



# Micro-foundations of absorptive capacity in platform economy-based tour guiding companies

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## ABSTRACT

This study investigates individual absorptive capacity (ACAP) in a platform economy-based tour guiding company. In such companies, guides are not employees but work as freelancers that sell their services to the company. The study's objective is to explore the knowledge-sharing dynamics between lower company management, who depend on the guides' knowledge for product development, and guides, who need incentives to share their knowledge with a company that they work *with*, rather than *for*. Methodologically, the study is based on data collected through embeddedness in a relevant case company, consisting of in-depth interviews, as well as participant and direct observation. The study characterizes central ACAP processes in the study context, pointing to five specific categories of micro-foundations that drive or hinder these processes: experience and knowledge, intrinsic and extrinsic motivation, (meta-)routines, social integration mechanisms and leadership. Finally, recommendations are provided on how to improve ACAP processes in these types of companies.

## 1. Introduction

This study contributes to tourism research and practice by providing new insights on absorptive capacity (ACAP) in the growing sector of tour guiding companies that apply a platform economy business model. In such companies, guides are independent freelancers who operate their own businesses and collaborate with the tour guiding company to gain exposure, a platform for customer recruitment and feedback. This relationship between freelance guides and the company creates an interesting dynamic specific to this sector of the tour guiding industry. The tour guides build up and possess destination-specific knowledge and experience, and in many cases develop specific products in the form of specialized tours, which are essential to the tour guiding company. However, because they are not employees of the company, the knowledge-sharing structures that are standard in traditional industries are not clear, thus creating potential conflict between the company, who needs the guides' product development skills, and the guides, who need incentives to share their knowledge with a company that they work *with*, rather than *for*. The knowledge sharing processes associated with the development of new products and services in relations between the company and freelance guides, are the unit of analysis in this study.

We consider the outcomes of these processes as being closely related to the firm's ACAP. Defined as its ability to acquire, assimilate,

transform and exploit external knowledge (Cohen & Levinthal, 1990), ACAP is among the most important concepts to understand knowledge transfer between a firm's internal and external environment (e.g. Paterson & Ambrosini, 2015; Zahra & George, 2002). In our case, the tour guiding firm attempts to acquire and assimilate (into their product portfolio) and transform (into commercialized products) the guides' (external) knowledge.

While ACAP has been highlighted as being among the most important constructs to emerge in organizational research (Lane et al., 2006), it remains understudied in the tourism literature, according to several scholars (e.g., Gürlek, 2021; Kale et al., 2019; Shaw, 2014; Shaw & Williams, 2009; Thomas & Wood, 2014; Valentina & Passiante, 2009; Wu, 2020). ACAP can be studied on different levels, including the national, organizational, group, and individual levels (Minbaeva et al., 2014). However, the individual level has been neglected both in tourism and the broader literature. Based on their work on ACAP in the tourism industry Thomas and Wood (2014, 2015) have suggested that ACAP needs further study in this context. Specifically, they call for studies that "interrogate the concept in organizational contexts via detailed qualitative enquiry." (p. 96).

This study investigates ACAP at the individual level through a focus on the so-called micro-foundations of ACAP in the context of platform economy-based tour guiding companies. We choose this focus because

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we find that the biggest ACAP potential for this particular context lies in the direct interactions between lower and middle management (henceforth “manager” or “management”) at the tour guiding company and the freelance guides (henceforth “guide” or “guides”) who possess new (external) knowledge. Because these individuals act as “key individuals” and “boundary spanners” between different knowledge communities (Lewin et al., 2011; Shaw & Williams, 2009), our attention is centered on the interactions between them and focuses on for example the (meta-) routines (Abell et al., 2008; Lewin et al., 2011, 2020; Mariano & Al-Arayed, 2018), intrinsic and extrinsic motivations (Yildiz et al., 2019; Tian & Soo, 2018), social integration mechanisms (Todorova & Durisin, 2007; Zahra & George, 2002) and leadership skills (Darwish et al., 2020) that affect the relationships between them.

Theoretically, the objective of this study is to contribute to an improved understanding of ACAP, micro-foundations of ACAP in particular, in the context of the tourism industry. It contributes to tourism knowledge in the following ways. First, it focuses on the tour guiding industry, which, despite being central to the tourism industry, has been largely overlooked in studies of ACAP compared to other sectors (Black et al., 2019). Second, it focuses specifically on the issues faced by the tour guiding industry due to the introduction of the platform economy business model, which despite its increasing dominance, represents an understudied phenomenon within the research on tour guiding (Navalón-García & Mínguez, 2021).

Empirically, the objective of this study is to explore how interactions between the company (i.e., lower and middle management) and tour guides affect the firm’s ACAP—ability to acquire, assimilate, transform and exploit external knowledge—in a guiding company that applies a platform economy business model, as well as how processes of interaction could be better organized to improve the firm’s ACAP and create more rewarding relations between the company and its freelance tour guides.

We aim to answer the following research questions. What characterizes individual ACAP processes in platform economy-based tour guiding companies? Which micro-foundations drive these processes? What are the specific challenges to ACAP processes? And lastly, how can these processes be improved to the benefit of companies, management and tour guides?

Following a pragmatic research philosophy, we employ the methods which best allow us to answer these questions. Here, in-depth qualitative perspectives through embeddedness in the organization were seen as the best fit. A tour guiding company that employs the described platform economy business model was selected as a case (henceforth the “Tour Guide Company” (TGC)). Three types of qualitative data were collected and analyzed to gain in-depth information about the ACAP processes between TGC’s management and freelance guides: formal semi-structured interviews, which are the main data source, supplemented with information from participant observation and direct observation.

### 1.1. Platform economy based tour guiding companies

Some of the most well-known guiding companies that apply a platform economy business model include Barkeno, Free Tours by Foot, and Sandemans. Such companies are not considered to be part of the sharing economy, as they do not have a structure of delegated and shared responsibility (Meged & Zillinger, 2018; Navalón-García & Mínguez, 2021). Instead, we characterize this particular business model by its particular product and employment structure. Similar to more well-known platform economy business models, such as those used by, for example, transport platform Uber or food delivery platform Wolt, the guides are independent freelancers who essentially represent their own business and collaborate with the company to gain exposure, a platform for customer recruitment, and feedback. As described by Navalón-García and Mínguez (2021), these companies apply a “freemium” business model wherein the main service—in this case, guided tours—is free. The guides are paid in the form of tips. The company charges a “marketing

fee” for each customer, while the main revenue stream for the company comes from the sale of additional services in the form of specialized tours. Thus, the company’s main activities are branding, marketing and promoting tours to potential customers, as well as certain operational tasks, which include organizing tours, managing groups of tourists at the meeting point, controlling reservations and sales, and finding guides to conduct tours. The guiding itself—and to some extent the development of new guided tours—is done by freelance guides.

Similar to other industries that have been transformed by the entry of new players applying a platform economy business model, there is both academic and popular discussion about various issues, including clashes with traditional actors, pressure related to worker payments and social rights, unfair competition, creation of a more precarious working environment, denigration of the profession and infiltration of unauthorized or unqualified workers (Navalón-García & Mínguez, 2021). Although important, these issues are not the focus of this article. Instead, this article views the platform economy business model as a current and increasingly dominant phenomenon in the tour guiding industry and seeks to address what companies and freelancers can do to achieve mutual benefit within the existing system.

## 2. Literature review

As mentioned, this study is concerned with the unique relationships between guides who are external to the organization but integral to product development and managers who are tasked with acquisition, assimilation and transformation of the guides’ knowledge into commercial products. General knowledge management theory is concerned with the creation, use and transfer of knowledge within organizations (e.g. Despres & Daniele, 1999). As such, much of the literature deals with describing, understanding and distinguishing between different types of knowledge (e.g. Sanchez & Aimé, 1997; Snowden, 2002) and with the company’s internal knowledge management under different conditions (e.g. Corso, Martini, Luisa, Silvia, & Stefania, 2006; Lagerström & Maria, 2003). Other literature has been more concerned with knowledge inflows (e.g. Kostopoulos, Alexandros, Margarita, & George, 2011), that-is, the importance of external knowledge for various aspects of company operations, including decision-making (e.g. Cassiman & Reinhilde, 2002) and innovation (e.g. Love & Stephen, 2004). Since this study is focused on the transfer of knowledge between guides and managers and ultimately its organizational implications, Cohen and Levinthal’s (1989) much cited and used theory of absorptive capacity and the more recent concept of individual absorptive capacity (e.g. Hotho et al., 2012) is deemed to be the most relevant for the study.

### 2.1. Absorptive capacity

Absorptive capacity represents “a set of organizational routines and processes by which firms acquire, assimilate, transform, and exploit knowledge” from the environment (Zahra & George, 2002, p. 186). Since the concept was coined in 1990 (Cohen & Levinthal, 1989), ACAP has been studied in relation to various topics such as open innovation, networks, competitive advantage and leadership (Filho et al., 2021). In these studies, ACAP has been widely recognized as being among the most important dynamic capabilities that determine a firm’s ability to take advantage of external information (Yildiz, Murtic, Klofsten, Zander, & Richtné, 2021; Patterson & Ambrosini, 2015; Zahra & George, 2002).

Despite its recognized importance and wide application, three review articles covering 1200 publications from 1992 to 2005 (Volberda et al., 2010), 2000 publications from 1990 to 2015 (Apriliyanti & Alon, 2017) and 2072 publications from 2016 to 2020 (Filho et al., 2021), respectively, all noted a lack of understanding and research into ACAP at the individual level. Hotho et al. (2012) argued that “... our understanding of how new knowledge is assimilated internally and the role of individual actors and organizational conditions remains incomplete.” (p. 384). Felin and Foss (2005) also highlighted this, as they observed

that “organizations are made up of individuals, and there is no organization without individuals [...] yet this elementary truth seems to have been lost in the increasing focus on structure, routines, capabilities, culture, institutions and various other collective conceptualizations in much of recent strategic organization research.” (p. 441). Yildiz et al. (2019) argued that exclusively treating ACAP as an organizational-level phenomenon displays a macro-level bias, as it ignores the “fundamental role of individuals in the creation, transfer and absorption of knowledge” (p. 1). Together, this indicates a general lack of research that explores ACAP at the individual level.

## 2.2. Micro-foundations of absorptive capacity

Although the literature has neglected individual ACAP, it has been acknowledged since the inception of the concept that ACAP is dependent on interactions that occur at the individual level. Cohen and Levinthal (1990), who coined the term, argued that a firm’s ACAP depends on the individual ACAP of its members, while individual ACAP is also affected by the structure of the firm. Employees’ prior knowledge may, for example, influence the firm’s ability to assimilate and exploit new knowledge, while the firm’s structure may alter the internal processes of knowledge transmission, communication and routines between individuals. Many scholars have since supported this argument, thus highlighting the importance of individual ACAP in understanding higher level ACAP processes (Cohen & Levinthal, 1990; Lane et al., 2006; Lewin et al., 2011). Following Abell et al. (2008), micro-foundations refer to the actions and interactions that occur between individuals, which directly or indirectly affect a firm’s ACAP. As such, they consist of individual or organizational factors that affect organizational capabilities.

Lewin et al. (2011) argued that some extant ACAP literature ignored the role of internal micro-foundations of ACAP, thereby missing how companies are able to create change from within. Based on this, they emphasized the difference and relationship between internal and external micro-foundations of ACAP. While this argument is relevant in some contexts, our study indicates that the separation of internal and external ACAP is not possible in all contexts. Our case of platform economy based tour guiding companies is an example of an organizational structure where the line between internal and external become blurred, because guides are contractually external, but often operate more like employees in daily activities. As such, we base our analysis on the dominant view in ACAP literature, which is to consider ACAP as concept to understand the connections and transfer of knowledge between the internal and external, rather than aim to separate them.

Through inductive analysis (as presented later in the paper), we found the most relevant micro-foundations of ACAP for this study to be related to *experience and knowledge, intrinsic and extrinsic motivation, social integration mechanisms, meta-routines and leadership*. Some of these micro-foundations are mostly dependent on the individual, while others can be supported by the organization.

*Experience* influences employees’ ability to transfer, assimilate and exploit new knowledge. *Knowledge* transfer at the individual level can be both tacit and explicit and is transferred through both formal and informal interactions between intra- and inter-organizational members (Distel, 2019; Easterby-Smith et al., 2008; Martinkenaite & Breunig, 2016). Tian and Soo (2018) and Yildiz et al. (2019), who found a direct relationship between *intrinsic motivation* and absorptive capacity, argued that employees who experience this type of motivation at work are more likely to hunt for new knowledge in their environment, while *extrinsic motivation* was found to be less important, albeit not unimportant. Companies may attempt to improve their ACAP through these micro-foundations by, for example, incentivizing employees in ways that improve their extrinsic motivation. However, these micro-foundations are highly dependent on the individual employee’s personal psychological profile or disposition.

Other micro-foundations refer more directly to the actions organizations (can) take to affect their individual and overall ACAP.

Researchers have argued that firms can stimulate individual interactions—and thus potentially ACAP—by using different *social integration mechanisms* (Todorova & Durisin, 2007; Zahra & George, 2002) understood as “informal or formal mechanisms that can build connectedness and facilitate information flow in companies” (Yao & Chang, 2017, p. 2046). To date, the research has mainly paid attention to intra-organizational social integration mechanisms—for instance, job rotation or short-term visits—and thus there is room to explore how inter-organizational social integration mechanisms support individual ACAP. Lewin et al. (2011) argued that a company’s micro-foundations of ACAP lie in its *meta-routines*. Meta-routines represent the higher-level organizational routines that influence lower-level routines. Routines are understood as the combination of rules, norms, procedures, daily operations and habits that are present in the activities and processes at different levels of the firm (Lewin et al., 2011; Mariano & Al-Arrayed, 2018). A firm’s meta-routines can partially explain why some firms are better at obtaining external knowledge and using it for commercial benefits than others (Mariano & Al-Arrayed, 2018), thus making meta-routines essential for firms that attempt to improve individual- and firm-level ACAP. Finally, the effects of transactional and transformational *leadership* skills on ACAP have been a point of attention (Darwish et al., 2020; Flatten et al., 2015). For instance, Darwish et al., 2020 recognized the value of micro-level analysis due to the influence that individual behavior and decisions have on organizational activities. In relation to this, Srivastava & D’Souza (2020) demonstrated a positive relationship between each one of the four dimensions of ACAP and capacity for managerial strategic thinking, understood as a combination of “system thinking, divergent thought processing and reflection” (Srivastava & D’Souza, 2020, p. 55).

## 2.3. Micro-foundations of ACAP in tourism

It has been argued that external knowledge plays a particularly vital role in tourism (King et al., 2014; Williams & Shaw, 2011). Valentina and Passiante (2009) found that in the tourism context, ACAP has a strong influence on firms’ ability to create and appropriate value. This should make ACAP a central concept in tourism research; however, despite its widespread use in other management disciplines, ACAP has been widely neglected by tourism scholars (e.g., Gürlek, 2021; Kale et al., 2019; Shaw, 2014; Shaw & Williams, 2009; Thomas & Wood, 2014; Valentina & Passiante, 2009; Wu, 2020). It can also be argued that most of the research that does exist mirrors the macro-level bias, which Yildiz et al. (2021) observed in the wider literature (e.g., De Vita & Kyaw, 2017; Garay et al., 2017; Liu, 2018; Ponce-Espinosa et al., 2020; Thomas & Wood, 2014, 2015; Valentina & Passiante, 2009; Wilke et al., 2019; Wu, 2020), which leaves much to be desired in terms of more in-depth studies of ACAP processes. In terms of the study setting, there has been a preference for investigations into the hotel industry (e.g., Gürlek, 2021; Kale et al., 2019; Thomas & Wood, 2014; Tzeng, 2021; Wilke et al., 2019), while other parts of the tourism industry have received less attention. Together, this leaves a knowledge gap in the literature concerning micro-level individual ACAP processes in general, and in particular in contexts beyond the hotel industry.

The need for research on ACAP in the tourism context is compounded by the fact that findings on and the understanding of ACAP from other industries cannot be applied directly to the tourism industry. Thomas and Wood (2014), for example, tested the hypothesized components of absorptive capacity in the hotel industry. Their findings did not reaffirm previously hypothesized components of absorptive capacity leading them to conclude that ACAP “needs to be re-assessed and conceptualized differently if it is to have application in tourism” (p. 46). Following calls from the broader ACAP literature (e.g., Yildiz, Murtic, Klofsten, Zander, & Richtner, 2021; Filho et al., 2021; Volberda et al., 2010), it can be argued that such a reconceptualization should take into account not only structure, capabilities, culture, institutions and other collective conceptualizations, but also ACAP at the individual level, because

“organizations are made up of individuals” (Felin & Foss, 2005) and individuals have a “fundamental role (...) in the creation, transfer and absorption of knowledge” (Yildiz, Murtic, Klofsten, Zander, & Richtnér, 2021). Thus, understanding the specific micro-foundations that enable or limit the ACAP of tourist firms is relevant to our general understanding of ACAP in the tourism context.

Thomas and Wood followed their own call for re-conceptualization of ACAP with an in-depth study of ACAP in the events industry (Thomas & Wood, 2015). This study also resulted in a model of absorptive capacity in the tourism industry, which seems to be the most useful framework for understanding ACAP in the tourism context to date. Although they do not theorize it as such, some of the concepts in their model can be regarded as micro-foundations of ACAP, but as the model is not specific to ACAP at the individual level it is used as a point of reference rather than applied directly in this study. Another reason for this is Thomas and Wood’s (2015) argument that:

“in spite of the voluminous literature and the insights provided by this research, absorptive capacity remains inside something of a ‘black box.’ Perhaps the most immediate research challenge, therefore, is the need to interrogate the concept in organizational contexts via detailed qualitative enquiry.” (p. 96)

Drawing upon concepts from the wider literature on the micro-foundations of individual ACAP presented above, this study uses this call as its point of departure, as it aims to investigate micro-foundations of ACAP at the individual level through in-depth qualitative inquiry into a specific organization (TGC) and organizational context (i.e., platform economy-based tour guiding companies).

### 3. Methodology

This research was founded in a pragmatic research philosophy. Data collection methods were selected to achieve satisfying answers to a specific problem, as stated in the research questions and not rooted in incommensurable philosophical traditions (Morgan, 2007). The purpose of this study was to gain in-depth insights on knowledge transfer processes between management and freelance guides in a previously unstudied, but increasingly important sector of the tour guiding industry – platform economy based tour guiding companies. For this purpose, an organizational ethnography approach that involves embeddedness in a critical case organization may be considered as the most fruitful methodological approach (Watson, 2012). Below we explain this approach in more detail.

#### 3.1. Case and context

To avoid ethical issues regarding our interviewees, and to allow for embeddedness in the organization, we have chosen to represent the company through an alias: “Tour Guide Company” (TGC). TGC runs tours in many cities on different continents around the world.

TGC was chosen because it can be considered a critical case (Flyvbjerg, 2006) that is representative of the growing sector of market leading tour guiding companies that utilize a platform economy business model, as described in section 1.1. Thus TGC’s main activities are branding, marketing and promoting tours to potential customers, as well as certain operational tasks including organizing the tours, managing groups of tourists at the meeting point, controlling reservations and sales, and finding guides to conduct tours. As described, TGC applies a “freemium” business model (Navalón-García & Mínguez, 2021), as such, its products can largely be divided into two different offers: (1) the “free walking tour,” which aims to attract tourists’ attention and to create awareness for (2) the “select tour,” which encompasses a large variety of paid tours, such as walking tours, bike tours, and food tours, among others. Select tours represent the company’s main source of income.

#### 3.2. Case study

According to Yin (2009), a case study method is most suitable when asking “how” or “why” questions, the investigator has little control over events, the focus is on a contemporary phenomenon within a real-life context, participants are central to the study, and when studying a phenomenon for the first time. All of these apply to the present study.

The inherent limitations of case studies were taken into account as the study was conducted. These include difficulty in generalizing findings, risks of bias and difficulty in reproducing the case (Bryman, 2012; Flyvbjerg, 2006). The authors have alleviated these potential weaknesses in two ways. First, they employed data triangulation to improve the trustworthiness and authenticity of the results (Guba and Lincoln 1994). Second, they remained aware that “case studies, like experiments, are generalizable to theoretical propositions and not to populations or universes” (Yin, 2009, p. 10). While the empirical findings cannot be generalized to a population, they can give indications about the phenomenon that may be interesting in their own right, lead to practical changes and/or to relevant questions, be compared to similar findings in other studies, and/or contribute to theory building that may be the basis for future studies that aim for generalization. Finally, the weaknesses of case study research should be juxtaposed against those of social science research in general. Flyvbjerg (2006) has argued that social science methods in general have failed to produce general context-independent theories because context is a fundamental element when analyzing human behavior. Thus, context-dependent knowledge is necessary and can be seen as a strength rather than a weakness.

#### 3.3. Data collection

Three types of qualitative data informed the present analysis. The main data source was semi-structured interviews, and the perspectives obtained herein were supplemented with information gained through participant observation and direct observation.

##### 3.3.1. Semi-structured interviews

Interview participants were selected based on purposeful sampling with an intention to represent both guides, managers and those that have experience as both guides and managers, as well as a breath of perspectives/experiences from different countries/markets to ensure that perspectives were related to the organization and not a specific local context. Participants from all three groups were interviewed (see Table 1): freelancer tour guides who have created content for TGC (n = 6); current or former middle management employees responsible for a city in terms of hiring freelancers and launching new tours and establishing partnerships with local businesses (n = 4); and those who had both worked for the company as freelancers and as employees, though not simultaneously (n = 2). Wide representation in terms of markets was

**Table 1**  
Interviewee overview.

Abbreviation	Role
Freelance Guides:	
G1	Guide 1
G2	Guide 2
G3	Guide 3
G4	Guide 4
G5	Guide 5
G6	Guide 6
Managers:	
CM	City Manager
EA	Executive Assistant
RM	Regional Manager
PD	Project Director
Experience as both guide and manager:	
M&G	Formerly a guide, now a manager
G&M	Formerly a manager, now a guide

also achieved, as the interviewees had worked in various cities in Europe—namely, Amsterdam, Barcelona, Berlin, Bruges, Copenhagen, Dublin, Lisbon, London, Malmo, Paris, Porto and Seville.

The duration of each interview was between 40 and 90 min. Five interviews were conducted in Spanish, and seven were conducted in English. Interviews were recorded and transcribed verbatim. The interviewees were informed in detail about the aim of the study. All participants were anonymized and offered the chance to receive the transcript of their own interview to modify, eliminate or add anything as they please. Only two participants required their transcripts, and none of them requested modification.

Recruiting interviewees for an in-depth study like this can be challenging because of the sensitive nature of the subject matter. As a result, interviewing commenced at  $n = 12$ . At this stage, we judged that a point of saturation had been reached as findings were materializing to such a degree that it no longer made sense to attempt to recruit more interviewees. The interview data were supplemented and sustained by direct observation, as described below. The interviews were based on an interview guide, which was constructed for each group of interviewees based on the research questions, information obtained from the participant observation processes, and the theory on the micro-foundations of ACAP.

Interview transcriptions underwent thematic analysis following the six steps recommended by Braun and Clarke (2006) (i.e., familiarization, generation of initial codes, search for themes, review of themes, definition and naming of themes and report production (p. 86)). The process began as an inductive approach, where central themes relevant to knowledge sharing processes were uncovered from the data in the 'search for themes' step of the analysis. In the 'review of themes' step, we applied the micro-foundations of ACAP concepts, which initially included a wider range of micro-foundations. When initial themes were combined and analyzed in relation to these concepts, five groupings of micro-foundations emerged as the most central in the case. These shape the analysis section of this paper. Thematic analysis was selected due to its usefulness as a method capable of identifying patterns within and between different participants' experiences, perspectives, behaviors and practices, specifically in case study research with a limited number of participants (e.g., Braun and Clarke 2006; Mooney-Somers, Perz, & Ussher, 2008). The language in the quotations used in the paper has been cleaned for grammatical errors to improve readability.

### 3.3.2. Participant observation

A member of the research team worked for TGC as a tour guide between April 2019 and March 2020. Through this experience, the researcher was embedded in the case context, thus allowing him to experience and understand the ongoing interpersonal ACAP processes between employees and freelancers. The work involved creating a new tour, learning the content of existing "select tours" and following and interacting with other guides to gain experience. This provided unique insight into the study context, including in-depth understanding of TGC's business model, the relationship between tour guides and the company as well as relationships between guides. This acted as the motivation for this research and informed the analysis itself, as well as the subsequent data collection.

### 3.3.3. Direct observation

A member of the research team joined a Facebook group for guides working for the company at the beginning of the data collection process. This group was used to recruit interviewees for the study but also acted as a data source in and of itself, as it was possible to follow conversations between freelancers. As such, the researcher's participation in the group was mainly covert – observing ongoing conversations – although it became overt in instances where the group was used to recruit interviewees. No systematic data collection was conducted from the group; instead, following the abductive approach, there was a back and forth between the interview process and information obtained via the

direct observations in the Facebook group. Some insights that did not clearly emerge from the interviews were confirmed by observing conversations in the group, an example being the fact that most guides are not interested in being hired as employees of the company and are satisfied with their current employment structure (which went against the authors' original assumptions). The guides working as freelancers for TGC are normally relatively inexperienced and not formally educated as guides; therefore, they prefer a higher income (which they can obtain as freelancers) to the employment benefits they would receive if they were employed by the company. This is important information because it illustrates that improved ACAP processes, rather than different employment structures, should be the goal for this particular type of company.

The combined use of participant observation, direct observation and semi-structured interview data enabled data triangulation, which helped to shape and validate evolving analytical categories while also enriching the analysis and providing broader as well as deeper insight into the case.

## 4. Analysis

TGC's business model relies on income generated from specialized tours. This requires continuously developing a high-quality portfolio of specialized tours catered to each destination. It is evident from both interviews and observations that TGC is currently benefiting from the tours created by guides at a relatively low cost. Despite the importance of tour guides as content and tour creators for the company, many of the guides and managers describe a negative pattern whereby most guides will only develop one or a few tours for TGC before discontinuing that offering. This indicates that there are problems related to TGC's individual ACAP for knowledge and information emanating from a potentially very important source: freelance guides.

Despite being external to the company, many of the guides daily tasks and interactions with managers resemble those of a traditional employee and managers depend on guides not only for their basic guiding services, but also for product development. This relationship between guides and managers mean that typical knowledge-sharing mechanisms are not apparent. While some research has emphasized the separation of micro-foundations of ACAP into internal and external (Lewin et al., 2011), we find that this is less useful in this specific context, where it can be difficult to neatly separate them into one of the two categories. In the platform based tour guiding context, we consider the complexity and inseparability of the relations and the interplay of the internal and external to be both what creates potential for the business model to work and also conflict and challenges.

Based on this, and following the thematic analysis method referenced earlier, we sought out and investigated the most important micro-foundations of individual ACAP in the interactions between guides and managers with an aim to understand how they manifest and influence organizational ACAP. In the following sections we present and discuss these micro-foundations grouped into five central themes: prior experience and knowledge, intrinsic and extrinsic motivation, meta-routines and social integration mechanisms and leadership.

### 4.1. Prior experience and knowledge

All interviewed managers agreed that the tour guides are essential in terms of developing tours and that they are superior to company managers in this regard because of their specialized knowledge and experience. One manager explained that:

"... guides know the type of customers we get (...) they know better than the city manager or the meeting point manager how to communicate with those people. They also understand the history of the city better than any employee." (CM1)

Another explained that there is a noticeable difference in quality

between tours developed by the company and those developed by guides:

“I think to have guides to develop the content is a great strategy; I think the tour should be made by the guides because I see a very big quality difference to tours that have been created by the company.” (RM)

From these statements and observations it is evident that TGC is dependent on freelance guides for tour creation because they have the deepest knowledge about the destination, direct insights from tourists about their interests and preferences as well as knowledge about what TGC hopes to accomplish during its tours. This highlights the importance of a high level of individual ACAP between TGC’s management and its freelance guides because it is necessary to absorb the guides’ knowledge into the company and subsequently transform it into attractive specialized tour products.

#### 4.2. Intrinsic and extrinsic motivation

In terms of sharing knowledge and creating tours for TGC, the analysis shows that guides are, to a large extent, driven by intrinsic motivations. This aligns with [Tian and Soo’s \(2018\)](#) research, which found intrinsic motivation to be an important contributor to the development of individual ACAP. The guides are motivated to develop tours and share knowledge with the company because they are passionate about the job; their desire to talk about the tours they create, to share their perspective, or even to educate others motivates them to participate in tour creation. Some respondents explained that they were motivated because they were creating tours about topics they were interested in or passionate about, such as street art, design, architecture, religion, politics, or sexuality. Others mentioned that they enjoy the creative process, which they saw as a “fun thing to do,” unlike their regular occupation. “When you do a tour from scratch, it’s like ‘your baby’, and it’s always nice to get it done, [ ... ] I think it’s the best thing about being a guide” (G5). A manager from TGC explained: “I think it definitely came from their passion around the topics [ ... ], I don’t think that the financial motivation was a priority in that sense at all.” (RM). One guide also mentioned that it elevated their position in relation to the company:

“I felt that I could talk to [regional manager], because before that [tour creation] she had always been someone very distant, but after, I felt she treated us as equals, that she was open to listening to our ideas and proposals, so I think my relationship with [regional manager] improved.” (G2).

[Tian and Soo \(2018\)](#) found extrinsic motivations to be less important than intrinsic motivations as contributors to individual ACAP, although in their review of the literature they highlighted that the previous findings have been mixed. As discussed above, there are some positive examples of collaboration and knowledge sharing between managers and guides in the case study. However, our findings show that while intrinsic motivation was enough to motivate the guides to create tours for the company once or twice, the inadequate extrinsic motivation resulted in them no longer wanting to create tours for TGC, and in some instances led to damaged relations between guides and TGC’s management.

As we outline in detail in the next section, the observations and interviews confirmed that the guides felt that their work was not being properly recognized by company management, that processes around tour creation were not transparent and that managers were not clear in their communication about expectations and compensation. The frustrations of one interviewee were expressed in the following quote:

“In the end, what happened was that they told me ‘we are not going to pay you the money we were supposed to, because the operation is bad, we do not have that much money, so we are going to give you a

discount in your marketing fee for the next month and a half instead’ ... If you do the math, I could even lose money.” (G&M)

As is evident from the quote, the problems of a lack of clear communication and transparency were amplified by inadequate compensation. A guide explained: “... it changed the relationship [with TGC’s management] (...) as time progressed, I didn’t feel like I was being compensated enough, so in the end, it damaged our relationship.” (G6). Another explained: “It took them a really long time to get [another tour] done because all the guides were like ‘you pay nothing’ and then finally, somebody who had a passion for it, ended up doing it” (G3). Similarly, a manager explained: “the guides got super angry with the company and with us, so therefore it did kind of damage also the relationship” (RM).

In some cases, the guides’ intrinsic motivation was strong enough to make up for the lack of extrinsic motivation:

“I wasn’t having a good relationship with the company, I didn’t want to help them with anything. [...] I felt responsible for being a feminist, being a woman. [...] It seemed super interesting and necessary for me to talk about [it] ... having done that tour talking about feminism was to vindicate myself.” (G4)

However, this was not the case for most respondents in our study. We observed a pattern where guides would stop sharing knowledge and creating tours for the company after they had done so one or a couple of times. This indicates that a relationship between intrinsic and extrinsic motivation exists for ACAP in the case context. As suggested by previous literature, intrinsic motivation is the more important factor; however, there are signs of this wearing off as guides accumulate experience. After doing so, they become more aware of extrinsic motivations—or the lack thereof—and feel that their work is not being valued or appreciated, thus potentially lessening their intrinsic motivation. While the literature has traditionally treated intrinsic and extrinsic motivations as separate micro-foundations of ACAP, our study suggests that they may in fact be connected and that over time they become interdependent: an extrinsic reward is not only perceived as compensation, but also as recognition for their effort, and inadequate recognition leads to a lack of intrinsic motivation.

#### 4.3. Meta-routines

The interviewed managers agreed that guides were not being fairly compensated. They also expressed how certain policies from the company, including the compensation they were allowed to pay for tours created by guides, made their job very difficult. One manager explained:

“I think the negotiations with the guides were always the hardest thing about the job because the conditions were never completely clear; we were never completely fair, and it was super difficult for managers to work with. (...) the price paid to freelancers was super unfair in my opinion. I found it so difficult to get to an agreement with guides (...) it really had to be that it was someone’s pure passion to have this tour in the package and more like a nice goodwill donation. (...) because it takes a lot of time to develop a tour, and especially to use someone’s knowledge that they’ve also been building up in years before.” (RM).

TGC considers itself a marketing organization, and meta-routines have emerged from those efforts, including routines on how to treat freelance guides. Examples of such routines (or lack thereof) are that the company in principle does not buy tours from guides, and that written agreements between TGC and tour creators are rare:

“there was supposed to be a written agreement, but in the end there wasn’t [...] So, if you ask me if I would do something else, from the experience that I have I would say let’s have a written agreement, saying how much they are going to pay me and for which period.” (G&M)

The project director explained that, in principle, they do not buy tours from guides: “Normally we do not like to buy ... at least scripts are not bought” (PD). However, we could observe that in practice, this has shifted due to demand for new tours over time. While the practice of not buying tours has changed, it seems the compensation routine has not followed, thus leaving managers in a difficult situation in which they need to acquire tours from guides but have limited means to do so. As illustrated above and in the following quote, this creates frustration for the managers: “it is not the best situation to be in a negotiation where you cannot decide anything. If you are not the person who has authority or power, why are you involved in that negotiation?” The same manager continues to explain how this affects their role and authority as managers in general:

“... when the person with whom you are negotiating knows that you do not have power, then your role as manager, as a leader, is diminished and irrelevant, not only to create a new product but in the relationship in general” (M&G)

Similarly, it leaves guides frustrated with the lack of transparency:

“they [TGC] could have some sort of procedures for the entire team. They do have it for their employees for all the network, they should have the same when it comes to creating tours [...], the result of your negotiation depends on whom you are negotiating with, and they are not transparent with these processes.” (G&M)

Thus, guides and managers alike have called for a more formalized and transparent process.

Distel (2019) argued that companies must be able to build structures that allow them to collect innovative ideas that emerge from employees' creative behavior. In other words, the formalization of processes can be an important way to increase ACAP. Some managers we interviewed recognized guides' potential as a reliable source of knowledge for TGC but indicated that they do not have the formalized structures or routines to allow them to systematically capture it. A regional manager, for example, argued that “there were a lot of guides that already had ideas and there was just never really a manager before that had the time to go together with them to develop those tours” (RM).

It is evident from the preceding analysis of our interview and observation data, that individual ACAP in TGC can potentially be improved by offering managers more room to seek out knowledge from freelance guides, compensating guides appropriately and improving relationships between managers and guides. Recognizing this, we dive deeper into the relationships between managers and guides in the following section.

#### 4.4. Social integration mechanisms and leadership

Von Briel, Christoph, & Paul Benjamin. (2019), among others, have shown how social integration mechanisms—as practices that enable knowledge exchange within a company—can create stronger relations between individuals and thus positively affect ACAP in an organization. Based on their own and previous findings (e.g., Vega-Jurado et al., 2008), Thomas and Wood (2015) highlight an important difference between the complementary notion of formalization (including structures and routines as mentioned above) and social integration mechanisms. While formalization may improve the efficiency of knowledge acquisition, social integration mechanisms are vital not only for knowledge distribution but also for transformation and exploitation.

Two social integration mechanisms were key to creating stronger bonds between the managers and freelancers in TGC: behavioral social integration (referring to the identification of shared goals among different groups) and affective social integration (referring to positive feelings among individuals) (Von Briel et al., 2019). Some interviewees recognized the presence of shared goals in relation to tour development: “We had to do something benefiting the company, the guides and the public; we had to find a product that would give us that balance. That

was my main motivation.” (G1). Others explained that their positive feelings toward each other as individuals helped the process:

“the Regional Director is a really good friend with the guides who wrote the scripts, so they were like having fun in a good way in [city]. I mean, they were working like insane (...), but when you're working 24/7 on an exciting project, in a city where you don't live, you and a guy that you really get along with ... It's just fun, right? So I think that's the main motivation” (EA)

As such, there are examples of behavioral and affective social integration being a way to ensure or improve intrinsic motivation and thus ACAP in TGC. Some interviewees also highlighted how improving relationships was in the interest of guides, managers and TGC as a company:

“the majority of the people who work with them [managers] probably want to build a better relationship [with guides], and we are going to create not just three or four tours—we can create so many different tours for different types of audience, different types of people, it would clearly be a win-win situation” (G&M)

However, we observe that the emergence of such relationships is currently down to coincidence and that TGC is not actively working to build, sustain or strengthen them. Instead, the data indicates that there are no clear lines of communication and that guides feel that their perspectives are not being considered, which in most cases leads to a lack of intrinsic motivation and detachment rather than social integration. One guide, for example, explained:

“When I started, I proposed new ideas, I went to meetings with enthusiasm, you show them what can be improved, [...] basic things, but when you see they pay no attention, not one, not two, not three times, [...] well that's the problem. And I don't even blame the city managers, because you know that from the city manager it goes to the regional manager, from the regional manager it goes up ... and in the end, it is lost. So when you see that, as time goes by, then you got frustrated.” (G5).

This indicates that TGC at the leadership level—and sometimes in spite of its own lower management—does not recognize the relevance, importance or potential of the guides' external knowledge. For the guides, this translates into a lack of reciprocity and trust, both of which are recognized as important antecedents to ACAP (Thomas & Wood, 2015). A manager and guide argued: “One of the things that still sometimes I think back to is 'how could we have solved that to make this relationship better'. I think we've tried and many managers have tried, but there was already, even before many people [managers] started, so many things that happened that kind of ... the trust of many guides was kind of gone.” (RM).

Some managers indicated that one of the main challenges is the hiring structure, in which guides are not employees, but rather freelancers:

“the difficult thing is, for example, when you want to try to reach an agreement with so many voices, with so many perspectives, with so many ways of understanding the business ... and their business, because each freelancer is a business itself, so you have different sensitivities, different topics, different expectations, different perceptions of your income, of your expenses.” (PD)

Moreover, we observed and several guides also stated that they did not feel like part of the company, but saw themselves as “outsiders,” which makes sense given that they are freelancers who sometimes work with multiple companies:

“I always felt it was them [managers] on one side and the guides on the other” (G2);

“as time goes by, you got frustrated, and there comes a time when you think 'look, I go to the square, I do my job, I meet the tourists,

you get along with your colleagues for better or worse, and that's it" (G5)

This is supported by the fact that some of those who stated that they felt they were part of the company were also those who were more inclined to share their knowledge: "I think that when the idea of expanding TGC began, feeling that I was part of the company, I had already fantasized several times about doing a tour here or a tour over there; you know, the atmosphere was TGC is going to grow and it will also benefit us" (G1).

Leadership skill has been highlighted as an antecedent to ACAP in previous research (e.g., Darwish, Zeng, Mohammad, & Washika, 2020; Flatten, Adams, & Malte, 2015). Both the challenges associated with behavioral and affective social integration between lower and upper management and the challenges associated with the hiring structure can be interpreted as lacking (transformational) leadership skills. Management on both levels is not able to properly motivate guides to consistently engage with them productively, thus hindering knowledge sharing and the potential for ACAP. Central to this finding is how TGC leadership has imported a platform economy business model, which assumes that freelancers are extrinsically motivated basic service providers. However, this is not the case in a more knowledge-intensive tour guiding industry in which freelance guides resemble intrinsically motivated knowledge brokers and/or boundary spanners (Lewin et al., 2011; Shaw & Williams, 2009) rather than basic service providers.

## 5. Discussion and conclusion

This study aims to create a better understanding of absorptive capacity processes in the tourism industry, specifically in platform economy-based tour guiding companies. It focuses on the micro-foundations that influence ACAP at the individual level, as this is an understudied area in both tourism and the broader literature. This study also addresses gaps in the literature by first focusing on the tour guiding industry, which is understudied in the tourism ACAP literature, and by answering Thomas and Wood's (2015) call for ACAP studies in tourism that investigate "organizational contexts via detailed qualitative enquiry" (p. 96).

Following an inductive analysis, we confirm five groupings of the micro-foundations of ACAP from the broader literature to be central in platform economy-based tour guiding companies.

- (1) Prior *experience and knowledge* were found to be important, because freelance guides are most knowledgeable about the destination, gain direct insights from tourists and also have knowledge about the company's needs. Whereas freelancers in other sectors of the platform economy are considered providers of a basic service, at least some of those in the study context play a much more important role as knowledge brokers and/or boundary spanners (Lewin et al., 2011; Shaw & Williams, 2009).
- (2) Confirming findings from the broader literature (e.g., Yildiz, Murtic, Klofsten, Zander, & Richtner, 2021; Tian & Soo, 2018), intrinsic *motivation* was also found to be an important micro-foundation of ACAP in the study context. This study adds to the existing literature by, first, documenting a relationship between extrinsic and intrinsic motivation (a lack of extrinsic motivation negatively affects intrinsic motivation), and, second, documenting the importance of extrinsic *motivation*, which the referenced studies found to be less important.
- (3) It is evident from this analysis that there is a risk of a mismatch between higher and lower-level (meta-)routines (Lewin et al., 2011) in platform economy-based tour guiding companies. This mismatch emerges from the complex role freelance guides have in relation to the company. Higher-level routines are built upon guides being extrinsically motivated product suppliers; however, in reality, they also function as intrinsically motivated

semi-employees (they are freelancers, but engage with the company in a way that is more similar to that of a typical employee) tasked with more than simply providing a basic guiding service. In the study context, there are no lower-level routines or formalized structures in place to accommodate this, which makes it difficult to take advantage (at least in the long term) of the *experience and knowledge* offered by freelance guides. Thus, many of the challenges that hinder individual ACAP in the study context can be ascribed to a lack of (meta-)routines, which align the top management's expectations with management's capacity to act, to fulfill them.

- (4) The challenges related to (meta-)routines can also be regarded as a need for *social integration mechanisms*, which can "build connectedness and facilitate information flow in companies" (Yao & Chang, 2017, p. 2046). It can be argued that options for social integration are limited in platform economy-based tour guiding companies because of conflicts between managers and guides that emerge from a lack of capacity among management to motivate guides, whether extrinsically through compensation or intrinsically through trust (e.g., transparency, formalization of procedures, clear communication).
- (5) Finally, the challenges related to (meta-)routines can also be perceived as a sign of problematic *leadership*. Upper management does not recognize the relevance, importance or potential of the external knowledge created by guides, thus indicating that transactional leadership is being prioritized over transformational leadership (Darwish et al., 2020; Flatten et al., 2015; Rezaei Zadeh et al., 2020), which may lead to dissatisfaction among both guides and management. This leadership style can be explained by the adaptation of a platform economy business model from other less knowledge-intensive industries, in which freelancers are merely basic service suppliers rather than knowledge brokers.

In summary, our analysis of the micro-foundations of individual ACAP processes in platform economy-based tour guiding companies shows that they are characterized by unique challenges, which emerge in the relationships between company management and freelance guides. While intrinsic motivation is enough to motivate the guides to create tours for the company once or twice, a lack of extrinsic motivation results in them no longer wanting to create tours for the company. Relations between management and guides are also damaged because of inadequate transparency, clarity about expectations, formalization and compensation. Guides feel that their extra effort (beyond the role as a simple service provider) is needed and even required, but not recognized nor appreciated by company leadership. Moreover, managers are dissatisfied because they need to acquire tours from guides but have little capacity and means to do so. Thus, management recognizes the importance of the knowledge provided by guides but does not have the means or capabilities to systematically capture it, which signifies low individual ACAP. This is primarily due to the transactional leadership approach, which limits managers' opportunities in terms of building relationships and taking advantage of guides' experience and knowledge, on which they depend.

### 5.1. Practical contribution

It is evident from both interviews and observations that TGC is currently benefiting from the tours created by guides at a relatively low cost. While this may be beneficial for the company in the short term, it is evident from this analysis that this is not an optimal, nor a sustainable, solution in the long term. It is not optimal because tour products and services are currently mainly developed by guides with less experience with the company; it is not sustainable because the negative experiences guides have when they engage in tour creation can dissuade others from participating in the long term. Thus, we deem it necessary to consider



how ACAP processes can be changed for mutual benefit.

Two important points from the analysis are, first, that the relationship between guides and lower management is not irreversibly damaged and, second, that the compensation that the tour guides are asking for is relatively modest. Most interviewees explained that they would create content for the company again if compensated fairly, and most of them also explained that a few hundred euros would be enough. Two guides, for example, explained: “I would probably do it again. If they call me up and say, can you create a tour and I will pay you a couple of hundred Euros, I will probably do it.” (G6); “Yes, I would work with them again [...] because it’s something I really like to do and I know it’s not going to be like other low-paid experiences, I know I could get a fairer deal.” (G2). Thus, because guides are intrinsically motivated to collaborate with TGC, not much is required in terms of compensation for them to feel satisfied.

Based on this, TGC may consider whether a more rewarding and transparent system of compensation would be worth the relatively small investment, which could improve ACAP by producing more motivated guides with better relationships with management. Having tour products created by experienced guides may also lead to faster tour creation, better service quality and thus better value for customers and potentially a higher income for TGC.

Improved social integration between guides, managers and leadership could also improve ACAP. A more transformational leadership approach, with routines and structures that allow for better formal and informal communication from top through middle and lower management to the guides, could allow for better recognition of the guides’ role, not only as transactional product suppliers but also as knowledge providers and brokers. An important part of this is to allow managers the room, power and means to engage with and seek out knowledge from freelance guides. More formal routines and structures could include standardization of processes around tour creation, including fixed compensation, written agreements and clear communication of expected outcomes from both sides.

## 5.2. Theoretical contribution

The study contributes to tourism knowledge by shedding light on the tour guiding industry, which, despite it being a central aspect of the tourism system, has been largely overlooked compared to other sectors in the tourism industry (Black et al., 2019). It does so, by providing insights into the issues faced by the tour guiding industry due to the assimilation of the platform economy business model, which also represents an understudied area within the research on tour guiding (Navalón-García & Mínguez, 2021).

In addition to the more specific contributions already presented on the relevant micro-foundations of ACAP in platform economy-based tour guiding companies, this study contributes to an improved theoretical understanding of ACAP—of its micro-foundations in particular—in the tourism context. As referenced in the literature review, a number of scholars have called for application of ACAP concepts in tourism research to match its wide application in general management literature. Thomas and Wood (2014) specifically suggested that the concept needs to be re-conceptualized when applied in the tourism context, because they found that its components from the wider literature were not reaffirmed here. Our study has reconfirmed five groups of micro-foundations of ACAP to be central also in the tourism context, namely experience and knowledge, motivation, (meta-)routines, social integration mechanisms and leadership. However, we also found important differences between ACAP in tourism businesses, in this case tour guiding companies, and companies from other industries. Most important in this regard are the challenges associated with introducing a platform economy based business model into the tourism industry. In other platform economy based industries, such as ridesharing or food delivery, extrinsic rewards are the main motivation (e.g. Peticca-Harris et al., 2020), however, we find that intrinsic and extrinsic rewards are

more connected in platform based tour guiding companies, because tour guides are less exclusively extrinsically motivated. Our findings also show that tour guiding companies rely on ACAP for product creation, which is also different from other industries where ACAP is indeed important, but often for less significant incremental improvements to the products, services and processes in a company. As such, while our findings do show that general ACAP concepts are relevant in the tourism context without a complete re-conceptualization, they also support the core of Thomas and Wood’s (2014) argument that ACAP theory needs to be developed, understood and applied with an awareness of and sensitivity to the unique characteristics of the tourism context.

Finally, most literature on ACAP has been built around “employees” and how to strengthen their ability to absorb knowledge. In those studies, attention is centered on the entity that absorbs that knowledge, which is understandable because firms have more control over their employees than over external stakeholders. In this paper, we focus not only on the individual ACAP of employees but also on that of the freelance guides who possess relevant new knowledge. In doing so, we show that the firm’s ACAP can also be conditioned by the effect that micro-foundations have on the entity that possesses knowledge. Thus, we argue that by better understanding the relevant micro-foundations of individual ACAP in relationships between the “knowledgeable individual”—in this case, freelance guides—and the employee who absorbs knowledge—in this case, managers—a company can work toward creating an environment that better facilitates the process of knowledge absorption.

Focusing specifically on the growing sector of platform economy based tour guiding companies has allowed this research to provide much needed in-depth insights within an organizational context via detailed qualitative enquiry (Thomas & Wood, 2014). However, this focus also limits the scope of this research to the particular context. Future research could add to our knowledge on (individual) ACAP in tourism, by adding insights from other organizational contexts. Following this, researchers will also be able to compare examples from the tourism sector with other sectors, with an aim to specify which aspects of ACAP that are unique to the tourism industry and which that need re-conceptualization.

## Credit author statement

The authors have contributed equally, albeit in different roles, to the final manuscript.; Matias Thuen Jørgensen: Conceptualization, Methodology, Formal analysis, Writing, Supervision, Submission and Revision; Ignacio Danieli: Conceptualization, Methodology, Formal analysis, Investigation, Writing.

## Impact statement

The paper contributes both theoretically, methodologically, and to practice. Theoretically, we provide new insights into an understudied area of tourism research – tour guiding in general but particularly in firms that apply a platform economy business model. We also apply and explore underutilized theoretical concepts in a tourism context – micro-foundations of absorptive capacity (ACAP). Methodologically, we answer calls for research that applies ACAP concepts in tourism through detailed qualitative inquiry in organizational contexts, as we collect data through embeddedness in an organization, consisting of in-depth interviews, as well as participant and direct observation. In terms of contributions to practice, we shed light on some of the challenges inherent to the application of platform economy business models in the tour guiding industry and provide concrete recommendations that companies can apply to improve in this regard. This is important because the biggest companies in this industry have either changed to or emerged from the application of this business model, making it ubiquitous in the industry.

## Declaration of competing interest

None.

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We would like to highlight that the two authors have contributed equally to the final manuscript.

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