

What is the john lewis partnership essay sample



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John Lewis is one of the biggest retailer shops in the United Kingdom. The John Lewis department stores are famous for offering high quality goods at reasonable prices. They will introduce some innovative products over a period of time in order to retain its value customers. Its annual turnover is around 4 pounds billion. John Lewis offers over a million different lines. There are electrical goods, fashion, the latest IT hardware, toys, books, and more. In 1864, John Lewis set up the first shop in London Oxford Street. And in 1937, the company bought Waitrose and now became a part of John Lewis as well.

They have the highly motivated workforce which they share the partnership between 27 department stores (include Scotland) and 136 Waitrose food shops.

Who are the competitors of John Lewis department stores?

This essay will only focus on the John Lewis Department excluding Waitrose. According to the interview with the Merchandise Manager in the John Lewis (Kingston), the biggest competitor is Marks and Spencer, followed by Debenhams and House of Fraser respectively.

What is the John Lewis Partnership?

The John Lewis Partnership works with all its permanent employees (excluding the part-time workers). They are referred to as 'partners' of the John Lewis. They are the co-owners of the business and have direct financial interest in its profitability; therefore, all the partners have a 'sense of ownership' to the company. Moreover, as a partner of the John Lewis

Company, not only profit is being shared, but also power, information, knowledge and the future, therefore, all employees (partners) in the John Lewis have the same aim and corporate objective towards the company. According to Cole (1996), it is necessary to state the overall objective or purpose of the organization - its mission to the employees, and those that set out the organization's long term, strategic, and aims.

Communication with its staff

They strongly believe that the people who make the profit should also share the profit; they believe everyone is accountable in a successful and democratic business. Based on the statistic report on 2001- 2002, there are altogether 577000 partners in the John Lewis Company; last year, they received a profit included bonus which worth around 16% of their annual salary.

All the partners of the John Lewis have the decision- making power, they have the right to be participate in making important decisions and making suggestions on issues like the opening hours of John Lewis, every partner has to make a contribution to the company, since they are the one who own the company, besides sharing the profit, they also have the right to ask for help from the managers if they have any difficulties in performing their jobs.

According to the Q&A with the manager, John Lewis Company also provides various committees in order to enhance the well communication between all staffs and the chairman; on sharing the information, the company publishes weekly journal which is called ' gazette'. It is about the company's trading and the progress report of the business, as well as some social gathering

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which allow the partners to communicate with each other. Moreover, there is a corner for the staff to criticize the company, a senior staff is responsible to answer and solve his/her problem. As a result, they have a great sense of belonging in their company.

How well does John Lewis motivate its employees?

The Head Manager of the John Lewis believes that 'partners' are the most important element which leads to the success of the John Lewis. It also believes only people can lead to the expansion of the market share too. Therefore, apart from the salaries they have had; every March, all permanent partners receive a special cash bonus on a democratic basis that everyone receives the same percentage of salary. That is to motivate them as recognition of contribution towards the company.

The Head Manager of John Lewis believes that only people can make a difference to the company, without people, nothing can be done. So, the company emphasizes on highly motivated their employees. It provides excellent fringe benefits to its employees such as free life assurance, non-contributory pensions, shopping discounts on all department store lines and most of the Waitrose lines. Moreover, nearly all the permanent employees receive around 4 weeks holidays start from the first year they work in John Lewis.

Herzberg's motivation-hygiene theory concentrated on satisfaction on work. According to Herzberg, certain factors tend to lead to job satisfaction; they were called motivators, while other factors giving rises to dissatisfaction were called hygiene factors. Some examples of motivation factors are

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recognition, responsibility, achievement etc. and some examples of the hygiene factors are company policy, salary and working conditions. Herzberg points out that hygiene factors can only serve to prevent dissatisfaction, but the motivators can create real job satisfaction to the employees.

It seems that the motivated employees in John Lewis can be best described by Herzberg's theory, since the working environment is excellent; all employees receive fair salaries and fringe benefits from the company. These are known as the hygiene factors of Herzberg's theory. Moreover, apart from the part-time workers, there is a chance to promote to a senior position in the company, that's the recognition in the motivation factors; all workers can receive a certain degree of decision making power according to their positions, this is known as the 'responsibility' in the motivation factors which leads to job satisfaction.

The company cares about its employees a lot, not only on the financial incentives, but it also places so much emphasis on supporting a range and wide interests. For the education, it provides many vocational courses for the partners to join in order to enhance their personal skills. Recreationally, it has a partnership club in which all partners can join in activities like golfing, trout fishing, tennis, swimming etc. Therefore, it strongly believes that efficient communication with the employees as well as highly motivated them can make a success to the company as all employees are willing to take part in the business and make a contribution to it.

Communication with the customers

According to the Q&A with the manager, the company usually communicates with its customers through the monthly statement by the account card for the customers. Moreover, there are many shopping guides which are available for the customers to take one in any John Lewis department stores.

What are John Lewis' competitive advantages in the retail business?

Based on the information provided by the John Lewis Merchandise Manager in Kingston:

According to the interview with the Merchandise Manager of John Lewis, the success of John Lewis is due to the good services provided to the customers, well-motivated employees, as well as the honesty of the company since it carries out the 'Never Knowingly Undersold' policy. John Lewis has a well-established reputation, the company also makes its own products like bed linens and fabrics, and therefore, the company can sell its products to the customers at a reasonable price. Moreover, John Lewis also produces innovative products by its own brand name in the beginning of each season. Porter (1990) says that 'a firm can create competitive advantage by perceiving or discovering new and better ways to compete in an industry and bring them to market, which is ultimately an act of innovation'.