Managing Innovation Potential: Revisiting Plato and Reading John Dewey as a Philosopher of Innovation Management

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In this article I will interpret John Dewey's account of reflective thinking as if he were a philosopher of innovation management. From his pragmatist starting point, the problems involved in knowledge-processes relevant to innovation are analysed and re-conceptualised. By revisiting Plato and using the Deweyan analysis it identifies some categories of general applicability for understanding, designing and managing radical innovation processes. These categories are useful for conceptualising and talking about innovation, when knowledge is taken seriously, and when managing innovation is also understood as managing the production of new knowledge, that is of making the unjustified justified, and the unknown known.

Managing in the Field of the Unknown

In most companies - especially medium-size and larger ones - leaders have to achieve a strategic balance between managing the existing organisation and production, and leading changes, renewal and the creation of new products, processes, services and ways of working. They need to balance exploiting the existing and exploring the new. For, thanks to competition and product life cycles, firms sooner or later have to renew their sources of income in order to survive; they have to 'innovate or die' as Peter Drucker once so powerfully phrased it. Now while management presupposes the existence of something to be managed, the task of leadership is to create something new. In academic terminology we could say that management is mainly realist and deals with existing objects, whereas leadership is also constructivist and normative in its nature. Leaders give priority to ideas, visions and conceptions over reality and they function as drivers for innovation and the creation of the new. However, calling a future direction or goal a vision is not enough. Only if it is based on facts and sound judgement – i.e. if it embodies knowledge – is it different from the delirious, the insane and the misconceived. Only action can mediate the process of innovation from before an idea is conceived through to success with a resulting product, process or organisation.

Most of our knowledge of innovation is produced retrospectively, that is, after the innovation has taken place. Leaders, however, always face the situation in a present where the innovation does not yet exist. The object (eg new product or strategy) which innovation managers discuss in the initiating phases of managing innovation simply does not exist, and cannot therefore be acted upon. There may be reference in their talk, but no referent. Unfortunately the futurity of innovation in practice is not reflected in the perspectives adopted by academics and some practitioners, a fact which explains many conflicts of perception and interpretation. Entrepreneurs work proactively on innovating while trying to establish a business, whereas academics often make cases out of successful entrepreneurship and describe the stories told retrospectively. This explains why, when leaders and entrepreneurs study text books on innovation management, they cannot, for logical reasons, directly translate the academic knowledge of past innovation into something practical and useful in creating new business ventures. The books on innovation and entrepreneurship simply presuppose the existence of a functioning business idea, and do not deal explicitly with ideation and what is going on before an idea has come into shape. Those processes are hidden in the concepts of entrepreneurial activity and innovation, since something is going on in the creation of ideas and their transformation into action. A quote may illustrate the issue here:

1 Peter F Drucker Managing In The Next Society New York Truman Talley Books 2002 Ch 7
2 Daniel F Spulber Management Strategy New York, McGraw Hill 2004 says about strategy on page 5: 'Just as the traveller needs a destination, the company needs a goal. The goal is what the company is trying to achieve. If goals are the company's destination, strategies are the route to the destination – strategies are the means to achieve the company's goals. Goal setting is the crucial first step in strategy making. The manager's first responsibility in the strategy process is goal selection'. This makes sense in strategy, but does it really make sense in an innovation context if an idea is not yet there? Business goals and ideas are not just products without a past, and complex processes leading them to be set. But they are as it is my point here often modelled as the starting point.
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The classic expression of entrepreneurship is the raw startup company, an innovative idea that catapults a high growth company. The best of these become entrepreneurial legends.¹

Books on innovation and entrepreneurship may mention techniques such as brainstorming, surveys or the like but often leave out the processes of selection as well as the option of inquiry and the longer and more complex learning processes leading to the idea. But practising managers who need to innovate are seeking exactly such ideas. Merely presupposing their existence cannot answer their fundamental questions. Those who manage innovation processes cannot turn to retrospective theory and case-study experience to answer the questions: How do we proceed and what do we do when we need or wish to innovate? How should we act when a business idea is not yet even formed? To innovate in practice is to deal with something which is not merely intangible, but also merely a possibility or potentiality. It is to deal with the world as an infinite horizon of further possibilities which may be opportunities. When a process of managing innovation begins the innovation is purely metaphysical. When innovation is a success its results may certainly be physical. So, when they innovate, leaders have to be future-orientated, proactive, and manage what does not yet exist. Academics on the other hand describe from a historic perspective how they conducted successful innovation (often omitting to discuss all the unsuccessful attempts, thus failing to do justice scientifically to what actually happens in managing innovation).

Whether the innovation is, in classical terms, commercial or non-commercial, radical or incremental, does not alter the fact that managing innovation is managing the unknown and managing within the field of the unknown. If leaders are to act effectively they need a new theoretical understanding of this fundamental feature of innovation and the management of innovation itself. This is the focus of this article. The discussion will focus on knowledge, for while not all knowledge becomes innovation, all innovation presupposes knowledge. We can thus know – independently of any specific innovation - that the innovation manager or entrepreneur must possess or built knowledge, even though there is as yet no existing object to have knowledge about. This is the paradox in managing processes leading to innovation: success presupposes the leader somehow knows the unknown, which is a contradiction. But even more fundamental is the problem of accessing the unknown, grasping potential and opportunity. This article aims to help in resolving the paradox and prepare the road for action by offering frames of understanding. It draws on Plato to create an adequate account of knowledge which is critical to innovation management. It then interprets John Dewey as a philosopher of innovation and shows how his ideas can help map the sources of innovation in organisations.

John Dewey was a pragmatist, along with the founder of pragmatism Charles Sanders Peirce and William James, and he was one of the first to address the phenomenon of reflectivity. He approached it from an epistemological perspective, calling it reflective thought.⁴ To grasp the value of Dewey’s thoughts on reflectivity for the management of innovation, we must keep in mind what is at stake in the discussion of knowledge. To clarify these issues, this section reviews Plato’s epistemology and conception of knowledge. The section following then presents the modern conception of knowledge. Together these provide the background against which Dewey develops his thought which offers a framework for understanding radical innovation and its management.

The Epistemological Background: Plato Revisited

Ever since Plato wrote the dialogue Theaetetus, a person’s knowledge in traditional epistemology has been understood as a certain kind of belief.³ A person may hold many different beliefs, but only those which are true, and can be justified by giving an account of why they are true, count as

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² Dewey uses in his other writings concepts like reflective operation, reflective thinking, reflective thought, reflective consideration, reflective activity, genuine thought, thinking reflectively and reflection.