

The Potential of Neuro-Linguistic Programming in Human Capital Development

Eric Kong

School of Management & Marketing, University of Southern Queensland,
Toowoomba, Queensland, Australia

kongeric@usq.edu.au

Abstract: Human capital (HC) represents the cumulative tacit knowledge that is embedded in the minds of people in organisations. HC is important to organisations because it serves as a source of innovation and strategic renewal. Individuals carry HC when they join an organisation and take their talent, skills and tacit knowledge with them when they leave the organisation. Thus HC is volatile in nature. Organisations are therefore keen to do what they can to foster and develop HC as a means of achieving sustainable competitive advantage. This paper argues that neuro-linguistic programming (NLP) has the potential of developing and enhancing the stock of HC in organisations. NLP emerged in the 1970s from the University of California, USA. NLP suggests that subjective experience is encoded in terms of three main representation systems: visual, auditory, and kinaesthetic (VAK). NLP practitioners claim that people tend to have one preferred representation system over another in a given context. Despite that previous research has shown that NLP can assist in facilitating knowledge and learning capabilities, very limited research is conducted using NLP in nurturing HC in organisations. This paper critically reviews the literature and theoretically argues that NLP can be used as a practical approach to develop HC in organisations. This is because NLP primarily focuses on individual internal learning and that learning likely leads to the accumulation of HC in organisations. In other words, organisational members may find it more effective to enhance their tacit knowledge, both individually and collectively, if they adopt the NLP approach in their day-to-day work. Examples on how NLP may be used to develop HC in organisations will be provided. Future research direction and limitations will also be discussed.

Keywords: human capital; individual and organisational learning; neuro-linguistic programming; visual, auditory and kinaesthetic systems

1. Introduction

Human capital (HC) exists in human resources in the form of cumulative tacit knowledge and human skills in organisations through a sequence of human resource management functions such as employee selection, deployment and development (Kong and Thomson, 2009). When new employees join an organisation, the level of HC increases, though the stock of HC theoretically increases with time in the organisation as well (Kong, 2010b). A higher level of HC is often associated with greater productivity and higher incomes or compensation (Wilson and Larson, 2002). On the other hand, a loss of organisational memory due to individuals' departure may be a threat to the organisation (Bontis et al., 2000, Grasenick and Low, 2004, Roos et al., 1997). This is because when organisational members leave the organisation, they take their talent, skills and tacit knowledge with them. This means that the stock of HC in the organisation is reduced immediately. Thus HC is volatile in nature. It is in the interests of human resource managers to select and recruit the best and brightest employees as a means of achieving sustainable competitive advantage. Selection and recruitment are often seen to be able to positively influence the stock of HC, and thereby offer competitive advantage to an organisation (See e.g. Beck and Walmsley, 2012). However, it can be a fallacy to believe that selecting and recruiting the best and brightest employees can always contribute to firm effectiveness (Ployhart and Moliterno, 2011). This is because the HC embodied in the new employees is not firm specific. Organisations must undergo a period of dynamic adjustment costs when the organisations acquire human resources in the external job market before the best uses of the human resources can be discovered and tailored to the needs of the new environment (Hatch and Dyer, 2004). This period of adjustment costs can be various significantly from individual to individual. Besides, new employees' prior industry experience may affect their performance, preventing them to unlearn and re-learn knowledge in the new organisations (Hatch and Dyer, 2004). Thus, new members may not perform as well as they should be in the new environment and their HC may not transfer between firms as easily as it was previously perceived (Kong and Thomson, 2009). With this in mind, even though selection and recruitment are essential human resource management functions, organisations should pay no less attention on the development and deployment of HC as selection and recruitment alone cannot sustain long-term competitive advantage (Kong and Thomson, 2009). One way of developing and nurturing HC may be through neuro-linguistic programming (NLP).

NLP, as coined by Bandler and Grinder (1979), broadly denotes the view that a person is a whole mind-body system with patterned connections between internal experience (neuro), language (linguistic), and behaviour (programming) (Tosey et al., 2005). Despite the title and its connotations, NLP has no direct connection to neuro-science, or to computer programming, though these were fields of interest to its developers (Tosey and Mathison, 2003). NLP suggests that subjective experience is encoded in terms of three main representation systems: visual (V), auditory (A), and kinaesthetic (K) (Davis and Davis, 1991). The approach has now achieved popularity as a method for communication and personal development. For instance, NLP is a recognised mode of psychotherapy in the United Kingdom, accredited by the United Kingdom Council for Psychotherapy (Experiential Constructivist Therapies section) and is used by professional practitioners of many kinds, including educators, managers, trainers, salespeople, market researchers, counsellors, consultants, medics, lawyers, and more (Tosey et al., 2005).

Bandler and Grinder (1979) claimed that working with the way in which experience was constructed through such representations had a wide range of practical applications, from a means of curing people of phobias in psychotherapy (See e.g. Davis and Davis, 1991) to ways of enabling managers to develop effective strategies that enhance organisational performance (See e.g. Thompson et al., 2002). In spite of this, NLP seems most welcomed by mainly informal practitioner networks that encourage direct use of NLP's strategies while the relationship between NLP and academe has been relatively tenuous (Linder-Pelz and Hall, 2007). For instances, Tosey and Mathison (2008) argue that the academic literature on NLP remains sporadic, scattering across various fields of practice such as education (See e.g. Craft, 2001), training and development (See e.g. Thompson et al., 2002), coaching and personal development (See e.g. Linder-Pelz and Hall, 2007), counselling and psychophenomenology (See e.g. Tosey and Mathison, 2010), family therapy (See e.g. Davis and Davis, 1991), management auditing (See e.g. Ashok and Santhakumar, 2002) and marketing communications (See e.g. Mainwaring and Skinner, 2009). As Bandler and Grinder (1979, p.7) emphasised, '... we're not particularly interested in what's "true". The function of [NLP] modelling is to arrive at descriptions which are useful'. Thus, NLP has been designed to be more practical rather than theoretical. The practicality of NLP fits well into leaders' and managers' primary concern of the accuracy of prediction of a concept or model and whether that concept or model can guide them for daily decision making.

Despite that NLP has endured across several fields for decades, very little research today has been conducted to offer a better understanding of the application of NLP in developing HC in organisations. The study conducted by Tosey et al. (2005), for example, examined the relationships between NLP and management learning. However, their approach was primarily using NLP as an analytical method to identify linguistic differences in interviews through a longitudinal case study. Nevertheless, Tosey et al. (2005) have suggested that NLP may be used as a structured and systematic means of mapping subjective experience and constructed reality of people experiencing transformative learning or knowledge development (Linder-Pelz and Hall, 2007). Kong and Farrell (2012) recently conducted a literature-based analysis on NLP and knowledge and learning capabilities and argued that NLP could assist to facilitate the growth of knowledge and learning capabilities in organisations. Tsoukas and Mylonopoulos (2004) argue that organisations that embrace dynamic and unique capabilities more likely underpin continuous organisational learning as the capabilities allow the organisations to create knowledge and develop learning on an ongoing basis. These capabilities can be defined as knowledge and learning capabilities (Kong and Farrell, 2012). While Kong and Farrell's (2012) study provides a good analysis of the relationships between NLP and knowledge and learning capabilities, it does not focus much theoretical attention on how HC resources are fostered. Besides, it is important to note that knowledge and learning capabilities are dynamic rather than static (Kong and Farrell, 2012). Organisations still require a high level of HC stock in order to sustain competitiveness in today's competitive business environment (Ployhart and Moliterno, 2011). Thus, a good understanding of how HC is developed is equally critical to how knowledge and learning capabilities are facilitated in organisations. This paper extends Kong and Farrell's (2012) recent study and argues that NLP has much potential relevance for, and application to, the practices of enhancing the stock of HC in organisations. As the VAK representation systems primarily focus on individual internal learning (Yemm, 2006) and that learning likely leads to the accumulation of organisational tacit knowledge, NLP may be used as a practical approach to develop HC in organisations. The paper examines how the NLP approach may be applied as a set of strategies in organisations to assist HC development. In other words, the purpose of the paper is to identify what NLP is in the organisational context, how the representation systems might be useful for individual to enhance learning and then develop

knowledge, and to explore the application of NLP as a conceptual framework to develop HC in organisations.

The subject of developing HC through NLP is a relatively new area of scholarly inquiry and has been subject to very limited scholarly appraisal. Thus, very little reliable data has been made available for the current investigation. Kong (2010a) argues that a critical analysis of the relevant literature is particularly useful for research like this one. This is because the analysis can provide a cogent and comprehensive perspective on the theoretical and practical aspects of whether NLP can assist to develop HC in organisations. Bourguignon et al. (2004) also argue that a literature-based analysis helps to increase the level of clarity and precision of a concept, which is a necessity if we are to understand the constitutive use of NLP in developing HC in the organisational context. Besides, the findings revealed from the analysis are representative for the current state and progress of the field. Thus, the analysis likely provides insights to human resource strategy scholars and practitioners on the appropriateness and usefulness of enhancing the HC stock through NLP in organisations. The literature-based analysis is the first step towards understanding the relationships between NLP and HC. Nevertheless, the analysis is considered to be essential as it helps to present a call for further conceptualisation and future empirical examination to gain more validity (Serenko et al., 2009).

The paper aims to explain the theoretical processes of HC emergence through NLP in organisations. It also provides a better understanding of NLP, and its application and implications on both individual and organisational learning. In addition, it helps to extend the academic literature on NLP and dispel some myths about NLP and connotations individuals may already have with the approach. Thus, the paper contributes to the literature by not only integrating individual learning and HC to yield a more theoretically complete picture of HC's foundations, creation, and content, but also challenging conventional thinking on HC and raises many questions requiring theoretical attention. After conducting the literature-based analysis, the paper argues that since NLP primarily focuses on individual internal learning and that learning likely leads to the accumulation of HC in organisations, NLP can be used as a conceptual framework to develop and nurture HC in organisations. Examples will be used in the paper to illustrate the possible benefits of utilising NLP in developing knowledge in organisations.

The paper is divided into five sections. First, a brief overview of the concept of HC and NLP is provided. This is followed in the second section by a critical analysis of the relevant literature regarding the application of NLP in fostering HC in the organisational context. A conceptual framework of how knowledge and learning are created under the NLP approach is presented in the section. The final section discusses research limitations and future research direction.

2. Human capital and NLP

2.1 Human capital

Human capital (HC) has long been recognised as an important resource. Skaggs and Youndt (2004) define HC as 'the skills, knowledge, and expertise of employees'. Barney and Wright (1998) describe that HC includes 'such things as the skills, judgment, and intelligence of the firm's employees'. Although different researchers use slightly different definitions when describing the concept, it is generally accepted that the roots of HC lie at the individual level and exist in the full range of employees' knowledge, skills, abilities, or other characteristics (Ployhart and Moliterno, 2011). HC, thus, subsumes various human resource elements, including competencies, experience and skills, and the innovativeness and talents of people (Bontis, 2002, Guerrero, 2003, Fletcher et al., 2003). It represents the cumulative tacit knowledge that is embedded in the minds of people in an organisation (Bontis, 1999, Bontis et al., 2002).

The resource-based view of the firm (Grant, 1991, Penrose, 1959, Wernerfelt, 1984) argues that the firm's resources can be a source of competitive advantage (Barney, 1991, Mahoney and Pandian, 1992) and economic value creation through the generation of sustainable rents (Peteraf, 1993, Lippman and Rumelt, 2003, Mahoney, 2001). This perspective is particularly applicable to HC (Barney and Wright, 1998, Boudreau and Ramstad, 2005, Wright et al., 2001, Wright et al., 1994). As described by Adam Smith (2001 [First published in 1776], pp.368 & 369), 'the acquired and useful abilities' of individuals is an important source of 'revenue' or 'profit'. Knowledge, particularly tacit knowledge, can only be created by humans but not by organisations and thus HC cannot be owned, but only rented (Kong and Thomson, 2009). When organisational members work together, their

individual knowledge about each other and each other's tasks becomes more similar, and this similarity leads to the emergence of firm-specific collective knowledge, skills and experiences (Ployhart and Moliterno, 2011). Thus, HC occurs when organisational members combine their individual resources, coordinating knowledge, skills, and efforts to resolve task demands (Kong and Thomson, 2009). HC helps an organisation to effectively respond to environmental changes by sensing the need for changes, developing strategies to meet the changes and efficiently implementing the strategies for complex and dynamic environments (Kong and Ramia, 2010). Even though an individual's tacit knowledge may have significant contributions to the organisation, it is often HC (i.e. the aggregate organisational-level experience, education, and skills of employees) that extracts the best solutions and creates most value to the organisation (Bontis et al., 2000). Thus, HC can be a source of organisational innovation and strategic renewal (Kong and Ramia, 2010). The notion that HC can be leveraged for organisational and/or personal benefit is widely acknowledged (Ployhart and Moliterno, 2011). HC must be developed strategically if the growth and competitiveness of a firm is to be sustainable.

Organisations are keen to select and recruit the best and brightest employees as a means of achieving competitive advantage. Individuals bring in HC when they join an organisation, though their level of HC theoretically also increases with time in the organisation (Grasenick and Low, 2004). A higher level of HC within the organisation is often associated with greater productivity and higher incomes or compensation (Wilson and Larson, 2002). Theoretically, new employees, after a vigilant recruitment process, should replace the employees who departed from the organisation and the level of HC should remain the same. However, a full exploitation of the HC that embodied in new employees may seem to be difficult, if not impossible (Kong and Thomson, 2009). This is because when an organisation acquires human resources in the external job market, it must undergo a period of dynamic adjustment costs before the best uses of the human resources can be discovered and tailored to the needs of the new environment (Hatch and Dyer, 2004). This period of adjustment costs can be various significantly from individual to individual. Besides, new employees' prior industry experience may affect their performance, preventing them to unlearn and re-learn knowledge in the new organisations (Hatch and Dyer, 2004). Accordingly, new members may not be able to perform in the way they would want to in the new environment. Besides, even the relative performance contribution of any one individual's knowledge, skills and experiences in one firm can be replicated by a different firm (e.g., hiring another employee with equal knowledge, skills and experiences), the first firm's aggregate stock of HC cannot likely be replicated or imitated unless the second firm duplicates the entire emergence process through which the HC resource is created (Amit and Schoemaker, 1993, Sirmon et al., 2007, Ployhart and Moliterno, 2011). Accordingly, HC may not move between firms as easily as it was previously perceived (Kong and Thomson, 2009).

On the other hand, a loss of organisational memory due to individuals' departure may be a threat to the organisation as individuals take their talent, skills and tacit knowledge with them when they leave the organisation (Kong and Thomson, 2009). Thus, HC is volatile in nature. In other words, knowledge retention should be a core element of the organisational learning process, enabling firms to embed knowledge, particularly tacit knowledge, on specific organisational levels (Schmitt et al., 2012). This retained knowledge is an integral part of the organisational learning process (Olivera, 2000). Thus, human resource managers should not only pay attention on recruitment and selection of human resources, but also the development and deployment of HC as recruitment and selection alone are not sufficient to ensure long-term competitive advantage (Kong and Thomson, 2009). Human resource managers must ensure that they recruit, develop and retain the best and brightest employees as a means of deploying HC and achieving sustainable competitive advantage in their organisations (Kong, 2008). At the same time, if organisations are to obtain a valuable HC resource through employees' knowledge, skills, abilities, or other characteristics, managers must provide an environment where employees can coordinate, communicate or regulate effectively (Ployhart and Moliterno, 2011). One way of providing this environment that fosters the development of HC in organisations is through neuro-linguistic programming (NLP).

2.2 Neuro-linguistic programming (NLP)

Neuro-linguistic programming (NLP) emerged in the 1970s from the University of California, USA. The original developers of NLP, Richard Bandler and John Grinder, were involved in mathematics and linguistics (Carter, 2001). Bandler and Grinder's (1979) study of NLP was mostly based on the work of well-known linguistics experts and since then the term 'neuro-linguistic' has been widely used (Yemm, 2006). NLP started as a means of studying how people process information, construct meaning

schemas, and perform skills to achieve results (Tosey and Mathison, 2008). When Bandler and Grinder (1979) began their research on NLP, they wanted to study people who were excellent, identify the specific elements that these people could do to achieve excellence, and then teach or impart these elements to others in order to help them to improve their performance. As Linder-Pelz and Hall (2007, p.12) described:

'[t]he "neuro" refers to the way humans experience the world through their senses and translate sensory experiences into thought processes, both conscious and unconscious, which in turn activate the neurological system; "linguistic" refers to the way we use language to make sense of the world, capture and conceptualise experience and then communicate that experience to others; and "programming" addresses the way people code (mentally represent) their experience and adopt regular and systematic patterns of response'.

Therefore, NLP, as the title, broadly denotes the view that a person is a whole mind-body system with patterned connections between internal experience (neuro), language (linguistic), and behaviour (programming) (Tosey et al., 2005).

Dilts (1998, p.30) describes that '[t]he objective of the NLP modelling process is not to end up with the one 'right' or 'true' description of a particular person's thinking process, but rather to make an instrumental map that allows us to apply the strategies that we have modelled in some useful way'. Thus, the main objective of NLP is to replicate what works and allows others to find evidence within its practices of an eclectic approach that draws from (among other things) cognitive-behavioural approaches, gestalt therapy, hypnotherapy, family therapy, and brief therapy (Tosey and Mathison, 2008). The principle of NLP is to make skills and tacit knowledge more explicit and available for others to learn (Tosey and Mathison, 2010). In short, NLP can be considered as 'a set of guiding principles, attitudes and techniques that enable [individuals] to change behaviour patterns as [they] wish' (Yemm, 2006, p.13).

The NLP approach is interested in how people construct their experiences through cognitive processes, rather than in seeking causal explanations in the past for why they experience the world as they do, or in the contents of a particular experience (Tosey and Mathison, 2008). Linder-Pelz and Hall (2007) argue that the NLP method of communication is a useful approach for individuals as it allows them to codify and respond appropriately to their own and other people's experience. Thus, NLP can be used as an approach to human communications that combines cognitive theory, split-brain processing, and sensory perception (Wood, 2006).

There are three sensory representation systems namely: visual, auditory, and kinaesthetic in the NLP approach (Davis and Davis, 1991). As described by Sadowski Jr. and Stanney (2002), the visual system includes external images, as well as remembered or constructed internal mental images; the auditory system contains external sounds and remembered or contrived internal sounds and the internal dialogue (i.e., a person talking to themselves on the inside); and the kinaesthetic system comprises tactile sensations caused by external forces acting on the body and emotional responses. NLP practitioners claim that people tend to have one preferred representation system over another in a given context (Ghacmi and Janvier, 2004). Each of the NLP sensory representations can be broken down more finely as 'sub-modalities' (Bandler and Macdonald 1988). Alder (1992) argues that these sub-modalities are the building blocks of thought patterns, that is how each inner sense is composed. For instance, individuals with different representational systems may use different sub-modalities to describe their inner experiences towards the same object or event. Table 1 below shows examples of sub-modalities of VAK representation systems when individuals are describing their experience of a location:

As can be seen in Table 1, an individual with a preferred kinaesthetic representation system is likely to focus more on the particular set of 'kinaesthetic' sub-modalities such as temperature, pressure, intensity and scope to describe their inner experience towards a location. The same location is likely described quite differently by another individual who has a different preferred representation system.

NLP provides a visual, auditory and kinaesthetic (VAK) framework for individuals to become aware of the distinctions of their representation systems as well as the others (Tosey and Mathison, 2010). Tosey and Mathison (2003) argue that how people use their senses internally, and the kinds of internal representations they create, are believed to be unique to every individual. NLP concentrates

on how human beings go about making sense of their experience and interacting with others (Pollitt, 2010). Techniques in NLP involve the study of language patterns, patterns of motivation, how rapport is built, and how individuals code data (Thompson et al., 2002). Thus, NLP is often used to help its users—whether they are therapists, salespersons, or teachers—more quickly gain rapport with their subjects (Taler, 1991).

Table 1: NLP representational systems and associated sub-modality distinctions (Adapted from Tosey and Mathison, 2010)

Representation systems	Visual	Auditory	Kinaesthetic
Sub-modalities in VAK representational systems to describe experience of 'location'	Size Distance Brightness Focus Colours (or monochrome) Frame Motion	Volume Pitch Tempo Rhythm Intensity Motion	Temperature Pressure Intensity Scope

One presupposition with the NLP approach is that people are not acting according to the way the world is, but according to the way they understand and represent the world (Tosey and Mathison, 2003). Skills, beliefs and behaviours are all learnt, and consist of sequences of representations, and therefore change and learning can be achieved through modifying representations and sequences (Tosey and Mathison, 2003). Tosey and Mathison (2003) argue that NLP is firmly systemic, or cybernetic, emphasising on the way people create, act according to, and can change and reconstruct, their own 'maps of the world'. As argued by Tosey and Mathison (2003), the creation, action, change and reconstruction of such maps become central to NLP's potential relevance to learning theory and the processes of education. Pollitt (2010) studied the use of NLP in Metronet Rail BCV Limited, a company which was responsible for the maintenance and renewal of London Underground Bakerloo, Central, Victoria and Waterloo and City lines, and argued that the NLP approach subsequently became a vehicle to drive and support the learning and development team, other colleagues and customers through Metronet's integration into the London mayor's transport organisation, Transport for London.

As Tosey and Mathison (2008, p.5) described, NLP 'aims to identify what is distinctive about the strategies of exemplars in a given skill, including internal cognitive as well as behavioural elements, such that other people can learn to perform the same skill'. Indeed, learning is often emphasised in NLP as the key to personal change and development (Tosey and Mathison, 2008). NLP espouses underlying epistemological principles, concerning the processes through which people perceive, know and learn (Dilts and DeLozier, 2000). As knowledge, particularly tacit knowledge, is primarily developed through internal learning and NLP mainly focuses on individual internal learning to improve self-awareness and develop greater skills in self-management, communication and interpersonal dealings (Thompson et al., 2002, Yemm, 2006), NLP may be used as a practical approach to develop HC in organisations. Unlike other NLP studies that focus on techniques and modelling, this paper simply looks at how NLP may be applied as a set of strategies for developing HC in organisations. An analysis of the relevant literature identified a number of issues in relation to the usefulness and limitations of developing HC through NLP in the organisational context, and these will be discussed in the following section.

3. The potential of NLP in HC development

As highlighted earlier, the NLP approach helps to replicate what works for people who are excellent and allows others to learn and perform the same skills and tacit knowledge that the people possess. Thus, NLP has a primarily focus on learning and learning is the first step to accumulate knowledge, especially tacit knowledge in this case. Accordingly, NLP has a sound ground on developing HC in the organisational context. NLP presupposes that people are inherently creative and capable. Alder (1992) argued that there was no failure, but only feedback in the NLP approach. If something did not go as planned, one has simply learned the results and then changed his or her behaviours accordingly in order to reach the desired outcome. It is this self learning ability that actually increases effectiveness over time as an upward spiral of self-development and personal achievement is set in motion (Alder, 1992). Accordingly, NLP allows continuous learning to occur in individuals as they can use information and feedback to improve what they do.

According to Bandler and Grinder (1979), people tended to favour one of three representation systems to receive or access information. Taler (1991) used the following examples to describe how individuals use NLP representation systems to receive or access information:

'People who are visual will tend to use language revealing this preference, such as 'I see what you mean' or 'That is not clear'. One whose presence is auditory will say 'I hear you or that sounds right'. The subject favouring kinaesthetic will say 'I'm in touch with you' or 'I just don't grasp it'. A practitioner [or well trained organisational member] who listens well will be able to determine the subject's identified representational system and respond in a similar representational system in order to gain the subject's confidence'.

In other words, a person's knowledge, skills and experiences will be developed more effectively if information is gathered and processed through his or her preferred representative system during experience sharing and interpersonal interaction (Lavan, 2002). Thus, from an individual perspective, if an individual knows how to match his or her preferred ways of learning, the individual will likely learn more easily, quickly and naturally. For example, a person with a visual representative system will most likely learn much more effectively through pictures, diagrams and other visual forms of presentation. This is not to say that non-preferred representation systems will not enhance learning. However, learning will become less effective if information is presented to the person in representative systems that are not preferable to the person as it may take a much longer time for the person to process the information gathered. Since it is more natural for an individual to utilise his or her preferred representative system to learn knowledge, particularly tacit knowledge in this case, it becomes easier for the individual to develop, internalise and utilise new knowledge that creates greater value for the individual's organisation.

From a group perspective, since NLP helps individuals to learn more naturally, it motivates the individuals to acquire knowledge through an enjoyable, successful and satisfying experience. Ployhart and Moliterno (2011) argue that a positive environment enhances the sharing of knowledge and information, supports skill development, and increases the willingness for individuals to remain in a group. More importantly, tacit knowledge and skills can only be exchanged through interactions and communication (behavioural processes) as individuals learn each other's roles and, hence, develop HC (Erden et al., 2008). Group members in more positive moods tend to seek communication and interactions more often with other group members in the organisation (Michailova and Sidorova, 2011). Besides, groups are also likely to be more creative and innovative when members are in a positive mood (Davis, 2009). As communication and interactions intensified in a group, the spread of tacit knowledge and skills are more likely to occur among group members (Erden et al., 2008). In other words, positive mood helps to promote and facilitate inter-member exchanges, encouraging members to enhance the sharing and transfer of knowledge (Ployhart and Moliterno, 2011).

Finally, from an organisational perspective, an organisation can only gain sustainable competitive advantage if intra- and inter-group members trust each other and work cohesively in the organisation (Padula, 2008, Easterby-Smith et al., 2008). The presence of trust and cohesion is critical for all group members to share knowledge and ideas (Mesmer-Magnus and DeChurch, 2009). If members do not develop sufficient trust and cohesion within and among groups, they may begin to question their involvement and may even withdraw their groups (Korsgaard et al., 2008). NLP techniques involve the study of language patterns, patterns of motivation, and rapport building (Thompson et al., 2002). Thus, NLP has the potential of enhancing trust and cohesion among members in a group and between groups (Wood, 2006). An organisation's overall performance is a function of reciprocal, interactive relationships and exchanges among all members (Korsgaard et al., 1995). A greater degree of trust and cohesion more likely assists the transfer of knowledge, ideas, and innovation among members (Nahapiet and Ghoshal, 1998). If organisational members distrust each other, they may withhold relevant information or even provide misleading information (Ployhart and Moliterno, 2011). In other words, if groups do not interact, coordinate, communicate, or adapt to others' behaviours due to distrust among members, there will be little opportunity for the members' cognitive-behavioural approaches to manifest and support the emergence of HC resources (Ployhart and Moliterno, 2011).

As highlighted earlier, the environment for most organisations today is global, complex, dynamic, highly competitive, and extremely volatile (Tarique and Schuler, 2010). Thus, organisations require dynamic as well as static elements that allow them to create and capture knowledge and develop learning on an ongoing basis. Knowledge and learning capabilities assist organisations to recognise

new information, assimilate it, apply it toward new ends, and are a continuous genesis of creation and recreation where gestalts and logical structures are added or deleted from organisational memory (Boal and Hooijberg, 2000). These capabilities often involve processes used offensively and defensively to improve fits between an organisation and its changing environments (Boal and Hooijberg, 2000). In other words, knowledge and learning capabilities act as feedback loops that ensure vital learning development and knowledge creation and allow the stock of HC (i.e. tacit knowledge and skills) to be accumulated. Kong and Farrell's (2012) study argues that the development of knowledge and learning capabilities can become more effective through VAK representation systems as the representation systems help to enhance internal learning for members in an organisation. This paper further argues that NLP can be used as a conceptual framework to develop HC resources in organisations. Figure 1 below illustrates the relationships between VAK representation systems, knowledge and learning capabilities and HC.

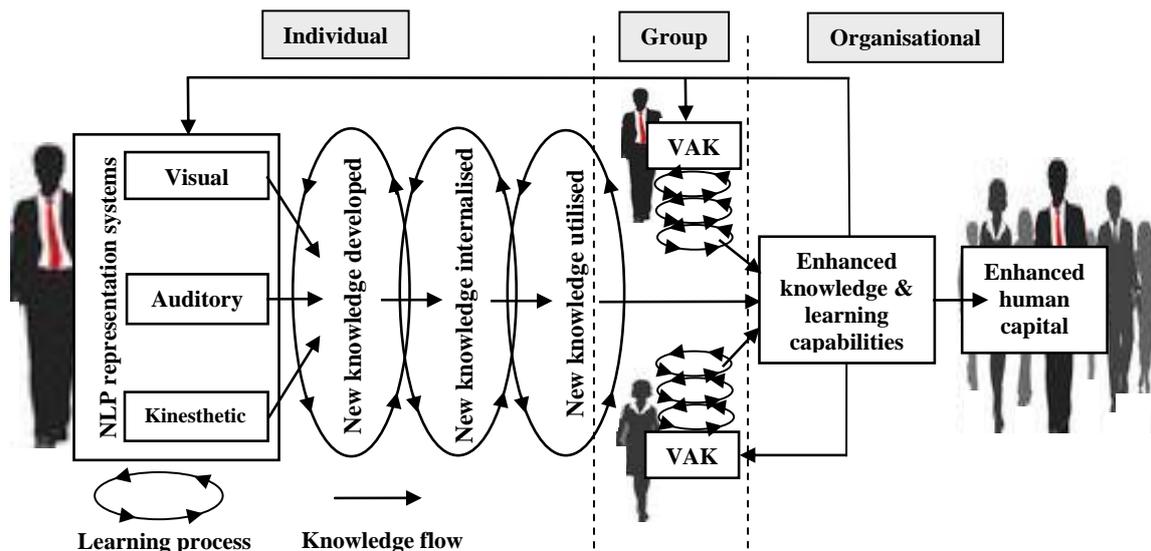


Figure 1: VAK representational systems, knowledge and learning capabilities and human capital (Adapted from Kong and Farrell, 2012)

As can be seen from Figure 1 above, an individual learns his or her perceived world through NLP representation systems, whether it is visual, auditory or kinaesthetic. The information gathered through a preferred VAK representation system will then be processed through learning processes where new knowledge is developed, internalised and utilised. Theoretically, when other organisational members (whether from the same group or different groups) utilise NLP to learn and interact with each other, more new knowledge, particularly tacit knowledge, is created. More importantly, the NLP approach assists making skills and tacit knowledge more explicit and available for others to learn (Tosey and Mathison, 2010). The process of knowledge creation and learning development helps to enhance knowledge and learning capabilities (Kong and Farrell, 2012). Enhanced knowledge and learning capabilities means that an organisation has the capabilities to recognise new information, assimilate it, and apply it toward new ends on an ongoing basis. The recognition, assimilation and application of new knowledge is then feedback to the individual's VAK representation systems for further process of new knowledge and learning. It is important to note that the creation of knowledge includes explicit and tacit knowledge. When more new knowledge, particularly tacit knowledge and skills, is transferred from one person to another, more knowledge is retained and the stock of HC is then increased. As NLP allows an individual to create new knowledge (particularly tacit knowledge and skills) through his or her own learning style, the NLP approach is likely and arguably a more effective method to create learning and tacit knowledge, which helps to enhance HC in organisations.

4. Future research direction and limitations

Despite of these promising findings from the literature, there is a potential problem with NLP when it is applied in developing HC. NLP presupposes that people are inherently creative and capable. As Tosey and Mathison (2003) argue, 'NLP in our experience concentrates on the intrapersonal, intrapsychic processes of reality construction. It attends little, if at all, to the social context and intersubjectivity. If it is a learning theory, it is one that emphasises individual rather than social learning'. As highlighted earlier, having organisational members to develop, internalise and utilise

knowledge individually is not sufficient for enhancing knowledge and learning capabilities, and nurturing HC. It is the cumulative tacit knowledge along with all other human resource elements that create most value to organisations (Kong and Farrell, 2012). In other words, for NLP to be effective to develop HC in organisations, it must be used carefully and strategically. Indeed, NLP concentrates on how human beings go about making sense of their experience and interacting with others (Pollitt, 2010). NLP techniques involve the study of language patterns, patterns of motivation, how rapport is built, and how individuals code data (Thompson et al., 2002). In other words, there is an in-built mechanism in NLP that allows interactions between individuals to occur and tacit knowledge, skills and experience to be share. However, such in-built mechanism is not shown explicitly in the NLP approach. In other words, there is still a missing link in terms of how tacit knowledge is built up and how the knowledge is transferred from one member to another; and from one group to another group. Leaders and managers must have a very clear idea of what they would like to achieve. External consultations and professional NLP trainers may need to be brought in to emphasise the importance of sharing and creating knowledge for the organisation. More organisational strategies may need to be introduced in order to facilitate the creation and transfer of tacit knowledge and skills. Only active interpersonal interactions allow the level of HC to increase dramatically. More research is needed to reveal what strategies are required to develop HC through NLP in organisations, in particular in terms of the creation of tacit knowledge between members in the organisation.

5. Conclusion

The study of NLP has endured for more than thirty years. This paper reviews the literature and argues that NLP has the potential to foster HC in organisations. NLP aims to develop individuals' skills in relation to other people, by improving understanding of their thought processes, behaviours and language (Pollitt, 2010). It can help organisational members to develop skills, knowledge and confidence, which improves both their professional and personal lives (Lavan, 2002). It is a field of practice and innovation with a wide range of tools and techniques that learners and professional trainers can apply within both formal and informal learning settings (Tosey and Mathison, 2008). However, the in-built mechanism in NLP that allows interactions between organisational members to occur and tacit knowledge, skills and experience to be shared is explicit in the NLP approach. More research on strategies that foster the development of HC through NLP is needed.

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