Chapter 9
A Preliminary Study of Neuro-Linguistic Programming in Nonprofit Organizations: Facilitating Knowledge and Learning Capabilities for Innovation

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ABSTRACT
Knowledge and learning capabilities assist organizations to become more innovative and adaptive as the capabilities help organizations to recognize and assimilate knowledge and apply it toward new ends. The development of the capabilities becomes critical if organizations are to become and remain competitive. Previous literature-based research suggests that Neuro-Linguistic Programming (NLP) helps to facilitate the development of knowledge and learning capabilities in organizations. NLP suggests that subjective experience is encoded in terms of three main representation systems namely: Visual, Auditory, and Kinesthetic (VAK). Based on 15 qualitative in-depth semi-structured interviews across 7 Australian nonprofit organizations, this chapter argues that NLP may be used as a key approach for nurturing organizational knowledge and learning capabilities for innovation in the knowledge economy. Examples are used in the chapter to illustrate the possible benefits of utilizing NLP in developing the capabilities for organizational innovativeness. Future research direction and limitations are also discussed.

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INTRODUCTION

Knowledge and learning are two closely related and yet different elements in the concept of organizational learning (Pemberton & Stonehouse, 2000). Knowledge can often refer to the theoretical or practical understanding of a subject by humans (Nonaka & Takeuchi, 1995). Knowledge originates in human beings and can only be created by humans but not by organizations (Watson, Stanworth, Healeas, Purdy, & Stanworth, 2005). Knowledge firstly takes place at an individual level but then it can extend to group and organizational levels (Kong & Farrell, 2012). Organizations that are able to effectively utilize accumulated knowledge, particularly tacit and firm-specific knowledge, are more likely to coordinate and combine their traditional resources and capabilities in innovative and distinctive ways, providing more value for their customers than their competitors (Teece, Pisano, & Shuen, 1997).

Learning, on the other hand, represents the complex cognitive processes that help to facilitate human knowledge acquisition. Learning often occurs in different ways including studying, interacting, and practicing (Boal & Hooijberg, 2000). These ways of learning result in changes in ‘know-what’, ‘know-how’, ‘know-why’ and ‘care-why’ respectively (Garud, 1997, p.81). Learning also begins at an individual level. Then it extends to group and organizational levels (Mintzberg, Ahlstrand, & Lampel, 1998).

Both knowledge and learning are critical to innovativeness in organizations. However, knowledge is a static resource—a so-called ‘stock’ (Bontis, 2002). It requires a dynamic catalyst which helps to cultivate the level of knowledge stocks in organizations. Despite learning can act as the dynamic side of the concept of organizational learning, it does not allow a continuous genesis of creation and recreation of human knowledge (Kong & Farrell, 2012). To maximize the effect of learning to knowledge, individual, group and organizational learning processes need to be aligned with one another in a coherent way in all aspects of an organization (Crossan, Lane, & White, 1999). Thus, learning is not merely a formalization of practices into routines in the organization. Rather, it should be rooted deeply in culture, systems, structures, and procedures that support a strategic orientation of the organization (Vera & Crossan, 2004). The abilities to cultivate learning for the creation and recreation of knowledge from individual to organizational levels on an ongoing basis become critical for organizational success in the knowledge economy. These abilities can be referred as knowledge and learning capabilities.

Knowledge and learning capabilities assist organizations to recognize new data, information and knowledge, assimilate and apply them toward new ends. They are a continuous genesis of creation and recreation where gestalts and logical structures are added or deleted from organizational memory (Boal & Hooijberg, 2000). Organizations that develop dynamic and unique knowledge and learning capabilities are more likely to create new knowledge and develop learning on an ongoing basis that potentially underpins the continuous development of organizational knowledge, learning and memory (Tsoukas & Mylonopoulos, 2004). A high level of knowledge and learning capabilities means that organizations are likely more innovative and adaptive as they are able to build on and generate new knowledge.

Like their for-profit and public sector counterparts, nonprofit organizations must manage their knowledge and learning capabilities effectively as they likely hold the key for innovation that constitutes a decisive factor to organizational success and sustained competitive advantage. Previous literature-based research suggests that neuro-linguistic programming (NLP) may be used to facilitate the development of knowledge and learning capabilities in organizations (Kong, 2012; Kong & Farrell, 2012). However, very little empirical research has been conducted today to investigate how NLP may assist in facilitating