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Disruptive Innovation as Insight

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Inaugural Guest Editorial:

In significant ways, Dr. Marcel Dumestre was a motivating force in the creation of this scholarly online journal. Marcel founded the Ignatian Scholars Program in 2005, a faculty development opportunity in the College for Professional Studies at Regis University that included in its objectives the publication of a scholarly article by each of the participants. The article was to explore and develop a spirituality or philosophy of education related to the discipline of each faculty member. It became clear, however, that venues for publication in discipline-specific journals that also encompassed educational philosophy and the unique Jesuit pedagogical paradigm were indeed limited. The expertise and experience of one of the editors, Dr. Gaetz, with another online open access journal in librarianship gave rise to the idea of this journal. Over the past two years, as the idea germinated, the scope of its reach expanded to include not only the scholarly output of the Ignatian Scholars but also that of other faculty members within the community of the Association of Jesuit Colleges and Universities, and beyond.

Under Marcel's leadership of the Ignatian Scholars Program, a guiding light has been the work of noted Jesuit philosopher, Bernard Lonergan. Although many other thinkers factor into the reflection, critique and practice of education during the program's course of studies, Lonergan seemed to hold a particular place of privilege given the scope, depth and profoundly Jesuit character of his thought. In recognition of Marcel's role, we believe it fitting to present the following editorial article that represents the aspirations of this journal—to think deeply, critically and radically on educational matters represented in the Jesuit tradition of higher education. This article also shows how the journal hopes to widen the horizons of Jesuit educational thought by engaging other important thinkers. Clearly, it is not that articles will always, or even mostly, reflect the work of Lonergan, but it is hoped that all articles in *Jesuit Higher Education: A Journal*, will be insightful and perhaps even be disruptive as they explore, develop, extend and critique this great tradition in higher education.

-- General Editors

Disruptive Innovation as Insight

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Introduction

The pace of technological innovation over the past three decades is astounding. Entire industries have been radically changed. Walmart and Target are dominating traditional department stores. Apple captured music distribution with iTunes, and Charles Schwab surpassed Merrill Lynch. Even in the rather staid realm of academia, there has been the creation of mega-sized regionally accredited for-profit universities that enroll hundreds of thousands of students. Harvard Business School educator and author Clayton

Christensen offers a way to understand these phenomena: disruptive innovation.

In his book, *The Innovator's Dilemma*, Christensen describes two types of innovation: sustaining and disruptive.¹ Sustaining innovations are oriented toward an organization's primary business model. These innovations improve performance incrementally and are focused on expanding market share. Disruptive innovations are qualitatively different. They serve a market segment that seeks much simpler, more affordable, and more convenient goods and

services. Initially, that market is small and not very profitable, but it soon expands with increased profitability as the product or service matures through process and technological breakthroughs.

Disruptive innovation tends not to occur in industry leaders. Why? It is because market leaders are locked into the worldview that was created by their success. The leaders orient operations toward sustaining their position. Disruptive innovation typically occurs in upstart companies that are viewed as substandard or irrelevant. As indicated above, these newcomers can eventually change entire industries and displace the leaders.

Christensen's publications and consultations are popular because disruptive innovation seems to be self-evident. If, in hindsight, disruptive innovations seem patently obvious, why are they unique breakthroughs? Answers are to be found in the nature of what it means to innovate and, more specifically, what underlies the process of innovation.

Innovation comes from the Latin word *novare* (to renew).² To innovate is to renew, to take what exists and make it new and different. Sustaining innovation indeed renews and improves an organization's goods and services, but disruptive innovation moves in a different direction. Disruptive innovation breaks new ground by reconstructing a value proposition in the market. It simplifies, redefines quality and utility, and then, most often through new technologies, the innovation improves over time. One of Christensen's many examples is the cell phone.³ The first cell phones were inferior to landline, "regular" phones. The sound quality was not as good, connectivity was a problem, the design was clunky, and they were expensive. Despite these difficulties, there was a demand for the convenience of being un-tethered from the telephone wire. Initially, the market was small, but it grew rapidly. Advances in technology overcame design and functionality problems, and now the cell phone has overtaken the telephone market. Moreover, cell phones are now disrupting personal computer and camera markets through further technological improvements.

Christensen is very clear that these types of

innovation do not simply come from observing the behavior of markets. Rather, he developed a theory of innovation based upon the analysis of markets.⁴ Philosopher and theologian Bernard Lonergan, arguably one of the most important thinkers of the 20th century, spent most of his career investigating what empirical method underlies the development of theory.⁵ Lonergan claims that theories (and even less complicated everyday insights) come from much more than viewing what is seen through empirical observation (market behavior). It comes from critical analysis of what seems to be self-evident.

Generalized Empirical Method

In Lonergan's opus *Insight: A Study of Human Understanding*, he systematically outlines a critical method that enables insight, the genesis of theory, to occur.⁶ In *Insight* he outlines how accepted theories, innovations, and insights emerge in various scientific fields. He terms the process of emergent understanding leading to action as "Generalized Empirical Method" (GEM).⁷ This method mirrors four active operations or levels of human consciousness:

- (4) DECIDING
- (3) JUDGING
- (2) UNDERSTANDING
- (1) EXPERIENCING

First, experiencing is part of the human condition; it is multi-faceted. It includes not only the use of our senses, but it also encompasses our intuiting, imagining, thinking, and all other ways in which we engage the world and each other.

Experiencing, then, includes not only the data of sense but also that of consciousness. Human beings, however, cannot just simply experience.

Second, we immediately seek to understand what we are experiencing. We feel the need to make sense out of what we see, hear, imagine, and so forth. Thus, understanding is sense-making, meaning-making. Understanding can seemingly be very easy or very difficult. The key is not to accept what seemingly is self-evident. Insight, this being a key objective of understanding, comes from investigation of alternative points of view.

Third, beyond understanding comes judging. In

this stage of consciousness we ask ourselves: “Is my understanding really true, and of what value is it?” So often we do not question our understandings, our assumptions, or the worldview we have created for ourselves. Judging, as being testing the veracity of our understandings, requires attention to reflection as opposed to superficial acceptance of the judgment of others.

Fourth, deciding is a culminating stage. A snap decision is a colloquial way of saying that we jump to a decision without being very thoughtful. In other words, we do not take the time to attend to sense data and the data of consciousness that constitutes our stock of experience, adequately understand this experience, and judge its truth and value. Authentic, responsible decisions are the product of working through the first three operations of the method that lead us to the question and a decision on what action should be taken.

This method (GEM) sounds a bit complicated and cumbersome, but it is a process that we use quite naturally. For instance, viewing two people in a heated exchange sparks the need to understand what is occurring—an argument, excitement about common interest or complaint, or something else. If we make a decision about that exchange without investigating its content and circumstances, that decision would be incomplete or faulty. We skipped two critical steps in the process, namely, understanding and judging. An authentic decision can only come from investigating the details and making an informed judgment about what occurred.

Loneragan’s GEM also is at play in the development of the most complicated theories. In *Insight* and in his many other publications, Lonergan shows how this general method actually underlies scientific method and the many other ways in which scholars and professionals formulate their understandings of accepted norms within their specialties. His comprehensive, yet succinct, definition of method is the following: “A method is a normative pattern of recurrent and related operations yielding cumulative and progressive results.”⁸ Lonergan’s generalized method is normative because it corresponds to operations and levels of human consciousness,

not just for some of us, but for everyone. It is recurrent and related because we constantly engage in the process to make sense out of what is going on in everyday affairs. It yields cumulative and progressive results when we pay attention to the authenticity of our decision making process by testing the veracity of our judgments on a constant basis. Doing so results in better and more reliable decisions.

An obvious implication of Lonergan’s system is that a thoughtful, reflective life depends upon our ability to think about *how* we are thinking and not just *what* we are thinking about. As Lonergan puts it, the method addresses three basic questions: “What am I doing when I am knowing? Why is doing that knowing? What do I know when I do it?”⁹ It is for this reason that he describes the method as self-transcendence, going beyond the confines of our immediate experience to ever-expanding horizons of knowledge and concern.

Biases

If this method yields progressive results, why are we not constantly progressing in intelligent decision-making? Lonergan’s answer is that the human condition is ensnared in bias.¹⁰ He identifies four types of bias that short-circuit the methodology of good decision making. These biases correspond to the four operations of consciousness. First, at the level of experiencing there is dramatic bias in which we do not pay attention to what is going on around us. It is the flight from the drama of everyday living. When trapped in dramatic bias, it is like going through life on automatic pilot. In its extreme, dramatic bias is a type of neurosis or psychosis.

Second, at the level of understanding there is individual bias (egoism) in which all understandings about experience are confined to what makes sense to us individually to the exclusion of any sense of truth beyond our own self-centered conceptions. Few of us claim to be egoists. Self-delusion often is at play. Taking care of oneself is very important but avoiding self-centeredness is just as important because in the final analysis egoism is self-destructive.

Third, there is also group bias at the level of judgment. Group bias restricts judgments solely to what is good for the primary groups in one’s

life, such as family, nationality, religion, race, political ideology, socio-economic status, and so forth. Much like egoism, taking care of one's own is a natural tendency. Focusing, however, on what is good for the group (all primary groups in our lives) to the exclusion of the common good reveals bias. There also can be the group bias of assumed theory, a theory or sets of theories of others that we use to judge almost all of our understandings without testing them through the fire of our own experience and understanding.

Lastly, at the deciding level, there is the bias of common sense. This bias arises when the common sense of a culture dominates one's ability to act independently. Often, common sense is the collective sense of cooperating dominant groups that are ideologically aligned. It can be a seductive bias because of the comfort that comes from following the dictates of what is perceived as good for society. The aberrations of common sense, however, become evident through an historical lens. For example, the "separate but equal" doctrine that supported institutional racism was common sense in the United States for a long period of time. It was common sense that people would never need powerful computers on their desks or in their homes. It was common sense that people would never trust buying things online because of security issues.

Despite the disruptions stemming from bias, common sense can be good and helpful for navigating the necessities of everyday life. Lonergan's caution is that unreflective adherence to common sense encompasses bias inasmuch as common sense often includes a lot of common nonsense. Critical thinking helps to guard against bias and serves one well in every aspect of society and culture.

Transcendental Imperatives

Lonergan gives us a good framework for understanding how good decisions are made and how sound theories arise through GEM. He also articulates how through biases we make erroneous decisions and often do not live up to our potential. A powerful aspect of Lonergan's philosophy is the hope and promise that come from what he terms "transcendental imperatives" that enable us to break through biases hindering the achievement of human potential and impair

insights as well as the creation of good theories. According to Lonergan, just as there are four biases, there also are four transcendental imperatives that serve as correctives.¹¹ First, there is the imperative to **be attentive** to experience. We overcome dramatic bias by paying attention to what is going on around us—being in touch with the fullness of experience. Paying attention to actions, interactions, behaviors, sensibilities, feelings, thoughts and imaginings, constitutes the data of sense and consciousness that lead to knowledge and action. Being attentive means being laser focused on all elements of what we seek to understand.

Second, there is the imperative to **be intelligent** about understandings in order to be able to overcome the individual bias of egoism. Being intelligent means to be open to the fullness of understanding beyond the immediacy of our own interests and the worldview we build for our own good. Being intelligent means availing ourselves to an ever-expanding world of knowledge and prudence.

Third, there is the imperative to **be reasonable** in our judgments. Sound intelligence depends upon a thorough evaluation and testing of the veracity of one's opinion. The comprehensive use of reason over ideology and preconceptions is foundational to being a reasonable person. Being reasonable also entails an assessment of value. Intelligence can, in fact, be destructive and devalue human dignity and so reason is needed to show eventually such insights to be perverse.

Lastly, there is the imperative to **be responsible** in decision-making. This imperative harkens back to the authentic use of the method itself. It is only when one is attentive to experience, intelligent in understandings, and reasonable in judgments that a decision can be responsible. Skipping any of the steps along the way, or having them truncated in certain ways, lead toward irresponsible decision-making.

The correlation of dynamic operations of human consciousness, the obstruction that comes from biases and the transcendental imperatives that overcome aberration and enable authentic decisions are depicted in the chart below.

Generalized Empirical Method					
Operations		Biases		Transcendental Imperatives	
Deciding	⇔	General (commons sense)	⇔	Be Responsible	
Judging	⇔	Group	⇔	Be Reasonable	
Understanding	⇔	Individual (egoism)	⇔	Be Intelligent	
Experiencing	⇔	Dramatic	⇔	Be Attentive	

Good theories and the innovations they generate, therefore, come from a very human and dynamic method of insight, decision making, that is available to all of us. Why then do theoretical breakthroughs, disruptive innovations, not occur regularly in businesses and organizations of every type? Likewise, why is not everyone an innovator?

Disruptive Innovation Theory as Insight

Christensen’s notions about theory are consonant with Lonergan’s GEM. Christensen acknowledges that theory begins with observation, and then moves to categorization and testing. He describes this procedure as standard descriptive theory; but he argues for more robust understanding beyond description and correlation. He explains, “The aim of my research on innovation is, whenever possible, to get beyond descriptive theory based on correlations of attributes to understanding what causes these things to happen.”¹² He gives examples of how market researchers often miss the mark with descriptive theories that focus solely on correlation.

In a Lonerganian sense, Christensen questions market consumption theory by pushing for insight into foundational understanding (insight) that determines the theory itself. Christensen’s sense of theory seeks what lies beneath the latest approaches to marketing. He turns market

research on its head by calling for deeper insight into an analysis of “what job” (understanding motivation) consumers are trying to accomplish when purchasing a product or service. Christensen cites a simple example from the fast food industry. Upon analysis, it turns out that most milkshakes are sold in the morning to people on their way to work, even though milkshakes are listed on the dessert menu. The “job” for which consumers purchase the milkshake is a quick, filling drink to alleviate hunger and also boredom on their commute to work. The “job” is not always just utilitarian, like alleviating hunger and boredom. It can be more emotional and self-esteem oriented, such as related to the motivation to purchase luxury goods, even though that need (job) is not apparent to the consumer.

Conclusion

In summary, Christensen’s theory of innovation (disruptive innovation in particular) is a striking example of how Generalized Empirical Method (GEM) is utilized to move beyond descriptive theories of innovation to deeper understandings about theory itself. Christensen’s many examples about disruptive innovation come from his theory, not just correlating observations about market behavior. This deepened analysis probes human desire (jobs to be done) that seems disruptive to industry leaders who focus on product and market behavior. For this reason, examples of disruptive

innovation seem simplistically clear, in hindsight. The elegance of clarity comes from the hard work of sorting through the commonsense biases of any industry or field of human endeavor, including the field of education, to the achievement of insight—a disruptive idea in and of itself. HJE

Notes

¹ Clayton M. Christensen, *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail* (Cambridge, MA: Harvard Business School Press, 1997).

² See the Latin derivation at <http://dictionary.reference.com/browse/innovate>, accessed December 4, 2011.

³ See “Key Concepts—Disruptive Innovation” on Clayton Christensen’s website http://www.claytonchristensen.com/disruptive_innovation.html, accessed December 30, 2011.

⁴ See Clayton Christensen, *Disruptive Innovation and Catalytic Change in Higher Education*, Forum for the Future of Higher Education 2008, Educause, <http://net.educause.edu/ir/library/pdf/ff0810s.pdf>, accessed December 31, 2011.

⁵ For a clear articulation of Lonergan’s Generalized Empirical Method in the context of cognitional theory, epistemology, and metaphysics, see Tad Dunne’s article, “Bernard Lonergan (1904-1984),” in the Internet Encyclopedia of Philosophy, <http://www.iep.utm.edu/lonergan/>.

⁶ Lonergan, Bernard J. F., *Insight: A Study of Human Understanding*. (Oxford, England: Philosophical Library, 1957).

⁷ *Insight*, 243. Also, for an exposition on the development of Lonergan’s thought about Generalized Empirical Method as applied to philosophy and theology, see Frederick E. Crowe, S.J., *Lonergan* (Collegeville, MN: Liturgical Press, 1992), 127-132.

⁸ Lonergan, Bernard J. F., *Method in Theology* (New York: Seabury, 1979), 4.

⁹ *Ibid*, 83.

¹⁰ In *Insight*, Lonergan treats extensively the concept of bias in Chapter VI, “Common Sense and Its Subject” and in Chapter VII. “Common Sense as Object,” 173-238.

¹¹ *Method*, 52-55.

¹² *Disruptive Innovation and Catalytic Change in Higher Education*, 43.