

# Quality management for a new paradigm

**How design thinking and a human-centred culture can meet increased complexity**

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*Thank you SeventyOne Consulting for being so kind and open, while also being smart, wise and amazing enough to give me such a rich and interesting material.*

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# Sammanfattning

I denna fallstudie har SeventyOne Consulting analyserats som ett exempel på en organisation som verkar under det kommande paradigmet inom kvalitetsutveckling. Studien kopplar samman teori från kvalitetsfältet med design thinking, paradigmatteori och teori om människocentrerad företagskultur. Syftet var att bidra med kunskap gällande vilken roll design thinking och människocentrerad företagskultur kan spela i ett kommande paradigm inom kvalitetsutveckling.

Frågeställningarna var:

1. Hur kan det kommande paradigmet i kvalitetsutveckling förstås?
2. Vilken roll kan design thinking och en människocentrerad företagskultur spela i det kommande paradigmet?

Metoden inkluderade semi-deltagande observationer av organisationen, icke-deltagande observationer av arbetet med kunder, intervjuer med företagets medlemmar samt dokumentationsanalys. Studien har huvudsakligen genomförts online. Dess resultat har organiserats i den metaforiska och hypotetiska analysmodellen bröllopstårtan, vilken illustrerar hur en människocentrerad företagskultur baserad på psykologisk trygghet, Teal-principer och glädje utgör grunden för att hantera kunders komplexa problem utifrån de metodologiska strategierna relatera och samskapa, eklektisk metod och ett design thinking mindset. Designkapabilitet har analyserats som förmågan att sammankoppla och arbeta utifrån flera olika kunskapsstraditioner samtidigt, samt integrera företagskulturer utifrån en människocentrerad bas. Människocentrerad kultur har därmed förståtts som en förutsättning för att kunna möta komplexiteten och innovationskraven som präglar det nya paradigmet, medan design thinking förståtts som en potentiellt användbar metod, förutsatt att designkapabilitet utvecklats.

Nyckelord: Kvalitetsutveckling, paradigmskifte, design thinking, människocentrerad företagskultur, Teal, arbetsglädje, psykologisk trygghet, Emergence paradigm.

# Abstract

In this case study, SeventyOne Consulting was analysed as an example of an organisation operating under the coming paradigm in quality management. The study connected theory from quality management, design thinking, paradigm theory and human-centred culture theory. The purpose was to contribute with knowledge concerning what role design thinking and human-centred cultures can play in the coming paradigm of quality management. The research questions were:

1. How can the coming paradigm of Quality Management be understood?
2. Which roles can design thinking and a human-centred culture play in the coming paradigm?

The method included semi-participatory observations of the organisation, non-participatory observations with its customers, interviews with its members and document analysis. The study has mainly been performed online. Its result were organised into the metaphorical and hypothetical analytic model of the wedding cake, illustrating how a human-centred culture based on psychological safety, Teal principles and happiness gives the foundation for handling customers' complex problems through the methodological strategies relate and co-create, eclectic methodology and a design thinking mindset. Design capability was analysed as the ability to connect and work simultaneously with different kinds of knowledge and integrating cultures, while also coming from a human-centredness. Human-centred cultures were thereby understood as an important prerequisite for being able to meet the complexity and innovative demands of a new paradigm, while design thinking was understood as a potentially suitable method, provided that design-capability has been developed.

Keywords: Quality management, paradigm shift, design thinking, human centred culture, Teal, happiness, psychological safety, Emergence paradigm.

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# 1 Introduction

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*In this chapter the broad research problem will be introduced and related to its scientific context. The wider topic and questions will then narrow down into a purpose and two research questions, followed by relevant definitions.*

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What's the future of organisations? And how can organisations be improved to better meet coming demands? Various societal factors are affecting how we organise work, run organizations and view labour. Globalization, rising competition, advancing technology and increasing customer expectations has changed businesses, and just working harder and faster is no longer enough (Sörqvist, 2004). As Harari (2011) has highlighted, the Artificial Intelligence and robotic development will significantly change work, and creative and complex skills are the ones that will be needed when both humans' physical and cognitive abilities can be surpassed. Highly specialised work where people are just a cog in a wheel doesn't work anymore, instead organisations need people's full potential and employees need the opportunity to evolve (Csikszentmihalyi, 2003). To Laloux (2016), the hierarchal and stressful way we have run organizations is breaking down, and both people and markets welcome more human-centred organizations where employees are able to grow and be more whole. According to Csikszentmihalyi (2003), there is an opportunity to create businesses that support human growth and happiness, but that requires a new type of leadership and new conditions for the employees.

So if the future demands organizations where employees full potential can develop, how can that also be profitable and satisfying to customers, and how do we create these organisations?

Quality management is a way to develop organizations and their products, services and processes, based on knowledge about what customers actually want, and by using their feedback for continuous improvements (Bergman & Klefsjö, 2012). While quality management today uses methods like Lean and Six Sigma, the practice of quality management has evolved from controlling quality of products after production to continuously improving products and services before, during and after production, while also amending the processes and organizations themselves (Bergman & Klefsjö, 2012). According to Kemenade & Hardjono (2019) quality needs to be defined in its context, and historically it has developed from "meeting requirements" to "satisfying" to even "delighting" the customers (p. 152), constantly trying to meet higher standards.

The will to constantly evolve and seek improvements is natural for humans, and it's unlikely that there will come a time when there is no more need for improvements (Sörqvist, 2004). On the contrary, Sörqvist (2004) sees a higher strive for improvements today than ever, also directed to the joy of developing skills and hobbies. As Csikszentmihalyi (2003) describes, everything in the universe goes towards higher complexity, and for humans in general, and employees in particular, happiness is connected to the joy of handling challenges and developing skills.

Naturally, quality management develops as well. According to several researchers, quality management has reached a new paradigm where new methods and priorities are necessary to meet the current demands (Kemenade & Hardjono 2019; Park, Shin, Park & Lee, 2017). In the new paradigm, Kemenade & Hardjono (2019) see a development from the hard to the soft and from the rational to the emotional. Neumeier argues that quality management has prioritized the "measurable over the meaningful" and that "Six Sigma has been so successful that quality has virtually become a commodity" (Lockwood, 2010, p. 16). To him, the reason today's companies have "distrustful customers, disengaged employees and suspicious communities" is the lack of a human focus and a too mechanical management style (p. 17). In the era of Six Sigma it's no longer enough to get better, instead we need to differentiate. To Neumeier, creativity is therefore the most important drive for economic growth today. Differentiation requires innovation which requires

design thinking. Therefore, he argues that design thinking is the “management innovation destined to kick Six Sigma of its throne” (p.17).

Design thinking is a mindset and methods with a human centred strive to solve the real problems for the customer, using empathy, problem definition, creative exploration, testing, iteration and feedback (Brown, 2009). Design thinking has proven successful when used in business (Beckman, 2020) and have been introduced in all kinds of organizations with the intention of creating more innovation, organizational learning, customer orientation and competitive advantages (Dunne, 2018).

The potential of design thinking has also been recognized in the quality management field where studies have been performed to see how design thinking can be utilized to improve quality. Lilja, Abrahamsson, Palm and Hedlund (2018) has identified several areas where quality management could learn from design thinking and Snyder, Ingelsson and Bäckström (2018) has shown that innovative methods like design thinking can help leaders build work cultures for a value-based leadership.

But as for example Boström’s (2020) and Malmberg’s (2017) research has shown, it is not always easy to implement design thinking in organisations. Boström et al (2020) found conflicts when different knowledge traditions met design thinking and Malmberg (2017) has identified certain conditions - design capabilities - that are needed for organisations to be able to benefit from design thinking. Adding to this, innovation professor Alf Rehn has shown that innovation requires certain organizational cultures, where humans and human needs are put in centre (2019).

According to Dunne, design thinking can be contrasted to the “scientific thinking” and the “decision cultures” that dominates most organisations (Dunne, 2018). This also goes for the field of quality management itself. In fact, design thinking “differs from business processes such as total quality management, Six Sigma and ISO 9000, which reduce variance and improve efficiency” (Dunne, 2018, p. 12). However, in a newly published quality management introduction book (Gremy, Bergquist & Elg, 2020) design thinking is not mentioned while Lean, Six Sigma, process management and quality management systems like ISO 9000 are listed as the main model-based improvements programs. Here, the need for a new paradigm with other mindsets and methods are not emphasised. Still, the very last page of the book discusses the future role of quality management and mentions sustainability, servitisation and digitalization as the three main factors that will change quality management. The very last sentences of the book states “The roles of quality managers and professionals are dynamic and change with new emerging ways of doing business. We, therefore, also believe that creativity and innovative thinking in quality management will be an important asset. The ability to solve problems and experiment with new ideas- to provide sustainable solutions for customers is key here” (Gremyr, Berquist & Elg, 2020, p. 141).

So should and could design thinking contribute to a future quality management, and in that case, what kind of culture, capabilities and mindsets would an organisation need to be able to benefit from it? Which role does human-centred cultures and evolved employees play in a coming paradigm and is design thinking the human-centred method that can meet the needs of both customers and employees, or are other things crucial for that to happen? How is design thinking and human-centred cultures related and can they meet the quality demands of the future, or are other things needed to improve organizations and work?

# 1.1 Purpose

The purpose of this study is to contribute with knowledge concerning which role design thinking and a human-centred culture can play in the coming paradigm of quality management.

# 1.2 Research questions

1. How can the coming paradigm of Quality Management be understood?
2. Which roles can design thinking and a human-centred culture play in the coming paradigm?

# 1.3 Definitions

## Quality

Quality has many definitions and they have also changed over time. To Gremyr, Bergquist & Eng (2020) quality is “determined by the ability to satisfy customers and the intended and unintended impact on relevant interested parties” (p. 20). In this thesis, quality will be defined according to Bergman & Klefsjö (2012) where quality is the “ability to satisfy, and hopefully surpass, the needs and expectations of customers” (p. 24).

## Customer

Customers are defined as “the ones the organization wants to create value for” (Bergman & Klefsjö 2012, p. 28). Customers can be divided into *external* and *internal* customers (Elmgart & Bloch, 2017). In this thesis the internal customers will be referred to as employees, while “customers” will be used for external customers, outside of the organization.

## Quality management as a practice

Quality management is defined as the practice of “systematic efforts to improve products and processes for the good of the organisation’s stakeholders” (Gremyr, Bergquist, Eng, 2020). Here, any systematic efforts to improve organizations and make stakeholders satisfied will be understood as a practice of quality management, even when the term isn’t used by the practitioners themselves.

## Quality management as an academic field

Quality management comes from the industrialisation era and has its origins in manufacturing and engineering (Gremyr, Bergquist, Elg, 2020). Parallel to the broader practice of systematically improving organizations, quality management is an academic field where Walter Shewart, Edward Deming and Joseph Juran are important thinkers (Bergman & Klefsjö, 2012). When the term “quality management” is used in this thesis it refers to its academic field, if nothing else is explained.

## Paradigm

A paradigm is “a set of assumptions and concepts, values and practices that constitutes a way of viewing reality for the community that shares them, especially in an intellectual discipline” (www.yourdictionary.com). Paradigm shifts happens when there are such big changes in the economical, philosophical, social, environmental or technological development so we can no longer act and think as we used to (www.researchgate.net).

## Design thinking

Design thinking refers to a certain mindset and tools to create value for customers by. The method is often described as a double diamond; with empathy, idea generating, testing and validating as steps (Lockwood, 2010). In its practice, design thinking can be a practice of quality management. As an academical field design thinking has different roots than quality management. It has just

recently started to be included in very limited parts of the academic field of quality management (see for ex. Lilja, Abrahamsson, Palm & Hedlund, 2018).

**Human centred cultures**

A company’s culture is its expressed and unexpressed values and behaviours (Elmgart & Bloch, 2017). Using the concept “human-centred culture”, this thesis refers to company cultures that believes in and focuses on humans as valuable and resourceful and makes the satisfaction or happiness of humans the most central task of the organization. Many different types of organisational cultures can be understood as human centred.

## 2 Theory

*In this chapter, the four fields of theory that frames this thesis will be presented. Quality management will shortly be summarized from its educational context as a representation of how the field is being taught at present. For this purpose, the text will be limited to two overiewing books. After that, a broader perspective to quality management will be opened, describing the potential integration with design thinking. Then paradigm theories will be understood first from an organisational perspective in general and then specifically from a quality management paradigm perspective. Thirdly, the field of design thinking and its implementation into organisations will follow, with discussions on design-capabilities and cultural requirements to benefit from design thinking. This will bridge to a broader discussion on organisational culture, and in particular human-centred cultures connected to psychological safety, happiness and Teal.*

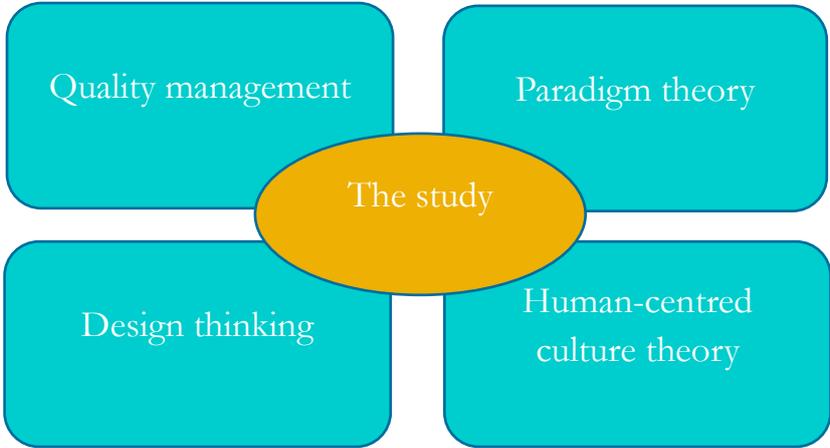


Fig 2.1 The theoretical context of the study.

### 2.1 Quality management

#### 2.1.1 The academic field of Quality Management

*“Quality management is a sound and stable field of both research and practice based on the principles of customer focus, continuous improvements and teamwork.”*

(Gremyr, Bergquist & Elg, 2020, p. 7-8.)

From this definition, “Quality management. An introduction” (Gremyr, Bergquist & Elg, 2020), describes the three parts of quality management as principles which each has different practices and tools. The three go together, since customer satisfaction demands continuous improvements which is best achieved through teamwork.

The first of the principles, customer focus, is to understand customers explicit as well as implicit needs and expectations. This requires both direct and indirect methods, not only asking what customer wants but also observing and looking for their deeper needs, and to be able to translate needs into products and services. Customers shouldn’t just be seen as buyers and users, but also as important cocreators of value.

The second principle is about translating the identified customer and stakeholder needs into continuous improvements. This is done through different “model-based improvement programs” like process management, quality management systems, Lean Production and Six Sigma. The PDCA-cycle with its steps Plan, Do, Study and Act is a basis for the three programs. It’s iterative and continuously raises the standard of quality, which makes standardisation dynamic.

The third principle, teamwork, is seen as a necessary way to achieve the other two principles. A team is formed when specific tasks, goals and responsibilities are decentralised to a smaller group of people. Depending on the level of certainty or uncertainty and the customer variation, teams should be organized in differentiated, integrated or complemented teams.

Similarly, according to Bergman & Klefsjö’s (2012) definition, quality management is about understanding the customers’ needs and demands and translate these into products, services and experiences. It’s also about producing and delivering according to plan, evaluate the customers experience and using the feedback to continuously improve the organisation and its processes. In short - increase customer satisfaction while lowering the use of resources.

Instead of dividing quality management according to the three themes above, Bergman & Klefsjö has structured their building blocks of quality management in a “cornerstone model” (fig 1.2).

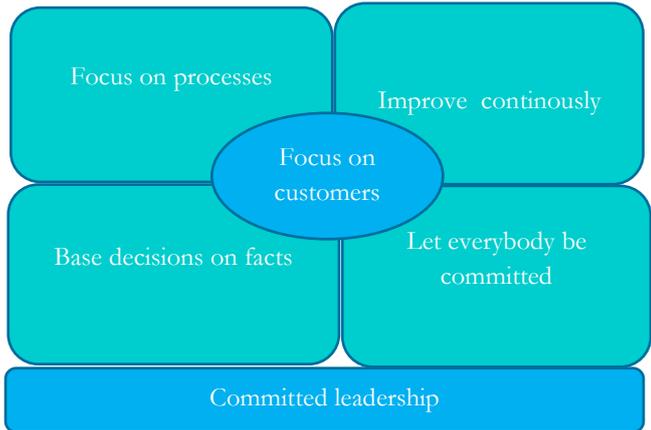


Fig 2.2 The corner stone model of Total Quality Management by Bergman & Klefsjö (2012).

Since quality management comes from the industrialisation era and has its origins in manufacturing and engineering, the scientific method of analysing, making hypotheses, testing and learning from the results is its base method (Gremyr, Bergquist & Elg, 2020). Gremyr, Bergquist and Elg (2020) promote structured and mainly quantitative approaches to find root causes to problems. However,

when it comes to “focusing on the much more complex environment of human interactions” qualitative methods can be suitable (p. 15).

When it comes to the future role of quality management, Gremyr, Berquist and Elg (2020) sees three key change factors; sustainability, servitisation and digitalisation. Traditionally, quality management has put lots of effort on identifying, managing and improving the organisations processes, but with increased complexity, this might be “unsuitable” and even “misleading” (p. 116). Since process management is about creating standardisation this is appropriate when variation should be reduced, but when “organisations try to solve specific customer problems, the value creation logic will change, as it requires more resources, knowledge and relations with the customer” (p. 116).

Gremyr, Berquist and Elg (2020) see a possibility to integrate Quality management systems with environmental management systems by letting quality management serve as an infrastructure for sustainability work. “The integration of management systems can support learning, increase stakeholder focus, support continuous improvements and help identify possible synergies in practices carried out by different functional areas” (p. 46).

They also state that “the roles of quality managers and professionals are dynamic and change with new emerging ways of doing business.” They therefore believe that creativity and innovative thinking will be important assets in quality management, as well as “the ability to solve problems and experiment with new ideas to provide sustainable solutions for customers” (p. 141).

## **2.1.2 Quality management and design thinking**

With an emphasis on strengthening the qualitative methods in quality management, Lilja, Abrahamsson, Palm and Hedlund (2018) call attention to two organizational logics, “the logic of production” and “the logic of development”, with referral to Ellström (2010). The former logic has dominated Quality Management and has put focus on reducing variation, measuring time and to learn without errors. The logic of development on the other hand promotes experimentation and risk-taking which requires variation and diversity. By learning from design thinking the authors see a potential shift in mindset in Quality Management which could give a better balance between the two logics of qualitative and quantitative as well as between production and development. In this way, the cornerstone “base decisions on facts” (see fig 1.2), wouldn’t just be synonym with collecting quantitative data. According to the researchers, there are three important lessons that quality management could learn from design thinking. First, to base decisions on insights and stories rather than just “facts” and second, to start by getting out and do things rather than staying stuck in planning. Finally, quality management could learn to fail often in to succeed sooner, rather than trying to do it right the first time (Lilja, Abrahamsson, Palm & Hedlund, 2018).

On a similar note, Dunne (2018) has contrasted design thinking and the “scientific thinking” and “decision cultures” that dominate most organisations. Design thinking is exploratory instead of exploitative, and while management is a culture of choice, design is a culture of creation. Therefore, design thinking differs from total quality management, Six Sigma and ISO 9000, “which reduce variance and improve efficiency” (p. 12).

In a world between paradigms, Boström (2020) also see conflicts between different ways of working to improve organizations as well as knowledge gaps when it comes to solving the real complex problems. Boström suggests a combination of traditional knowledge, quality management and design thinking to find the needed solutions (2020).

Finally, Lilja et al (2017) have studied if Quality Management (QM) and Innovation Management (IM) are about to merge. Three signs of this is that IM got included in the ISO 9000, that IM will have a standard in a similar structure and language and thirdly, that there are similarities between innovation through design thinking and the current best practice for continuous improvements in quality management; Toyota kata. If the two systems of QM and IM will be put alongside each other it will have profound consequences and require professionals with “ambidextrous” competences who can understand both systems (p. 238).

## **2.2 Paradigm theory**

### **2.2.1 A new paradigm for organisations**

When analysing the development of organisations over time, organizational research finds four dimensions as useful parameters (Eriksson-Zetterquist, Kalling and Styhre, 2012). These are the tensions between Organisation and Human, Stability and Change, Rationality and Non-rationality, and finally, Man and Woman. Over time, the direction has been away from Organisation and towards Human – from the view of the worker as a cog in the organisational machinery to knowledge-based learning organisations where humans are seen as the most important resources of a company. Similarly, in the second polarity, a shift has happened from Stability to Change. While stability used to be seen as the normal, we increasingly today see constant change as a natural circumstance. Coming to Rationality and Non-rationality the development has been less linear, but today's organizational researcher has an understanding for humans behaving in both rational and non-rational ways. Finally, the Man - Woman polarity has gone from hugely male dominated organisations to less, but still predominantly, organisations centred around “Man” more than “Woman”.

The research of Laloux (2016), points to a lack of satisfaction among leaders and employees as well as customers. He refers to the 2013 Gallup poll where only thirteen percent of employees worldwide were engaged in their work (p.14). Laloux has identified paradigm shifts between five different models of organizations, which has developed evolutionary. His theory is based on Beck's and Cowan's (2000) theory about Spiral Dynamics, which describes five value systems called Truth force, Strive Drive, Human Bond, Flex flow and Whole view. These five value systems are going from 1) authoritative to 2) growth focus to 3) community to 4) self-organizing and networking to 5) holistic views (Kemenade & Hardjono, 2018).

According to Laloux (2016), the third, orange model is the dominant type of organisation today. Effectiveness and profit are prioritized but to the cost of human suffering and dissatisfaction, among customers and employees as well as leaders. While this organizational model is the third evolutionary, there are also a number of organizations that have reached the fourth level of human connection and consensus, but with less effectiveness. However, a fifth level of organization are emerging, called Teal. These combine the effectiveness of the third level with the human-centredness of the fourth and enable a balance between the feminine and masculine aspects inside of each human, no matter gender, as well as an integration and balance between the rational and emotional. While organizational level three (orange) is mainly rational, and level four (green) mainly emotional, the fifth level (teal) represents a wholeness.

Additionally, a new paradigm for management in general, especially after the financial crisis in 2008, has been described as VUCA, standing for Volatility, Uncertainty, Complexity and Ambiguity (Krawczynska-Zaucha, 2019). The main challenge here is a shift from stability to unpredictability, which requires agility and the ability to shift between multiple perspectives. Most importantly for leaders in VUCA, is to develop their own inner qualities. The most important quality is authenticity,

fully being oneself and making use of one's strengths, but also being open to uncertainty, able to analyse both the whole and its parts and able to combine analytical skills with integrational ones.

Finally, Edmondson (2019) also acknowledges a shift from the standardization that drove growth of the industrial revolution to a value creation that is based on ideas and ingenuity. Today's complex, interdependent and uncertain world mainly demands people's knowledge and their ability to cooperate and innovate together.

## 2.2.2 A new paradigm for quality management

Having done a broad literature review of "quality management" and "paradigm", Kemenade and Hardjono (2019) have summarized the findings of a large number of researchers to identify different ways of understanding the phases, stages or paradigms in quality management.

To William et al (2006), there is an "old" and a "new" quality management (Kemenade & Hardjono, 2019). While "the old" has roots in quality management thinking of the 1980s and prevent defects and reduce variation, the "new" is more focused on responding to crises.

Several researches have categorised quality management into phases, often four. Hermel (1997) has divided it in accordance to historical periods from the beginning of the twentieth century until around 1980s; Inspection (reaction), Quality control (regulation), Quality assurance (prevention) and Total quality (pro-action). Bruch & Ghosal (2003) differs between four organisational energies; the comfort zone, the resignation zone, the aggression zone and the passion zone (Kemenade & Hardjono, 2019).

Drucker (2000) sees a shift from manual labour to machine driven economy to a knowledge-based society, which now makes people "the most important asset in a company" (Kemenade & Hardjono, 2019, p. 152). Conti (2006) also see human and social relations as the most valuable resources for successful business. Additionally, Waddell and Mallen (2001) detects a movement from the statistical and rational to more "soft" values like empowering employees. Maguad (2006) also describes a shift from a "statistical engineering approach to quality and the psychologically based human relations approach" (Kemenade & Harjono, 2019, p 154).

Noray see four "revolutions", or paradigm shifts, in quality management; Control, Continuous improvements, Breakthrough and Reaching the essential. Qualities in "Reaching the essential" are "trust in the unknown, lost control, unconceivable targets, peacefully in community with other, do because you trust and feel in peace". (Kemenade & Harjono, 2019, p 155).

Vinkenbergh has defined three schools, the Statistic (Empirical), the Managerial (Normative) and the Reflexive (Reflective). To him "quality management is not enough focused on the interior, the not-measurable, the subjective and the not-controllable." (Kemenade & Harjono, 2019, p. 155). In the Managerial school, quality is related to complying with requirements, while in the Reflexive school, "quality is an event where a heart is touched and that contributes to the quality of life".

Out of having analysed the above research, Kemenade & Hardjono (2019) sees a start of a paradigm where quality is a way of life and available for everyone in the organisation. They state that the majority of research after the 1990s identifies a paradigm-shift", and that this shift is a movement from the precise to the pliable. They have identified four paradigms, and call the first three the Empirical, the Reference and the Reflective. All these are insufficient for today's quality management and the authors promote that the fourth paradigm, the Emergence paradigm, should be strengthened, but also in integration with the three previous ones. Developing the four

paradigms (fig. 2.3), Kemenade & Harjono (2019) are influenced by quadrant models from Wilber (2000), the scheme model from van Velzen et al (2002) and the Cynefin model (Snowden, 1999).

<b>Paradigm:</b>	<b>Empirical</b>	<b>Reference</b>	<b>Reflective</b>	<b>Emergence</b>
Metaphor:	Army	Robot	Le Penseur (Rodin)	Improvising jazz combo
Focus:	Rules, standards	Models, guidelines	Principles	Values, virtues
Adage	”To measure is to know”	”We need to improve continuously”	”Quality is not a thing, it’s an event”	”The truth is what works”
Aim	Control	Improvement	Professionalism	Flexibility
<b>Risk</b>	<b>Bureaucracy</b>	<b>Pampering</b>	<b>Arrogance</b>	<b>Chaos</b>

Fig 2.3, free from Kemenade & Hardjono, (2019, p. 161). “Total Quality Management in four paradigms”.

In the emergence paradigm, quality can only be defined for a limited period of time. The concept “emergence” comes from systems theory, and the paradigm integrates system theory with quality management (Conti, 2010). There is an understanding of a collective intelligence bigger than the individuals, and an awareness of the problem of a world with specialized experts in such separate fields so they can’t connect the dots of the whole system. There is a need for context specific designs and a quality that is defined in dialogue with all stakeholders. “Quality arises in an investigation based on morals and shared values.” (Kemenade & Hardjono, 2019, p. 160). In the Emergence paradigm, crises are the symptoms, and the problem is the inability to cope with change. The cure is changes in the way we work, networking and creating a quality culture. “The truth is what works” - there is not just one way to do things. Leaderships is participative or shared.

Finally, Kemenade & Hardjono (2019) are requesting an “epistemic fluency,” and an eclectic quality management that mixes different methods, which requires “the capacity to understand, switch between and combine different kinds of knowledge and different ways of knowing about the world” (Markauskaite and Goodyear, 2016).” (p 162). “Practicing quality management from the Emergence Paradigm would implicate for an organisation to be open to change and its context, to start a continuous dialogue with all stakeholders on quality, based on virtues and shared values rather than rules, models and principles” and to “create a quality climate and culture rather than control” (Kemenade & Hardjono, 2019, p. 163).

Complementary, the current paradigm shift has been understood partly differently than as the Emergence paradigm by Park, Shin, Park and Lee (2017). These authors emphasise the impact of the Fourth Industrial revolution and its Intelligent Digital Transformation (IDX) that’s been going on since around 2016. Park, Shin, Park & Lee (2017) see team creativity as one of the most important assets in the future of quality management. A broader understanding of quality will emerge and with mass customisation and personalised production the speed of design, production and delivery will be the most important quality measurement. The flow of quality management will change from being circular to going much more back and forth in a pattern of constant customer feedback, due to the possibilities of IDX (fig 2.4).

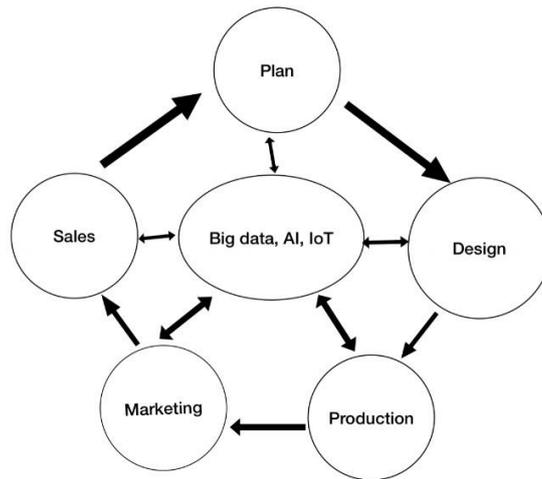


Fig 2.4 free from Park, Shin, Park and Lee (2017), “Multiway flow of QM”.

Park, Shin, Park and Lee (2017) highlights design thinking as a method for making teams creative. “Given the prominence of design quality in the Fourth Industrial Revolution, excellent creative thinking will have a greater emphasis in team and QM activities” (p. 941). In a matrix about the paradigms in quality management, Park, Shin, Park and Lee (2017) defines that the third industrial revolution had the production strategy Lean production, the quality goals Management and the quality strategy Innovation. With the fourth industrial revolution these are changed to Mass Customization, Responsibility and Open Quality (fig 2.5).

Industrial revolution	Human benefits	Production strategy	Quality goals	Quality strategy
Industry 4.0	Instinct aid	Mass customization	Responsibility	Open quality
Industry 3.0	Brain aid	Lean production	Management	Innovation
Industry 2.0	Power aid	Mass production	Assurance	Audit Standard
Industry 1.0	Hand aid	Machine production	Control	Inspection

Fig. 2.5 free from Park, Shin, Park and Lee (2017), “Industrial revolution, quality goals and quality strategy.”

To conclude, when Crosby in 1992 defined quality for the 21<sup>st</sup> century he called his book *Completeness*, which was about making customers as well as employees and suppliers successful (Kemenade & Hardjono, 2019). To Crosby, it’s important to treat the whole as one and build a culture of consideration where requirements are understood by all and policies made with consent. The quality manager would function like an orchestra conductor, working in a symphony. According to Kemenade and Hardjono (2019) the ideal for the Emergence paradigm is rather a jazz combo that continuously improvises within the context (2019). Lilja, Ingelsson and Snyder (2018) also explores new metaphors related to organizations and quality management. From having been understood as an effective machine, more organic metaphors are increasingly used for the organization. While quality management earlier has been represented by houses and pyramids, a broader range of metaphors has started to appear (Lilja, Ingelsson & Snyder, 2018). Laloux’s (2016) fifth type of organization is an example of an organic vision, while the organizations on the third of his stages still has the machine metaphor.

## 2.3 Design thinking

### 2.3.1 What design thinking is

Design is a way of finding problems and creating solutions that isn't limited to aesthetics like shape and colour. Bucannon's (1992) four orders of design describes how design has evolved from symbolic and visual communication, to material objects, to activities and organized services and finally to "complex systems or environments for living, working, playing and learning" (p. 10). Now even a fifth order of design, called Awareness, can be reached, and this order is about changing a culture (Lockwood, 2010). Design thinking has been proven to work on these different levels, not only generating innovative products and services but also changing organizational cultures; resulting in more engaged staff, enhanced sense of purpose, higher comfort with risk taking and increased levels of empathy (Lockwood & Papke, 2011).

Design thinking is focused on finding and solving the real problem for humans, rather than reaching for low hanging fruits, and has been seen as a potential way of solving the world's big unsolvable problems, so called "wicked problems" (Brown, 2009). Design thinking frames and reframes problems, which is a crucial skill of today (Beckman 2020). In design thinking, iterative problem-solving methods include empathizing with the customer, quick experimentation or prototyping and validating (Brown, 2009). Feasibility, desirability and viability all need to be balanced (Brown, 2009), and creative teams with mixed professions are encouraged to take a beginner's mindset and test and fail together on their way to innovation (Lockwood, 2010).

While deep understanding of the customer, collaboration, experimentation and visualisation are commonly mentioned parts of design thinking, Lockwood also stresses that the concurrent business analysis needs to be integrated during the whole process (2010). Lockwood differentiates between design thinking which is an innovation process to discover unmet needs and possibilities to new solutions, and design management, which is the ability to manage the design of an organisation and integrate it in the organisations' continuous development and improvements. In this, Lockwood (2010) sees a need for corporate strategies that value human needs and not just financial ones. While there has been a division between design and business since the Arts & Crafts movement's reaction to standardized and quantitative driven management, design thinking intends to solve this, being a designer's method but adjusted for business (2010).

### 2.3.2 Design capability

How to develop a design-minded organization? Even though design thinking already has been introduced in many organizations of different sizes and sectors, different values and cultures has appeared to be a hinder (Dunne, 2018). As Lockwood stresses, "without changes in a company's attitudes and processes, the investment in design may never pay off" (Lockwood, 2010, p. 23).

To Lockwood (2010), design thinking has the potential to empower people to act in a way that involves hearts and minds as well as hands. Since innovation lies in human emotions it requires skills that generally are not taught, one of the most important ones being curiosity. However, only scientific knowledge is not enough for innovation. Therefore, integrating design thinking in business is about making companies ambidextrous, able to think from both the brain hemispheres, which is necessary in times of more creative and collaborative way of working (Lockwood, 2010). Still there is little research about how design thinking fits together with "agile, lean start-up, scientific methods, Six Sigma, critical thinking and systems thinking" (Beckman, 2020, p. 144).

Boström, Hillborg and Lijla (2020) have studied how tensions can appear when quality improvements through design thinking methods are done in a health care environment. A paradigm shift is happening in healthcare where inclusion of and collaboration with patients is seen as highly

important, and a combination professional knowledge, quality improvements and design thinking has been tried as a potential solution. For this meeting of three knowledge fields to succeed, an understanding of the organizational culture is vital. In their case study, Boström et al (2020) saw that a frustration between the everyday health-care practice and the quality improvements were experienced. In a complex organization the improvements were hard to organize and found to be too slow - reflection and listening took time from the “real work”. Still, once one took time to get input from patients the staff saw it as rewarding.

Malmberg’s (2017) dissertation also elaborate on how design thinking initiatives has been taken all over the world to meet the paradigm shift towards a more human-centred and patient-involved health care. Her topic is to understand what kind of organisational learning this require; what kind of “design capability” is necessary to actually utilize design thinking in development and innovation? Design has the potential to be used on policy and strategy level, but it starts on lower levels and can build up as in a staircase (fig. 2.6).

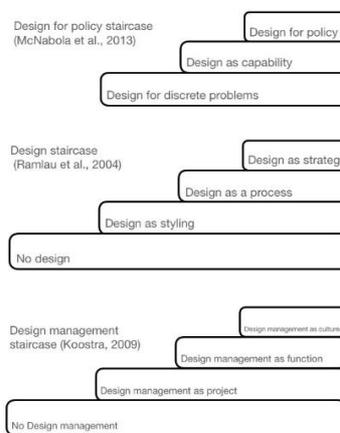


Fig 2.6, free after Malmberg, (2017, p.54), “Three different perspectives on design maturity from Ramlau et al (2004), Koostra (2009) and McNabola et al. (2013):”

To step by step build the ability to use design, the “silent design” that often already is happening in the organisation first needs to be understood and integrated. Then the topic of how design fits into the current culture must be addressed. There is still a lack of knowledge about how design is sustained in an organization after having been introduced. One need to find out how to make the new knowledge into a capability and see which related and conflicting capabilities the organisation already has. So far, in the research literature, design capability has been identified as 1) design resources, 2) awareness of design and 3) structures that enable design. The first refers to skills or abilities like empathy, creativity, the ability to handle ambiguity, to be able to frame and reframe problems, to prototype, have a holistic mindset and have the skill to design etc. According to several authors this is not enough; design capability is about understanding how and why to use these skills, which is related to the second principle, awareness. Thirdly, “structures that enable design practice” is about the organization’s ability to make use of the knowledge by integrating it with other practices and making it accepted (fig. 2.7). Different practices need to fit and complement each other. This requires structures, routines and processes (Malmberg, 2017).



Fig 2.7, free from Malmberg (2017, p. 63), “Design resources, awareness of design and enabling structures, are the three aspects related to design capability identified in the literature”

Connected to culture, Lockwood and Papke (2011) stress that innovation requires a culture of safety where it is possible to fail and take risks. They recommend introducing design thinking to a few people in an organisation, to then see how the “pull factor” will make everybody else want to join.

According to innovation professor Alf Rehn (2019), the enormous innovation industry has created an innovation fatigue rather than actual innovation. Since there is such a focus on innovation, many companies know the language and some techniques, but that doesn't automatically lead to innovation. The commonly mentioned prerequisites for innovation are 1) openness to both internal and external ideas, 2) freedom to experiment and a culture of learning, 3) tolerance for risk and failure 4) processes to develop talents as well as ideas, and finally 5) making resources available and establishing metrics. Yet, for this to happen the organisation must have a culture where innovation is seen as meaningful, psychological safety is present and people and ideas are treated with respect (Rehn, 2019).

## 2.4 Human centred cultures

As several of the mentioned researchers have pointed to, culture is crucial. This final part of the theoretical chapter will describe the meaning of organisational culture in general and then describe a number of cultures where human values and human growth are central.

From a symbolical way of understanding organisations, *culture* is what keeps organizations together and connects people through common values (Bolman & Deal, 2019). From a symbolic view, success is not dependant on what organisations do but on *how* they do it, and it needs to be done from deeper values being integrated in every action. Organizations that lacks deeper values to work from can't be truly successful and happy and at worst they can even become corrupt and abusive.

Culture can be created through “culture by design” or “culture by default” (Elmgart and Bloch, 2017). “Culture by design” means to deliberately decide important values that the employees should work from while “culture by default” is more about picking up the existing norms and values in a company and formulate it into a company's values.

### 2.4.1 Psychological safety

Psychological safety has been identified as the single most important quality for a successful organisation, and necessary for talent to thrive (Edmondson, 2019). Today's complex, interdependent and uncertain world requires peoples' knowledge and ability to cooperate and innovate to create value. Compared to twenty years ago, people cooperate 50% more, and team-based work gets more and more common, which has made relating a part that can't be ignored.

In an organisation based on fear where people are afraid to speak their mind, suggest things or ask questions out of the risk of being judged and loose face, learning and innovation can't happen, and success won't take place (Edmondson, 2019). In many organisations it's crucial for people to look good, seem professional and impress on each other, and in these environments there is a tendency to avoid everything that opens up for insecurity. Edmondson (2019) gives several examples of how damaging it is to a business when employees are afraid to speak up, and how it even can cost lives, for example when a nurse don't feel safe to question the doctor even when something looks wrong.

In a psychological safe culture, it is natural for people to speak up, both when it comes to identifying mistakes or problems and to express ideas or opinions and ask questions. Psychological safety is not about being nice, on the contrary it gives a general candour with constructive feedback and

development of both the people and the organisation in general as a result. When everyone is considered important and has a valued voice, employee commitment is also strengthened (Edmondson, 2019). Therefore, creating a culture of psychological safety doesn't mean lowering the ambition by becoming "too safe". Edmondson show the correlation in a matrix (fig. 2.8).

	Low standards	High standards
High psychological safety	Comfort zone	Learning & high performance zone
Low psychological safety	Apathy zone	Anxiety zone

Fig. 2.8, free from Edmondson (2019, p. 18), "How psychological safety relates to Performance standards".

### 2.4.2 Happiness

Except from psychological safety, another value that both is considered beneficial for humans and organisations, is happiness. Happiness has been proved to make people more productive (Oswald, Proto and Sgroi, 2008). Motivated by the importance employees play in innovation, Adhikari, Choi & Sah (2017) say that "firms must make continued efforts toward creating and maintaining a friendly work environment which increase employee satisfaction" (p. 74.)

Csikszentmihalyi's (2003) research has explored how business can contribute to human happiness and evolution. With reference to Maslow's theory of self-actualization (fig. 2.8), the author show how individuals are on different levels of self-actualisation depending on how well their needs are met. On the highest level of happiness, after needs of survival, security, belonging/love and self-esteem are met, comes self-actualisation and reaching ones' full potential. A successful business should strive to meet needs on all levels and thereby make its staff happy. If not all parts of a person can be expressed, complexity won't be able to blossom (Csikszentmihalyi, 2003).

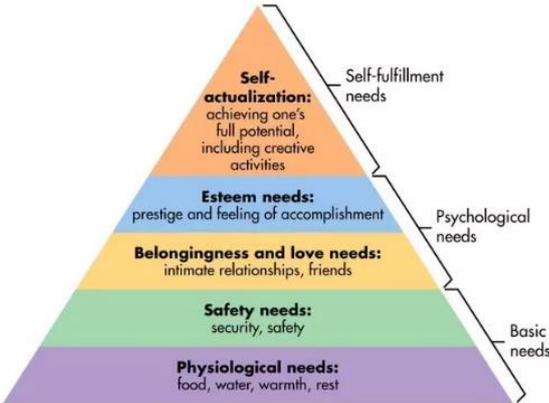


Fig 2.9 Maslow's hierarchy of needs.

Csikszentmihalyi (2003) describes how all of evolution is related to becoming more and more complex, and that people's happiness and growth also relates to this complexity. Happiness depends on two processes - differentiation and integration, and a person who is both fully integrated and fully differentiated becomes a complex person that has the best potential to live a happy and meaningful life. This means to both fully doing your best while also contributing to something bigger than yourself. In accordance to this, organisations should firstly support differentiation by making sure people work at a level where their skills match the challenge and where they get enough variation to constantly grow. People who puts their attention into complex tasks will be able to become more complex themselves, but too high challenge will create anxiety

while too low will result in boredom. In between is the state of flow, the place where happiness, and even ecstasy, can happen, often in interaction with others, and where both concentration and ease are experienced.

Secondly, business should secure people's need of integration, to contribute to something bigger than oneself. People and organisations that only have their own needs at mind will be perceived as soulless, while soulful organisations have empathy and curiosity and are driven by care about others. The leaders in Csikszentmihalyi's (2003) research describe this combination as extraordinary achievement together with a strong sense of community and care in the organisation.

### 2.4.3 Teal

In a similar way as humans evolve over time, organizations have evolved (Laloux, 2016). With new material circumstances, different kinds of organizations are suitable and possible. According to Laloux (2016), we have passed through four different types of organizations and now a fifth type has started to emerge. The types, which are categorized in the colours red, amber, orange green and teal, all have their strengths as well as weaknesses (fig. 2.10).

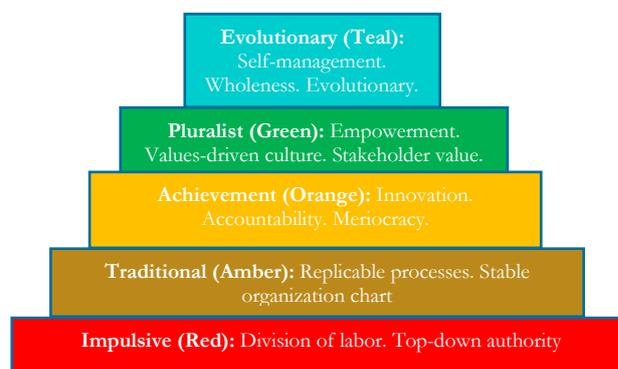


Fig 2.10, free after Laloux, (2016). The five evolutionary stages of organisations.

What the Teal organization suggests is three foundations; self-management, wholeness and evolutionary purpose. Self-management is based on the belief that trust supports motivation and self-responsibility. Instead of having managers, Teal organisations have management systems that support everyone's freedom to make their own decisions (Laloux, 2016). This requires good communication, effective methods of knowledge exchange and transparency – only when all information is fully available good decisions can be made (Wyrzykowska, 2020).

The second principle, wholeness, is about being able to be fully yourself without masks, which requires vulnerability. Thirdly, to have an evolutionary purpose is to be a living and changing organism that listens and dances with a purpose rather than trying to control and predict the future. Laloux (2016) compares it to riding a bicycle; you have a direction but on the way you sense and respond to the environment.

Teal is based on trust and respect in people and is seen as a way for management to adapt to the changing circumstances and create work environments that are flexible, simple and positive for the employees (Wyrzykowska, 2020). Wyrzykowska traces the Teal ideals back to Deming's 14 Principles. Bergman & Klefsjö (2012) lists Deming as one of the founders of quality management and explains that his 14 principles are built on "profound knowledge" or improvement knowledge that is necessary for an organization in constant improvement (Bergman & Klefsjö, 2012).

Wyrzykowska (2020) sees that Teal might be our future but there are still too few Teal organisations in the world to draw far-reaching conclusions. She has made a review of the Teal literature from 2015, when the concept was founded, until 2019, and describes it as a paradigm of the self-managing organisation based on employee empowerment. People decide what they want to do and which projects to participate in, and they set their own responsibilities. Peer feedback and peer coaching, where colleagues share knowledge and support each other are important, as well as team problem solving abilities, for example by using design thinking (Wyrzykowska, 2020).

Teal does not work everywhere, and according to Wyrzykowska (2020) it can't be implemented if stability and reliability are the main aims, like in traditional industries. Also, employees need to have high competences and the ability to act without a leader and take on different roles. That requires maturity and commitment from employees, which not every company or person is ready for. It should thus be integrated gradually, so managers can learn to give up responsibilities and employees develop the skills to manage themselves (Wyrzykowska, 2020).

## 3 Method

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*This chapter describes and motivates the methodological choices that have been made, explains the characteristics of a case study, explores validity, reliability and ethics and shows the analytical process.*

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### 3.1 Research approach, design and methods

Depending on the research problem, a choice of research approach, research design and research methods will be taken to convey a study from broad assumptions to a systematic plan and strategy (Creswell & Creswell, 2018). The research design with its methods is not just a practical plan, it is based on logical assumptions of necessary steps to reach the given goals (Yin, 2018).

Research approaches can range on a continuum between quantitative and qualitative, which are also grounded in different worldviews (Creswell & Creswell, 2018). Connected to the quantitative preference of measuring data and verifying theories is the post-positivist worldview. This is a deterministic understanding of the world where causes lead to effects and therefore causes should be identified and measured by reducing hypotheses to variables. Qualitative studies on the other hand most often derive from a constructivist worldview that seeks to understand how individuals construct meaning of their specific contexts (Creswell & Creswell, 2018).

In this thesis, a qualitative research approach based on a constructivist worldview has been chosen. The research design is a case study research and the methods are interviews, participatory observations, non-participatory observations and document analysis. For data analysis, themes have been identified through several steps and finally been organised into an analytical model which composes a metaphor of the result and a hypothesis for future studies. The reasons, benefits and limitations of these choices will be explored in this chapter.

### 3.2 Theoretical context and abduction

This case study is, in accordance with the terminology of Yin (2018), based on a hypothesis that quality management is entering a new paradigm and that design thinking and a human-centred culture can play a role in that. An introductory literature-review, searching “quality management

and design thinking” in databases, gave examples of studies that have described possible learnings and benefits of integrating design thinking into quality management. This led further to articles about paradigm shifts in quality management, highlighting an emerging need of more creative and flexible as well as soft and emotional methods while developing organisations (Kemenade & Hardjono, 2019). Also, it led to research about design culture and capability, discussing the requisites necessary to take advantage of design thinking in a company. The literature review should be done initially to see if the topic should and can be studied, and if it has relevance and interest to the field (Creswell & Creswell, 2018). Also, it puts the study in its academical context and makes it possible for the researcher to identify where something new can be added, either by integrating, bridging or criticizing previous research, or by identifying central issues (Creswell & Creswell, 2018).

It’s crucial for a thesis that it’s based on a scientific problem of interest for the academic field of the study (Ekengren & Hinnfors, 2012). The study should intend to fill a knowledge-gap or add further evidence to existing research, which makes the research cumulative – building on and discussing with existing knowledge. All previous research about the topic shouldn’t be studied, only that which is needed to frame the study (2012). Thus, the purpose and research questions have developed in connection to this framing research field, and further evolved in relation to the case, placing the study in the middle of a quadrant connecting quality management, design thinking, human based culture and paradigm theories (fig 3.1).

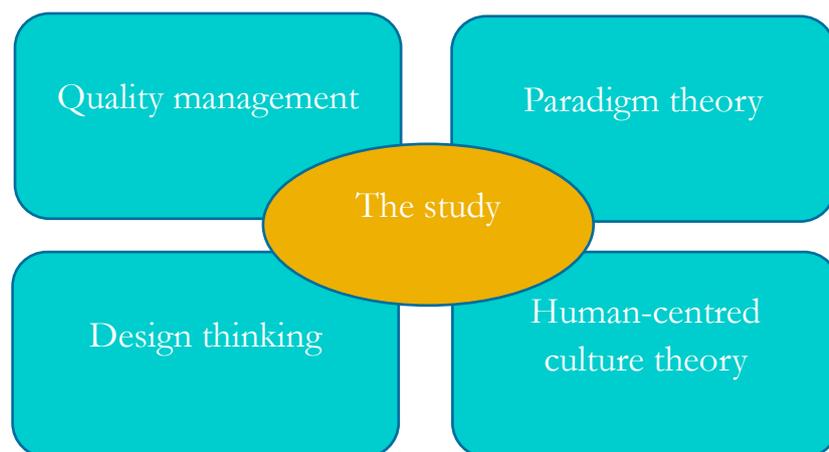


Fig 3.1 The theoretical context of the study.

While the study started with more weight on the left and top-right end, between design thinking, quality management and a quality management paradigm shift, it has transitioned with the emerging data, revealing more aspects related to a new paradigm and putting stronger emphasis on the importance of a human-centred culture. Additional theoretical searches in databases have then been made, combining “quality management” and the different themes identified through the case.

This study is therefore abductive – a combination of a deductive and an inductive approach, here with most emphasis on the inductive (Harding, 2013). While starting from initial hypotheses extracted from theories (a deductive approach), the case study researchers process isn’t mainly to test and validate these as in a quantitative study (Creswell & Creswell, 2018). Instead the researcher opens up to exploring the case broadly initially (inductive approach), letting the case show new unexpected findings which gives new questions and thereby new hypotheses and new theories (Ely et al, 1991). Ely et al (1991) names the phase of opening for a broad overview “the greater round” and the more focused phase of finding new questions “the mini-round.” They stress the importance

of being able to change track and call these loops “a dance that is the very core of qualitative studies” (Ely et al, 1991, p. 63). Similarly, Yin (2018) emphasise how one answer gives another question in case studies while Creswell & Creswell (2018) call the process of qualitative studies emergent – earlier findings build new questions which will lead to new findings in a continuous loop until saturation naturally comes (Creswell & Creswell, 2018). The questions might change as the researcher goes deeper and deeper into the study and learn from the participants (Creswell & Creswell, 2018). Accordingly, this case study has gone from the greater round, to after about two weeks reach the first mini-round, and then once again open and finally focus into saturation. The interviews with the individuals at the organisations have also followed this curve and therefore intentionally not been identical. Rather, they have built on each other by generating new questions and shedding light on different aspects of the case.

### 3.3 Choice of research design and case

To study something that represents a shift and something that might be emerging requires a step away from ordinary contexts. The interest is to get a deeper understanding of *how* we might organise quality management in the future and *why* this would be necessary or preferable. What is “the new” and why would it require partly different approaches or methods? To understand that, either researchers or practitioners of the “new” could be chosen to explain what they see, and in this case the latter was found more meaningful. A quantitative approach would have been to measure for example the amounts of organisations that see a new paradigm and what reasons and methods they suggest for it. The interest here however is not in the “how many” or “what”. When trying to understand a new phenomenon, answer *how* and *why* questions and get an in-depth description of how things are connected, a quantitative approach with a case-study research is most suitable (Yin, 2018). By looking at the micro-level something can be understood about the macro-level (Gerring, 2009). Gerring (2009) compares the case study to learning to build a house, either we can study the construction of many houses superficially or we can learn by intensively understanding the construction of just one house.

Therefore, when choosing the case there was a preference for a combination of a “new” way of developing organisations, design thinking and a human centred organisation. Googling “design thinking Stockholm” to find a case in the area, there turned out to be a few studios working with design thinking as a method, helping companies build products. However, there was only one organisation that used design thinking as one of several methods to develop and improve organisations, and doing this in, what they called, a “new” way, while also mentioning a human focus on their webpage. This consulting firm, SeventyOne Consulting, therefore seemed to be able to stand as an unusual example – unusual being one of Yin’s five rationales when choosing a case-study (Yin, 2018).

To study quality management in a context that doesn’t explicitly conduct quality management could be questioned. However, since the aim of the company is to improve organisations and make customers more satisfied, they are performing quality management in its practice (see earlier definitions and definitions in Bergman & Klefsjö, 2012). Also, since the point here is to examine if quality management might be entering a new paradigm and benefit from new methods, it can be appropriate to look outside the field that defines itself as “quality management”.

### 3.4 Case study research

Case studies are executed in natural environments and the focus is to understand how the participants experience, understand, value and make sense of their context (Yin, 2018). The study therefore needs to be based on a broad variety of data that are collected over an extended period

of time (Creswell & Creswell, 2018). In this study the contact with the case has been ongoing during three months and the methods have been semi-participatory and participatory observation, qualitative interviews, non-participatory observations with three different customer companies and document analysis (for a detailed list of all steps and dates of data collection, see Appendix 1).

While case-studies can be of several cases and also study different units within the case (Yin, 2018), this one is a holistic and single-case study, due to the size of the company that was only six individuals at the time. So how to use the findings from a case study, since it's just one single specific case, how can it contribute to a general field of academic knowledge and be useful in other contexts? As Yin (2018) explains, case-studies can't be generalized statistically as quantitative studies, but instead they are generalizable analytically and contribute to theory by modifying, rejecting or advancing theories and possibly creating new working hypotheses and concepts (2018). The benefit of this kind of study would thereby be to contribute with knowledge for practitioners of quality management and organisational development, but also to the vast majority, about how such organisations can function and what implications that can have for organisations and in a broad sense working life, as a whole.

## **3.5 Choice of methods**

### **3.5.1 Qualitative interviews**

The qualitative researcher is interested in peoples' true behaviour and to see the whole picture rather than isolating variables (Harding, 2013). The reasons for interviews are to further understand "beliefs, perceptions, motivations for behaviour, feelings, personal stories, sensitive issues, how people make decisions and to understand their context", "seeking to capture people's individual voices" (Harding, 2013).

The interviews have therefore not only been emergent, as mentioned above, but have also allowed an unstructured way of speaking. Rather than asking one distinct question, the questions have often been open, vague and ambiguous, starting with for example "describe what it's like to work at SeventyOne" or "tell me about your methods". The result of this has been that unexpected answers have come up, and the respondents' personalities have been able to colour the interviews. This technique might not give perfect and distinct quotations and respondents might feel that they didn't express as sharply and clearly as they would do in for example a radio interview, but the benefit is that it has given a richer, deeper and thicker material that is more personal, which is crucial for case studies (Yin, 2018).

All the six individuals have been interviewed individually, except the founders that were interviewed together. All interviews have been about an hour long, recorded on a phone, happened in Swedish and through an online meeting in Google Meet, and then been transcribed and translated. In all interviews three themes have been included – SeventyOne's values or organisational structure, their view on organisations and organisational development (the new and old) and how they work with customers. Each interview has approached these themes but from different angles and with different focuses and amounts. With one person, the questions started in the current assignment, with the founders it started with their why and with a broader description of the company, with two individuals it started in the new/old shift, and with one in the personal experience of working at this company. These choices were both related to which order the interviews came and who the person was. The two founders were interviewed first, then the design coach who has also been at SeventyOne for long, and then the three newer individuals.

### **3.5.2 Participative and semi-participative observations**

The participative and semi-participative observations relate to SeventyOne, not to their customers. It includes one full day of live meetings at the very beginning of the study. After that, the observations only happened online. Since the 23<sup>rd</sup> of March until the end of the study, over two months, the researcher has had access to SeventyOne's Slack, which is the app where all their internal communication is happening. The access has included all the daily communication threads as well as their whole history at Slack, including access to digital Kanban boards at the Trello app.

The participation on Slack can be categorized as an unstructured, semi-participative observation (Creswell & Creswell, 2018). It's been unstructured since it hasn't been determined when and exactly what the researcher observes. At times, the researcher has been a bit socially active and at times not at all, mainly related to time. Slack has shown all the internal cooperative aspects of the company; the daily check-ins and check-outs, the social interactive culture, the learning culture where articles and videos are shared, when new assignments come in, when Objective Key Results has been updated, how decisions are made and discussed and much more.

The risk that participants change behaviour when observed is always evident in an observation (Yin, 2018). However, due to the amount of interaction (around ten to twenty-five posts daily) and with a duration on over two months, and since the history has also been available, the risk that the researcher has affected and inhibited the conversations at Slack can be estimated as low.

As a part of these observations, the researcher has also participated shortly in two Tuesday online morning meetings on Google meet, had two shorter (about 20 min) check-ins with the design coach to discuss the customer observations and finally participated in a "SeventyOne day" (day for learning) in the end of the study. During this day everyone presented a topic each to discuss for 50 minutes and the researcher did a presentation of this study.

When the above observations have led to new insights, they have been documented in a field diary.

### **3.5.3 Non-participatory observations**

Five design thinking workshops with three different customer companies have been observed and one short interview (30 min) with one of the workshop participants has been performed. The three customers have been in different phases of the processes. In one case, the two last workshops out of four with that team were observed. In the two other cases the observations were done in the middle of longer weekly or bi-weekly co-operations.

All the workshops were held online and led by the design coach at SeventyOne. After a short presentation, the researcher's camera was turned off, which made it possible to observe as a "fly on the wall" and keep the workshop in its natural flow. The workshops were done in Miro and Mural, which are digital whiteboard tools for design thinking with the possibility to move post-it notes and work with different maps and matrices. The three Miro/Mural boards have also been available for the researcher to analyse after the workshops.

### **3.5.4 Documentation analysis**

Except from above mentioned customer workshop material, SeventyOne has opened up their entire Drive to the researcher, including all documents related to staff, learning, economy, recruitment, power-points, pictures, salaries, goal documents, company-building plans, ideas for innovation, CV:s, health poll results, statistics etc. A full day of reading this, as well as checking

specific documents from time to time, has both been an important base of validation and a source for finding new questions to ask in interviews. The willingness to openly share this also further confirms SeventyOne's culture of trust, openness and transparency. The only thing that wasn't shared was the descriptions about one's feelings in the health poll, indicating that these weekly sharing's are personal enough to be too sensitive to share with an outsider.

### 3.6 Validity and reliability

Validity is about assessing the accuracy of the research findings (Creswell & Creswell, 2018). In qualitative research, validity is different from quantitative. The old idea of the objective researcher who by critical questioning shall find the one truth is contrasted to an accuracy that is measured in relation to the researcher, readers and the participants. Trustworthiness, authenticity and credibility are crucial and several strategies of determining validity should be used. Creswell & Creswell mentions member-checking and to use rich, thick descriptions of many details and various views (Creswell & Creswell, 2018). After the data was put together the participants got a shared document where they could comment and assess the overall impression of the material's ability to represent the organisation. They were explicitly asked to either agree or supplement others' statements and make sure that the compilation actually captured a holistic view of their values, views and work. After that a group interview was done with all the participants concerning research bias and choices of methods, that will be referred to in the next chapter.

Also, as an important way of securing the scientific quality of case studies, initial hypothesis and research questions should continuously be explored together with plausible rival explanations (Yin, 2018). The main initial rival explanations in this study was that quality management is not entering a new paradigm, that the already existing methods, theories and corner-stones are sufficient for today's needs, and that design thinking and a human-centred culture is not something that could further evolve quality management. To support these rival explanations, a Quality management introduction book from 2020 (Gremyr, Bergquist & Elg, 2020) has been examined in detail and the course literature from two years at the Master program for quality management has served as a reference point. Also, the details of quality management have first deliberately not been explained to the participants of the study. This has made it possible to first see if theories, methods and concepts from Quality management were naturally mentioned, and then later be able to ask about these concepts and examine how the participants relate to them.

Additionally, the evolution of the case questions has been listed in a case study protocol (Appendix 2). Yin sees the case study protocol as an important way of assuring a systematic and scientific approach in the case study (Yin, 2018). This makes it possible to follow how the process of thinking has developed over time and in relation to both theory and new data. A qualitative study should lead to constantly new questions rather than just answers (Ely et al, 1991), and for the validity and scientific credibility of a study this development should be transparent and possible to follow (Creswell & Creswell, 2018).

Another crucial validation strategy for case studies is triangulation – to use many methods and let them confirm or dismiss the respective findings. Above all, the observation in Slack worked as a major way to triangulate and affirm the values, methods and procedures that were described both in documents and in interviews, but all methods gave a triangulation effect to each other. To spend prolonged time in the field is another validity procedure that gives a deeper understanding (Yin, 2018).

Reliability both relates to how similar the study would be if someone else performed it and how easy it would be to replicate it (Creswell & Creswell, 2018). These questions demand a reflection

of the circumstances that affected the study and a systematic and clear description of the methodological steps to affirm a consistency (Yin, 2018). The inclusion of the methodological appendixes aims to replicate the process and show how the thesis has taken form, how finding has led to new questions and how themes have developed. Using a case study protocol and a case study database are important methods to secure a systematic work process (Yin, 2018). The case study database includes interviews, workshop observations, field notes and the different editions of the texts that were sent to the supervisor, which disclose how the text, questions and theoretical choices have emerged over time. Related to both validity and reliability is also researcher bias (Creswell & Creswell, 2018), that will follow in the next chapter.

### 3.7 Researcher bias and general limitations

In qualitative studies the researcher is the instrument and needs to reflect over her influence of the study (Creswell & Creswell, 2018). It's not possible to extract one's own personality from the study (Ely et al, 1991), instead a reflection over the biases and their possible influence as well as a reflection over what other researchers could have found is necessary to strengthen the validity of the study (Yin, 2018). Researchers pick topics depending on their interests and often have strong views about their research material (Harding, 2013). In this case, the researcher has chosen the topic out of an interest in design thinking, having taken courses in it prior to the study and seen possible potential for its use in quality management. There is also a clear preference towards a more human-centred, meaningful and creative work-life. Also, the main objection during the two years of studies in quality management has been that the author has perceived the methods to partly be a bit outdated, seemingly from the 1990s, and a bit too influenced by the statistical and engineer-based history of the field. Why so many books about Toyota and not even a word about agile or design thinking? And why such long cycles when initiating change? Does every continuous improvement really need to start as a project (Sörqvist, 2004) or can we sometimes just test something?

Ely et al (1991) also express that researchers always choose the topic out of interest and values, and that this is not something that should be seen as wrong. On the contrary, in this case it might have been a prerequisite to be able to capture, understand and value the culture and methods at the case. The values at the case were not created or imagined by the researchers' interest, by triangulation with documents it is evident that SeventyOne has had these preferences long before the researcher came around. In the member-checking the participants mentioned that it would probably have been much harder for someone not interested in human-centred cultures to describe and understand SeventyOne. They also mentioned how the researcher's personality is like a psychologist, and how that made it possible to be personal. The method of being a part of Slack and the culture, as well as taking part of their documents on Drive, was also lifted by a participant as something that has made it possible to both capture the culture but also to be able to adopt and do the transition from design thinking to a broader focus, compared to if for example only surveys would have been sent. The participants' comments after reading the empirical results was that it was personal and true and really had captured who they are. A slight concern was if the material gave the impression that they just wanna hang around and build relations, while they actually like to work and do work hard. This fact has been very recognized by the researcher, so if there is a lack of balance in the text, it reflects the topic of the study rather than how the company function.

In case-studies, there is a risk that researchers "go local" (Ely et al, 1991), by starting to like and get involved in the case and its people. In this case, the researcher has definitely liked and been fascinated by the organisation, and sometimes even started participating in Slack as a person rather than a researcher. If the purpose of the study would have been to objectively analyse what kind of organisation SeventyOne is and how their results are according to their customers, this could have

been a problem. When understanding their culture and values on the other hand, the researchers own experiences and willingness to engage in the culture, has rather been a further validation of the culture's attractiveness and friendliness. The psychological safety, the learning culture and the general sense of a nice and happy environment was so strong so the researcher couldn't resist it, even though the contact with the organisation almost only has been happening online.

So what might another type of researcher with other biases and perspectives have done that would have given another result? Discussing this in the member checking meeting the participants didn't see that another person or other methods would have captured their culture deeper. Having read the results, they said "it really felt like us" and saw benefits with the engagement in the culture. If the purpose would be to get a broader understanding of the organisation the obvious limitation was that only workshops by the design coach were observed. To be able to include the focus on design thinking and reflect on organisations design capability this was however necessary. One potentially both limiting and helping aspect related to design thinking was that the researcher recently had taken different design thinking courses. Rather than seeing the method from new and fascinated eyes, there might have been more interest to understand the challenges with the method.

A further limitation is that the study has been performed during a pandemic and mainly happened online. As mentioned above, this hasn't hindered a feeling of getting to know the organisation and their culture. Slack is also during non-pandemic times the cultural bearing forum for this organisation who doesn't require regular office hours, (on the contrary several of the participants are mostly located at the offices of their current customers).

A limitation concerning the theory is the choice to not include theory about agile, even though the organisation is highly influenced by agile and takes roles as agile coaches for their customers. Here, the case has instead been studied from a quality management, design thinking, paradigm and culture perspective. Agile could have been included as a human-centred culture, but it would have made the study too broad and gone beyond its purpose. Finally, coming from a quality management discipline, theories has been used that other researchers might not have chosen when analysing SeventyOne. This might therefore be one of the most important concerns for reliability.

## 3.8 Data analysis

With referral to Boeije, Harding states that "qualitative analysis consists of cutting data up in order to put it together again in a manner that seems relevant and meaningful" (Harding 2013, p. 4). Four ways of arranging the material for analysis is thematic, comparative, content analysis and discourse analysis. In this study the thematic method has been used.

Creswell & Creswell (2018), writes about the analysis as "making sense out of text and image data" (p. 190) by segmenting, taking apart and putting together. In qualitative studies, data analysis happens simultaneously to data collection. In contrast to quantitative studies, not all data will be used, since qualitative studies contain big amounts of data. A selection needs to happen and then that material should be sorted into about five to seven themes (Creswell & Creswell, 2018).

The data analysis process happens in steps. First, according to the suggestion from Yin (2018) the questions in the research protocol were answered in a quick and general manner to get an overview (Appendix 2). After that, this study has followed the eight steps of qualitative analysis according to Creswell & Creswell (2018). First, the data has been organized and prepared for analysis. The six interviews with participants and the one with a workshop participant have been transcribed. The field observation diary as well as the notes from workshops has been typed and arranged. Next, reading and looking through the data has given general impressions. After that, the texts have been

coded by being marked with different colours relating to categories. The categories have then been divided into eight main themes which later has been divided into two topics and finally interconnected into a hypothesis model (Yin, 2018). The themes and the model have been represented in figures (see chapter 4).

It can be interesting to see and describe if the themes were expected, surprising or unusual (Creswell & Creswell, 2018). Out of the eight themes, only two were predicted from the start (design thinking and design capability), while all the others were surprising to the researcher. This shows the above explained abductive approach, where initial hypotheses were present, but an openness to the case then allowed the study to transition and take a “greater round” (Ely et al, 1991) into unknown territory.

### **3.9 Ethical considerations**

In this study, anonymity has been an important choice of ethics (Vetenskapsrådet, 2017). SeventyOne has chosen to be open as an organisation, but according to the researcher’s choice they have been anonymous as persons. This has also been a way to protect the anonymity of customers. All the three customer organisations that were observed have also been anonymous. The researcher also initially signed an NDA. An exception is that the design coach has agreed to be mentioned as the design coach when expressing about design thinking, since this would have been hard to make unidentifiable.

Another way of making the study ethical has been by giving the participants the opportunity to individually read through their quotes before the whole group would read, and to be able to take away possible sensitive topics or expressions. This happened only with a few quotes that did not have an important significance to the result, which made the respect for the individual integrity more important to value (Creswell & Creswell, 2018). Next, all the empirical result was shared in a Google docs document where all the participants could comment and also add to or give contrasting perspectives to topics they hadn’t been able to discuss, since the interviews were different. Most participants took the opportunity to actively comment and it was clear that they carefully had read the document. Rather than contrasting or adding to the topics they hadn’t been a part of, the comments concerned details and language, indicating that a consensus was evident, and that different participants were able to represent the whole of the organisation.

After that, a member checking meeting was done, both for validation of the method but also an opportunity to give input on the overall impression and if it was representative or not. Then, a presentation was done on a SeventyOne day, summarizing the analysis and the analytical model. Finally, the whole text was sent to the organisation, giving them a week to read and comment, before the presentation and opposition.

During the process, the research steps has also been explained to the participants at Slack, interviews and online meetings, so they have been aware of the coming steps and their dates.

Finally, a part of the ethics has been to more and more be a person rather than a distant observer. The participants have opened up their whole company and been transparent, natural and personal. In such a context the researcher has found it natural and also most ethical to do the same, naturally to a much lesser degree since the role has mainly been to ask questions and observe.

## 4 Results and Analysis

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*This chapter presents the empiric data from the case commented with theoretical analysis. After an introduction about who SeventyOne are, the data will be presented into the two main topics and three respectively five themes that the analysis resulted in. The first three themes related to Integration and a Human-centred culture are Psychological safety, Teal (creating right conditions for commitment) and Happiness. The next five themes under the topic of Differentiation and Working in a new paradigm are Dancing with complexity, Relate & co-create, Eclectic methods, Design thinking and Design capability. Having an abductive, and mainly inductive, approach and a case-study design, the case will be presented as rich as lively as possible, including many quotes. In the end of the chapter, an analytical metaphor will summarize how the themes can be connected into a hypothesis for further research.*

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### 4.1 Introduction to the case – SeventyOne Consulting

*In a light attic apartment, a former yoga studio, in the southern part of central Stockholm, SeventyOne Consulting has its home. It's a harmonious, open and cosy space with a sofa, table and chairs in natural colours and materials in the middle of the room. While one wall opens to a little sun terrace the opposite one has two white-furnished workspaces facing each-other under a wall full of pictures from staff travels to different parts of the world. On a board with post-it notes sits goals like "everyone should have an awesome assignment". The entrance meets a little kitchen space with a fridge full of drinks and in the second room there's a big white table with chairs for eight and whiteboards on the wall. The impression is that this is an organisation of trust, maturity, harmony and heartfulness. It's not a place trying to be young, cool and cocky, or an environment signalling speed, power and prestige. Rather it's calm, it's friendly and it's safe.*

SeventyOne was founded in 2017 by two friends born in the year of seventy-one. Both had long experience from consulting and loved it, but also had a longing to build a company, maybe eventually invent something and do more than there had been space for in previous workplaces.

*"It was an opportunity to build something better than everything I had experienced before, but also to do it with someone I trust and like", one of the founders explains. The both founders say they quickly realized their limitations and needed more people to get better. At the time of the study, March-May 2021, they are seven people working at SeventyOne (one on parental leave) and in a process of recruiting more. To SeventyOne, hiring is a way to help people succeed in their work, increase the learning and become more innovative as a team. "We have hired super-people and they have all been part of building the company. Many of the ideas are from them."*

The company logo is a turquoise-green leaf and "SeventyOne" written in a soft, fine and cursive line. Under the tagline "We make people and companies grow" the first page on the website describes that they do product- and service development, change management, guidance and education by "living as we teach and testing on ourselves". They also say that they "believe in a new way of managing and leading the companies and organisations of the future" ([www.seventyoneconsulting.se](http://www.seventyoneconsulting.se)).

The main reason the two founders started SeventyOne was to meet their own and their future colleague's need to have a great life. They wanted to have fun with great people and create a working life that would also give enough space for a secure, harmonious and happy private life.

*"We have focused a lot on making SeventyOne a place where people can get the most out of life, not just work life. So we have created a great flexibility to control your own work life so it goes together with the rest of your life."*

This has required a lot of focus on the company itself. *“We’ve been a very internal company, just making sure we are happy, enjoy each other’s company and feel safe over time. And when new people have onboarded, we have needed to work with that. All this has been important, we are more like a family than a formal network.”*

The will to build something better than any previous experience and create a place where people can get the most out of life and be happy, feel safe and have good relationships, connects to businesses’ potential to actually contribute to human happiness and growth (Csikszentmihalyi, 2003). On an individual level this strive can be related to the level of self-actualization on Maslow’s hierarchy of needs (fig 4.1). In this case, work becomes an opportunity to achieve one’s full potential, while also enabling the satisfaction of the lower needs.

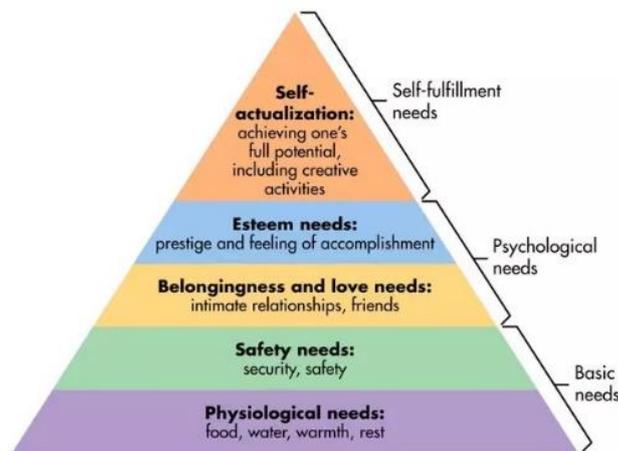


Fig 4.1, Maslow’s hierarchy of needs.

As one of the founders explains, this kind of strive is becoming more common today. Answering what “the next big thing” for companies is, he says *“I think companies even more than today will try to attract new colleagues by being and communicating that they are kind, warm and caring companies.”*

To explain why, he continues; *“I think more and more companies have realised that the best way of getting their employees engaged is no longer that a few decide while the rest are outside. And to create a work environment where everyone’s potential can be activated, trust and cooperation is needed, which is nurtured by a warm, kind and caring company culture”.*

This description connects to the Emergence paradigm (Kemenade and Hardjono, 2019), where humans and social relationships are seen as most important for an organisation, and where emotions and employees are emphasised. Edmondson’s focus on safety (2019), Csikszentmihalyi’s insistence on the opportunity for employees to reach their full potential (2003) and Laloux’s (2016) emphasis on self-management are all included in this quote.

So what are SeventyOne doing to reach these goals? The coming chapter will describe how these values have shaped the company’s structures and practices.

## 4.2 Human centred values

As the founders have explained, their most important value is to build everything around humans. *“It’s an attitude towards other people, the insight that everyone has something inside of them.”* The Agile manifesto (Beck, K. et al, 2001) with its belief in people and the power of working together is one of the inspirations of SeventyOne. Values like transparency, openness, trust and experimenting

comes from Agile. As their culture, SeventyOne has defined the six values Constant learning, Openness, Simplicity, Safety, Fun and Satisfied customers.

*“We have not documented our methods; we have documented our culture and some supporting elements. It should be simple and transparent, there should be a safe space. We optimize on learning in different ways, we shall have fun and build good relationships with each other.”*

According to the symbolic perspective (Bolman & Deal, 2019), culture is what keeps organizations together. People connect through common values and we can't understand organisations by only looking at what they do. Rather, *how* things are done and *what is means* to the people in the organization is what matters. SeventyOne works in different roles and use various methods, but their values are permeating everything, and this is where they have put their focus.

What the symbolic perspective stresses in that everything organizations do have a deeper and symbolic meaning, and that this is what really matters (Bolman & Deal, 2019). Success is not dependent on what we do but it's about how it's done, and a successful organization needs to be run from its deeper values in everything they do.

One of the individuals at SeventyOne explains the difference when s/he started working there and what difference it makes when it comes to learning and developing one's own competence. *“SeventyOne has the soft values with a focus on people rather than on making money. To have the same kind of values means that I have access to totally different competences and discussions now, I can get help and be challenged and therefore also develop my competence on a new level.”*

## 4.2.1 Psychological safety

According to the research of Edmondson (2019), a company culture of psychological safety is the single most important factor for team success. At SeventyOne, psychological safety is an outspoken and very prioritized goal.

*“To be out on an assignment is exciting and gives a lot of learning, but it's also a new environment with new people where you are expected to deliver, and that creates a certain pressure. Then it's important that there is psychological safety at SeventyOne. It should be like a safe harbour where we all can fill up our tanks with safety.” (Founder)*

In a psychologically safe climate people can be themselves and are comfortable (Edmondson, 2019). Several individuals say they've never felt so safe in a work environment before. *“I've never been at a workplace where I can be myself as much as here, it's not even been close to what it's like here.”*

An employee explains that the psychological safety is not so much the result of team-building exercises. Rather it's been clear from the founders from the start what kind of people they are, and since they have been sharing openly, everyone else does it as well. In line with Edmondson's (2019) research, one of the most important ways to develop psychological safety is that the leaders live as an example. Also according to Krawczynska-Zauchka (2019), leaders in VUCA times need to develop their own inner qualities. The most important quality is authenticity, to fully be oneself and make use of one's strengths, while also being open to uncertainty.

From these values, the whole company structure of SeventyOne is built to support trust and connection. Twice a year the whole team travels abroad together and twice a month they have mandatory SeventyOne days that everyone is responsible for arranging. These days are opportunities for learning, to be social and to develop the company together. Also, an active and personal communication is going on daily at Slack. On Fridays a health poll is done where everyone

openly shares how they are feeling – both privately and at work. A monthly psychological safety poll is also ongoing since a couple of months.

***Economical safety***

SeventyOne values safety and long-term thinking by having a high basic salary that everyone gets even when they are out of assignments. Even though it’s never happened, there is a buffer for everyone to be out of assignments for four months at the same time. During the Corona crisis, SeventyOne hasn’t fired anyone, instead they have been hiring.

*“To onboard someone in the start of a crisis really shows a long-term thinking and that they were prepared. It took a while before I got an assignment, but everyone was so supportive. Even in the health survey on the question ‘What is the bad thing right now’ – many wrote ‘that everyone doesn’t have assignments’. Everyone cares about everyone else. And then when I got an assignment, they really wanted to make sure it was the right one. While I felt ‘I’ll take anything now, I need to get out and contribute and bring in money to the company’, they really wanted to make sure, is this something you really want, do they have the right values for you?’ I was very fascinated by that calmness; everyone was so cool. There are many companies that have great values on paper but who kicked out people to get financial support during corona, so when the crisis hit there wasn’t so much behind those values.”*

Besides the safety regarding salary, SeventyOne has benefits like the ability to take extra vacation when desired, to be able to have full salary when being sick, to get a higher financial support during parental leave and the freedom to take the courses and attend the conferences you want. This hasn’t resulted in a high absence, on the contrary the people at SeventyOne are all highly ambitious and hardworking, enjoying their work and being very engaged in its results.

As Edmondson (2019) stresses, creating a culture of psychological safety doesn’t mean lowering the ambition. On the contrary, people who are respected with trust and freedom will get highly motivated to contribute. The correlation is shown in a matrix (fig 4.2).

	<b>Low standards</b>	<b>High standards</b>
<b>High psychological safety</b>	Comfort zone	Learning & high performance zone
<b>Low psychological safety</b>	Apathy zone	Anxiety zone

Fig 4.2 from Edmondson (2019, p. 18). “How psychological safety relates to Performance standards”.

Similarly, Csikszentmihalyi (2003) has shown that flow happens on the sweet spot when challenges and skills meet (2003). Relating this to Edmondson’s matrix and low psychological safety, too low challenge related to skills will give apathy while too high challenge will create anxiety. Instead, high psychological safety can be seen as a nurturing and necessary circumstance for skills to actually be put in use. As Edmondson (2019) research has proved, it’s not enough to hire talented and motivated people, we must also adopt our work environments so that they can thrive. For people to really be able to contribute, psychological safety is necessary. Mistakes are then allowed, but also reported quickly, and ideas are expressed and tested. If people are afraid of making mistakes or being judged for saying or doing the wrong things they will hold back and not fully be themselves.

*“My best way to learn is to make mistakes myself, to do something and get feedback. David (one of the founders) gave me a comment which was one of the most ground-breaking comments I’ve ever received. When I started working, and when we started to digitalize a bank, I wanted to build a Rockstar team. I did that, but it got out of hand, and I didn’t see that the team was actually acting quite badly towards other teams, because I and other people in the team were driving so hard and wanted so much so we became a bit nonchalant and unsoft towards other teams. I was*

*totally unaware of this, I just wanted to create a supergood team that would just rock stuff out and be supergood and supertight. But when I got the comment 'If your team would just open up more and be nicer to others, other teams might get as good as you'. It was that kind of important moment when the penny dropped."*

In this quote, both the psychological safety to dare to make mistakes and how its culture results in honest feedback is evident. Psychological safety is not about being "nice", but about daring to challenge each other to become better (Edmondson, 2019). Also, the quote illustrates the belief that a good performing team that becomes nicer will make other teams better as well, again promoting the connection between psychological safety and performance.

## ***Testing and learning***

When being safe enough to be open and challenge each other to get better, psychological safety can give a learning organisation with the right conditions for innovation (Edmondson, 2019). In general, experimenting and learning are important values at SeventyOne, which they try to reach not only through psychological safety, but also through making things simple and by giving everyone freedom.

*"We really want to give our people the opportunity to learn and want to remove any impediments to that. Therefore we designed the company to make it possible to choose how you want to learn and don't have any limitations. You choose how many books to read, which conferences to join and what courses to take. Giving all the possibilities seems to be the only thing to do when you trust people." (Founder)*

For experimentation, ease and daring to fail is important. *"There should be such low thresholds so you can just try it if you get an idea. We want to fail, and of course also succeed, many times. Experimentation is something we are really passionate about and it's also a great tool with our customers, to make changes through experiments, to test new ways of doing things. If it works, we keep it and do more of it, if it doesn't work, we try something else."* (Founder)

The will to make it easy for everyone to test and experiment was very clear for the founders from the beginning. By experimenting, testing and learning, the company constantly changes.

As Rehn (2019) has identified, innovation requires an openness to ideas, a freedom to experiment, a culture of learning, a tolerance for risk and failure, processes to develop talents and ideas and finally, making resources available and establishing metrics. All these can be seen at SeventyOne. Still, according to Rehn the culture of psychological safety is a base for these factors. For deep innovation to happen there is also a need for a culture in which engagement in innovation is seen as meaningful and finally, that people and ideas are treated with respect (Rehn, 2019).

According to two of the more newly employed individuals it can be enough in the beginning to find your place in the company and with the assignments, so experimenting is something that will come later. In accordance to Rehn, feeling safe and comfortable comes first, then a readiness to failure and experimentation can develop (2019). In the learning thread in Slack people regularly post articles and inspiration, especially those who have been at the company longer. One person creates videos where s/he shares learning from various assignments. On SeventyOne days learning is also prioritized, as well as in daily interactions and through feedback.

Learning and experimenting is also an important value when working with customers. *"My general strategy when it comes to my role is that I scrap something down very quickly and send it, and then people can cut me or lift me, what they want. I can't just read a theory and do exactly what it says. To work just by the book, I've never seen that work, it's about understanding the predispositions, people and context you've got and adjust what you've learned or is inspired by to that and make it your own."*

Even if it means failure and critique, the learning is worth it. *“It can definitely happen and it’s not super fun, but as I said before, that’s the way I learn.”* S/he is also open with the customer if s/he gets a responsibility that is totally new *“What I did then actually was to say “I don’t know anything about this. You have to help me.”*

## 4.2.2 Create right conditions for commitment - Teal

Above, a culture of psychological and economical safety with courage to be yourself, give others feedback and be innovative has been described, starting in the ambition of both being happy and doing a great job. For the individuals at SeventyOne, the ability to do a good job and be happy is also based on the freedom of self-management, which in practice means that the two founders run a bit more of the administrative part of the company but neither they nor anyone else are managers.

Teal is based on trust and respect in people, and the organisational structure is flexible and transparent to support motivation and self-responsibility (Wyrzykowska, 2020). SeventyOne is not outspokenly a Teal organisation even if there is a strong inspiration, and the colour of the logo is intentionally teal. One person explains that since they want to keep things simple they haven’t followed Teal too scrupulously. S/he also sees that some companies have taken Teal very far in a way that might not be interesting to SeventyOne.

### *Self-management*

Self-management can both be derived from Teal and Agile. One individual describes that s/he loves agile because it’s about *“the trust that every person can contribute and that we don’t need a lot of leaders who decide everything. The employees can think and contribute and together we get better.”*

The self-management is also understood in connection to Teal. One person says *“I really see us as a Teal organization. It’s obvious in the way we make decisions – if two people think an idea is good they can take the decision to start that activity. There are no CEOs who need to have the last saying in a decision.”*

As one of the founders explains; *“We think it is good if more people participate in the thinking, so we are trying to create an environment and opportunities where you want and can suggest changes and decide what the next step is. And that whole argument is based on the idea that this with managers deciding and controlling everything doesn’t work. Or it works, but we think it’s better if it’s not like that.”*

Self-management doesn’t mean that leadership is missing from the organisation, but it is shared and not about deciding for others.

*“Why should I decide what others should think and do, isn’t it better if they figure that out themselves? Then one might need guidance and some kind of framework, and we can support with that, but it’s important to dare to let people take their own space.”* (Founder)

This is also related to the second principle of Teal, to be able to be a whole person (Laloux, 2016).

*“It’s so strange in work life, that there is supposed to be someone who should tell you what to do. But once the same person leaves the job, she can go and buy groceries, get a family, buy a car or not buy a car, make her own decisions. But then suddenly at work; “No you can’t decide where you want to sit”. I’ve been to organizations that are like that. They don’t see the individual, you are an employee when you enter a company, you become something else than a person.”*

The founders believe in a serving leadership that creates a supportive culture instead of the classical view of leadership. In the Emergence paradigm described by Kemenade and Hardjono, leaders are flexible, agile and servant (2019).

Self-management with a supportive leadership does not only require leaders to change, but also employees need to learn to work in a different way. One person explains the need to find your own motivation and ask yourself who you are and what you really want. S/he says that not everyone can do that, some people want to be told what to do and feel stressed if they have to decide everything on their own.

As Csikszentmihalyi (2003) emphasises, individuals are at different stages related to Maslow's needs, and self-actualisation might not be fully available yet if it hasn't been an integrated part of one's work-life or if needs of self-confidence haven't been fully met. While being free to make your own decisions creates flow for one individual, another one will get anxious and feel that it requires skills s/he hasn't developed yet.

One of the founders touches on these difficulties of self-management. *"We have noticed it in our own company – it's not always easy for everyone, people are used to having managers and a clarity about what to do. Here we don't have that, here there is an opportunity to take those decisions yourself and the transparency to take the decisions, and that is also expected of you. It's different from many companies, and while it is experienced as something very positive it can also be different, difficult and uncomfortable, at least in the beginning. It can be perceived as unclear, we have noticed."*

Wyrzykowska (2020) has also stressed that the self-management principle of Teal requires maturity and commitment from employees, who need to have high competences and the ability to act without a leader and take on different roles. Neither every company nor every person is ready for this, but it can be integrated gradually, so both managers and employees can develop by respectively giving up responsibilities or gaining the skills to manage oneself.

*"When I changed jobs the first time I came from a company where processes were incredibly important, it was a waterfall world, big projects, loads of requirements, there were rigorous tests, there was a lot of stuff. And then I ended up in a consultant world and thought "Ok, how do I work here, what's the model? But there was nothing. And I think that can be frustrating, to not have 'this is exactly how we do it here'."*

To be comfortable in the unknown is one of the aspects of the emergence paradigm (Kemenade & Hardjono, 2018) as well as VUCA (Krawczynska-Zaucha, 2019).

Another individual recognizes the difficulty of a culture of self-management where innovation and experimentation are perceived to be expected. Still s/he thinks it's worth the challenge. *"On the negative - it puts quite a lot of demands on the individual and can feel a bit fluffly. We have needed to find our own compasses and directions. I'm still not really there yet. I'm not stressed about it since no one else is stressed, but it would be more fun to find my way to contribute even more. But I rather have the positive parts with a value-based culture, and let it take the time. So the onboarding takes more time in this kind of organisation. But the reward is greater."*

To strive to find your own compass and your personal way to contribute, is also to meet both the challenges and satisfaction of self-actualisation (Csikszentmihalyi, 2003).

SeventyOne's culture of self-management also influences the changes they create with their customers, for example by encouraging managers, but also employees, to try some steps towards it as an experiment. *"When working with mindsets you need to understand that for the individual who is used to sitting in this safe but limited environment to have an opinion and take responsibility can feel unsafe, people are not*

*always ready to do that. It's a big journey. So it's not just about changing managers but also about changing employees, both sides need to fill the vacuum that is created."*

For self-management as well, psychological safety is crucial. *"Some of our customers might be very top-down, and then we try to encourage them to let go of the boards and understand that by trusting and being transparent you will get more. It's also important to build in a sense of safety into the change and the organization, so one realizes it will work."*

SeventyOne thinks that many companies want to go in the direction of more human-centeredness and self-management but might lack the tools to do it. *"It's difficult for many companies, it sits so much in the culture, you speak about resources instead of humans, you count in percent, you don't ask people, so many small things like this sit in the organization. It's easier for us who come in from the outside and also have experienced that it works. I'm not afraid it will fall apart, so we can push in that direction and give courage that it will work and we can test. So it's a lot about holding the customers hand."*

To take small steps and understand how hard it is to change is necessary in this process. *"And that's where design thinking comes in, start with something small and see the result."*

Self-management requires freedom and transparency so it's possible to make decisions (Wyrzykowska, 2020). SeventyOne therefore has an internal structure that is very light. There is a twelve-page manual with core values and principles, but besides that very little is regulated by routines or documents. E-mails are rare and instead most communication happens on Slack. The Objective Key Results (OKR) for the quarter are described on Kanban boards on Trello and constantly updated collectively through Slack. All documents, from economy to salaries, are open for everyone to see. Everyone also has their own company cards that they can use without asking anyone else. *"It's ok to use the company credit card how you want but the transparency is there to enable us to make the best decisions from all the available information, so no information is hidden."*

## **Wholeness**

The second Teal principle, wholeness, is about being able to be fully yourself without masks, which requires vulnerability (Laloux, 2016).

When SeventyOne speaks about a new way of making humans and companies grow, a tradition they want to leave is to see people as "resources". In all their internal documents SeventyOne uses the word humans instead of employee. An individual describes what an important aha-moment it was when one of the founders asked why s/he used the word "resource". *"David was the first who asked me – when you talk about 'resources' what do you mean? And I thought 'what have I done; how have I been speaking about people my whole career?'"* S/he further explores the difference s/he sees now. *"A 'resource' is very limited to something specific, while 'a person' is a totally different palette and potential, it gives a broadness that 'resource' doesn't give."*

Another employee explains how wholeness is connected to psychological safety and the possibility to create efficient teams. *"We know that if we want to create good and efficient teams, we need psychological safety, and one aspect of that is to be able to show who you are in your fullness. That means to not put on a mask and only show a professional self, but to also be personal; 'I'm feeling bad today because I got information that my husband might have cancer'. That vulnerability, if you can show it, will create an incredible amount of trust towards each other, and understanding, which in the long run leads to these effective teams."*

Speaking about letting people be whole instead of seen as resources, another individual says *"I don't want to come in and just do a certain detail, I want to come in and contribute to something bigger. And if that's how I want to work, why should I think differently about other people? Even from an economical perspective it's such a*

*waste to not use people's real potential. To not make the best out of people's driving forces, innovation, thoughts, experiences, different backgrounds, is very stupid."*

S/he continues, also connecting this to the transparency of information in today's society.

*"It's not really possible anymore to just see an engineer as an engineer who codes, but it's actually also a person with a lot of innovative ideas, thoughts and reflections. And with the internet it's possible for this person, as much as for a product manager, to get insights. Everyone has more or less the same access to information now, so that just one person should decide what people should do is really stupid. If you have a team of seven people who also have thought about the data you have, and don't listen to them, then you are a step behind other companies who actually do that."*

In sum, the people at SeventyOne sees that wholeness can create efficient trusting teams, but also how it is the only way to really take care of the skills and ideas that people have, for the benefit of both them as individuals and for the company as a whole. In a knowledge-based and VUCA paradigm, wholeness is necessary (Krawczynska-Zaucha, 2019).

## ***Evolutionary purpose***

The last of the three Teal principles, to have an evolutionary purpose, is to be a living and changing organism that listens and "dances" with a purpose rather than trying to control and predict the future. It's like riding a bicycle, you have a direction but on the way you sense and respond to the environment (Laloux, 2016).

*"SeventyOne is what we are today because of the ideas from us employees that we have tested and learned from. For that reason, we find it important when getting new colleagues, that SeventyOne is not already built and finished. Everyone needs to be prepared that SeventyOne will change continuously even in the future, and that we make these changes together".*

While this quote can be connected to the evolutionary view on purpose that is in Teal, SeventyOne does not speak about its purpose as evolutionary. At the time of the study, SeventyOne is also experimenting with North Star framework, a method which is about defining a higher purpose. Talking about having a purpose, one employee sees it as SeventyOne's Achilles heel and explains that it's harder for a consultant firm since they are serving others depending on the various things they need help with.

*"We are about helping others to succeed, so I guess that is a higher purpose, and as we write in our tagline, we want to make people and organizations grow. We talk a lot with our customers about their purpose and contribution, "why do you exist, why do you wanna build this app", and we help them by using Business Impact Mapping or use team exercises to find their higher purpose. So I guess it's a little bit "the baker's kids" over it, we don't put as much effort on it internally as we should. But it's a recurring question, where do we want to go in our company? Our founders did not focus on these questions in the beginning, so we have talked about it a lot. It's much easier if your work is to make certain products or services."*

Another person says they don't have a "great vision of changing the world."

*"We have talked about it quite a lot and what we have landed in is that we try to improve the world by small, small steps, just as we do in our assignments. We always try to leave people and companies a little better than when we came. And mostly that is the result, that people are a little happier when we've worked with them. We measure these things and can see that the curves raise when we have been there for a while. So our contribution to the world is that people get a better work life and that companies function a little better. With that said there is no great vision about changing the world, but rather to help each individual take small steps in the right direction."*

So is a higher purpose needed at SeventyOne? *“Some of us find it very important, others mainly want to get out and work. It also depends on what phase you are in and when you entered the company. When you come new you often want that checklist, “this is why we exist, this is what we do, this is what’s important”. But we haven’t had that put together in one place, we don’t take out a book and show our values. But since we haven’t been great at documenting, these questions come up again and again, which is good because then we get to discuss it multiple times. I think we rather have summarized who we are instead of writing “this is who we should be” and then change the people.”*

While many companies create both their purpose and their values by writing it down, and then hand these values, missions and visions out to new employees, this quote again strengthens the evolutionary nature of SeventyOne’s purpose. It is something they want to discuss with rather than just tell newly employed people. The same goes for values, they don’t have a “culture by design” but a “culture by default” (Elmgart & Bloch, 2017); instead of writing who they should be and try to make people become that they have summarized who they actually are, but they know this will change as their people change and new people come. SeventyOne mainly are their people with their happiness is in focus, and then out of that they will create.

*“Why do we exist? Well so that people will have a great work environment and have fun, have a good balance in life. It’s been very much like that in the beginning. “Oh, that’s right, we need customers as well”. They are a tool for us to learn and try things, but of course also so that we can get an income, build a financial security, give people a good salary and the freedom to work part-time and still pay rent and mortgages. So there’s been and still are a very internal focus. And I think like this – if you wanna create an innovation or a focus it’s easier if you first have pointed out a little bit of a direction, an area, then you have limited all possibilities to a few and through that you can focus in another way, I think it’s easier, so it will be super exciting to see where this will go.” (founder)*

To have a direction and then allow it to be “super exciting to see where this will go” both indicate an evolutionary purpose (Laloux, 2016) and the leadership of the fourth paradigm (Kemenade & Hardjono, 2019).

Talking about the individual “Why” or purpose, one person divides it into one egoistic and one related to others. *“I have two why’s. One egoistic one – I want to do a great job and feel really good. The other why is connected to that I want both products and people to maximize their potential or themselves. Actually it’s more connected to people, that might sound weird as a “product person”, but actually I care quite little about the product as such, but to achieve something together as a team, and together with the customers, to do something that others seem to see as great, that feels awesome. If I would have done it myself I wouldn’t feel the same satisfaction, but to achieve something as a team is really powerful.”*

Differentiation and Integration combined is what makes this person happy, to be really good at something creates happiness, but then there is also a will to see others happy, maximizing their potential and creating something bigger together than would be possible individually. This is on the level of personal self-actualisation (Csikszentmihalyi, 2003). Another person also expresses this will to affect others. *“It’s important for me to contribute to something that gives value to society and people, not just creating a product to make money.”*

### 4.2.3 Happiness

Having secured the needs for psychological and economical safety and having the freedom of self-management gives a base for a happy and balanced life and work-life, which at SeventyOne is seen as an important prerequisite for doing a good job. *“If you are happy, enjoy being at the company, if you’re having fun and learn, and if there is safety and support, then you will do an amazing job, and then the customer will be happy as well (founder).”*

When Crosby (1992) wanted to define quality for the 21<sup>st</sup> century he called his book *Completeness*, which was about making customers as well as employees and suppliers successful by seeing them as a whole (Kemenade & Hardjono, 2019).

In their documents SeventyOne states “Our people are amazing – our customers become amazing”, and “customers should remember us as their best friends who wanted the best for them and really cared”. An individual says s/he’s most content with the assignments where she was able to affect people and their well-being on a deeper level.

*“We need to be happy, that’s our main focus. If we are happy our customers will be happy. The times I’ve felt most satisfied is when I have developed other people. And that’s our value as well, if people are happy they will do a great job. We can change our ways of working, but the real change happens when we go deeper and change our cultures and how we collaborate.”*

S/he refers to a video where Richard Branson and two other CEOs are asked on stage, “Who is most important, the customers or the employees?” Both the other CEOs say the customer is most important, “we would be nothing without the customer”. But Richard Branson says “It’s the employees, it’s them who makes the customers happy, without them we are nothing”.

*“If we are happy and feel safe we will do a great job and then we will make money. I’ve seen it in myself, I wasn’t satisfied and content at my previous workplace but now when I am, I get a clear feedback from the customers as well.”*

A positive emotional climate in an organization has been proven to also affect the organisational outcomes and friendly work environments which increase satisfaction also supports innovation (Adhikari, Choi & Sah, 2017).

Another individual has an assignment at a company where work-life balance also is “*super prioritized*”. S/he sees a general shift compared to ten years ago. “*When I started working it was seen as cool to work fourteen hours a day, but if you would have that as a guideline today you would be seen as an idiot. It was more or less an outspoken demand ten years ago, but today it’s an outspoken ideal that you need to take care of yourself.*”

All the people at SeventyOne describes the belief in happiness and connection in various ways. “*‘Relation gives performance’ is a belief I’ve been steadily grounded in for many years. If you feel good and safe, performance comes naturally, because you want to support and help each other in a team that are happy.*”

Another one says “*There is something about seeing other people being proud or in a positive feeling. I really like seeing when others are happy or in a positive state.*”

The balance between relation and performance, and how they can strengthen each other connects to the two principles of differentiation and integration, which together creates happiness (Csikszentmihalyi, 2003).

Happiness spreads, both throughout a day and to others. “*It can be as simple as getting positive feedback at eight in the morning, and then you live on that all day and get a great sleep, the whole days just flows, everything gets positive. If happiness can make you multiple, then maybe others sleep three times better, or are three times nicer towards their wife of girlfriend or boyfriend, there is a spinoff on that, you feel very satisfied by yourself.*”

To actually care about other people’s happiness is what characterizes an organisation with soul (Csikszentmihalyi, 2003).

One way of making others happy is through feedback. *“I really believe in positive empowerment. If I see someone doing something good, anything at all, it can be the way the person talked to another person, like publicly praising someone else, I’m always very quick to comment and give feedback. But I don’t care if people do weird stuff, if it’s not related to sexism, racism or bullying, then you have to say something, but apart from that I try to focus on the positive”.*

One individual speaks a lot about the power of coming together and creating something better than is possible for an individual. *“There is something very special when five people go into sync and everything just flow, a kind of shared euphoria that becomes more than five, it becomes like 25, but if you do it yourself it can never be more than one.”*

The flow state can be described as ecstasy, and is characterized by eight mental conditions that can appear when challenge and skill are on the right level (Csikszentmihalyi, 2003)

S/he also describes the spin-off effects of achievements and positivity. *“Positive things lead to other positive things, the confidence in a group when you’ve done something great gets five times bigger. It’s a positive spin-off. Spin-offs can mean so much for an organization, especially a small one. When I worked in that start-up, if the sales team had a bad week, we also had a bad week, not because we did something bad but because those vibes were spreading. But if we had a good week the sales team also got inspired. It’s like a human self-playing piano.”*

As described in system thinking, one parts affects the whole (Comti, 2010). When something works its positivity spreads, and the teamwork becomes like a self-playing piano that effortlessly play in flow (Csikszentmihalyi, 2003). According to Kemenade and Hardjono the ideal for the fourth paradigm is a jazz combo that continuously improvises within the context (2019).

### 4.3. Working in a new paradigm

So from this human-centred cultural base and strong internal focus, what is it that SeventyOne do? What methods and principles do they use with their customers?

After having covered the first three themes of a human-centred culture or Integration, the five themes related to Differentiation and working in a new paradigm, will be explored.

#### 4.3.1 Dancing with complexity

In a power-point about their company, SeventyOne define today’s common organisational problems and which solutions they offer to these challenges (fig 4.3).

<b>The problem:</b>	The outside world is going faster and becoming more complex	Increased organizational complexity	Customers become less loyal and satisfied	Colleagues are not engaged	It’s harder as a company to survive
<b>The solution:</b>	Sense and respond	Agile and lean	Autonomy and self-management	Empowerment and trust	Design thinking and service design

Fig 4.3, free from SeventyOne’s powerpoint., Problems and solutions.

Related to this matrix, one of the persons at SeventyOne explains that *“many companies come back to these problems, that the world is so uncertain and ambiguous and that it’s very hard to know what’s right, it’s not possible to plan. The other thing is the internal perspective. One way that companies have tried to solve complex problems is by implementing more control, more structure, more rules, more policies, more processes, more routines and more checklists.”*

This quote describes the VUCA world (Krawczynska-Zaucha, 2019) and how the complex everchanging problems of a fourth paradigm world often has been met with solutions from the first paradigm, and how that has created more problems. Structure, rules and control are characteristics of the Empirical paradigm, which has the metaphor of the army and the risk of becoming too bureaucratic (Kemenade & Hardjono, 2019).

The solutions SeventyOne lists; sense and respond, agile and lean, autonomy and self-management, empowerment and trust and finally design thinking and service design, are solutions coming from the same paradigm as the problems, the Emergence paradigm (Kemenade & Hardjono, 2019).

Another individual summarizes the problems and solutions like this; *“To me, this is different flavours of one underlying thing, we can’t know and plan for everything but need a mindset and processes of continuous learning and adaptation, and in this see the humans in the system and let them take part in everything.”*

Here, the “new” quality management that quickly respond to crises and use tools and methods in an eclectic way is described (Kemenade & Hardjono, 2019). But SeventyOne also operates from the awareness that different problems need different solutions. As Kemenade & Hardjono has pointed to, the four quality management paradigms need to co-exist (2019).

SeventyOne use the Cynefin model by Dave Snowden (1999) to differentiate between four types of problems with different solutions (fig. 4.4).

<p><b>Complex problems</b> Unknown unknown – Emergent practice Discover – Understand – React Build products that doesn’t exist today</p>	<p><b>Complicated problems</b> Known unknown – good practice Understand – Analyse/Break down – React Build known products (ex houses, cars etc)</p>
<p><b>Chaotic problems</b> Chaotic – novel practice Build products that doesn’t exist today</p>	<p><b>Simple problems</b> Known – Best practice Correlation between cause and effect</p>

Fig 4.4, free after SeventyOne’s powerpoint. Complex, complicated, chaotic and simple problems.

Talking about the difference between complicated and complex problems, one individual says;

*“Complicated problems might benefit from a lot of structure and processes, the whole lean thinking is based on that. With complicated problems, the same solution can be used again and again, that’s why Lean fits. Complex problems are much harder to solve because they constantly change. There is this quote; “you can only dance with them”, and put things in the right direction. And that is connected to the internal perspective with control. One has created organisations with lots of control to handle complicated problems. The problem is that we get companies with employees that aren’t motivated. This is connected to psychological safety, there is no motivation if one doesn’t get ownership of the problems or the solutions, the ways of working, of anything actually, you are just a cog in a wheel.”*

So while complicated problems can be met from “the logic of production” (Lilja, Abrahamsson, Palm and Hedlund, 2018) with its focus on reducing variation and measuring time, this has also resulted in unmotivated employees who doesn’t own the solutions, as Laloux (2016) would describe the deficits of an orange organisation. His emphasis on wholeness can also be traced in a quote by

one individual, here in a discussion about the term “resource” and connected to a complex world. *“A “resource” is often connected to a project, it’s a piece of the puzzle that’s supposed to fit into a puzzle that already has been put together. That’s not how the world works. That puzzle will be re-painted fifteen times and those pieces will change so they don’t fit anymore as the world constantly changes. It’s much more complex to think about people than resources. It’s easier to put people in boxes. But in a more curious, un-defined and agile context that doesn’t work.”*

Several individuals use system thinking when dealing with complexity (Comti, 2010). One person says *“when I describe the difference between Lean and Agile I usually explain that Lean is about the repetitive, when you constantly can improve something you do often in the same way. The Agile is better when it comes to things that are unknown and complex, where you don’t know cause and effect but constantly need to do one little thing and understand how the system work, or get feedback from the customer, and in that way decide the next step. And in that, where nothing is constant, it can be hard to be quantitative, it’s much more about system thinking. We don’t know cause and effect before, we need to find it. System thinking is to understand components that work together to achieve something, in a mutual interdependence. If one part doesn’t work nothing will work.”*

Above all, both design thinking and Agile are lifted by SeventyOne as methods to use while meeting complexity, which is in accordance with the Emergence paradigm (Kemenade & Hardjono, 2019). Gremyr, Bergquist and Elg (2020) recognizes that increased complexity requires new solutions in quality management and that it then might be unsuitable to work with processes and try to reduce variation. Edmondson (2019) also acknowledge that there has been a shift from the standardization that drove growth of the industrial revolution to a value creation that is based on ideas, which demands peoples’ knowledge and ability to cooperate and innovate.

Speaking about shifting paradigms, another individual describes a cooperation where everyone needs to be whole and understand the customers, since all are part of the whole. *“I have seen two really big changes. The first was the start of digitalisation, when one started to realize that engineers aren’t just coders who should do what they are told, but that in order to get a digital service to work, the developing team need to understand the driving forces for the users. It used to that the Business side wrote down to IT what to do, but through digitalisation they are forced to work together. And then the Agile came, as a perfect match to that mindset, by trying to create more autonomy, speed and flexibility, and a totally different customer focus. And then, actually as a third part of this, is cross functional product organisations. It used to be different islands of teams. What we work for now is to break that up and make mini-organizations within the organizations. That puts totally different demands on people since everyone gets involved not just in their part, but becomes a part of the whole, which releases loads of energy, engagement and innovation.”*

Wholeness is crucial (Crosby, 1992) and this also releases energy, engagement and innovation, similar to the high performance and enjoyment of flow (Csikszentmihalyi, 2003).

### **4.3.2 Relate and co-create**

From the described awareness of today’s world and its different types of problems, how to actually work? The core for SeventyOne is to relate to and then co-create with the customer. In general, the process at all assignments are to “Land, Listen, and deLiver,” the three L:s (in Swedish “Landa, Lyssna, Leverera”) that one of the founders has coined.

*“We don’t come with a ready-made model about how the companies should work. We are convinced that our customers know their business best, and to be able to help we need to understand that reality and adopt the change according to it. So we don’t come in and roll out a program that should be implemented; we need to work together with our customers. Land, meet people, listen and understand their reality, then we can start with the change. I’ve been burned in previous consulting when I came in and thought I knew everything and could start the change from the first day.”*

*So I'm strongly convinced you need to land and understand the customer before you can start working together with the change."*

To adopt to the context of the customer shows a view on quality that is related both to the Emergence paradigm (Kemenade & Hardjono, 2019) and to the mass customization and open quality in "Industry 4.0" (Shin, Park, Shin & Lee, 2017). Another individual's description of what quality is can also be derived to these paradigms; *"The essence is that you need to adapt to where you are. Quality at one place is not quality at another place, so it's about understanding the context. What is quality here? Quality is about meeting the need, to understand the need and the effect and meet that need. That's why we are against ready-made solutions, we prefer working together with our customers."*

S/he continues; *"We can't just create something that's ready and then be done, we constantly need to calibrate ourselves towards the need and thereby get quality. No matter if you work Agile or with Design Thinking, everyone want the same result; that we deliver something great in the end, and that we've done it in the most effective way as possible, without a lot of waste. And that is broad, it can be related to environmental impact or anything."*

While this description cover the definition of quality management (Bergman & Klefsjö, 2012) and the broader inclusion of stakeholders as the environmental impact (Gremyr, Bergquist & Elg, 2020), the goals for quality are higher than "meeting requirements" or "satisfying", maybe even higher than "delighting" customers (Kemenade & Hardjono, 2019), while also being in-line with wholeness, which connects the success of employees, customers and stakeholders (Crosby, 1992). As one of SeventyOnes text states *"We want our customers to succeed. Each individual shall be happy and evolve, the teams shall be taken to new levels, the organisation shall grow to an effective organism that creates value and impact. Our task is to guide, support, coach and make dreams reality. Our customers shall remember us as the ones who made it possible, as the ones that taught them, as their best friends who wanted the best for them and really cared"*.

The success, evolution and happiness of customers is the goal, and the way to get there is a caring and friendly support and guidance that can be found both in the third and fourth paradigms of Kemenade & Hardjono (2019). *"Everything should be a little better when we leave. We make a change so that people are feeling better and the organization is better. We contribute with some kind of positive force and energy and give courage to people and teach them a lot of new things. They get an enormous personal journey when they hang around with us, without being complacent I think our job is to push people to dare to take the next step."*

In the beginning of this process it's all about building relations, trust and understanding, by building genuine human connections from a place of wholeness (Laloux, 2016). *"We often become friends with our customers. We don't have a mask, we are not these classical consultants, we are quite human and vulnerable, and we know that being kind and human will create good collaborations. That's who we are, we are not doing it to gain anything. We'd rather have a good relation than a good Business affair, that's a very long-term way of thinking but that's who we are."*

The customers are always involved, which is based on the belief that groups generally can create something better than individuals; *"If I'm supposed to deliver a three month execution plan for example, I will do that, but how I'll do that will look very different from a traditional PM who will do it on the computer, maybe without even speaking to the team, while I would open up a discussion in the team. This is also related to transparency. I think about the inclusive perspective, to do it together, I think there is a totally different strength in that. One person who sit and think is rarely better than five."*

Still, to cooperate with customers is not only about listening but also about taking them to new values, ideas and solutions than what they knew before. *"You come out and create your assignment. The customer might have said they want more satisfied customers or employees, but they might not know how. They had*

*no idea about all the soft values that also needs to be in place to get that effect. This is a mindset question and often an aha-experience for the customer.”*

On of SeventyOne’s text states “The customers we meet are part of a system. We challenge and develop their organisation to better fit the things the customer wants to achieve”. If the customers culture is already human centred it can be easier to do a good job quickly. *“Now I’m at a company that is extremely value-driven and has a dreamy culture when it comes to being human-centred. And it’s been better than I could even imagine. I haven’t even needed to bring out a toolbox. My job now is rather to make myself unneeded.”*

When there is a lack of human-centred values on the other hand, it can be difficult to try to show the customer the value with for example psychological safety. One individual describes the challenges when trying to build trust and safety in a team who has prioritized measurements, Return on Investment and velocity. Even though s/he can see the lack of trust in the team it has not been accepted to spend too much time on building psychological safety. *“I’m trying to balance. I think the team would be very frustrated if I would only have worked with soft values, they want to see results as well.”*

To create psychological safety you need to be open to leave any plans aside and meet the actual needs. When team members don’t even know each other and never have had fun together, other things have to wait. *“We have had Expectation workshops, we were supposed to have one but it ended up as three. The first session I had to totally redirect because there were two roles in the teams that the rest didn’t understand. So that was an aha-moment, they had been working together for quite a while without daring to ask what these persons were doing. And of course that creates conflict and frustration, to not even have the safety to say “What is your role actually?” So we had to spend the whole session on that and put everything else aside. And then they started to have fun and socialize, which, it turned out, they also had never done before. So in these cases it’s about feeling safe enough to put my plan aside and see where the actual needs are.”*

In times of Corona increased complexity has appeared since digital cooperation makes it take even longer time to create connection and safety. *“There is one team who has been onboarded remotely, all of them, during the pandemic, and all are very new to the organization. That team doesn’t really talk to each other and I see conflict and communication problems, and that wasn’t really acknowledged by the unofficial leader, but some of the team members told me they weren’t happy. It’s been such a mess in that team. So how to build safety and trust in the digital world, how do you create a team dynamic digitally? I know exactly what I would do on site, but there is a totally new situation here, so I’ve been working a lot with these kinds of thoughts, “how to do this remotely?””*

### **4.3.3 Eclectic methods**

While cooperating with and adjusting to the customers, handling complex and unpredicted situations, a methodical flexibility is crucial. As one individual puts it; *“We have different competences in our company and there is no model or framework, just put us somewhere and we’ll try to solve problems.”*

In the Emergence paradigm there are no solutions that works everywhere or one way to organize a business or manage quality (Kemenade & Hardjono, 2018). “The truth is what works” (p. 162), so the work needs to come from a context analysis and an epistemic fluency. This requires “the capacity to understand, switch between and combine different kind of knowledge” (p. 162).

While being centred in the same values, the people at SeventyOne have different backgrounds and big individual toolboxes from various methods. They enter companies in different roles and with different tasks, sometimes in a specific operative role. The *How* is then open.

No one at SeventyOne sticks to just one mindset or method. On the contrary, all of them say that they mix “wildly”. Design thinking, agile, lean, lean start-up, change leadership, system thinking

and process optimisation are mentioned methods. As Lilja et al (2017) stresses, professionals with ambidextrous competences with the ability to understand multiple systems will be needed in a world where different systems increasingly merge, as in the case of Quality Management and Innovation Management.

*“We mix freely when it comes to the different schools, from design thinking, lean, agile and lean start-up, all these mindsets. In lean one talks about reducing waste, and that is also applicable to agile. The same with kanban which comes from Lean and Toyota but are applied in most agile teams. So often these things are put together even though they come from different schools and origins.”*

Gremyr, Berquist and Elg (2020) see that integration of different management systems can “support learning, increase stakeholder focus, support continuous improvements and help identify possible synergies” (p. 46). As Beckman (2020) points to, design thinking has proven to have value in organisations, but there is a lack of research about how it fits together with “agile, lean start-up, scientific methods, Six Sigma, critical thinking and systems thinking” (p. 144). Related to agile and design thinking, one individual at SeventyOne says that *“agile and design thinking goes together, both are about being adaptive and constantly change, to find better ways of doing one’s job. Both puts the human in the centre, which problems do we solve and for who, to try to involve people and test early.”*

In a world between paradigms, Boström (2020) suggests a combination of traditional knowledge, quality management and design thinking, but sees a knowledge gap and an inability to combine different knowledge systems. In his research, conflicts appear when employees are supposed to integrate different ways of thinking and working.

Similarly to how Boström suggest a model of three circles where design thinking, improvement knowledge and professional knowledge meet, the design coach always works from the meeting point between the three circles desirability, feasibility and viability (fig 4.5). While this a model used in design thinking (Brown, 2009), the design coach has also connected it to agile (feasibility), design thinking (desirability) and lean start-up (viability). In this way, the human perspective of design thinking, the business perspective of lean start-up and the tactical perspective of agile are combined into sustainable products and services. The design coach stresses that it’s not enough to produce the right thing through design thinking if it’s not profitable or if the organisation doesn’t have the competence and capacity to both build and sustain the product or service.

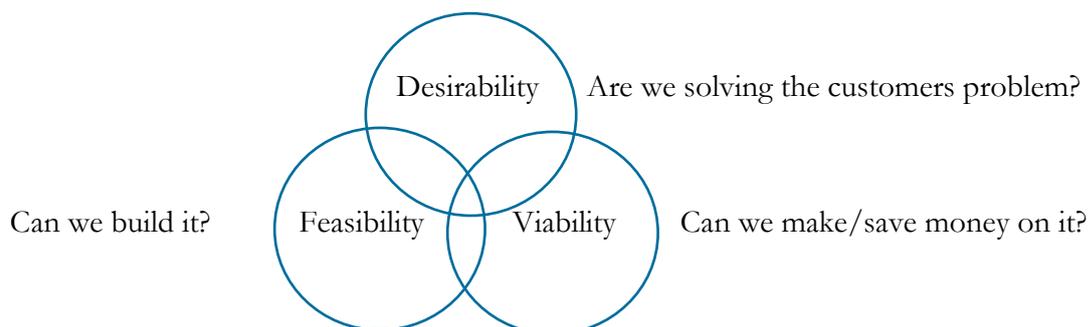


Fig 4.5, Desirability, feasibility and viability, free from SeventyOne’s powerpoint.

### 4.3.4 Design thinking

Similarly to quality management in Industry 4.0, the flow of design thinking is not circular but goes back and forth in a multi-flow with constant customer validation (Shin, Park, Shin and Lee, 2017; fig. 2.4). The design coach at SeventyOne makes the metaphor of design thinking as four stones in an ocean that you need to jump between back and forth in different orders. The four steps are

discovering, defining, ideating and validating. When working with design thinking, the design coach always combines these four steps, or the double diamond, with the three circles described above (fig 4.6).

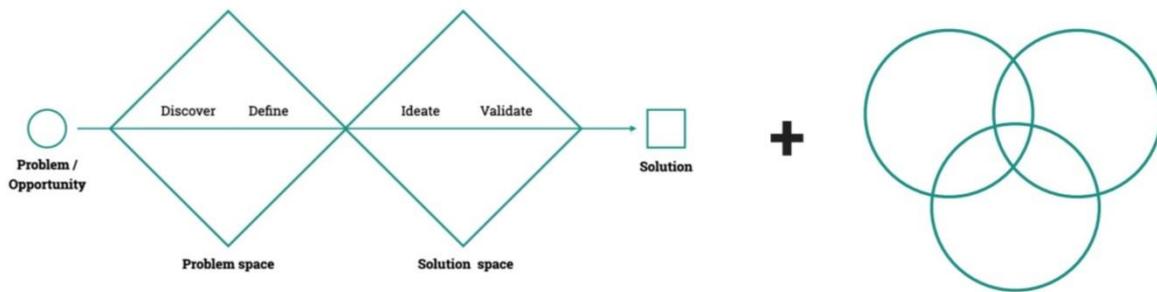


Fig 4.6, combination of double diamond and three circles, from the design coach.

Together these two models become a matrix where he places different design thinking exercises to show what aspect each exercise is related to (fig 4.7).

	Discover	Define	Ideate	Validate
Viability	Competition Analysis	Business Model Canvas	Wizard of Oz	Analyzing business data
Desirability	Service safari	Customer journey map	Design studio	Customer interview
Feasibility	POC	Technical demands	Hackaton	Performance testing

Fig 4.7 Design thinking matrix, free after the design coach.

Park, Shin, Park and Lee (2017) highlights design thinking as a method for making teams creative in the new paradigm. “Given the prominence of design quality in the Fourth Industrial Revolution, excellent creative thinking will have a greater emphasis in team and QM activities” (p 941).

As the design coach explains, an important part of design thinking is to make sure the right thing is produced, or that the right problem is solved. This requires testing and developing together with the customers instead of either jumping into a solution too soon or planning and developing too long. The companies need to see which assumptions they have made about their customers’ needs and test these to either get validation or dismissal. Even though it’s mainly the design coach who use design thinking methods, as a mindset it is always a part of SeventyOnes work.

*“If you take design thinking as an all-inclusive framework it builds on first getting signals, insights and observation and from there try to see what can be done. It starts in the problem space, then we go into a solution space and then we test. When we work with teams there are normally a rhythm, two weeks cycles, that are ended with a retrospective. And that becomes the same thing – observations, what do we want to change, what could be the solutions. It’s the same improvement cycle, even if we don’t always use the design thinking tools. But we understand that it won’t get right from the beginning, there must be an adaptive process that constantly come back and successively change.”*

Another person who doesn’t work methodically with design thinking has a similar view.

*“I’m inspired by the thinking related to testing and making demos, which exist both in design thinking and agile. I’m not the one working with double-diamonds and so on but the red line is very similar, that you can’t know all requirements and processes on forehand, you have to test, show it and get feedback.”*

Design thinking was created for those who aren’t designers (Lockwood, 2010), and the design coach has seen that it’s been extra successful when working with business developers. *“Aha, we need to think customer, we need to explore, we need to define the problem and work with multiple solutions and work quickly and iterative.”*

He explains that design is about *doing* things to understand, so the concept of “thinking” can be misleading. He says that many see the methods of double diamonds and post-its and think that is design thinking, just as many sees Kanban boards and stand-ups and think that is Agile. But it’s about values and mindset rather than just the tools. He describes a transition in one of the companies he’s worked with:

*“Looking at their development processes, often it would take 1-5 years to get stuff out to the customer. They would initiate the project and make a pre-study, and eventually it would land in something three years later that wasn’t validated. Before this, what happened was what I call “the pondering”, which is when the business people think about what to build. Often they were not very strong methodically, they would walk around and talk without any structure, so often designers are more methodically strong and then they could come in with design thinking and help speeding up the process of business development.”*

Design thinking is also very much in line with the quality management description of customer focus. As Bergman & Klefsjö (2012) describe quality management, it’s about understanding the customers’ needs and then translating these into products, services and experiences. After producing and delivering, quality management demands an evaluation of the customers experience and then uses this feedback to continuously improve the organisation and its processes. The goal is to increase customer satisfaction while lowering the use of resources. Gremyr, Bergquist and Elg (2020) states that it takes both direct and indirect methods to understand customers, so not only asking what customer wants but also observing and looking for their deeper needs, and to be able to translate needs into products and services. Customers shouldn’t just be seen as buyers and users, but also as important co-creators of value (2020).

Having the same goals and steps as quality management, design thinking does this process in a quicker and more iterative way, and in closer co-operation with the customers through continuous testing. The design coach contrasts design thinking methods to customer surveys that mainly look at behaviours and find the *what, when* and *how* of customers in a quantitative way, while design thinking is a more qualitative approach mainly interested in the *why* behind behaviours. As Lilja, Abrahamsson, Palm and Hedlund (2018) have found, design thinking promote the qualitative and base decisions on insights and stories, do things quick instead of planning and learn by failing. All these are attitudes in the design coach’s work with design thinking, but also in the work of SeventyOne in general.

The quality management tendencies to plan too long, only use quantified data and try to be right from the beginning that Lilja, Abrahamsson, Palm & Hedlund (2018) sees that design thinking can hinder, are all mentioned by the design coach while speaking about common mistakes in companies. In contrast to the customer focus of design thinking, he sees that many companies exist based on a product or service and keep on building on that no matter what the customers wants. When companies come to him with a plan, for example to make an app, but without knowing if it can satisfy a need, the design thinking process and its discovery of the real need might lead to a totally different solution than building an app. The design thinking process thereby makes

a redirection towards the customers actual needs, which is the actual foundation for quality management (Bergman & Klefsjö, 2012; Gremyr, Bergquist & Elg, 2020).

To summarize, design thinking helps companies find the real needs of their customers by testing and co-creating with them. However, this process is not something all companies are comfortable with or feel able to do. Design thinking requires something more than knowing these techniques.

### 4.3.5 Design capability

When Malmberg (2017) has studied how design thinking can be utilized in healthcare, she uses the concept design-capability to describe the organisational learning that needs to happen to integrate the mindset of design thinking into a company. In this, how design fits into the current culture must be addressed (2017). When the design coach at SeventyOne starts working with a new team, he always asks about already existing ways the organisation uses design. According to Malmberg (2017) a “silent design” is often already happening in the organisation, and the designer needs to understand and integrate that.

Also, Malmberg (2017) sees that one needs to find out how to make the new knowledge into a capability and see which related and conflicting capabilities the organisation already has. In his workshops, the design coach shows a slide describing certain attitudes needed for design thinking, asking “Which attitudes already exist in your organisation?” and “Which attitudes do you need more of?” (fig. 4.8).

Start with desirability	Embrace experiment and be curious	Understanding the circular process	Trust and openness	Team and diversity
Do things to understand	Live in ambiguity	Learn from mistakes	Creative courage	Aware of the whole picture

Fig. 4.8, Attitudes for design thinking, free after the design coach.

Malmbergs (2017) concept of design capability includes 1) design resources, 2) awareness of design and 3) structures that enable design. When the design coach at SeventyOne built up design capability at a bank, they started as three designers and finished as twenty-five 2,5 years later, starting on an operative level while then expanding to the tactical and strategic levels as well.

The current customers at SeventyOne where design thinking is used are all on different levels. Some are just starting to train employees while others are building design thinking into the whole organisation.

According to Dunne’s (2018) research, design thinking is hard to integrate in company cultures only based on “scientific thinking” and quality management practices that are about reducing variance and improving efficiency. While this describes the first paradigm of quality management, design thinking has instead seen to fit in the Emergence paradigm (Kemenade & Hardjono, 2019), just as SeventyOne has described in their matrix about the problems and solutions of today.

Since people and their needs are in focus, the design coach at SeventyOne thinks a safe and human-centred culture is needed, both for the creative courage that the method demands and for the vulnerability it takes to show things that are not ready and perfect. He has noticed how some companies actually don’t want to ask customers or show them quick prototypes when testing something. Companies are used to having the solution when they relate to customers. Design

thinking requires to be able to let go of the mask, which not everyone is ready for. As Edmondson's (2019) research has highlighted, many organizations are based in fear and are more concerned with not losing face than to improve by admitting mistakes and expressing ideas, as in a psychologically safe culture.

Lockwood and Papke (2011) have also stressed that innovation prerequisite a culture of safety, so it is possible to fail and take risks. In one of the workshop observations the participants discuss that there is a fear of losing the credibility from the customers if showing something that in its first test version. They also address that design thinking requires a new type of communication with the customers than how they usually presenting a new concept. Also, a new type of communication with colleagues with less knowledge about design thinking is needed. One participant says "We have to make people understand that it's better to do many small loops than just one big!" and another one; "You almost have to become a test-evangelist".

One person who might have experienced innovation initiatives that leads nowhere, enthusiastically exclaims; "No fricking innovation theatre, we're gonna make this happen!" As Rehn (2019), has seen, the innovation industry has created a fatigue by presenting simple techniques that doesn't really lead to innovation.

In one of the other workshops the team had to stop themselves when they noticed their habit of trying to find solutions straight away. The team leader also addressed this in an interview, that more patience would be key for the team to really succeed with design thinking. She thinks it would be crucial for the team's motivation to get feedback from customers, so the team would actually notice the difference it makes to use design thinking and test assumptions. As the research by Boström et al (2020) has shown, the health care staff initially found it too slow to work with design thinking, but once they got feedback from customers it was experienced as rewarding.

In another workshop one team member compares the testing to deep sea fishing. It's all about being very systematic, scanning the ocean part by part and seeing which fish that respond to what gear, which takes time. In one workshop with a team who are new to design thinking one of the participants asks if they sometimes can just build things without going through the design thinking process. Being used to speed, one person mentions when he built something new and another one jokes "did you do this matrix first?", "Yes, it took two weeks", he jokes back.

The design coach often meets this culture of speed. *"The challenge for many teams at big companies are that you already are working 100% with things that you need to deliver to the customer, and there is a stress and lack of time. And then when we say we need to take some time to explore it can seem very demanding, "can't we just build something?" Unfortunately, the Scrum process has exacerbated this, people have built up a super effective process that is very iterative and quick, optimised for efficiency to get something out, but not for getting the right thing out. Many who have worked in agile processes and that efficiency for years have forgotten to focus on also making sure to build the right thing."*

The design coach gives an example from a company where he created agile teams and the board got all excited that they got things done in weeks that used to take years. While continuing creating more agile teams he therefore told the board *"We also have to remember to build the right things, otherwise we will be super-efficient at delivering a bunch of crap."* And then you bring in the other toolbox of design thinking and product discovery". He explains that there must be a balance between delivery and discovery, between agile and design thinking, like ebb and flow. He therefore puts a heart between agile and design thinking; *"Do the right thing in the right way."*

To conclude, both a human centred culture with psychological safety, and the ability to combine different cultures, perspectives and knowledges seem to be crucial to benefit from design thinking.

## 4.4 A metaphoric model as an analytical conclusion

Even though a qualitative study can't be generalized, it can combine its empiric and theoretical conclusion into a hypothesis model for future research (Creswell & Creswell, 2018). In this analytical building, the need for new metaphors in quality management has been explored (see Lilja, Ingelsson, Snyder, Bäckström & Hedlund, 2019).

The two topics that were identified in the analysis were Human centred culture (Integration) and Working in a new paradigm (Differentiation). Under the two topics, three respectively five themes have been placed, in total eight themes.

### Human centred culture (Integration)



### Working in a new paradigm (Differentiation)

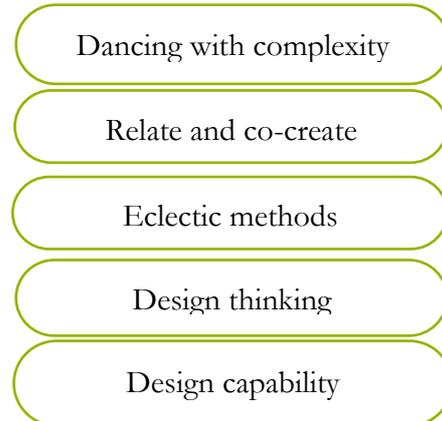


Fig 4.9 The two analytical topics and eight themes.

Making an attempt to understand how these themes can be related to each other, the metaphor of the wedding cake was created (see fig. 4.10).

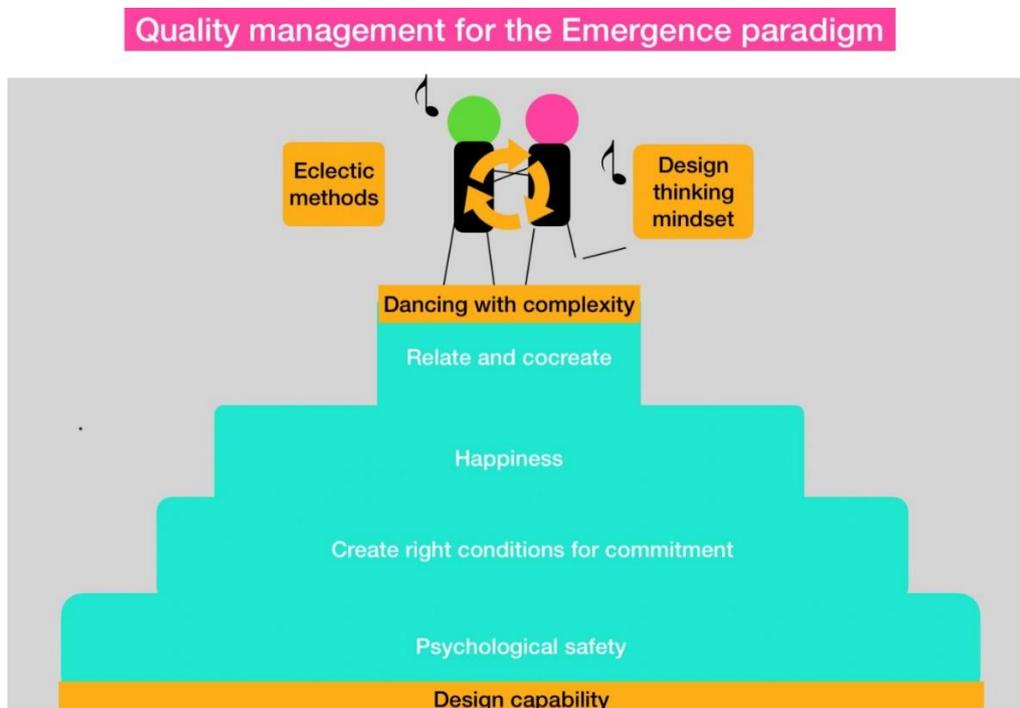


Fig. 4.10, The wedding cake – Quality management that marries integration and differentiation (enabling a dance with complexity in the new paradigm).

This model is built in relation to Csikszentmihalyi's (2003) theory of increasing complexity on an individual level, which partly draws on the findings of Maslow's self-actualisation theory (see fig. 2.9). On an organizational level it is related to Laloux's (2016) theory about organisational evolution (see fig. 2.10). It will be described from the bottom to the top.

As Edmondson's (2019) research has shown, and as evident in the empirical data, psychological safety is the foundation for a healthy and successful organisation. In the case of SeventyOne an economical safety is also a part of this, having the basic needs covered which enables other focuses. Psychological safety can satisfy basic needs and possibly in some cases also the next level, psychological needs. For the founders of SeventyOne, values about wholeness, self-management and the attitude for an evolutionary purpose was already very evident when they founded the company. This made it both possible to organize the company in a Teal manner, but also necessary for the humans at SeventyOne to be able to evolve to the level where they needed to be to be in flow, at the level of self-actualization. Teal is neither suited for all individuals or for all organisations, but in this case it was both possible and necessary for its individuals as a foundation for the next level.

The third layer, happiness, which is connected to flow, is therefore a result of the other two foundations. The idea at SeventyOne is that they can do a good job and make others happy when they are happy themselves. Having this stable but soft foundation of Integration and a human centred culture, the "dance with complexity" and differentiation (solutions adjusted to each customer and situation) can start on the scene of the last cake bottom. Relating and co-creating with their customers starts at the forth level, through the three L:s, Land, Listen and deLiver, both from individual happiness but also from a genuine care for the customer.

SeventyOne mixes methods "wildly"; agile, design thinking, lean, lean startup, change management, change leadership. The iterative attitude of design thinking is thus always there, which includes testing, experimenting and continuous learning, here represented by the pink figure on top of the cake. As both Kemenade & Hardjono (2019) and Krawczynska-Zaucha (2019) has emphasised, the new paradigm requires individuals who can work with eclectic methods. To handle VUCA, leaders must be authentic, open to uncertainty, able to analyse both the whole and its parts and able to combine analytical skills with integrational ones (Krawczynska-Zaucha (2019).

To Kemenade & Hardjono (2019), the paradigm require "epistemic fluency," and an eclectic quality management with mixed methods, which requires "the capacity to understand, switch between and combine different kinds of knowledge and different ways of knowing about the world" (p 162).

Similar to how SeventyOne work, "practicing quality management from the Emergence Paradigm would implicate for an organisation to be open to change and its context, to start a continuous dialogue with all stakeholders on quality, based on virtues and shared values rather than rules, models and principles" and to "create a quality climate and culture rather than control" (p. 163).

The wedding couple also symbolize what several of the researchers have shown – a need for an ambidextrous ability - to use both parts of the brain and be able to combine knowledge from different fields (Lockwood, 2010; Lilja et al, 2017). To the hospital staff in Boström et al's (2020) study, and to some of the workshop participants, design thinking initially seemed slow and reflective, and demanded more vulnerability towards the customers than companies were used to.

However, when the abilities of dual thinking, eclecticism and "epistemic fluency" are present, it becomes possible for the wedding couple to start "dancing with complexity", a theme symbolized by the circle of arrows on top of the couple. While the pink figure represents a continuously learning design thinking mindset, the other partner is whatever method that the situation requires

– for example agile, lean, design thinking methodology or a combination of many methods. Without design capability, ambidextrous skills and the ability to combine different knowledges, the two partners would stand still side by side, not being able to dance with complex problems.

Closing the circle, this research indicate that a human-centred culture of empathy, vulnerability and psychological safety could be crucial, together with a design capability of mixing and integrating, to be able to fully benefit from design thinking. Design thinking requires that you dare to fail, express your ideas, show half-ready prototypes to customer, cooperate with others, and most fundamentally, that you have a genuine interest for the customer and are able to empathize with and understand her deeper needs. The hypothesis here is that design capability, except from including design skills, design awareness and structures that enable design practice (Malmberg, 2017), also need to include the ability to combine perspectives to dance with complexity (the wedding couple) as well as a human-centred culture (the cake).

Finally, choosing the metaphor of a wedding cake goes against the tradition in quality management of using houses and pyramids as metaphors, even though it has the structure of layers building on each other. As Lilja, Ingelsson, Snyder, Bäckström & Hedlund (2019) has pointed towards, new metaphors are needed to change quality management, and organic metaphors are growing. In this case study, human centredness and relating has been a very clear theme. Foundational ideas at SeventyOne are that customers become happy if the people at SeventyOne are happy, that customers should see them as their best friends and that relation-building and listening is the base of a good work with a customer. Several of the aspects a wedding cake symbolically represent can also be said to be true to SeventyOne (fig 4.11).

In the man-woman dichotomy mentioned by Eriksson-Zetterquist, Kalling & Styhre (2012), the wedding cake could be seen as too much on the woman side to be taken as a “serious” representation of an organisation. Since “Man” and “rational” has dominated the history of organisations, a reaction to the wedding cake as being too soft or even ridiculous as a metaphor, would indicate something about where on these scales organisations are seen to belong.

While both Teal and the Wedding cake symbolizes a union between two sides, a main fear related to human-centred organisations is that they are too kind and too soft and therefore neither effective nor profitable. Some organisations on level four indeed has been and are ineffective (Laloux, 2016) while Teal organisations still is something quite rare and new. As Csikszentmihaly (2003) states,

individual evolution and happiness depends on two processes - differentiation and integration, and a person who is both fully integrated and fully differentiated becomes a complex person and has the best potential to live a happy and meaningful life, that means both fully doing your best and fully contributing to something bigger than yourself. Relating this to Teal would be to say that people in an orange organization has a predominant focus on Differentiation while the green on Integration, and to both of these, the other type of organization might be seen as “too hard” respectively “too soft”. Like Teal, the wedding cake is integration and differentiation combined, in people and in their way of working with complexity and in the organisation in general. This is represented in the marriage of the symbolic masculine and feminine, creating an equal balance between the organisational dichotomies “Man” and “Woman” (Eriksson-Zetterquist, Kalling & Styhre 2012).



Fig 4.11 Symbolic meanings of the wedding cake.

## 5 Conclusions

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*In this chapter, the purpose will be connected to the result and the answers to the questions will be summarized.*

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The purpose of this study was to contribute with knowledge concerning what role design thinking and human-centred cultures can play in the coming paradigm of quality management. The questions were:

1. How can the coming paradigm of Quality Management be understood?
2. What roles can design thinking and a human-centred culture play in the coming paradigm?

Analysed as an example of a coming paradigm, this case has illustrated a practice of quality management characterized by complexity. When solutions can't be predicted and planned, learning by testing is necessary, taking one step to see how the system is affected, and continuing from there to find patterns. Complex problems should be danced with rather than controlled, and as they involve people they demand relating and communication. There is not one solution to repeat, rather an eclectic and context-based approach to methods is used.

Both digitalization and the necessity of innovation require that employees can be whole people rather than resources. A deeper understanding of customers is also needed, making sure the things are not just produced in the right way, but that the *right* things are produced, according to the customer's needs. Co-creation and empathy are crucial.

Also, employees want to be happy and evolve, and for this companies need to build friendly as well as stimulating environments. To give the freedom of self-management and to let the company purpose and culture evolve from its people is a way to create true alignment and growth as well as innovation – happy staff gives happy customers.

A human-centred culture is the condition that makes it possible for a company and its people to live up to its full potential. Only with psychological safety mistakes will be reported and ideas will be shared, and people will feel safe enough to be happy and challenge themselves as well as being vulnerable. As a company who wants to learn from and cooperate with their customers, openness and vulnerability is required. Using design thinking, one dares to show prototypes and test ideas on customers, spending time together in the learning and exploring phase to co-create something better.

Design thinking has potential to be an important method in a coming paradigm. However, to be able to really benefit from design thinking, a human centred culture is needed, since the extensive customer cooperation requires a genuine care for the customer, a willingness to take the time and the vulnerability to be in the state of not knowing together with the customer. To benefit from design thinking, design capability is also required, which is the ability to integrate and combine design knowledge on all levels of the company together with other perspectives, working from different knowledge systems at the same time. If companies create environments that meets human needs enough to access self-actualization, complex, ambidextrous individuals can combine hard and soft, use both left and right brain hemispheres and work motivated both by individual growth and care for others.

## 6 Discussion

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*In this final chapter, the researcher will discuss the findings of the study. The methodological benefits and limitations will be reflected upon and suggestions for future research will be given. How can the results be related to previous research, what are their unique contribution and how can the result apply to a broader practical and societal context?*

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In this study, four theoretical fields have been drawn together to understand an organisation that can represent a new paradigm, both in its internal structure and in its way of developing organisations. By letting these perspectives meet, new theoretical connections have been made.

SeventyOne proved to be an organisation that in many aspects represent the coming paradigm, and the case study was a suitable method to get a deep understanding. Even though they are a small and maybe usual organisation, both their internal structure and their way of working with customers can state an example of how the coming paradigm and its complexity can be met. The internal perspective and the interviews have largely dominated the result chapter over the workshop observations. While the workshop observations therefore can be seen as unnecessarily time-consuming, they did give the possibility to compare three customers and thereby give material related to different design capabilities as well as different problems while implementing design thinking. A weakness is that the researcher might have been more prone to understand cultural hinders than just the benefits of design thinking, but a strength is that this has made it possible to explore the gaps in research, rather than just confirming the research that stresses the benefits of design thinking.

However, when it comes to connecting design thinking and quality management, the study has been able to further strengthen the research that finds benefits with integrating design thinking in quality management (Lilja, Abrahamsson, Palm & Hedlund, 2018). Also, the study has indicated that the customer focus that quality management strive for, design thinking can actually reach. In many ways existing quality management theories can support the practice of design thinking (Gremyr, Bergquist, Elg, 2020) Yet, the case also indicates that there might be areas where quality management need to expand, both through qualitative, eclectic and iterative methodological approaches, but also through a basis in a human-centred culture. Quality management research about a fourth paradigm supports this (Kemenade & Hardjono, 2019).

While former studies have found design thinking relatively hard to integrate in existing cultures (Boström, 2020 MalMBERG, 2017, Dunne 2018), SeventyOne has successfully integrated a design mindset in their own organisation, while still seeing undeveloped design capabilities at some of their customers. SeventyOne are also a clear example of the less researched field of how design thinking can be integrated with for example agile and systems thinking (Beckman, 2020).

This research has landed in the importance of a human centred culture – for the sake of the customers and employees but also for the organisations’ result, quality and innovation capacity (Edmondson, 2019; Rehn, 2019). Innovation is connected to psychological safety (Edmondson, 2019), design thinking to the ability to integrate different knowledge perspectives (Lockwood, 2010), which connects to eclecticism and requires an ability for ambidextrous thinking (Krawczynska-Zauchka, 2019, Kemenade & Hardjono, 2019), which is easier developed in organisation of wholeness (Laloux, 2016) and self-actualisation (Csikszentmihaly, 2003). This study has also made a new connection between Csikszentmihaly (2003) who has studied the evolution of employees and Laloux’s (2016) research of the evolution of organisations. Self-actualisation and Teal organisations can both be traced to the same level of evolution and are likely to generate each other. Self-actualised people can probably easier build Teal organisations while Teal organisations

could support people in reaching self-actualisation. Further research about the connection between individual development and organisational development could strengthen this correlation.

The analytical model of the wedding cake has stressed that Integration and Differentiation need to go together in the coming paradigm, just as Csikszentmihalyi (2003) brings the two together when he defines happiness. And happiness and human growth through happy organisations is what this thesis could inspire to for a broader audience than quality management. We all relate to work, no matter if we have a job or not, and this thesis gives an example of what a human centred organisation can look like, and how values about employee happiness actually can be central when building a company. Such an example tells us something about what is possible – that work can be fun, safe and challenging at the same time, and that a company can be both kind and generous while also being productive and profitable. It works, it even seems kind of simple, so why couldn't more organisations look like this? Except from this internal perspective, the other broad contribution is to understand a way of working that is less focused on programs and more on finding solutions in the situation, while first having built a strong foundation of relations. If this is the actual need in a coming paradigm, this again motivates a foundation of happy and complex individuals who dare to work in environments of complexity.

Further research could explore the connection between a human-centred culture where individuals can be whole and self-actualized on one hand, and the possibility to meet complexity by working both eclectively and by relating and sensing on the other. Is the whole base of integration (the cake) *necessary* for the differentiation (the dance of the couple)? Edmondson, Laloux and Csikszentmihalyi has stressed one layer each of the cake, but do the three actually need to go together? On the level of Differentiation, for example Boström's and Malmberg's research has indicated that two or more knowledge traditions (a couple) is needed for the dance to happen, but without fully stressing the importance of the cake. On the other hand, Rehn, Dunne and Lockwood and Papke (2011), has stressed how innovation or design thinking need a human-centred culture as base, while focusing a little less on the need of a couple (eclectic methods/knowledge traditions and ambidextrous abilities). All are pointing towards something similar but from different angles, and no one else has until now connected all these pieces into a one model, which makes further research necessary.

Another interesting topic to explore in research is how fast and to what extent these kinds of organisations will become needed in the future, and if it only concerns knowledge-work. Will jobs in general go more towards knowledge work performed by whole, happy and evolved employees while simple and specialized tasks could be taken care of through technology? Or will it still be more profitable for the few if their employees are unhappy and don't use their whole personalities and potential, and in some cases even are exploited and used? Will the future and technology make work even more differentiated – for some evolution while for others exploitation, or could technology combined with increased complexity actually solve the history of exploitation that has been integrated in work since the beginning of surplus, and make businesses and work-life something that broadly makes people happy and evolved? At least, and to begin with, this thesis has given a hopeful and hopefully inspiring example of the latter.

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# Appendix 1

The contact with the organisation started the 4/3 and the decision to do a case-study was agreed on through a first meeting the 9/3. Except from the below listed activities, the access to Slack and the company Drive has been ongoing since 23/3 – 6/6, and included watching videos, reading documents and power-points and taking part of the daily communication through Slack.

What?	How?	Who?	How long?	When?
E-mail to the design coach, phone talk.	Email, phone	The design coach		4/3, 5/3
First presentation and orientation meeting	Online meeting	Three individuals from SeventyOne	1 h	9/3
Participative observation IRL.	Unstructured unstandardized interviews during the whole day with the design coach. Listening while he participated in a pod-interview about design thinking. Walk and coffee with three other persons.	Four individuals from SeventyOne	7 h	12/3
Online interview	Structured unstandardized interview with open questions, recorded.	Two individuals	1,5 h	16/3
Non-participatory observation	Online design thinking workshop	Customer team and the design coach	2 h	18/3
Short interview about the workshop	Online meeting	The design coach	30 min	19/3
Non participatory observation	Online design thinking coaching	The design coach and a customer (one individual)	1 h	22/3
Information meeting online	Info about and access to Drive, Slack and Trello.	One individual from SeventyOne	30 min	23/3
Non-participatory observation:	Design thinking workshop	Second session with customer from the 18/3.	2 h	25/3
Interviews with two participants	Online meetings	Two individuals, one meeting each	2 h, 1 h each	25/3
Interview with customer from design thinking workshop, 30 min.	Online meeting	One individual who participated in online workshops 19/3 and	30 min	29/3
Non-participatory observation:	Online innovation workshop	Customer team and the design coach	2,5 hours	30/3
Interviews with two participants, one hour each.	Online meetings	Two individuals from SeventyOne, one meeting each	2 hours	7/4

Non participatory observation:	A second design thinking coaching session with customer.	The design coach and a customer (one individual)	1 h	12/4
Sending individual quotes for checking	E-mail communication	All individuals		12-16/4
Sending text, commenting dialogue during the week. Online meeting.	Access to the result part of the thesis on Google docs	All individuals at SeventyOne		19-23/4
Meeting for member-checking of the method with five out of six participants, 30 min.	Online meeting	Five out of six individuals	30 min	28/4
Presentation and participation at SeventyOne day, 6 hours.	Company education day, online	Five out of six individuals	6 h	7/5
Shared document to comment	Access to thesis on Google docs	All individuals at SeventyOne		24-28/5

# Appendix 2

## Case study protocol

### **Initial questions after reading theory about quality management and design thinking:**

- 1 Does design thinking have methods and results that could be relevant to integrate in quality management? Is it the three mentioned by Lilja et al (2018) and the one mentioned by Snyder et al (2019)? Are there others?
- 2 Can design thinking be integrated systematically and be a part of the quality development process and quality leadership system of a company? What might that look like?
- 3 Can design thinking lead to more happy, engaged and innovative staff? Will its methods contribute to flow, fun and purpose?
- 4 Are design thinking and quality management together a way of integrating both left and right brain hemispheres in organisational development?
- 5 Can design thinking create continuous improvements in an easier and quicker way than traditionally in quality management?
- 6 Can design thinking customer tests at times be a sufficient way of “basing decisions on facts” (the corner stone in quality management) instead of collecting quantitative data or using the Seven leadership tools/Seven change tools?
- 7 Does design thinking challenge or contradict any of the principles in quality management? Does it make some of the corner stones unnecessary or does it add others?
- 8 Is quality management outdated and in need of an update?
- 9 What kind of company culture is needed to be able to use design thinking?

### **Questions after reading paradigm theories and about metaphors**

- 10 Is a more improvised approach needed to develop organisations today, the jazz orchestra?
- 11 Is there a need for more organic metaphors for an organisation than that of a machine? What difference would that make?

### **After finding the case**

- 12 What is the “new” and the “old” that the participants see in needs, values and circumstances?
- 13 What changes does “the new” require when it comes to methods and company culture?
- 14 In which ways do they work with design thinking, what are the results?

### **Questions after entering the case**

- 1 What role does psychological safety play in the new paradigm?

- 2 What role does psychological safety and a human-centred culture play for design thinking?
- 3 Is happiness a foundation for doing a good job? Is happy staff thereby connected to better quality?
- 4 What role does self-management play in making staff engaged and happy?
- 5 What does it take for leaders and staff to be able to meet the new demands that self-management require?
- 6 Are Teal organizations a way of meeting the demands in a new paradigm and creating happier work environments?
- 7 What difference does it make to start internally rather than focusing on an outer purpose?
- 8 Will an internal focus create a base for an evolutionary purpose instead of a “higher purpose”?
- 9 Is the evolutionary purpose more natural and agile and more connected to continuous improvement and learning – to actual quality development?
- 10 Is current quality management tools and mindsets more adjusted to complicated problems than to complex ones?
- 11 What will the new leadership look like and how is that related to quality management?
- 11 How to create safe and happy teams in the digital/pandemic era?
- 12 What does it take to create spin-off effects and create something bigger as a great team? How can this quality development be understood or measured?
- 13 Has it become unprofitable and ineffective to not use peoples’ full potential and knowledge? Are distinct roles and separated departments a limitation in a new paradigm?