acceptance by the service providers seem to be decisive.

Consequently, we recommend that DMOs should improve their performance on the five reflexive management competencies. Once destination management and governance have reached a high degree of reflexive capabilities, learning routines that include individual actors can be established within the destination network. Those learning processes should lead to an improvement of individual competencies and may finally develop into cooperative core competencies. According to our findings, a corner stone of a successful destination development thus might be the destination management's reflexive competency.

Aside from these managerial implications, repercussions also emerge for further research. The present study was conducted as an online survey, with a relatively moderate response rate. To consolidate the results and correct potential biases rooted in the online survey technique, other methodological approaches (e.g. a qualitative study) as well as alternative ways to data collection could be pursued. A further weakness relates to the fact that no

cross-destination comparison was included, which means that findings need validation in more comparatively oriented study designs. A limitation of the study concerns the fact that the destination of Bavaria does not exhibit strong cooperative core competencies at this moment. Thus, although the investigated relationships are statistically relevant, the findings should be considered as indicating a tendency rather than as fully verifying the hypothesis. The presence of cooperative core competencies has been linked to three factors: competence performance, knowledge exchange and participation in network activities. However, a detailed definition of measurement criteria is still missing. The same is true for the survey of reflexive capabilities: It is necessary to further specify the measure criteria regarding epistemic, heuristic, relational, reputation and integrative competencies. This means that more research is needed to detail the empirical operationalization of the concepts of cooperative core competencies and reflexive competencies.

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