

Organisational Culture - LCLM 5005

Report

John Lewis

Tashan Watson

2336706

August 2026

Table Of Contents

Introduction	3
Organisational Culture at John Lewis Partnership.....	3
How Organisational Culture Shapes Structure and Decision-Making.....	4
Application of Organisational Culture Frameworks to John Lewis Partnership	5
Organisational Culture and Adaptation to the External Environment.....	6
Organisational Culture and Effective Organisational Functioning.....	7
Impact of Organisational Culture on Organisational Performance	8
Conclusion	9
Reference List	10

Introduction

Organisational culture plays a significant role in influencing how organisations operate, make decisions and respond to changing environmental conditions. This report examines the organisational culture of the John Lewis Partnership, an employee-owned organisation founded on principles of co-ownership, democracy and shared responsibility. The report critically evaluates how these cultural characteristics influence John Lewis's organisational structure and decision-making processes, particularly through the relationship between managerial authority and employee participation. Johnson and Scholes' Cultural Web is applied to identify and assess the key features of the Partnership's culture, including its stories, symbols, power structures, rituals and routines. The report also examines how John Lewis uses its culture to respond to economic, social and technological changes within the retail environment. Finally, it evaluates whether the Partnership's culture acts primarily as an enabler or barrier to effective organisational functioning and considers its impact on organisational performance. Evidence from academic literature and professional sources is used throughout to support the analysis and recommendations.

Organisational Culture at John Lewis Partnership

Organisational culture can be understood as the shared values, beliefs and assumptions that influence how members of an organisation behave and understand 'how things are done around here' (Mullins and Christy, 2016). In the case of the John Lewis Partnership (JLP), its organisational culture is distinctive because it is strongly influenced by its employee-ownership model and principles of partnership, participation and shared responsibility. Unlike a conventional shareholder-owned organisation, John Lewis describes its employees as 'Partners', reflecting the organisation's belief that employees have a stake in the success of the business. This is supported by Storey and Salaman (2017), who identify employee

ownership and responsible business practices as central characteristics of the JLP model. The organisation's culture therefore places considerable emphasis on the relationship between employee participation and organisational success.

A significant feature of John Lewis's culture is its emphasis on employee voice and participation. The Partnership has established formal mechanisms through which Partners can express their views and influence organisational matters, including the Partnership Council and elected Forums. This suggests that participation is not simply dependent upon individual managers choosing to involve employees, but is embedded within the organisation's wider governance arrangements. This is particularly relevant to John Lewis because its employee-partnership model has historically attempted to balance managerial authority with employee representation. Cathcart (2013) describes John Lewis as one of the longest-established examples of non-union workplace partnership, while also identifying 'paradoxes' within its participative approach. This indicates that participation within John Lewis should not be interpreted as employees having unlimited decision-making authority; rather, employee voice operates alongside established managerial and governance structures.

Consequently, John Lewis's organisational culture can be characterised as participative, partnership-oriented and employee-focused, while retaining elements of formal managerial authority. This creates a distinctive cultural combination in which employees are encouraged to identify with the organisation and contribute to its success, while strategic and operational decisions remain subject to formal leadership and governance. The culture can therefore be viewed as neither entirely hierarchical nor entirely democratic. Instead, John Lewis represents a hybrid cultural model in which employee participation and formal authority coexist. This distinction is important when evaluating the organisation's decision-making processes, as the culture may enable decisions to incorporate employee knowledge and perspectives, while the need for consultation and representation may also introduce greater complexity into decision-making.

How Organisational Culture Shapes Structure and Decision-Making

John Lewis Partnership's organisational culture has a significant influence on its organisational structure and decision-making because its principles of employee ownership, participation and shared responsibility are embedded within its governance arrangements. Rather than operating solely through a conventional hierarchical structure, John Lewis combines formal managerial authority with mechanisms designed to provide Partners with representation and opportunities to influence the organisation. Bradley and Taylor (1992) identify employee participation as a fundamental characteristic of the Partnership's organisational model, demonstrating that employee involvement is incorporated into its formal organisational arrangements rather than being solely dependent upon individual management practices. This is reflected in the distribution of authority between the Chairman, Partnership Board and Partnership Council, which creates a structure where managerial responsibility exists alongside formal employee representation.

The influence of culture can also be observed through the everyday practices and symbols used by the organisation. The term 'Partner', rather than simply 'employee', is an important cultural symbol because it reinforces the expectation that individuals have an ownership

interest and shared responsibility for the organisation. Similarly, recurring practices such as Partnership Council elections and representative Forums provide formal channels through which employee views can be communicated. These features demonstrate how the Partnership's cultural values are translated into organisational structures and routines. Consequently, employee participation can become part of the organisation's decision-making process rather than remaining an informal practice determined by individual managers. This is consistent with Cathcart's (2014) analysis of John Lewis, which identifies employee participation as a formally established feature of the organisation while also highlighting tensions between participation and managerial interests.

The participative nature of the culture can potentially improve decision-making by allowing knowledge and perspectives from employees closer to customers and operational activities to reach senior management. Employee involvement may therefore contribute to more informed decisions and increase employees' acceptance of organisational changes. However, participation does not mean that all Partners possess equal decision-making authority. The Chairman and Board retain significant responsibility for strategic and commercial decisions, meaning that employee voice operates within established boundaries. This creates a potential tension between democratic participation and managerial control. Consultation and representation may improve accountability and decision quality, but they may also introduce additional stages into the decision-making process and potentially reduce the speed with which decisions can be implemented.

Overall, John Lewis demonstrates how organisational culture can shape both structure and decision-making by embedding its partnership values into formal governance arrangements and everyday organisational practices. Its culture therefore acts as a bridge between hierarchical authority and employee participation. Rather than eliminating managerial control, the Partnership's culture modifies how authority is exercised by creating expectations of employee involvement and accountability. This hybrid approach reflects the underlying principle that Partners should share responsibility for the organisation while maintaining the leadership and commercial coordination necessary to operate a large retail business.

Application of Organisational Culture Frameworks to John Lewis Partnership

Several theoretical frameworks can be used to identify and analyse organisational culture; however, the Johnson and Scholes Cultural Web provides a particularly appropriate framework for analysing the John Lewis Partnership (JLP). Mullins and Christy (2016) emphasise that organisational culture influences how organisations operate, including their structure, decision-making, employee behaviour and management processes. This perspective is particularly relevant to John Lewis because its distinctive employee-ownership model means that cultural values are closely connected to the organisation's governance and ways of working. The Partnership's emphasis on co-ownership, democracy and shared responsibility suggests that culture is not simply a set of stated values but is incorporated into organisational structures and practices (John Lewis Partnership, 2025).

The Johnson and Scholes Cultural Web provides a systematic method for identifying these cultural characteristics. The framework consists of six interconnected elements: stories, symbols, rituals and routines, organisational structures, control systems and power structures. These elements contribute to the organisation's central 'paradigm', representing the underlying assumptions about 'the way things are done around here' (Johnson, 2015). The model is therefore particularly suitable for John Lewis because it allows the

Partnership's distinctive culture to be examined through both its formal structures and everyday organisational practices.

The first element, stories, can be identified through the historical development of the John Lewis Partnership and the legacy of its employee-ownership model. These stories reinforce the importance of partnership and distinguish the organisation from conventional shareholder-owned businesses. Symbols are also significant, particularly the use of the term 'Partner' rather than simply 'employee', which communicates a sense of ownership, membership and shared responsibility. Rituals and routines can be observed through the Partnership's mechanisms for employee participation, including representative Forums and the Partnership Council. These practices reinforce the expectation that Partners should have opportunities to express their views and contribute to the organisation.

The remaining elements further demonstrate the hybrid nature of John Lewis's culture. Its organisational structure combines formal managerial authority with employee representation, while its power structures distribute influence between the Chairman, Partnership Board and Partnership Council. Control systems, including governance and performance mechanisms, ensure that the participative culture remains connected to commercial objectives. Taken together, these elements suggest that the underlying cultural paradigm of John Lewis is centred on partnership, employee participation and shared responsibility, alongside commercial accountability.

Therefore, the Cultural Web provides a stronger analytical tool for this organisation than simply categorising John Lewis as either hierarchical or participative. It demonstrates that these characteristics coexist and interact. This is important because organisational culture is not necessarily uniform or without tensions; rather, the Cultural Web allows the relationship between employee participation, managerial authority and commercial performance to be critically examined.

Organisational Culture and Adaptation to the External Environment

John Lewis Partnership's organisational culture plays an important role in how it responds to changes in the external environment. A PESTLE analysis identifies economic, social and technological pressures as particularly significant influences on the organisation. From an economic perspective, changing financial conditions have required John Lewis to reconsider areas of diversification and focus its resources on its core retail businesses. In February 2026, the Partnership announced its withdrawal from its Build-to-Rent (BTR) property business, explaining that higher interest rates, inflationary pressures and a more cautious property market had fundamentally changed the economic conditions on which the venture was originally based (John Lewis Partnership, 2026a). This demonstrates how the Partnership's long-term and financially responsible culture can facilitate adaptation: rather than continuing with a strategy that no longer met its investment criteria, the organisation redirected resources towards its core retail operations. However, this also demonstrates that a long-term culture does not eliminate the risks associated with responding to an uncertain external environment.

Social factors have also influenced John Lewis's response to changing consumer expectations. The cost-of-living environment has resulted in customers becoming more cautious about spending, increasing the importance of value, choice and relevance. John Lewis responded by broadening its product proposition, introducing 200 new and in-demand brands during 2025/26, including an exclusive national partnership with Topshop (John

Lewis Partnership, 2026b). This response reflects the Partnership's customer-focused culture, whereby understanding and responding to customer needs forms an important part of organisational decision-making. Furthermore, its employee-partnership model may support this adaptation by allowing Partners who interact directly with customers to contribute knowledge about changing preferences. Consequently, employee involvement can help connect the organisation's internal culture with changes occurring in its external environment.

Technological change represents another major external influence. The growth of online retail and changing digital shopping behaviour has encouraged John Lewis to invest substantially in technology as part of its wider transformation programme. During 2025/26, the Partnership increased investment in stores, technology, supply chain and brand initiatives by 26%, while John Lewis continued developing its customer-focused omnichannel strategy. It also extended its 'Ship from Store' service to 28 locations, using physical stores as part of its fulfilment network (John Lewis Partnership, 2026b). The organisation is additionally investing in AI-powered shopping and exploring platforms such as TikTok Shop to reach customers through new digital channels (John Lewis Partnership, 2026c). These developments demonstrate how John Lewis's culture of customer focus and long-term investment can act as an enabler of adaptation. Nevertheless, the transformation also involves significant costs and risks, meaning that cultural willingness to adapt must be supported by effective financial and technological management. Overall, John Lewis demonstrates that organisational culture can support environmental adaptation by encouraging long-term thinking, customer responsiveness and organisational flexibility.

Organisational Culture and Effective Organisational Functioning

John Lewis Partnership's organisational culture can be considered predominantly an enabler of effective organisational functioning, although it also creates potential barriers that require effective management. Its partnership model places emphasis on employee ownership, participation and shared responsibility, which can support employee commitment and organisational performance. Bradley and Taylor (1992) found that the John Lewis model demonstrates that employee ownership and the sharing of organisational power can coexist with effective commercial decision-making. This suggests that the Partnership's participative culture does not necessarily weaken managerial effectiveness; instead, employee involvement can provide access to knowledge and perspectives from individuals operating close to customers and day-to-day operations. In turn, this may support better-informed decisions and strengthen employees' commitment to implementing organisational objectives.

Employee participation can therefore act as an important cultural enabler. When Partners are given opportunities to express their views and contribute to organisational decisions, they may develop a stronger sense of ownership and responsibility towards the organisation. This is particularly relevant within John Lewis because the concept of partnership is reinforced through its organisational structures, communication practices and the use of the term 'Partner'. Such cultural consistency can support employee identification with organisational objectives and contribute to effective cooperation between employees and management. Cathcart (2014), however, highlights that participation within John Lewis contains important tensions, demonstrating that the existence of participative structures does not automatically remove differences between employee and managerial interests. This provides an important limitation to the argument that the Partnership culture is entirely beneficial.

One potential barrier is the possibility that extensive participation can make organisational decision-making more complex. Consultation between management, employee representatives and other stakeholders can increase accountability and provide a wider range of perspectives, but it may also require additional time before decisions can be agreed and implemented. This could become problematic in the highly competitive retail environment, where organisations increasingly need to respond rapidly to changes in technology, customer behaviour and economic conditions. Furthermore, a strong organisational culture can create resistance if established values and practices become overly embedded. John Lewis must therefore maintain its distinctive partnership identity while remaining sufficiently flexible to respond to external change.

Overall, the evidence suggests that John Lewis's organisational culture acts more strongly as an enabler than a barrier to effective functioning. Employee ownership and participation can encourage commitment, knowledge-sharing and accountability, while formal governance arrangements provide the managerial authority required to coordinate the organisation. However, the same participative culture can create slower or more complex decision-making and potential tensions between employee and commercial interests. The effectiveness of John Lewis's culture therefore depends on maintaining an appropriate balance between participation and managerial control. This balance enables the Partnership to retain its distinctive cultural identity while ensuring that employee involvement supports, rather than prevents, effective organisational performance.

Impact of Organisational Culture on Organisational Performance

John Lewis Partnership's organisational culture appears to have a generally positive impact on organisational performance, particularly through its emphasis on employee ownership, participation and customer focus. Bradley and Taylor (1992) identify the John Lewis Partnership as an example of an employee-owned organisation in which employee ownership, profit-sharing and participation have been associated with commercial success and workforce stability. This suggests that the Partnership's culture can contribute to performance by creating a stronger connection between employees and organisational objectives. When employees are treated as Partners with a shared interest in the success of the organisation, this may encourage greater responsibility, commitment and awareness of how individual performance contributes to wider business outcomes. However, culture should not be regarded as the sole explanation for organisational performance, as external economic conditions, management decisions and competitive pressures also influence business results.

Recent performance provides evidence of areas where John Lewis's culture may be contributing positively. In its 2025/26 results, the Partnership reported sales of £13.4 billion, representing a 5% increase year-on-year, while profit before tax, Partnership Bonus and exceptional items increased by 6% to £134 million (John Lewis Partnership, 2026). John Lewis itself reported sales of £4.9 billion, up 3%, while adjusted operating profit increased by £13 million to £58 million. The company also achieved a record customer satisfaction score and ranked first in the 2026 UK Customer Satisfaction Index for UK retail. These outcomes are consistent with the Partnership's emphasis on customer service and employee involvement, suggesting that its culture may support the delivery of a positive customer experience and contribute to commercial performance.

The culture may also support performance by encouraging John Lewis to invest in its Partners alongside its physical and technological infrastructure. During 2025/26, the

Partnership increased investment in stores, technology, supply chains and brand initiatives by 26%, while investing £108 million in Partner base pay and distributing a 2% Partnership Bonus (John Lewis Partnership, 2026). This reflects the organisation's attempt to balance commercial investment with its commitment to employee-Partners. Nevertheless, the results also demonstrate why culture should not be viewed as a guarantee of strong performance. Despite improvements in underlying profit, the Partnership reported a statutory loss before tax of £21 million, partly due to £120 million of exceptional charges, primarily associated with writing down legacy technology systems. This highlights the financial risks involved in adapting the organisation while maintaining its distinctive culture.

Overall, John Lewis's organisational culture appears to make a positive contribution to performance through employee commitment, customer focus and shared responsibility. However, the evidence does not establish that culture alone causes improved financial results. Instead, culture should be understood as one factor that can support performance when combined with effective strategy, investment and management. The Partnership's recent growth in sales, profit and customer satisfaction therefore provides evidence of a potentially valuable relationship between its distinctive culture and organisational performance, while its financial and technological challenges demonstrate the limitations of relying on culture alone.

Conclusion

Overall, the analysis demonstrates that organisational culture is deeply embedded within the way John Lewis operates and makes decisions. Its distinctive partnership culture, based on employee ownership, participation and shared responsibility, has shaped a hybrid organisational structure that combines formal managerial authority with mechanisms for employee voice. The Cultural Web further demonstrates that these values are reinforced through the Partnership's stories, symbols, power structures, rituals and routines. The analysis also indicates that this culture has supported John Lewis in adapting to economic, social and technological pressures through strategic change, broader customer choice and significant investment in digital transformation. However, the culture is not without limitations, as extensive participation can increase decision-making complexity and create tensions between employee interests and commercial priorities. Overall, the evidence suggests that John Lewis's culture acts predominantly as an enabler of effective organisational functioning and can contribute positively to performance through employee commitment, customer focus and shared responsibility. Nevertheless, continued success depends on maintaining these cultural strengths while remaining sufficiently agile to respond to external change.

Reference List

Cathcart, A. (2014) 'Paradoxes of participation: non-union workplace partnership in John Lewis', *The International Journal of Human Resource Management*, 25(6), pp. 762–780.

Storey, J. and Salaman, G. (2017) 'Employee ownership and the drive to do business responsibly: a study of the John Lewis Partnership', *Oxford Review of Economic Policy*, 33(2), pp. 339–354.

Bradley, K. and Taylor, S. (1992) *Business Performance in the Retail Sector: The Experience of the John Lewis Partnership*. Oxford: Oxford University Press.

Cathcart, A. (2014) 'Paradoxes of participation: non-union workplace partnership in John Lewis', *The International Journal of Human Resource Management*, 25(6), pp. 762–780.

John Lewis Partnership (2025) *Annual Report and Accounts 2024/25*.

<https://www.johnlewispartnership.co.uk/content/dam/cws/pdfs/Juniper/ARA2025/JLP-plc-ARA-2024-25.pdf?>

John Lewis Partnership (2026a) 'John Lewis Partnership to withdraw from Build to Rent business', 25 February. Available at:

<https://www.johnlewispartnership.co.uk/content/dam/cws/pdfs/Juniper/ARA2025/JLP-plc-ARA-2024-25.pdf>

John Lewis Partnership (2026b) 'Full Year Results to 31 January 2026', 12 March.

<https://www.johnlewispartnership.co.uk/media-centre/latest-news/2026/23872?>

John Lewis Partnership (2026c) 'John Lewis invests in future of retail with AI-powered shopping and TikTok Shop launch', 9 March. Available at:

<https://www.johnlewispartnership.co.uk/media-centre/latest-news/2026/23871>

Bradley, K. and Taylor, S. (1992) *Business Performance in the Retail Sector: The Experience of the John Lewis Partnership*. Oxford: Oxford University Press.

Cathcart, A. (2014) 'Paradoxes of participation: non-union workplace partnership in John Lewis', *The International Journal of Human Resource Management*, 25(6), pp. 762–780.

Bradley, K. and Taylor, S. (1992) *Business Performance in the Retail Sector: The Experience of the John Lewis Partnership*. Oxford: Oxford University Press.

John Lewis Partnership (2026) 'Full Year Results to 31 January 2026', 12 March.
<https://www.johnlewispartnership.co.uk/media-centre/latest-news/2026/23872>