



BA (Hons) Leadership and Management

Module: Organisational Culture LCLM5005_LON

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Assignment title: Organisational Culture of John Lewis

Submission date : 12/08/2026

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THE STRATEGIC INTERACTION OF ORGANISATIONAL CULTURE, STRUCTURE, AND PERFORMANCE OF THE JOHN LEWIS PARTNERSHIP



Figure 1 The External Environment and Stakeholder Influences on the John Lewis Partnership (JLP) Organisational Culture.

1.0 INTRODUCTION

As highlighted by (Mullins and Christy, 2016), organizational culture encompasses the deeply embedded patterns of "how things are done around here," providing members with shared values, beliefs, and behavioral attitudes that dictate collective organizational actions. Far from being a passive subtext, culture represents an active, pervasive force that directly governs structural configurations, group dynamics, motivational frameworks, job satisfaction levels, and corporate control mechanisms (Mullins and Christy, 2016). In an era characterized by intensifying globalization, technological disruptions, and rapid market shifts, corporate organizations face unprecedented complexity. Consequently, managing a diverse

workforce and aligning them within a coherent, unified cultural paradigm has become a core strategic necessity for contemporary leadership (Mullins and Christy, 2016).

The John Lewis Partnership (JLP) represents an extraordinary, globally renowned case study in purpose-driven corporate culture and alternative governance. Operating prominent British retail brands including John Lewis department stores and Waitrose supermarkets, JLP is distinguished by its configuration as the UK's largest employee-owned business, encompassing approximately 74,000 co-owners known as "Partners" (John Lewis Partnership, 2026). Founded by John Spedan Lewis, who signed the first Trust Settlement in the early 20th century, the enterprise is constitutionally mandated to pursue a clear, revolutionary primary purpose: the happiness and well-being of all its members through the provision of satisfying, worthwhile employment within a successful, commercially sustainable business (John Lewis Partnership, 2026).

This report provides a structured critical evaluation of JLP through the theoretical lens established by (Mullins and Christy, 2016). It examines the direct interplay between JLP's co-ownership culture and its divisional structure, applies (Charles Handy's, 1993) typologies to diagnose its prevailing internal environment, and explores how the firm utilizes its cultural traits to manage external stakeholder networks and macroeconomic shifts. Ultimately, this report weighs the dual nature of JLP's culture as both a performance enabler and a strategic barrier, presenting evidence-based recommendations to ensure future resilience.

2.0 THE CORE STRUCTURE OF JOHN LEWIS: A CRITICAL EVALUATION

2.1 The Divisional Structure: Mechanics and Configurations

To successfully manage a large retail footprint and generate billions of pounds in annual revenue, an organization must implement a structural framework that balances operational efficiency with strategic focus (Senior and Swailes, 2016). The John Lewis Partnership addresses this challenge by utilizing a classic divisional organizational structure, segmented primarily by market specialization and brand identity: Waitrose & Partners (grocery and food retail) and John Lewis & Partners (department stores and omni-channel home/fashion retail) (John Lewis Partnership, 2026). Each division operates with its own dedicated retail management team, supply chain networks, and front-line service strategies tailored to their unique market segments (Johnson *et al.*, 2020).

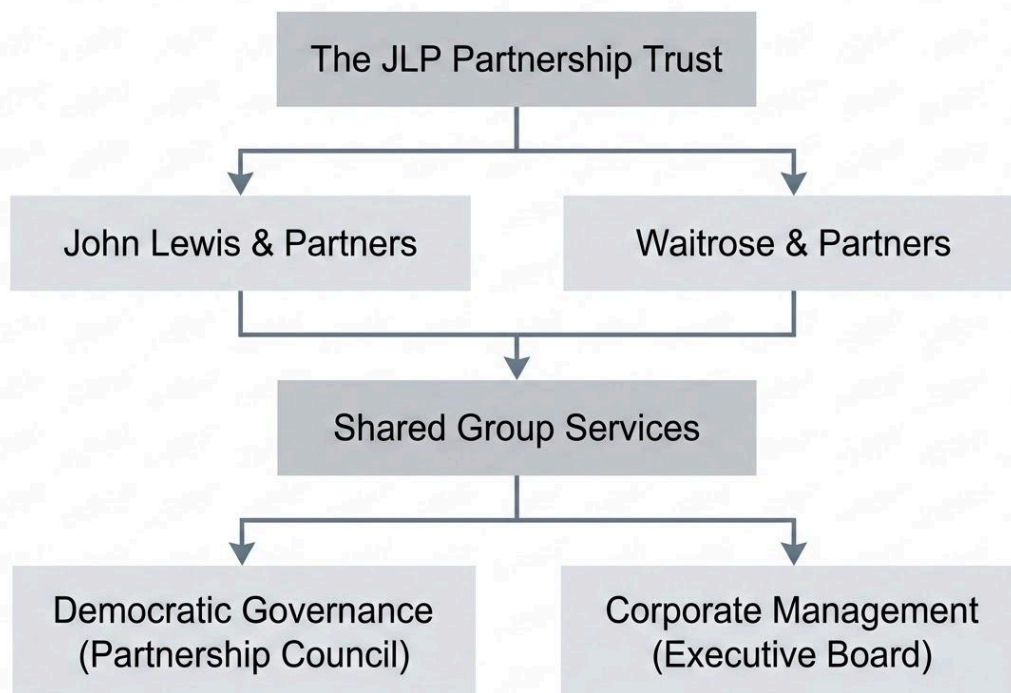


Figure 2. Organisational structure of the John Lewis Partnership.

Supporting these distinct business lines is a centralized Shared Group Services model, which groups essential administrative functions—including Group Finance, Legal Affairs, Corporate Personnel/HR, Procurement, and core Digital Technology infrastructure (Torrington *et al.*, 2020). This structural configuration aims to eliminate redundancies, capture economies of scale, and maintain a consistent corporate backbone across the entire partnership (Boxall and Purcell, 2016).

2.2 Variables Influencing JLP's Structural Design

An organization's structural design is rarely accidental; instead, it is continuously shaped by multiple contingency variables, including corporate scale, environmental volatility, technological requirements, and, most importantly, its core strategic intent (Child, 2015). For JLP, the primary variables influencing its current structure include:

- Market Diversity and Consumer Segments:** The operational requirements of a high-end food retailer (Waitrose), which demands high-frequency logistics, cold-chain supply management, and rapid product turnover, are fundamentally distinct from those of a fashion and lifestyle department store

(John Lewis). This divergence necessitates a divisional separation to maintain specialized market responsiveness (Johnson *et al.*, 2020).

- **Organizational Scale and Complexity:** With tens of thousands of employees distributed across hundreds of physical store sites and extensive digital e-commerce platforms, a purely centralized, flat structure would collapse under administrative overhead. The divisional architecture delegates operational authority down to retail segments, making a large-scale organization more manageable (Senior and Swailes, 2016).
- **The Ideological Variable (Co-ownership):** Unlike a traditional Public Limited Company (PLC) whose divisional lines answer exclusively to an executive board and external institutional investors, JLP's structure is heavily modified by its unique ideological imperative. It must structurally accommodate a parallel democratic governance network, including branch forums, divisional councils, and the overarching Partnership Council (John Lewis Partnership, 2026). This constitutional requirement ensures that elected worker representatives sit alongside corporate directors, shifting the structural dynamic from a standard command-and-control hierarchy toward a consultative network (Boxall and Purcell, 2016).

2.3 Importance and Effects of the Structure on Decision-Making

The integration of a divisional structure with a democratic governance model fundamentally alters decision-making dynamics at JLP. Unlike traditional retail firms that rely on centralized, top-down mandates—often resulting in frontline resistance—JLP's consultative framework fosters organizational citizenship and psychological alignment. By utilizing constitutional channels to engage Partners, the organization achieves higher execution commitment and reduced internal friction during major transitions.

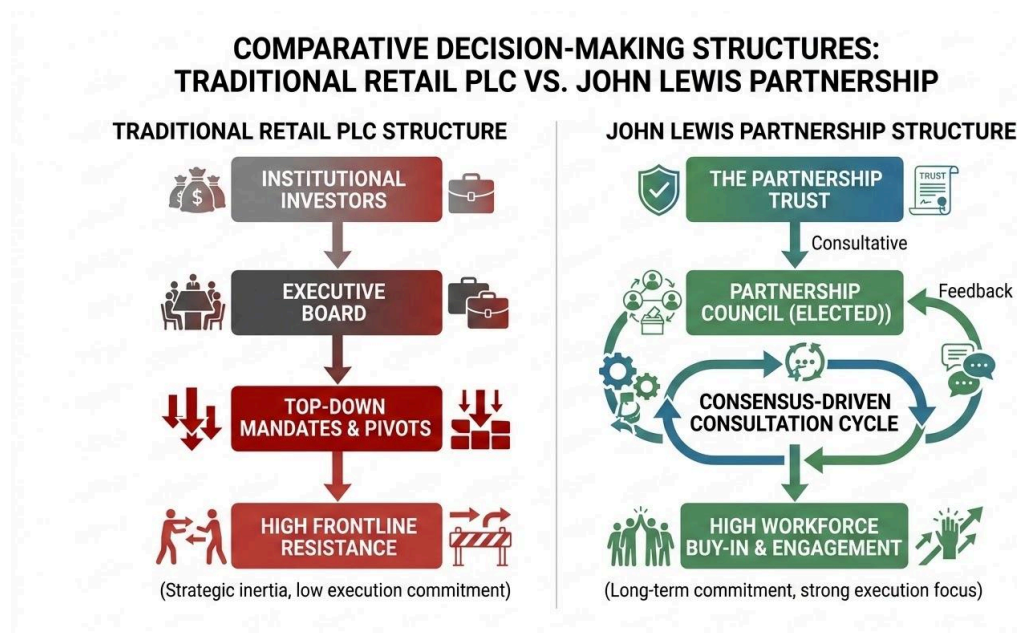


Figure 3. Comparison of decision-making structures in a traditional retail PLC and the John Lewis Partnership.

However, this participative approach presents a dual-edged challenge. While it ensures comprehensive risk assessment, the requirement for broad consensus often induces strategic inertia and prolonged deliberation. In a volatile retail landscape where digital competitors pivot rapidly, JLP's structured consultation can hinder competitive responsiveness. Thus, the democratic framework serves as both a significant ethical enabler and a potential commercial barrier to operational agility (Mullins and Christy, 2016).

3.0 APPLYING HANDY'S CULTURAL TYPOLOGIES TO JLP

3.1 The Iceberg Model: Observable vs. Core Culture

To evaluate the John Lewis Partnership's culture, the "Iceberg Model" provides a framework for distinguishing between visible artifacts and deeper, implicit values (Schein, 2016). The Observable Culture comprises manifest elements accessible to external observers, including the formal Constitution, democratic council structures, annual partnership bonuses, and distinct Partner uniforms (John Lewis Partnership, 2026). Conversely, the Core Culture resides beneath this surface, comprising the non-negotiable shared values and beliefs guiding daily interactions (Schein, 2016). At JLP, this core is anchored in mutual respect, organizational integrity, and the foundational commitment that employee well-being is the primary metric of corporate success (Mullins and Christy, 2016).



Figure 4. The Cultural Iceberg: Levels of Organisational Culture in the John Lewis Partnership

3.2 Handy's Typology Analysis

Charles Handy (1993) categorises organisational cultures into four archetypes. JLP operates as a nuanced hybrid of these forms:

- **Person Culture (Dionysus):** JLP's primary purpose is the happiness and development of its Partners, who hold the business in trust. This fosters an environment prioritizing human dignity and shared value over abstract corporate entities. (Handy, 1993)
- **Role Culture (Apollo):** Essential for large-scale logistics, JLP relies on standardized procedures, Apollonian systems, and constitutional boundaries to maintain operational reliability and brand consistency across its retail footprint. (Handy, 1993; Mullins and Christy, 2016)
- **Task Culture (Athena):** To combat digital disruption, JLP utilizes cross-functional project teams. These matrix-style units prioritize rapid iteration and functional experimentation over traditional bureaucratic approvals. (Handy, 1993)

- **Power Culture (Zeus):** Largely absent; JLP's constitutional framework and democratic oversight are explicitly designed to prevent autocratic control, ensuring strategic direction remains a collaborative effort. (Handy, 1993)

3.3 Determining the Prevailing Culture Mix

A synthesis of these elements indicates that the prevailing organizational culture within the John Lewis Partnership is a highly institutionalized Person-Role Hybrid, supported by a growing Task-oriented subset.

Handy's Cultural Dimension	Manifestation within JLP Operations	Strategic Alignment
Person Culture (Core)	Operationalized through the Partnership Trust and democratic governance bodies. The Constitution mandates employee happiness and well-being as the primary corporate purpose. (Handy, 1993)	Drives high organizational loyalty and talent retention. Partners are motivated as co-owners to ensure long-term commercial sustainability.
Role Culture (Structure)	Manifested in the divisional split between Waitrose and John Lewis, supported by standardized logistics and rigorous legal frameworks to ensure operational consistency across units. (Handy, 1993)	Ensures brand consistency, financial stability, and operational reliability across a large-scale, complex retail footprint.

Task Culture (Sub-tier)	Utilized within e-commerce and digital transformation initiatives through cross-functional project teams that bypass traditional hierarchy for rapid technical iterations. (Handy, 1993)	Enhances competitive responsiveness to market volatility and technical requirements in the omni-channel retail environment.
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The foundational base of the company is an employee-centric Person culture, which shapes how employees are treated and how long-term goals are set. However, the operational machinery used to run the business relies on a disciplined Role culture to maintain standard procedures across its large footprint (Senior and Swailes, 2016). This combination allows JLP to use its humanistic core as a powerful motivational engine, while utilizing its formal administrative framework to manage risk and maintain corporate reliability (Mullins and Christy, 2016).

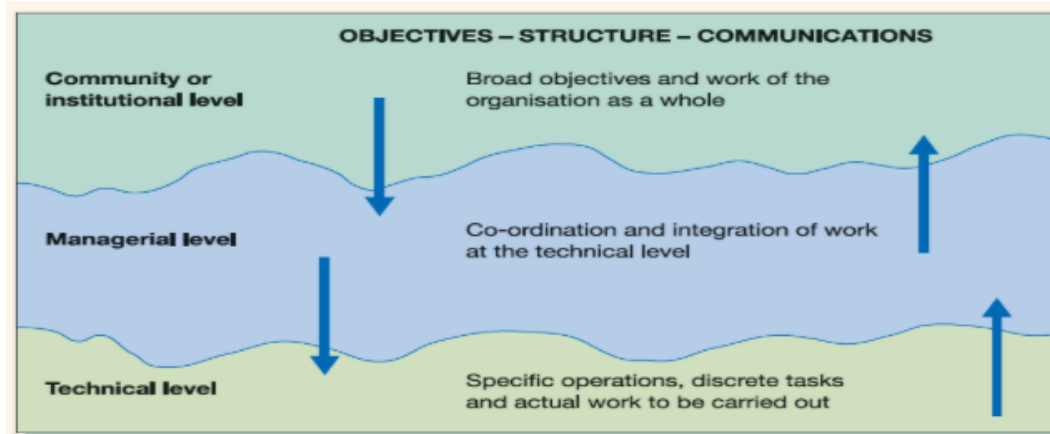


Figure 5 Structural Mechanics of Organizational Tiers: Evaluating the Strategic Interplay Between Corporate Intent and Functional Governance

4.0 MANAGING THE EXTERNAL ENVIRONMENT: STAKEHOLDERS, MACRO-FORCES, AND TRAIT THEORY

4.1 The Specific Task Environment

Every enterprise operates within an environmental context, divided into a macro-environment (broad political, economic, social, and technological forces) and

a specific task environment, which includes the immediate stakeholders with whom the company directly interacts (Child, 2015). JLP's internal culture serves as the central hub managing relationships across its Specific Environment. This task environment consists of critical external stakeholders, each placing distinct demands on the partnership:

- **Customers:** Their demand for ethical accountability and high service quality compels JLP to prioritize "Partner" training and transparent sourcing, ensuring that the brand's premium positioning remains a viable competitive defense against discount retailers (Purcell *et al.*, 2009).
- **Suppliers:** The requirement for fair trade terms and long-term collaboration shapes JLP's supply chain strategy, moving it away from transactional procurement toward a partnership-based model that stabilizes stock availability and meets sustainability targets (John Lewis Partnership, 2026).
- **Competitors:** Intensive pressure from agile digital rivals forces JLP to accelerate its omni-channel investments, necessitating a strategic shift where traditional store-based roles are rewritten to support rapid digital fulfillment and technology-driven efficiency (Johnson *et al.*, 2020).
- **Regulators:** Constant shifts in employment standards and data protection laws require JLP to maintain a highly disciplined Role culture, embedding rigorous compliance checks into daily operations to mitigate significant reputational and legal risks (Senior and Swailes, 2016).
- **Investors / Owners:** Because the Partners are the owners, their demand for long-term job security and well-being shifts JLP's financial strategy away from short-term dividend maximization toward patient capital reinvestment in infrastructure and training (Torrington *et al.*, 2020).

4.2 PESTLE Analysis of the External Macro-Environment

To fully comprehend the pressures on JLP's operating model, it is necessary to evaluate the macro-environmental factors using the PESTLE framework:

- **Political:** As a major UK retailer, JLP is sensitive to trade policies, Brexit-related regulatory shifts, and government retail tax reforms, which impact cross-border supply chains and operational costs (Johnson *et al.*, 2020).

- **Economic:** JLP faces significant challenges from inflationary pressures, which dampen consumer discretionary spending, and fluctuating interest rates, which impact debt servicing for its large-scale property investments (Child, 2015).
- **Social:** Demographic shifts, including changing consumer shopping habits and an aging population, require JLP to continuously adapt its product offerings and omni-channel services to maintain market relevance (Johnson et al., 2020).
- **Technological:** Rapid digitization and the rise of agile e-commerce competitors necessitate heavy investment in supply chain automation, digital platforms, and data analytics to sustain competitive advantage (Johnson et al., 2020).
- **Legal:** Stringent employment laws, GDPR compliance, and evolving retail safety regulations require rigorous constitutional adherence and compliance monitoring to mitigate legal and reputational risks (Child, 2015).
- **Environmental:** Growing consumer demand for sustainability and climate-conscious business practices places pressure on JLP to decarbonize its logistics, reduce packaging waste, and demonstrate verifiable supply chain ethics (Johnson et al., 2020).

This analysis underscores that while JLP's internal culture provides a strong foundation, its long-term resilience depends on navigating these external macro-forces with agility.

4.3 Applying Trait Theory to Environmental Management

Organizational Trait Theory posits that enduring cultural traits—adaptability, consistency, involvement, and mission—enable enterprises to manage external volatility and align with stakeholder expectations (Denison et al., 2014). JLP leverages these traits to navigate its environment:

Trait 1: Customer-Centric Involvement

By treating staff as co-owners, JLP fosters high employee involvement. This directly impacts the external environment by driving Customer Excellence. Because frontline partners benefit from commercial success, they are motivated to provide high-quality service, building brand loyalty that insulates JLP during retail price wars (Purcell et al., 2009).

Trait 2: Ethical Sourcing and Long-Term Supplier Collaboration

JLP's core values of trust and integrity foster Ethical Sourcing. Instead of short-term profit seeking, JLP builds collaborative relationships with suppliers, enhancing supply chain resilience and meeting consumer demand for sustainable goods (John Lewis Partnership, 2026; Johnson et al., 2020).

Trait 3: Regulatory Compliance and Role Consistency

The disciplined procedures of JLP's Role culture drive Regulatory Compliance. By embedding rigorous legal and ethical checks into standard operations, the firm mitigates reputational risk and maintains strong standing with regulators (Senior and Swailes, 2016).

Trait 4: Long-Term Reinvestment and Owner Stewardship

As the owners are employees, JLP avoids the pressure for short-term dividend growth, enabling patient capital stewardship. This focus on long-term reinvestment into infrastructure and training helps protect the organization during economic downturns (Boxall and Purcell, 2016; Torrington et al., 2020).

5.0 CRITICAL ASSESSMENT: CULTURE AS A STRUCTURAL BARRIER VS. OPERATIONAL ENABLER

An organization's culture can simultaneously serve as a powerful operational driver and a significant structural barrier, depending on the speed and nature of external market changes (Schein, 2016). A balanced analysis of JLP's hybrid culture highlights this duality.

The Culture as an Enabler

- **Driving Discretionary Effort:** JLP's Person-centric co-ownership culture unlocks high levels of employee commitment. When workers view themselves as business partners, they are more willing to go beyond basic job requirements to support the organization (Buchanan and Huczynski, 2019). This discretionary effort underpins JLP's reputation for customer service, creating a distinct competitive differentiator in the retail sector (Purcell *et al.*, 2009).
- **Exceptional Talent Retention:** The commitment to employee well-being, fair compensation, and collaborative governance results in low voluntary staff

turnover compared to high retail industry averages (Boxall and Purcell, 2016). This stability preserves institutional knowledge, lowers recruitment and onboarding costs, and maintains a consistent service standard for consumers (Torrington *et al.*, 2020).

- **Strong Brand Equity and Trust:** The visible alignment between JLP's internal values and its external business practices generates substantial brand trust. Consumers often favor businesses that treat their workforces ethically, allowing JLP to maintain premium positioning and customer retention even during broader economic downturns (Johnson *et al.*, 2020).

The Culture as a Barrier

- **Slower Strategic Decision-Making:** The requirement for democratic consultation often introduces operational delays. When rapid market adjustments are required—such as implementing restructuring plans, rewriting traditional job roles, or changing store layouts—the multi-layered consultation process can delay execution (Senior and Swailes, 2016). This consensus-driven delay can put JLP at a disadvantage against agile, privately held, or private-equity-backed competitors that can make top-down pivots quickly (Mullins and Christy, 2016).
- **Capital Sourcing Limitations:** JLP's trust-owned structure means it cannot issue public shares to raise capital (Torrington *et al.*, 2020). As a result, major investments must be funded through retained profits or debt financing. In an asset-intensive retail market requiring ongoing digital transformations, this funding constraint can limit the speed and scale of JLP's technological updates (Johnson *et al.*, 2020).
- **The Risk of Operational Entitlement:** A long-standing Person culture can inadvertently create an environment resistant to change, where employees may view historical benefits and working arrangements as permanent entitlements rather than rewards linked directly to commercial performance and productivity (Handy, 1993). This can make it more difficult for leadership to introduce necessary efficiency drives or modernize working practices during periods of financial pressure (Robbins and Judge, 2019).

6.0 STRATEGIC IMPACT ON PERFORMANCE AND EVIDENCE-BASED RECOMMENDATIONS

The direct connection between a well-aligned corporate culture and positive business performance is well documented in management literature (Schein, 2016). JLP's culture has historically supported solid financial performance and high customer satisfaction scores, as shown by its resilient multi-billion pound revenues and steady cash reserves (John Lewis Partnership, 2026). However, maintaining this position requires continuous evolution to ensure that democratic processes do not hinder operational speed. To enhance strategic agility while preserving JLP's unique employee-owned identity, three theory-informed recommendations are proposed:

Recommendation 1: Integrate Agile Governance Sub-Structures

- **Action:** Utilizing the Task Culture concept (Handy, 1993) and agile models proposed by Senior and Swailes (2016), JLP should introduce cross-functional teams with autonomous decision-making for routine digital and store-level updates. This streamlines execution by focusing the Partnership Council on high-level strategy rather than daily operational approvals.

Recommendation 2: Expand Localized, Performance-Linked Recognition Pathways

- **Action:** Applying Vroom's Expectancy Theory (Mullins and Christy, 2016), JLP should implement localized, team-based recognition linked to specific branch targets like waste reduction and customer satisfaction. This clarifies the link between individual effort and collective success, reducing operational complacency.

Recommendation 3: Invest in Dynamic Multi-Channel Workforce Training

- **Action:** Based on the Resource-Based View (Boxall and Purcell, 2016), JLP should invest in digital upskilling to create a versatile workforce capable of transitioning between physical service and digital fulfillment. This enhances labor efficiency and supports a modern multi-channel retail model.

7.0 CONCLUSION

In clear alignment with Mullins and Christy's (2016) core argument, the John Lewis Partnership demonstrates that an organization's culture is a foundational force that directly shapes its structural design, decision-making systems, and approach to

external environments. JLP's unique model—which balances an employee-focused Person culture with a structured, divisional Role culture—creates clear competitive advantages by fostering high employee engagement, strong brand equity, and consistent customer service.(Mullins and Christy, 2016; Boxall and Purcell, 2016)

While this participative approach can introduce strategic delays and capital constraints, it remains a resilient and trusted business model when managed with clear foresight. By incorporating agile project teams into its governance structure and expanding localized, performance-linked recognition, JLP can preserve its core values of mutual respect and shared ownership while gaining the speed, flexibility, and operational efficiency required to thrive in a highly competitive digital retail landscape.

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