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ABSTRACT

The organisational culture of John Lewis is examined in this report with an emphasis on how the company's long-standing employee-ownership model influences values, behaviours and business performance. The analysis examines the fundamental ideas of collaboration, shared accountability and customer centricity the form and foundation of the company's identity drawing on suitable organizational culture frameworks. The report assesses how these cultural characteristics influence leadership styles, communication methods and employee engagement while also considering the challenges provided by recent structural and market pressures. In a retail industry that is changing quickly suggestions are offered to encourage cultural balance, support, staff voices and reaffirm the organisation's values.

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INTRODUCTION

Organisational culture has a significant impact on how companies run affecting everything from customer satisfaction and long-term performance to staff conduct and leadership style. John Lewis stands out in the UK retail industry as a company with a distinctive and well-established culture that is based on its special partnership structure and enduring principles. As an employee-owned company, John Lewis places a great value on mutual respect, shared accountability and a dedication to providing high quality services all of which continue to direct its daily operations and strategic choices. This report examines the organisational culture of John Lewis exploring the values, beliefs and practices that support the company's identity. It also considers how this culture affects customer happiness, employee engagement and organisational performance as well as how John Lewis modifies its culture practices in response to contemporary retail challenges. Through this analysis the report aims to provide a comprehensive understanding of how organisational culture contributes to John Lewis's reputation as a trusted and people focused retailer. This report will include a PESTLE analysis, a cultural web and Handy's 4 types of culture all explaining how John Lewis adapts organisational culture into their business. John Lewis began trading over 150 years ago in 1864 on London's Oxford Street and is now the UK's largest employee owned omni channel retailer, offering thoughtfully created homes, fashion, beauty and technology products with expert partner services at heart. Waitrose joined the partnership in 1937. There are now 300+ Waitrose stores. Waitrose has its own farm, which is part of the Leckford estate in Hampshire and embodies the Waitrose principles of good food, good environmental practices and fairness. Established in 1927, the farm produces arable crops including high quality bread making wheat which is used to make a range of Leckford Label flour, as well as oil seed, beef, apples, pears, apple juice and cider for Waitrose stores.

Being a partner means more than just having a job. It means having a voice, a stake, and a shared responsibility in how the business is run. As co-owners, partners help

shape the future of the partnership, with opportunities to influence decisions, build meaningful careers and make a difference to customers and communities. It's a way of working that's built on trust, care and a collective purpose. The company has 69,000 partners.www.johnlewis.com

Types of Cultures

There are various types of culture such as material and non-material culture which cover both tangible and intangible elements, respectively. Sociologists frequently divide culture into folk popular high culture and low culture each of which has unique traits and effects. Other instances include global culture, which reflects the interconnection of societies and corporate culture which impacts organisational environments.

A further common way that trends and behaviours are influenced is through pop culture. Knowing these various kinds helps one understand how culture influences media, social media and identity. Company culture is how business feels day to day. It's the shared values, behaviours and ways of working that shape of how a team connects, collaborates and make decisions. Hierarchy culture is a traditional type of culture which revolves around structure, control and doing things efficiently. The working environment will be extremely organised with well-polished policies and procedures keeping business running smoothly is key. The structure of a Hierarchy can cause issues too with the sole decision makers further up the business ladder communications become slow and time consuming which can prove problematic in fast moving dynamic working environments.

Market culture is more results driven market orientated and extremely competitive. This type of culture is most common in larger more corporate minded businesses where leaders are relentless, tough and have very high expectations of their teams. Employees are given difficult goals that they strive to achieve. Performance is closely monitored for which it's not unusual for employees to be rewarded and punished. By getting the job done and meeting targets is the number one priority. Characteristics of market culture include focus on results hitting targets and individualism encouraging employees to be independent and self-reliant. Despite the aggressive nature of market culture there is no doubt that it has its up sides for business productivity and growth.

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HANDYS 4 TYPES OF CULTURE

POWER CULTURE

John Lewis does not predominantly follow a power culture because the partnership model distributes authority more widely. Employees (partners) have a voice in decision making however during crises (e.g. could restructuring senior leadership changes) the company did show elements of power culture and rapid decision making by top executives. Centralised strategic decisions such as store closures and cost cutting.

ROLE CULTURE

John Lewis historically fits strongly with role culture clear departments (HR, merchandise, supply chain and store management etc). Formal procedures especially in retail operations, customer service protocols and supply chain processes. Partnership councils and governance structures create defined roles. This ensures consistency across all stores for customers it's also one of the dominant cultural types at John Lewis.

TASK CULTURE

Teams are formed to solve specific problems or deliver projects. Flexible innovative and collaborative power lies with those who have expertise. Increasingly important as John Lewis partnership modernises cross functional teams to improve online retail, digital transformation and logistics. Teams formed to develop online retail, digital transformation and logistics. Teams formed to develop new services (e.g. furniture rental, financial services expanding online operations) Agile project teams for omnichannel improvements. This allows the business to complete in a fast-changing retail environment. Overall growing influence especially in strategic and digital areas.

PERSON CULTURE

The individual is central organisation exists to serve its members rare in large business more common in professional firms. John Lewis shows elements of person culture because employees are partners and part owners. This demonstrates a strong emphasis on staff wellbeing, development and democratic voice. Employee councils and voting give individuals influence but it's not a pure person culture as the organisation must prioritise targets, customer service and commercial performance. Overall person-centred values exist but within a structured retail environment.

John Lewis structure and decisions

The John Lewis partnership is known for its distinctive organizational structure that emphasizes employee ownership and shared responsibility. This allows every employee referred to as a “partner” to have a stake in the company which gives a sense of ownership and commitment to the business’s success. The John Lewis partnership has an autonomous organisation that allows employees to express their own opinions giving management clear and trustworthy visions thanks to several well-known and extensive perks. Employees are kept as partners. The organization’s autonomous structure allows for an abundance of committees and employee bodies where employees can freely express their thoughts. When it comes to distributing the company’s annual returns, every employee is acknowledged as an associate and is maintained as such. The controlling body of the corporation is formed by the group executive, the chairman, partnership board and the divisional management boards. The divisional and branch level democracy the partnership council which selects five partnership board directors and the democratic frameworks that allow partners to express themselves and control management.

External Environment

PESTLE

Using a pestle analysis to see how the external environment affects John Lewis's culture

POLITICAL: Packaging tax at John Lewis has cited new taxes (like packaging levy) and higher employer national insurance as major cost pressures. Their 2022 annual report mentions government policy changes, regulatory changes as external risks that could erode margins. As a partnership changes in regulation around employee ownership or corporate governance could threaten their model or make adaptation harder.www.financialtimes.com/jlp.com

ECONOMIC FACTORS: In its risk disclosures, John Lewis partnership highlights a weak economy, cost inflation and reduced consumer spending which has serious risks. External financial pressures are eating into traditional retail margins. Shoppers may trade down, change spending habits or reduce discretionary purchases (which affects a department store like John Lewis). An implication for culture is their partner ownership model drives commitment which can be an advantage in tough economic times but sustaining profitability while maintaining their culture (e.g. paying partners and sharing profits) is becoming more challenging.

SOCIAL FACTORS: Customer expectations increasing, consumers care about ethics, sustainability and transparency. John Lewis' commitment to purpose and sustainability matches this trend. The culture encourages internal activism partners to raise their voices on social impact and the future purpose of the business. Changing shopping habits and shifting retail trends, John Lewis must adapt from being a primarily upmarket department store. Their democratic ownership and engaged workforce gives them flexibility to adapt policies to these social changes. However

cultural inertia could slow radical shifts and balancing traditional service-focused retail with modern and digital expectations could be a challenge.

TECHNOLOGICAL FACTORS: Digital transformation retail is becoming more technology driven. John Lewis needs significant investment to keep up. Technological changes in supply chain, logistics and inventory management are critical especially given their ethical sourcing strategy. To stay competitive John Lewis must innovate its business model integrate its digital channels and improve operational efficiency. The participatory culture can either help or hinder, if partners feel part of the transformation they can drive innovation, but consensus based on decision making may slow down fast tech change. Also, their long-term sustainable mindset might prioritise careful, ethical tech adoption.

LEGAL FACTORS: Being a large retailer John Lewis must comply with many legal regulations (employment law, environmental law, consumer protection). As an employee-owned business labour relations are critical, legal changes affecting labour costs, employee rights or taxation could significantly impact them. Sustainability legislation, new rules around carbon emissions, packaging and waste management may force increased costs or operational changes.

ENVIRONMENTAL FACTORS: Increasing pressure from government and customers to reduce carbon emissions John Lewis has targets related to responsible sourcing and climate impact. Waste and packaging regulations has requirements to reduce single use plastics and improve recyclability. This encourages the company to innovate in packaging and supply chain sustainability. Climate change is for when extreme weather events can disrupt the supply chains especially global suppliers. Customers are more environmentally conscious affecting product preferences. Ethical sourcing and fair trade have a demand for ethically sourced textiles, electronics and food (via Waitrose). Suppliers must meet strict ethical and environmental standards.

BARRIERS TO EFFECTIVE ORGANISATIONAL FUNCTIONS

Despite its strong culture, John Lewis faces challenges that can hinder efficiency. Decision making can be slow due to multiple layers of consultation and councils. Coordination across departments between HR and sales functions is critical but sometimes weak. Reducing overall effectiveness market pressures and cost structure is a barrier for example, premium pricing and limited global presence create external pressure which can strain internal operations and morale. Adapting to digital retail trends while maintaining traditional values can create internal friction and skills gaps. John Lewis's culture is a major strength built on trust, ownership and democratic principles but these same features can slow decision-making and complicate change initiatives. External market challenges and internal coordination issues add further barriers.

CULTURAL WEB

This is an analysing tool for organizations culture it has 6 elements

STORIES

Stories of the partnership model in which workers (partners) jointly control the company. The legacy of John Speden Lewis who encouraged justice, democracy and profit sharing while transferring ownership to his staff. Examples of outstanding customer service include “never knowingly undersold” dependability and going above and beyond to be resilient at internal narratives such as adjusting to economic downturns or the transition to online shopping. Also, John Lewis’s yearly Christmas advertisements which support public opinion and brand identification.

RITUALS AND ROUTINES

These are reflections of common place actions and procedures. Partner voice and democracy, including employee input forums and councils. Practices for customer service that prioritise courtesy, knowledge and problem solving. Performance evaluations are linked to cooperation and customer service in addition to financial criteria. Annual bonus rituals which have historically celebrated shared successes have been scaled back or stopped in some years.

CONTROL SYSTEMS

Performance is monitored through customer satisfaction metrics and profit-sharing schemes aligning success with partner engagement. Ethical standards and integrity checks are part of the control system at John Lewis ensuring adherence to the core

values. Because everyone is a partner behaviour is guided by shared values and peer expectations. John Lewis uses result controls, but they are culturally adapted.

SYMBOLS

The term “partner” itself is symbolic representing equality and ownership. Branding elements like logo and the emphasis on quality products that symbolize trust and tradition physical spaces like stores designed for comfort and service reinforce the customer ethos. www.learnedwriters.com

POWER STRUCTURES

Power is distributed among partners rather than concentrated at the top the John Lewis chain. Leadership is accountable to the partnership council reinforcing collective decision making and transparency.

ORGANIZATIONAL STRUCTURE

The structure reflects formal reporting requirements and the level of centralisation. At John Lewis, a hybrid organization combining centralised corporate leadership with democratic partner involvement. Although they have autonomy, stores must stick to central brand and operating guidelines. Employee ownership is shown in the consultative nature of decision making.

RECOMMENDATIONS

Organizational culture varies from business to business in the open market place. Changing the culture according to the market conditions helps them grow the business successfully across the globe. Here, model is adopted to identify culture in the global market as well as aid to receive best results. Also focus on culture and how it impacts organizational effectiveness on continuous basis. Moreover, study the role of culture

on employee motivation so that improvements can be done accordingly. www.desklib.com Although John Lewis remains employee owned, recent financial pressures have weakened partners sense of shared ownership. By increasing visible partner involvement in strategic decision making (e.g. partner assemblies, digital forums and structured consultations.) Regularly communicate how partner feedback effects decisions. A benefit of this is it restores trust and strengthens culture that historically underpinned high engagement.

CONCLUSION

In conclusion, John Lewis's organisational remains one of its most distinctive strategic strengths. The culture has historically produced high levels of staff dedication, service quality and organisational stability because it is based on the ideas of employee ownership, shared accountability and long-term stewardship. At all organisational levels the partnership model which continues to influence behaviours at all organisational levels, promoting collaboration transparency and a collective sense of identity uncommon in traditional retail structures.

However, the company's recent economic challenges and restructuring initiatives highlight the tension between preserving core cultural values and meeting demands of a rapidly evolving retail environment. While some employees have expressed concern about a perceived erosion of the traditional partnership ethos evidence suggests that John Lewis is actively seeking to balance cultural preservation with necessary organisational transformation. John Lewis is not the only company to offer employee ownership, PA consultancy – Management consultants also has the same methods. PA consultancy celebrated its 80th anniversary in 2024 and did so by announcing a record turnover of £790million. Founded in London in 1943, PA is now the world's leading management and technology consultancy, employing 4000 staff. From the UK , PA has now developed offices in 18 international locations. When the government introduced Employee ownership trust (EOT) in 2014 it was based on the historic John Lewis ownership model. It is now the largest EOT in the UK with annual trading sales of £12.3BN and with 80,000 partners who each have part ownership share in profits and have a say in how the organisation is run. www.employeeownershipadvisor.co.uk

One aspect of the entire business setup is organisational culture and structures. The personnel or staffs analyse the full concealment of the whole arrangement. As a privately held firm, John Lewis has invested in its employees who are regarded as partners who own the entire company. They put in great effort to position the company

to lead and succeed in both domestic and international markets. They work according to plan which inspires them to be worthy stake owners of the company. John Lewis 's entire structure serves as the foundation for its future financial success and an enlightened culture propels them to new heights. Many factors influence to the attitude at work, and they immediately have repercussions on organisational structure and culture. Ultimately the sustainability of John Lewis's culture will depend on leadership ability to reinforce operational practices to new market realities. If effectively managed the partnership ethos can continue to serve as a foundation for innovation, employee engagement and competitive advantage, enabling John Lewis to maintain its reputation as a value driven and resilient organisation.

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