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ARTICLE
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The Right Way to Lead Design Thinking

How to help project teams overcome the inevitable inefficiencies, uncertainties, and emotional flare-ups

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LEADING TEAMS

The Right Way to Lead

How to help project teams overcome the inevitable inefficiencies, uncertainties, and emotional flare-ups

Photographs by **YASU+JUNKO**

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Design Thinking

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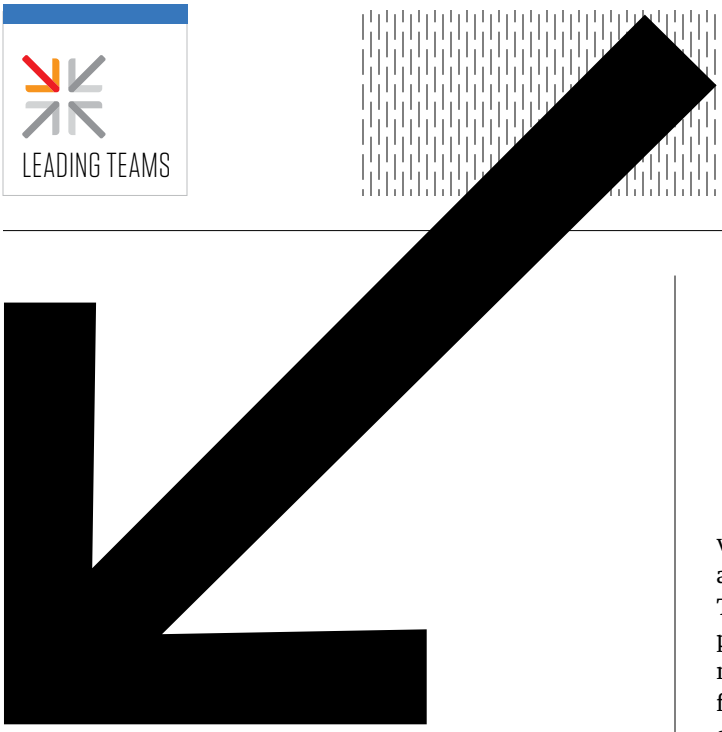

Anne Lind, the head of the national agency in Denmark that evaluates the insurance claims of injured workers and decides on their compensation, had a crisis on her hands. Oddly, it emerged from a project that had seemed to be on a path to success. The project employed design thinking in an effort to improve the services delivered by her organization. The members of her project team immersed themselves in the experiences of clients, establishing rapport and empathizing with them in a bid to see the world through their eyes. The team interviewed and unobtrusively video-recorded clients as they described their situations and their experiences with the agency's case management. The approach led to a surprising revelation: The agency's processes were designed largely to serve its own wants and needs (to be efficient and to make claims assessment easy for the staff) rather than those of clients, who typically had gone through a traumatic event and were trying to return to a productive normal life.

The feedback was eye-opening and launched a major transformation, Lind told us. But it was also upsetting. Poignantly captured in some of the videos was the fact that many clients felt harmed by the agency's actions. One person half-joked that he would need to be fully healthy to endure the stress of interacting with the agency. (The design team was dismayed to discover that during the claims process, clients received an average of 23 letters from the agency and others, such as hospitals and employers.) Lind's staffers had won productivity awards for the efficiency of their case-management processes and thought of themselves as competent professionals. They were shocked to hear such things from clients.

Lind decided to share the interview videos with employees across the organization, because their expertise and buy-in would be needed to develop solutions. They, too, were shocked and dismayed. Lind worried that many of them were taking it too hard. She wanted them to be

Idea in Brief

THE CHALLENGE

Design-thinking methods—such as empathizing with users and conducting experiments knowing many will fail—often seem subjective and personal to employees accustomed to being told to be rational and objective.

THE FALLOUT

Employees can be shocked and dismayed by findings, feel like they are spinning their wheels, or find it difficult to shed preconceptions about the product or service they've been providing. Their anxieties may derail the project.

THE REMEDY

Leaders—without being heavy-handed—need to help teams make the space and time for new ideas to emerge and maintain an overall sense of direction and purpose.

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Insurance agency staffers had won productivity awards for the efficiency of their case management.
They were shocked to hear negative things from clients.

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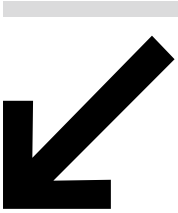
motivated, not disabled. It was a moment that called for leadership. Her organization looked to her to help it process this troubling information and figure out what to do. What she did next would determine whether people rose to the challenge of transforming how they helped clients or sank into demoralized frustration.

Even more than other change-management processes, design thinking requires active and effective leadership to keep efforts on a path to success. Much has been written, in HBR and elsewhere, about how organizations can use design thinking for innovation (see "Design Thinking," HBR, June 2008, and "Design Thinking Comes of Age," HBR, September 2015). Our in-depth study of almost two dozen major projects within large private- and public-sector organizations in five countries suggests that effective leadership is critical to success. We focused not on how individual design-thinking teams did their work but on how the senior executives who commissioned the work interacted with and enabled it.

Typically, leaders sponsored project teams—composed of external consultants or in-house specialized units—that worked with a subset of employees to generate solutions that were eventually implemented more widely, often across the entire organization. In some cases, when change would involve different areas of an organization and the core team lacked expertise in their processes, the project expanded to include people in those areas—an approach that also helped secure their buy-in. In most cases the leaders who commissioned these projects had no prior experience with design thinking. Although some were involved more directly than others, all were looking to the approach to help them achieve their strategic objectives.



Why Strong Leadership Is Crucial

"DESIGN THINKING" can mean different things, but it usually describes processes, methods, and tools for creating human-centered products, services, solutions, and experiences. It involves establishing a personal connection with the people—or users—for whom a solution is being developed. Designers seek a deep understanding of users' conditions, situations, and needs by endeavoring to see the world through their eyes and capture the essence of their experiences. The focus is on achieving connection, even intimacy, with users.

But to employees long accustomed to being told to be rational and objective, such methods can seem subjective and overly personal. Of course, businesses want to understand their customers—but design-thinking connections with customers can feel uncomfortably emotive and sometimes overwhelmingly affecting.

The challenges don't end there. Another potentially unsettling aspect of design-thinking methods is their reliance on divergent thinking. They ask employees to not race to the finish line or converge on an answer as quickly as possible but to expand the number of options—to go sideways for a while rather than forward. That can be difficult for people accustomed to valuing a clear direction, cost savings, efficiency, and so on. It can feel like "spinning wheels"—which in a way it is.

As if that were not enough, design-thinking approaches call on employees to repeatedly experience something they have historically tried to avoid: failure. The iterative prototyping and testing involved in these methods work best when they produce lots of negative results—outcomes that show what *doesn't* work. But piling up seemingly unsuccessful outcomes is uncomfortable for most people.

Enduring the discomfort of design thinking is worth it, because great new possibilities for change, improvement, and innovation can result. The truth is that the same aspects of design-thinking methods that make them difficult for employees to handle are also the source of their power.

Consequently, employees who are unfamiliar with design thinking (usually the majority) need the guidance and support of leaders to navigate the unfamiliar landscape and productively channel their reactions to the approach. Our research has identified three categories of practice that executives can use to lead design-thinking projects to success: leveraging empathy, encouraging divergence and navigating ambiguity, and rehearsing new futures.

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Leveraging Empathy

IN THE EARLY PHASES of a design-thinking process, employees working on a project need to set aside their preconceptions about the product or service they are offering. Leaders can help them do this by endorsing the process, which uses information about customers to evoke empathy in employees and get them to question how their actions affect customers. Our research shows, however, that leaders must do more than back the process. They also need to support employees who are dealing with distressing emotions that arise when the effectiveness of their work is questioned. Unexpected findings can generate defensiveness and fear, interfering with empathy and undermining motivation.

Lind understood that she had to turn the revelation about clients' experiences with her agency from a morale buster into a positive force for change. That meant getting employees to focus on customers rather than themselves. She accomplished that by involving people across the organization in interpreting findings from the early stages of the design-thinking project and then assigning mid-level managers to orchestrate idea-generation exercises in their units. One group came up with the notion of making the case-management process easier for clients to navigate by posting a visualization of it on the agency's website. Another group suggested a "Got Questions?" hotline on which clients could easily obtain help. In effect, Lind motivated people to think in terms of steps that individually might not solve the whole problem or be a final solution but would move things in the right direction.

Consider also a design-thinking project led by Mette Rosendal Darmer, the head nurse at Denmark's National Hospital. Interviews conducted by her project team suggested that patients felt confused, worried, fearful, and sometimes humiliated while going through the hospital's heart clinic processes. Darmer shared the feedback with the nearly 40 doctors, nurses, and administrative staffers who played major roles in the clinic's work. Those employees, whose help Darmer knew she would need to develop ideas for addressing patients' concerns, were taken aback: They thought of themselves as delivering services that restored patients to healthy lives. Darmer intended the effect: "What I wanted was to disturb them," she told us. But she did not stop at surfacing the disconnect; she also suggested practical ways of framing the new realizations to make them a powerful impetus for organizational and process change.

The reframing that ultimately proved most useful called on staff members to ask themselves, "What if the patient's time were viewed as more important than the doctor's?" This shift in perspective led to the achievable goal of optimizing the patient's journey, which guided the eventual process redesign. But Darmer had to actively legitimize the shift; her staffers were concerned that ceasing to optimize efficiency would be unwelcome, because it might increase costs. She assured them that the clinic supported the goal of putting patients first. And in the end, costs didn't rise, because improving the patient experience led to a 50% reduction in overnight stays.

The takeaway from both cases: Leaders need to push employees to open up but then be supportive about how they feel afterward—to help them get on a positive path and not brood or act defensive when confronted with deficiencies in existing practices. They need to frame the findings as opportunities for redesign and improvement rather than as performance problems.

The leaders we studied worked hard to illuminate users' real needs, even if the process initially struck employees as pointless or the findings made them uncomfortable. Poula Sangill, the leader of an organization that delivers prepared meals to senior citizens in the municipality of Holstebro, Denmark, was somewhat atypical of the leaders in our study, because she took a direct role in leading the design-thinking process. When she first proposed an improvement project, the appointed team of mid-level managers became extremely defensive and resistant to the notion that change was possible: They complained about how little time was allocated for food services (10 minutes per delivery) and insisted that nothing could be done in such a short time. In response, Sangill ran them through a

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step-by-step role play of the process to look for opportunities to improve even within the time constraints. Eventually her team began to offer ideas.

The leaders we studied also pushed their employees to go beyond their accustomed reliance on statistics to get close to what users were experiencing and how they felt about it. Employees were rarely familiar with the ethnographic methods used in design thinking. Leaders had to de-emphasize traditional consulting studies and instead arrange circumstances—guided by design-thinking experts—that put employees into user situations. For example, when the New York City Department of Housing Preservation and Development was working on new offerings, leaders arranged for employees to spend weeks in the field interacting with people who lived in rent-controlled properties in Manhattan. The goal was to help them understand renters' daily lives. Through observational studies and interviews employees could identify and experience firsthand the services that really mattered to residents and how offerings might be reconceived.

Leaders encouraged project teams to gather and later present their data to other employees in evocative formats, such as audio recordings or videos of people in their own contexts, rather than in the dry tables and graphs commonly used in the past. Gathering information in such forms achieves several purposes: It ensures that employees gain a deep understanding of users' circumstances. It provides a way of communicating those circumstances powerfully to others. And, if well handled by the leader, it delivers an emotional payload to motivate and generate change. To remember why change is needed, one has only to go back and listen to the voices in the recordings.

Encouraging Divergence and Navigating Ambiguity

THE EXEMPLARY LEADERS we observed ensured that their design-thinking project teams made the space and time for diverse new ideas to emerge and also maintained an overall sense of direction and purpose. It's up to leaders to help their people resist the urge to converge quickly on a solution without feeling they lack direction.

The deputy dean of Stenhus High School, in Holbaek, Denmark, asked a team of nine teachers to come up with suggestions for transforming a program. After they set to work, the dean deliberately broke from her usual practice of closely scrutinizing progress, frequently requesting updates, and pressuring the team to complete the project quickly. Team members reported being baffled when expected management interventions failed to occur and they were repeatedly sent back to come up with more ideas. "You really didn't try to control us," they noted after a sustained period of fruitful ideation. "No, I really didn't," the dean told us. "It was a loss of control, but it was a positive loss of control."

Peter Gadsdon, the head of customer insight and service design for the London borough of Lewisham, arranged to video-record frontline workers' interactions with citizens in the homelessness services unit. This was not normal practice—and citizens' privacy had to be protected. But once it was approved and arranged by Gadsdon, these videos could be used, in accordance with common design-thinking practice, to spark ideas. "The staff interviewed many different people over a period of about three weeks, and just caught lots and lots of footage," Gadsdon told us. One clip showed children of non–English-speaking immigrants translating their parents' conversation with caseworkers. This was counter to the preferred practice of using a professional translator to avoid traumatizing young children by involving them in conversations about complex adult issues such as potential homelessness. After viewing

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the clip, Gadsdon asked frontline employees, "What might we do to address this kind of problem?" The designers used the films to open up people's minds, he said, adding, "They had lots of ideas."

At Boeing we saw Larry Loftis, then a manufacturing executive at the aerospace giant, insist that process-improvement teams use an approach called the seven ways—identifying at least seven options when brainstorming possible solutions. "The first two or three come very easily," Loftis said, "but then it becomes very difficult to come up with those other solutions. You have to unanchor [from your initial thoughts] and open up your mind."

The aim of divergent thinking is to get beyond easy answers and find options that might be truly innovative. Extreme options are rarely chosen, but they can be stepping-stones to more-practical solutions. "You can get really crazy on some of them, where you know there's no way they're going to happen," Loftis told us. "But then some dialogue takes place around what if you take that idea over to the side a little bit and come up with some new idea that does work."

"Going sideways" for the purpose of generating more ideas than will ever be used and getting to ideas so crazy that they'll never fly makes some people uncomfortable. To goal-oriented people, divergent thinking can seem to generate unnecessary ambiguity about where a project is heading. Leaders need to help those people deal with their insecurities and worries.

That's not always easy, because managers may be experiencing the same feelings. "How do you explain to your staff that you are deploying a methodology you don't fully understand yourself?" a manager who ran business-support services for the city of Helsinki asked us. She had commissioned a design-thinking project to find ways to cut red tape for businesses. The main focus was streamlining the permitting process for outdoor restaurants and entertainment venues, which at the time involved as many as 14 city agencies. She answered her own question by leading by example: She shared her feelings of uncertainty with employees even as she jumped fearlessly into the process, and she communicated clearly that she saw the open-endedness of the new approach as a way of stretching for solutions, not as a lack of direction.

Rehearsing New Futures

A FUNDAMENTAL ELEMENT of design thinking is testing possible solutions with end users, staffers, and other stakeholders in quick-and-dirty ways. Boeing calls this *try storming*—it's like brainstorming, but it goes beyond thinking up ideas to actually carrying them out in some fashion. It might entail building models or making videos of imagined future arrangements. Such tangible artifacts generate conversations that tend to be much more detailed, concrete, and useful than hypothetical discussions are. Leaders should enable this practice by providing time and resources and address skepticism about the value of the work by conveying to employees that "failed" prototypes represent progress. They should clearly spell out what they're trying to achieve and for whom they are trying to achieve it.

Seth Schoenfeld, the founding principal of Olympus Academy, a public high school in Brooklyn, New York, wanted his organization to rethink how it created learning outcomes (for example, how it taught new skills to students). His usual approach was to convene a group of teachers and students to come up with new ideas on the basis of their own experiences. In this instance he was invited to try design thinking as part of an initiative by the New York City Department of Education, which provided advisers and tools, including a video camera. Schoenfeld proposed that the team make a short video depicting a day in the life of an imaginary student in a fully digital and student-centric learning environment. People involved in the project used the video to illustrate new scenarios: teaching materials available online, lessons tailored to each student's abilities and pace of learning, follow-on courses to be instantly available upon completion of previous ones, and so on. The video, in which a student on the team played the main role, provoked rich discussions about the merits of alternative futures for the school. As they talked about the video, the principal and the teaching staff moved closer to understanding how to enact broader,

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visionary objectives, most of which were later realized. Since this was vastly different from their usual way of working, it helped enormously to have support and guidance come from the top.

During her project to redesign the municipal "meals on wheels" service in Holstebro, Poula Sangill asked the design-thinking team to craft a restaurant-style service, which it tested and iteratively developed with actual customers. She also asked the team members to playact various scenarios. At first employees considered the exercise silly. Eventually, though, they found that customer feedback led to ideas that they would not have come up with otherwise. Some of these, such as smaller meals to match smaller appetites, reduced costs, in keeping with an overall objective of the transformation.

Rehearsing the future requires that leaders be specific about what overarching outcomes need to be achieved. In a project aimed at transforming the customer experience, the Norwegian insurance giant Gjensidige prototyped a wide variety of ideas to arrive at three key elements of great customer service: Be friendly and empathetic; solve the customer's problem immediately; and always give customers one piece of advice they didn't expect. Although these principles may sound straightforward, they were close to revolutionary for a financial organization that had traditionally focused on risk management and control. They entailed a shift from viewing customer claims with some skepticism to systematically creating positive customer experiences. Leaders had to communicate to employees that it was OK to make that shift. To be credible, they had to react carefully if a risk was realized—for example, an employee was duped by a false claim—and signal clearly that customer service remained preeminent even when things went wrong. The transformation helped propel Gjensidige to the top in customer service and loyalty rankings among the nearly 100 companies operating in its market (Norway, Denmark, Sweden, and the Baltic states).

In testing solutions, the leaders we studied encouraged a focus on creating value not just for external clients but also for employees (and sometimes other constituencies). This broadened the potential benefits of change and secured the buy-in of multiple groups, producing longer-lasting change.

When the industrial giant Grundfos, a world leader in water-pump technology, began working on a next-generation pump, the design team knew that the control and user interface had to be highly digital. But what would that mean in practice? The natural inclination of the team was to research digital technologies and inquire into customer needs—both essential to the project, of course. But executives insisted that team members think more broadly about the constituencies for whom value would be produced—including the technicians, some of whom might work for other companies, who would be installing the pumps. What was their work context? What were their needs?

LEADERS CAN'T SIMPLY commission design-thinking projects and then step back. They must keep a watchful eye on them and be vigilant in recognizing moments when they need to engage with the team. They must help team members deal with the emotions and discomfort that are inevitable in such endeavors. They must encourage the team to take those all-important exploratory detours while also helping maintain confidence that the initiative is moving forward. At the same time, they must not be too heavy-handed: Teams need to make their own discoveries and realize that they are engaging in a creative process, not just executing management's instructions.

Leaders who commission design-thinking projects must be coaches who inspire their teams to achieve success, hand-holding when necessary but drawing back when a team hits its stride. This role isn't easy. Design thinking is challenging because it involves something more fundamental than just managing change: It involves discovering what kind of change is needed. The managers we studied demonstrated that many leaders can do it. But it takes a deep understanding of the job and an appreciation of the differences between design thinking and other approaches for bringing about organizational transformation.

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