The LEGO Group & IMD

Building the Leadership Playground
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Max. 4,047 words
Executive Summary
In 2017, the LEGO Group’s sales had stalled after more than a decade of strong growth. The challenging external retail environment was expected to continue. Internally there was stagnation stemming from a weakened innovation drive and lack of focused delivery.

Something had to change: The 90-year-old family-owned business needed to empower its people to return to growth. Loren Shuster, Chief People Officer & Head of Corporate Affairs, wanted to completely revamp the company’s complex leadership environment comprising multiple models that had never stuck and were layered upon each other.

In Phase 1, Shuster partnered with IMD to co-create a series of three two-day workshops for a cross-functional Working Group of 15 people also representing all regions and tenures. The group developed an entirely new model based on the company’s strong foundations and beliefs – the Leadership Playground Manifesto. It defined leadership as an act—not a position—in which leaders create the space to energize everybody every day by being more focused, curious and brave. The model spoke directly to the people and Leadership Playground Manifesto quickly became the third defining document of the LEGO Group, alongside the LEGO Brand® Framework and the LEGO Idea Paper.

In Phase 2 IMD and the LEGO Group co-created two programs for top leaders—Panorama for VPs and SVPs and Catalyst for directors and senior directors. Four cohorts of each have completed the programs—100% of Panorama’s and over 50% of Catalyst’s target populations. Senior leaders learned about themselves and applied new leadership behaviors to ultimately help deliver the strategy. They worked on 40+ cross-functional action-learning projects that explored new strategic and commercial approaches to product innovation, channel development and digitalization.

Simultaneously, the company spread the Leadership Playground from the middle out through 15 “Playground Builder” events that trained 800 employees to use a specially designed toolset that energized the rest of the organization. There are now 1,800 Playground Builders.

Indirectly, the engagement has contributed to driving results; revenue accelerated from single digits to more than 20%, and operating margin recovered to pre-2017 levels.

The partnership between LEGO Group and IMD is ongoing. To prepare for the future, the partners co-created the program Elevate, launched in March 2023, for Panorama and Catalyst alumni, as well as new senior leaders. The Executive Leadership Team (ELT) continues its work with IMD to “get better every day” and deliver on the promise of the Leadership Playground.

### Executive Summary

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Something had to change: The 90-year-old family-owned business needed to **empower** its people to **return to growth**. Loren Shuster, Chief People Officer & Head of Corporate Affairs, wanted to completely revamp the company’s complex leadership environment comprising multiple models that had never stuck and were layered upon each other.

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Introduction
Introduction

After 12 years of 18% CAGR, the LEGO Group's sales began to stall in 2017. In October it brought in Niels B. Christiansen as CEO amid a painful restructuring to develop a new strategy and return the company to sustainable growth. Loren Shuster, Chief People Officer & Head of Corporate Affairs, realized that the company needed an empowered workforce to succeed in the face of both internal changes and the rapidly evolving and uncertain external environment. However, the company had a rich and complex history of introducing new leadership models that were never fully implemented. This was confusing because leaders in different parts of the organization used different models. The LEGO Group needed a clear description of what it meant to lead in the company.

It partnered with IMD on a series of three workshops to create a safe space to empower a Working Group to explore what the company expected of its leaders and to (re)define a single leadership model. IMD facilitated these workshops, which culminated in the Leadership Playground. IMD and the LEGO Group then partnered to scale up the Leadership Playground with programs for the company’s senior leaders.

About the LEGO Group

The LEGO Group’s mission is to inspire and develop the builders of tomorrow through the power of play. The LEGO® System in Play, with its foundation in LEGO bricks, allows children and fans to build and rebuild anything they can imagine.

The LEGO Group was founded in Billund, Denmark in 1932 by Ole Kirk Christiansen, its name derived from the two Danish words Leg Godt, which mean “Play Well.”

Today, the LEGO Group remains a family-owned company headquartered in Billund. Its products are now sold in more than 130 countries worldwide.

About IMD

IMD is an independent academic institution with campuses in Lausanne and Singapore. For more than 75 years, IMD has been a pioneering force in developing leaders who transform organizations and contribute to society.

IMD has been ranked in the top three of the FT’s Executive Education Rankings (combined ranking for open & custom programs) since 2012. It has also been in the top four for more than 18 consecutive years. This consistency at the forefront of its industry is grounded in IMD’s unique approach to creating “Real Learning, Real Impact.”

IMD’s custom programs are co-created with selected companies to help them build new capabilities and address their most significant business challenges.
The Challenge
The Challenge

Niels Christiansen began his tenure as CEO amid a painful and disruptive cost-cutting exercise that had resulted in 8% of the company’s approximately 19,000 employees being laid off.

Changing external competitive environment

The LEGO Group was facing more competitive pressure and a tough retail dynamic. The operating environment was increasingly characterized by volatility, uncertainty, complexity and ambiguity (VUCA). Christiansen was brought in to develop a new strategy and return the company to sustainable growth.

Multiple internal challenges

The external pressures combined with internal challenges: Absorbing the restructuring; adapting to new leadership; and dealing with stagnation stemming from complacency, a weakened innovation drive and a lack of focus and discipline. Christiansen’s strategy stressed the importance of focusing on priorities and making decisions grounded in the LEGO Brand Framework (Figure 2) and the LEGO Idea Paper1 – family-approved documents that guided the company.

To thrive in the new world, the LEGO Group needed to become more agile and responsive to customers, foster a more empowered workforce, decrease its hierarchy and distribute leadership responsibility more evenly. This was especially important given that new product launches accounted for about 60% of sales.

A complex leadership landscape

Although the LEGO Brand Framework and LEGO Idea Paper remained consistent, over the years the company had introduced a variety of leadership models, leadership development interventions and change programs – 28 in all, with more than 100 supporting documents – that overlapped each other, had never been fully rolled out and never really retired. Many people had long tenures with the company and had grown attached to “their” elements of the various models. Therefore, expectations were neither clear nor aligned; it was challenging to translate the respective models and frameworks into effective action; and there were pockets of high resistance to change.

1 The LEGO Brand Framework and The LEGO Idea Paper

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### Belief
- Children are our role models

### Mission
- Inspire and develop the builders of tomorrow

### Vision
- A global force for Learning-through-Play

### Idea
- System-in-Play

### Values
- Imagination / Fun / Creativity / Caring / Learning / Quality

### Promises
- Play Promise: Play Well
- People Promise: Succeed and Grow Together
- Planet Promise: Positive impact
- Partner Promise: Mutual Value Creation

### Spirit
- Only the best is good enough

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**Figure 2: The LEGO Brand Framework**
Empowering people to tackle the challenge

Loren Shuster, the recently appointed Chief People Officer, was convinced the LEGO Group needed to improve motivation and unleash the creativity and energy of its people to deliver on the strategy. This would require a strong framework that was simple, concrete and futureproof; it also had to be owned by the people. Given the company's desire to foster a more empowered workforce, he knew that it would be a wasted opportunity to have the ELT define the new model and then cascade it. Instead, the ELT should walk the talk and delegate the challenge to a non-hierarchical group of leaders from across the organization – the Working Group. Christiansen and the ELT agreed, and the company set up a three-tiered governance structure, with distinct roles and responsibilities (Figure 3).

The Working Group's challenge was to determine a timeless leadership model, “the What,” while respecting the values of the 90-year-old family-company, as expressed in the LEGO Brand Framework. It then had to recommend the right approach to embedding the model in the organization, “the How.” To succeed, it had to learn from the company’s previous and existing efforts—in terms of both content that could be repurposed and lessons learned from past successful and disappointing attempts at rolling out leadership initiatives. It also had to incorporate the views of other company stakeholders.

Deliberate decision to partner with a business school

Shuster was aware that success would require the guidance and support of an external organization and was determined to partner with a business school rather than a traditional management consultancy because he feared consultants would do the work themselves. The engagement needed to take place quickly and to create something that spoke to and inspired employees throughout the company.

Once the leadership model was defined, the LEGO Group would need to implement and quickly scale it up to energize people at all levels and deliver the company’s strategy. A critical mass of people to lead the organization through this change would be essential.

“We had tried—and failed—to implement successful leadership initiatives over the years. This time we decided to empower people from all levels to work together to create something meaningful that captured the imagination and enthusiasm of the whole organization.”

Loren Shuster
The LEGO Group Chief People Officer & Head of Corporate Affairs
The Commitment
The LEGO Group approached various potential partners. Shuster contacted IMD because he had recently attended its CHRO Roundtable and was inspired by one company’s journey with IMD. A conversation with IMD about how to drive change at the LEGO Group convinced him it was the right partner.

Together, the IMD and LEGO Group teams rapidly co-created three two-day workshops based on four principles: Creating a safe place, divergence, convergence and engaging with the SteerCo (Figure 4).

<table>
<thead>
<tr>
<th>SteerCo engagement</th>
<th>Convergence</th>
<th>Divergence</th>
<th>Creating a safe place</th>
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<tbody>
<tr>
<td></td>
<td>Defining workshop goals</td>
<td>Exposure to a broad set of leadership models from other organizations</td>
<td>Experiential exercises</td>
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<td></td>
<td>Narrowing down specific behaviors</td>
<td>Understanding the opinions and perspectives of LEGO Group stakeholders</td>
<td>Trust building</td>
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<td></td>
<td></td>
<td>Closing the loop with those internal stakeholders so they felt heard and involved</td>
<td>Psychological safety</td>
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<tr>
<td>Preparation</td>
<td>Defining the new model &amp; engaging with the organization</td>
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<td>Discussion &amp; presentation</td>
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</table>

“In just two weeks, we went through several design iterations. Instead of a long business transformation journey, we settled on three rapid, agile workshops because Shuster wanted to move fast. The first engagement contact was early April, and the workshops kicked off late May and ran through August 2018. The Leadership Playground was announced to the whole company in January 2019!”

Sarah Hutton
IMD Custom Programs Development Director

Figure 4: Four principles guided the design of the workshops
Phase 1: Workshops on the LEGO Way of Leading

Shuster was emphatic that the Working Group should have full ownership of the challenge. It needed to be self-directed and self-driven throughout the journey. In parallel to tackling the challenge, group members should also benefit from personal learning and development opportunities, through interactions with IMD faculty, through Working Group exchanges and dynamics, as well as exposure to the SteerCo and the ELT.

The final design was a series of three LEGO Way of Leading workshops, culminating in the Leadership Playground. They took place on IMD’s Lausanne campus between late May and August 2018 (Figure 5).

Residential Workshops:
IMD to provide:
- A blend and balance of content with process guidance
- Sense-making around insights and inputs gathered to date
- Deep dives into specific issues
- Relevant & insightful input from faculty
- Development for the Working Group, individually and as a team - dynamics, communication, effectiveness, etc.

Between Workshops:
- Mentoring from SteerCo
- External benchmarking and insight-gathering
- Piloting and prototyping
- Peer review and input

Post Workshops:
- ELT review and buy-in
- Ongoing implementation
- Measure and refine as go forward
Phase 2: Scaling up and energizing

After this initial commitment, the partners turned to the follow-up, phase 2, consisting of scaling up the model and energizing the organization with various initiatives focused on different levels of the company.

Partnering with Executive Leadership Team

The LEGO Group worked with Professor John Weeks to design a series of workshops to help the ELT, who already worked well together, to "get better every day," in Shuster’s words. The ambitious promise of the Leadership Playground, that "LEGOleaders create the space so that everybody feels energized every day," meant that the ELT would need to be role models for Leadership Playground attitudes and behaviors.

Creating alignment and developing senior executives

After soliciting proposals from several business schools, the company ultimately continued to work with IMD to co-create Panorama (for SVPs and VPs) and Catalyst (senior directors and directors) starting in 2019 and continuing. IMD was able to leverage the deep understanding it had developed of the company’s challenges, its strategy and vision, and the behaviors needed for success.

Panorama and Catalyst share the same objectives and similar structures and conceptual frameworks. The content is adjusted to meet the requirements of different levels of expertise and the job scope of the participants (Figure 6).

Energizing the rest of the organization

The LEGO Group worked with the company What If to help train Playground Builders to spread the Leadership Playground deeply throughout the organization from the middle out.

Deliver the Strategy

- Disruption
- Consumer focus
- Winning in fast-growing markets
- Business models

Develop as Leaders

- Leadership Playground
- Leading healthy performance culture
- Leading at the edge
- Interaction between Panorama and Catalyst
- Communicating with influence & impact
- Mindfulness

Mobilize the Organization

- Leader as a coach
- Innovation
- Strategic innovation
- Execution challenge

“The only difference between Panorama and Catalyst is the level of discussion. Imagine a group of senior vice presidents discussing consumer centricty with IMD faculty. Those dynamics would be very different than a group of marketing directors working in Germany discussing the same topic. This creates a shared viewpoint across all levels and functions and critical mass around the movement.”

Howard Yu
LEGO® Professor of Management and Innovation and Head of the IMD Center for Future Readiness, Program Co-Director Panorama and Catalyst

Figure 6: Panorama and Catalyst program themes
IMD & the LEGO Group commitments

IMD committed to providing the necessary external expertise, creating a psychologically safe space for exploration, as well as structuring and guiding the workshops so that Working Group members could understand the challenge and develop an in-house solution. The LEGO Group committed to fully empowering the Working Group, choosing its members and supporting it throughout the workshops and the execution of the Leadership Playground.

Together, the partners committed to bringing the Leadership Playground to life, scaling it up and energizing the organization by integrating it into programs and workshops for the company’s top four layers.

This would help create a common language that supported the efforts of senior leaders – including the ELT – to deliver increased sales, mobilize the organization, and live and support the Leadership Playground with its values of focused, curious and brave.

The LEGO Group also committed to developing a middle-out approach to generate excitement and spread the new model throughout the company. IMD committed to helping shape this initiative (Figure 7).

<table>
<thead>
<tr>
<th>Phase 1: Workshops</th>
<th>Phase 2: Scaling up &amp; energizing</th>
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<tbody>
<tr>
<td>IMD</td>
<td>The LEGO Group</td>
</tr>
<tr>
<td>Provide external expertise</td>
<td>Fully empower Working Group to redefine leadership model</td>
</tr>
<tr>
<td>Create safe space for exploration</td>
<td>Select members representative of all functions, areas of the company</td>
</tr>
<tr>
<td>Structure &amp; guide workshops</td>
<td>Support Working Group</td>
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<tr>
<td>IMD</td>
<td>The LEGO Group</td>
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<tr>
<td>Engage with ELT to ensure working together to deliver on promise of the Leadership Playground</td>
<td>ELT to engage with IMD to ensure working together to deliver on promise of the Leadership Playground</td>
</tr>
<tr>
<td>Co-create and deliver Panorama &amp; Catalyst programs to develop leaders’ ability to implement strategy, energize the organization &amp; develop as leaders</td>
<td>Scale up the new framework by sending leaders to the Panorama &amp; Catalyst programs to implement the strategy and energize the organization</td>
</tr>
<tr>
<td>Advise on development of Playground Builder events</td>
<td>Develop &amp; roll out Playground Builder events to energize organization</td>
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Figure 7: IMD and the LEGO Group commitments
The L&D Initiative
The L&D Initiative

Phase 1: Workshops on the LEGO Way of Leading

The workshops, facilitated by IMD Professors Susan Goldsworthy and John Weeks and Learning Manager Jennie Zeiner, took place from late May through mid-August 2018, when the Working Group presented the Leadership Playground to the ELT. When Christiansen and Shuster launched Workshop 1, they explained the origins of the initiative and outlined the key questions:

1. Should we repurpose our existing thinking on leadership and/or devise a new leadership model?
   - What current/future requirements are missing that need to be added?
   - What should be retired? (frameworks, principles, models, etc.)
   - What is the scope of the leadership model vs. the resources required to bring it to life, e.g. succession planning, assessment, promotions?

2. What should the leadership model look like?
   - Do we position the leadership model for people managers only or all employees?
   - What is the role/purpose of the LEGO Brand Framework in the context of the future leadership model?
   - How do we effectively engage the LEGO Brand Group, Family, ELT and rest of the LEGO Group?
   - How to ensure we keep the leadership model simple, concrete and future-proof?

3. What is the most effective implementation approach?
   - How do we empower our leaders to self-correct/develop/self-generate vs. being patriarchal/top-down directive?
   - How do we effectively communicate to leaders and the organization?

“The group was frustrated after the first day of Workshop 1. They had arrived in Lausanne expecting to start working on the new model and instead were confronted with other models and group exercises. The feeling was palpable during the dinner that night. When Loren called for an update, I explained what the group had done, why and its sense of frustration. However, we both trusted the process.”

Zahed Kamathia
The LEGO Group
VP, Global Head of Talent

“Group members came to IMD with very different ideas of what the company needed. So IMD created a safe space for them to challenge each other –and the SteerCo –and make hard decisions. Emotions ran high especially when you had to give up something you felt strongly about!”

Susan Goldsworthy
IMD Professor of Leadership, Communications and Organizational Change
Structure and flexibility through clear guiding principles

Due to the nature of the workshops, the co-creation team was clear that the schedule needed to be flexible. The workshop principles provided structure. A safe space was essential for group members to establish ground rules and dare to challenge each other and the SteerCo. Divergence ensured that the Working Group considered a broad range of ideas and frameworks from within and beyond the company; convergence involved analyzing and synthesizing the stakeholder data and integrating other divergent content presented by IMD (Figure 8). Closing the loop meant going back to people who had been interviewed so they knew their voice had been heard and they felt involved.

“From the beginning we told the Working Group it was up to them to decide what was needed. If they thought an existing leadership model or framework was outdated and we are not using it, they had the power to take it away.”

Loren Shuster
Chief People Office & Head of Corporate Affairs

Figure 8: Summary of workshops’ key activities, decisions and outcomes
**Seizing the empowerment challenge**

The Working Group decided on a brave strategy for engaging with the SteerCo after Workshop 1. Instead of producing the first draft of a new leadership model, they shared how they felt going through the workshop, their process, and how excited they were to work on the model. They presented the following decisions:

<table>
<thead>
<tr>
<th>1</th>
<th>The new model would replace all existing leadership models. However, it would incorporate some elements of earlier ones that still resonated.</th>
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<tr>
<td>2</td>
<td>The Working Group’s goal was to identify the everyday behaviors that would bring to life the mission, vision, values and promises as outlined by the LEGO Brand Framework and the LEGO Idea Paper.</td>
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<tr>
<td>3</td>
<td>The new model needed to reflect the voice of the LEGO Group and be specific to the LEGO Group.</td>
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<tr>
<td>4</td>
<td>It needed to speak to everyone. Leaders in the LEGO Group are not just People Managers. Everyone should think about how they could lead.</td>
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<tr>
<td>5</td>
<td>It needed to be something that would transcend the current moment and current strategy. It should last at least five years.</td>
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<tr>
<td>6</td>
<td>It would not be called a Leadership Model but “The Leadership Playground.” Children were the role models.</td>
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“*I sat in on the session with the SteerCO and when I saw the presentations, I thought to myself, ‘This is LEGO. There is no way anyone else could have come up with it!’*”

Jean-François Manzoni  
President IMD and Nestlé Chaired Professor of Leadership and Organizational Development

“We were thrilled to see the energy and engagement of the Working Group. We felt confident they were on the right track.”

Niels B. Christiansen  
The LEGO Group, CEO
Phase 2: Scaling up and energizing

The Leadership Playground was approved by the ELT in August 2018 and by the Family Board a month later. Its official launch in January 2019 had two unique aspects. For the first time ever, the initiative was introduced by Christiansen, alongside two members of the Working Group, and it was launched to the entire organization at the same time.

Embedding with a top-down and middle-out approach

Aware that it would take several years to change the culture, fully embed the new model and scale up, Shuster simultaneously targeted the ELT, senior executives and the rest of the organization. The Panorama and Catalyst programs, co-created with Professors John Weeks and Howard Yu, integrated the Leadership Playground and developed leaders to better deliver the company’s strategy and mobilize the organization.

“I used the Leadership Playground case study in Panorama and Catalyst so the leaders could understand its history. Most have no idea IMD was involved at all. I think this is a measure of success because it is so identified with the LEGO Group.”

John Weeks
IMD Professor of Leadership and Organizational Behavior, Program Co-Director of the Leadership Workshops, Panorama and Catalyst
Top-down programs for senior leaders

The programs’ final design was an eight-month blended journey, with three hybrid (face-to-face and virtual) modules (Figure 9). Each module covered all three main themes – deliver the strategy, mobilize the organization and develop as leaders – going deeper each time. Multiple coaching sessions – individual and in small groups – helped participants to create bonds and trust, as well as debrief and make sense of the experiences.

Figure 9: Panorama and Catalyst program journey
Execution-related action-learning projects

Between modules, groups of participants, coached by Zeiner, undertook action-learning projects anchored on broad themes related to opportunities for the company. Participants first gathered divergent insights from external companies and then converged on solutions using data gained by conducting internal micro experiments. They explored topics such as becoming consumer-obsessed, delivering the LEGO Group's sustainability agenda, winning big in fast-moving markets, and living up to the diversity and inclusion ideals to truly "energize everybody every day." Upon completion, the groups had a dialog with the project sponsors to share what they had done and why, plus what actions they would take or had already taken (Figure 10).

“"It was remarkable and unlike other programs I have been involved in. The teams organized the action-learning field trips on their own. Then, when it was time to generate data, they ran micro experiments so they could converge. Unlike many programs, the presentations were not idea pitches. The groups shared what they had learned from engaging with the other companies, how they arrived at their conclusions and what functional commitments they had made.”

Howard Yu
LEGO® Professor of Management and Innovation and Head of the IMD Center for Future Readiness, Program Co-Director Panorama and Catalyst

“"The values of focused, curious and brave are the perfect mindset for the action-learning projects. I encourage participants to dial up curious and brave in the divergent phase and then to dial up focus in the micro experiments.”

Jennie Zeiner
IMD Learning Manager

Figure 10: Action-learning project goals, principles and themes

Action-learning goals
- Apply both strategy and leadership learnings
- Explore concrete actions needed to achieve the goals of the LEGO Group strategy and how can you make an impact
- Experience the value of working in cross-functional groups, gathering relevant, external inspiration, and doing micro experiments
- Practice Leadership Playground behaviors and create effective teamwork

40+ projects on 8 strategic themes
- Future shopper experience
- Implications of gaming and/or the metaverse
- Sustainability
- Evolving digital & media landscape
- D&I
- eCommerce
- Value chain
- Customer experience

325+ interviews with external stakeholders to help the LEGO Group tackle these themes

Dialog with sponsor
- Demonstrate strategic thinking
- Translate results into concrete actions
- Provide details about learnings
  - Why is this a priority?
  - How did you arrive at this conclusion
  - What will you do/have you done to implement?

Figure 10: Action-learning project goals, principles and themes
**Energy and excitement from the middle out**

Shuster developed a viral strategy to create organic interest and drive culture change from the middle out. He engaged the company What If to hold 15 immersive one-day events across all functions and geographies. Around 800 “Playground Builders” learned to engage their teams, facilitate difficult conversations, stimulate dialog about the Playground behaviors, model the desired behaviors, and have open, reflective conversations around campfires.

Significantly, to signal that everybody was a leader, managers were not chosen to be Playground Builders for their teams. The pool has grown every year.

“The idea behind campfires—held around a life-sized LEGO® set created by one of the company’s Master Builders—was to create the space to have conversations where everyone feels equal and comfortable in sharing stories. Stories both about things that didn’t work as well as anticipated and about where they had succeeded. They also included an element of play.”

*Maeve O’Sullivan*
*The LEGO Group Director of Culture and Organizational Development*
The Impact
The Impact

Phase 1: Defining the LEGO Group’s Leadership Playground

The two-phase partnership began with workshops for the cross-functional Working Group, whose 15 members had never worked together before. After bonding as a team, they:

- Created the entirely new Leadership Playground that replaced all legacy leadership models: Leaders create the space to energize everybody every day through being more focused, staying curious and being brave.
- Recommended an approach to embed it in the company. The Leadership Playground embodied the LEGO Group’s culture and connected to both its storied past and the strategic direction set out by Christiansen. The initial announcement energized the company and there was a sense of “Yes, this is the LEGO Group!”

“It was a privilege to be part of a group that created something that hadn’t existed before – a new culture, which is inspiring and creates the right environment for people.”

Working Group member
Kevin Hagino
Senior Manager, APAC, Singapore

“Brave really resonates with me. On the one hand, it is difficult to be brave, but once you’ve done it and seen the results it’s really rewarding.”

Working Group member
Regan Love-Campbell
Senior Manager, Retail, Enfield
The Leadership Playground Manifesto:

1. Became one of the three defining documents – approved by the Family Board – that guides the LEGO Group. It was developed by the people and spoke directly to the people.

2. Provided clarity and alignment around how to achieve the new strategic objectives. “Energize everyone every day” has become one of the 4 pillars of the company’s annual plans that leverage the Leadership Playground to deliver the strategy.

3. Became a fundamental tool to effect culture change. Anecdotal evidence suggests that the underpinning values – being focused, curious and brave – have been successfully embedded into leadership behaviors and have elevated conversations around strategic decision making, innovation and people empowerment.

Shuster decided to allow time for the Leadership Playground to take root, thrive and spread before formally linking it to KPIs. Nevertheless, results from the annual Pulse survey have shown a significant direct correlation between leaders living the Leadership Playground behaviors and higher overall motivation and satisfaction.
Phase 2: Scaling up the Leadership Playground

Rolling out top-down and middle-out

The Leadership Playground has been scaled up across different levels through multiple interventions since 2019:

1. Regular engagement of the ELT with Professor Weeks to continue to “get better every day” as a team to live the values and model the new behaviors.

2. Integration of the Leadership Playground into two new development programs for top leaders:
   - **Panorama:** 100% of SVPs – some reporting to the C-suite – and VPs completed the program.
   - **Catalyst:** More than 50% of senior directors and directors completed the program.

   The impact of the programs was high and enduring. They created a safe space for senior leaders to learn about and practice the new frameworks, build effective teams and cascade the Leadership Playground into their own teams.

3. Unleashed the energy and engagement of the rest of the organization through Playground Builders in partnership with What If.
   - Every year the company asks Playground Builders to recommit or recommend a colleague. By 2022, approximately 1,800 employees, passionate about the new leadership model, had been trained to share and facilitate discussions on embedding it into their teams’ particular context.
   - The 2022 Pulse measures have a consistently high average of 85/100 for both teams and people leaders that demonstrate the Leadership Playground values.

Zeiner noted that the action-learning coaching sessions have changed over the last four years. Participants have more challenging conversations and are more empowered, focused on delivering results, and curious about the external context.

“Good leadership is what will bring us back to growth and this is one way to get leadership back on the radar.”

Working Group member
Christian Vandsø Andersen
Senior Director, Billund

“Leadership is not only for people leaders but also for everyone. We had the opportunity to unleash the possibility that everyone can be a leader. It was just amazing.”

Working Group member Danea Astiz
Senior Director, BSO Monterrey
Energizing senior leaders

Senior leaders gained fresh knowledge and insights and boosted their professional networks. Participants continued exploring widely using micro experiments to make data-based decisions. They empowered their teams and focused on delivering results. This transferred into long-term post-program impact (Figure 11).

<table>
<thead>
<tr>
<th>Immediate</th>
<th>Panorama</th>
<th>Catalyst</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional network enhancement</td>
<td>4.7</td>
<td>4.6</td>
</tr>
<tr>
<td>Fresh knowledge &amp; insights</td>
<td>4.5</td>
<td>4.7</td>
</tr>
<tr>
<td>Reflection on assumptions &amp; practices</td>
<td>4.5</td>
<td>4.6</td>
</tr>
<tr>
<td>Commitment to take actions</td>
<td>4.5</td>
<td>4.4</td>
</tr>
<tr>
<td>I picked up ideas &amp; insights from pax</td>
<td>4.4</td>
<td>4.3</td>
</tr>
<tr>
<td>Practical tools &amp; ideas</td>
<td>4.3</td>
<td>4.3</td>
</tr>
</tbody>
</table>

Scale: 1=strongly disagree to 5=strongly agree

Immediate, four months and 1 year+ post program impact

<table>
<thead>
<tr>
<th>% respondents reporting “high”</th>
<th>Immediate</th>
<th>+4 months</th>
<th>+1 year*</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>Panorama</td>
<td>Catalyst</td>
<td></td>
</tr>
<tr>
<td>75%</td>
<td>Panorama</td>
<td>Catalyst</td>
<td></td>
</tr>
<tr>
<td>50%</td>
<td>Panorama</td>
<td>Catalyst</td>
<td></td>
</tr>
<tr>
<td>25%</td>
<td>Panorama</td>
<td>Catalyst</td>
<td></td>
</tr>
<tr>
<td>0%</td>
<td>Panorama</td>
<td>Catalyst</td>
<td></td>
</tr>
</tbody>
</table>

*2 cohorts surveyed to date

Four months post program

<table>
<thead>
<tr>
<th>Average</th>
<th>Knowledge Transfer (0-10)</th>
<th>Effectiveness (0-10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catalyst</td>
<td>7.9</td>
<td>8.0</td>
</tr>
<tr>
<td>Panorama</td>
<td>7.7</td>
<td>7.7</td>
</tr>
</tbody>
</table>

Response rates

<table>
<thead>
<tr>
<th>Immediate</th>
<th>+4 months</th>
<th>+1 year*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catalyst</td>
<td>71%</td>
<td>52%</td>
</tr>
<tr>
<td>Panorama</td>
<td>82%</td>
<td>73%</td>
</tr>
</tbody>
</table>
Accelerated delivery of the strategy
The functional and strategic knowledge and the more clearly aligned culture defined by the Leadership Playground has equipped the senior leaders to deliver the strategy.

1. Business level: Although it is not easy to map the workshops and Panorama and Catalyst programs directly to financial performance, the company found:
   - Revenue accelerated from single digits to more than 20% during the time that it worked with IMD, and operating margin recovered to pre-2017 levels.

Loren Shuster
Chief People Officer & Head of Corporate Affairs

2. Organizational level: Completed 40+ cross-functional action-learning projects related to opportunities for the company around product innovation, channel development, digital transformation. The prime objective of the project work was learning, not application. Outcomes included (Figure 12):
   - Constructive dialogs with sponsors focusing on what the groups had learned, both personally and what they could apply in the company.
   - Immediate implementation of changes based on the compelling data that emerged through first-hand research and data analysis.
   - Advances in the company’s D&I and wellbeing agendas.

<table>
<thead>
<tr>
<th>First-hand, real-world research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company visits</td>
</tr>
<tr>
<td>Interviews &amp; observation</td>
</tr>
<tr>
<td>Experiments</td>
</tr>
<tr>
<td>Pilots</td>
</tr>
<tr>
<td>Prototypes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Personal learnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dare to act</td>
</tr>
<tr>
<td>Foster trust and space to innovate</td>
</tr>
<tr>
<td>Power of vulnerability</td>
</tr>
<tr>
<td>Importance of diversity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Winning through</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG and sustainability</td>
</tr>
<tr>
<td>Future consumers and shoppers</td>
</tr>
<tr>
<td>Digital &amp; AI</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-organized trip to China to study its approach to e-commerce</td>
</tr>
<tr>
<td>Cross-functional team developed agile model</td>
</tr>
<tr>
<td>Prototype of consumer app</td>
</tr>
<tr>
<td>Changed type of conversations with customers</td>
</tr>
<tr>
<td>Multiple leaders implement action-learning projects for own teams</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team leader immediately updated skillsets needed &amp; hired accordingly</td>
</tr>
<tr>
<td>Reduced manufacturing lead time by 20%</td>
</tr>
<tr>
<td>80% willingness for immediate sign up and commitment to rollout in China</td>
</tr>
<tr>
<td>From maximizing sales to developing a deeper understanding of their challenges and sharing learnings from experience</td>
</tr>
<tr>
<td>Cascading learning and techniques and learning from divergence &amp; convergence</td>
</tr>
</tbody>
</table>

“The Leadership Playground has resulted indirectly in business results. All the KPIs are at very high levels due to various factors.”

Figure 12: Impact of action-learning projects
A continuing strong partnership
The partnership that began with the Leadership Playground workshops takes many forms. The LEGO Group’s objectives—reinforcing the timeless aspects that make it so distinctive while changing certain behaviors of its leaders to ensure relevance and success—cannot be achieved through a one-shot effort or a single design. So the LEGO Group has partnered with IMD to co-create the Elevate program, with entirely new material for Panorama and Catalyst alumni, as well as new VPs and SVPs, starting in March 2023.

“I have a very positive feeling. Surprised in a positive way. I was worried this would be a yes/no session. You made this a leadership journey. Wow. How do you unlock this?”
SteerCo member Carsten Rasmussen
Chief Operations Officer

“I was skeptical about programs like this because the learning usually doesn’t spread. We can do something different here. I am encouraged.”
SteerCo member Julia Goldin
Chief Product & Marketing Officer

“Seeing results from our leaders in the Leadership Playground work and in Panorama and Catalyst has only increased my appetite to empower them to make decisions and move resources around at their discretion. That is how the LEGO Group will be more agile. Our job in ELT is not to be inhibitors.”
Niels Christiansen
CEO
Reflections
A key theme throughout the partnership has been divergence and convergence. IMD helped the LEGO Group to think differently by (1) exposing it to different models and examples and creating a safe space to disagree and debate, and (2) helping it to align and connect with the company’s context.

A second theme has been to bring together the perspectives of leading the business, leading teams and leading oneself, and to show how they are mutually supporting. From the beginning, we worked on the:

- **Task** – creating a new leadership model
- **Relationships** – creating a team out of the Working Group with the psychological safety to disagree and commit
- **Individuals** – increasing Working Group members’ self-awareness to help them understand what they themselves needed to do differently to bring the Leadership Playground to life in their part of the company.

The LEGO Group was responsive to this approach in part because of its desire not to do things with the traditional top-down cascade that had not stuck in the past. IMD benefited from this experience of what did not work.

**Panorama and Catalyst** increased both the scope and depth of this approach. Both face-to-face at IMD and in the action-learning projects, participants worked in cross-functional teams to **explore new strategic and commercial approaches.**

Meanwhile, IMD also helped them learn from the **process of working as a team.** We leveraged the trust developed through creating **strong bonds** to build a **secure base** for participants. This allowed them to reflect as individuals about their impact on those around them, how they can be their best selves more often, and how they can be visible role models for the Leadership Playground.

Finally, the **impact** we achieved was possible because we simultaneously worked at so many different levels of the organization with a **consistent set of messages** adapted to the various groups. The Working Group cut across the hierarchy and functions of the organization. We worked with the ELT, as well as the next four levels of senior leaders in Panorama and Catalyst. The Playground Builders went deep in the organization, and people at all levels with a passion for energizing everybody every day, rather than managers, were chosen to lead each team. Both top-down and middle-out approaches are essential to create sustainable change in attitudes and behaviors.
The Teams
The IMD Team

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Susan Goldsworthy
Program Co-Director Workshops and Professor of Leadership, Communications and Organizational Change

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Learning Manager

Sarah Hutton
IMD Custom Programs Development Director

Katarina Leger
Client & Market Development Director

Jose Mendez
Program Coordination Lead

Case prepared by IMD Professor John Weeks and Research Associate Nancy Lane; designed by Ivana Ramos; edited by Lindsay McTeague.

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Jared Carr
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Forrest Wang
Director, Demand Planning, Shanghai

Kevin Hagino
Senior Manager, APAC, Singapore

Maria Carla Bruti Liberati
Senior Manager, Western Europe, Italy

Zahed Kamathia
VP, Global Head of Talent – responsible for project execution

Liz Elder
Global Head of Learning & Development, London

Meg Paterson
Senior Manager, Leadership & Organizational Development, London

Laura Pettitt
Learning & Leadership Development, London
Appendix
Since IMD was founded by the business community and continues to share ties with it, it has a deep understanding of the individuals and organizations it works with. When co-creating the journey with the LEGO Group, IMD took a blank-slate approach and designed the workshops and programs, Panorama and Catalyst, based on the client’s priorities and the strategic and organizational context in which the learning would take place. The final designs came together through a creative, iterative process.

Appendix: IMD’s Co-creation Approach