

John Lewis

Despite economic turbulence and retailer uncertainty, John Lewis has continued to move forward. *Employee Engagement Today* talked to **Laura Whyte**, personnel director at John Lewis, who explained that one of the factors in this success has been a focus on engaging and developing their leaders and managers

The John Lewis partnership structure is a unique and visionary way of doing business – and it's certainly a major driving force of the company's success. At a pure level, partners own the business and share in its success. Yet, the partnership structure is not the sole factor engaging partners with the business.

“While it's a reality that we have a great employee proposition – including a non-contributory pension and an annual bonus scheme – it's probably not a daily motivator for most of our

people nor something that gets most partners out of bed in the morning. The engagement we have with partners is, I think, based on the pride in the service and standards they offer, as well as the team ethic we've developed within the business; partners genuinely enjoy working with each other and this translates into high levels of performance,” says Whyte.

Given its structure, partners are effectively responsible for managing the business and are expected to hold senior managers to account for their decisions and actions.

“This accountability includes our investment in learning and development and as such we're focused on creating learning and development opportunities that are relevant, practical to the business, and support and promote our commercial operations. It's vital we engage the business with our plans, secure their buy-in and ensure they're on board to deliver the strategy.”

Fit for the Future

The John Lewis Division three-year 'Fit for the Future' strategy was launched

to the business in February 2009 against a backdrop of economic downturn. Recognising the economic climate had become more volatile and customer expectations were changing – particularly with the advent of increased online sales – the business was committed to rolling out a strategy that would enable partners to meet these challenges head on and implement sustainable change across the business.

Fit for the Future encompasses a number of separate initiatives that commit the business to centralising a number of processes and support functions, as well as enabling stores to focus on selling and service – core principles of the John Lewis brand. This meant the business had to make some tough decisions, such as closing local call centres, so it was vital that partners engaged with the strategy and understood the need for change, even if the decision might affect them personally.

The rollout of the strategy was led by the board and cascaded throughout the organisation. Over a two-month period, each board member met with the heads of individual branches together with their partners who had leadership responsibility, as well as those in corporate headquarters to talk through and discuss the strategy.

“These one-day meetings began with a discussion of what the new strategy was about, what we wanted it to achieve, the plan for the next three years and where individual leaders fit within this plan, as well as the impact they could have on it. To ensure engagement with the new strategy it was vital that time was allocated for each participant to consider what they could do to make the strategic vision happen,” adds Whyte.

Following the introductory sessions, board members sought feedback from leaders about what excited them and what worried them about the strategy and alongside this, they were encouraged to work in

departmental teams to identify opportunities for them and their team in the strategy moving forward. Communication material was also provided to partners to cascade information about the new strategy with their wider teams.

“As a business we place – and continue to place – a premium on the clarity of information we offer to partners. Because of this, the way we developed Fit for the Future and introduced it to the business was a key factor in securing and sustaining engagement levels among the partner population. We were able to show partners a plan, set out clearly what the business priorities were and, perhaps most importantly, stick to it.”

Consistency of information and communication is a priority for John Lewis. “We are committed to retaining a balanced agenda when talking about any strategic intervention, ensuring we always discuss plans, priorities and results in terms of partner, customer and profit goals. By using a similar format and approach to communicating our new strategy, partners are able to reflect on previous initiatives and quickly identify and engage with what we’re saying,” says Whyte.

Once the vision for the Fit for the Future strategy was delivered to stores, heads of branch took responsibility to deliver it locally.

“All heads of branch have the autonomy to deliver strategic plans in the way they think most appropriate for their branch, giving them the opportunity to base its implementation on their specific priorities. Yet even though they can deliver the strategy in the most appropriate individual way, all heads of branch operate under the same policy framework and appraisal structure, so we can be sure that, regardless of their approach, they will deliver a consistent experience for partners and customers,” explains Whyte.

Make the vision a reality

Fit for the Future includes a number of initiatives to enable heads of branch and individual partners to deliver the strategy. Release Partner Talent was a top priority and in 2009 John Lewis delivered a Leadership Team Development Programme, Leadership Development Centre, Selling Academy and Head Office Core Learning Curriculum.

Alongside these, John Lewis Division also worked with Fran Griffiths to help the internal team craft and deliver change management workshops.

To reinforce their goal of providing outstanding leadership during a turbulent and difficult period, the John Lewis management board chose to invest in a programme of leadership coaching.

Being on the front foot in relation to managing the psychological and emotional impact of change was important for a business whose model means they put partners at the heart of all their decision-making. The leadership coaching practice Sandler Lanz’s input to key leaders across the division via a series of Leading in Turbulent Times workshops, for example, helped partners be focused and well prepared for leading successfully through tough times and making tough choices.

Developing leadership capability and leadership behaviours is central to the John Lewis ethos. Many leaders will have grown through the organisation and the Leadership Development Programme supports their development against John Lewis’s eight leadership behaviours and offers leaders 10 individual learning opportunities covering issues such as ‘drives performance’, ‘identifying and developing potential’, ‘inspiring ownership’, ‘stakeholder management and influencing skills’ and ‘strategic thinking’.

“A key element of the programme is the way it brings together heads of



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branch and leaders from other areas of the business to undertake shared development work. There aren't as many opportunities as we might like for managers across the business to interact in this way and, as such, it's certainly contributed to building our partnership ethos and engaging leaders to deliver the Fit for the Future strategy," says Whyte.

Embedding change

Like any retailer, and indeed most businesses, there was an urgent need to adapt to the economic environment. Yet, it was critical that the Fit for the Future strategy was not perceived as a knee-jerk reaction. All partners were expecting the announcements of the strategy and indeed Fit for the Future

built on the previous five-year plan, including the assessment against the core priorities of partner, customer and profit.

To be successful, the Fit for the Future strategy had to ensure John Lewis's leaders – and partners more generally – understood the reasons for change within the business and their role to successfully deliver this change.

The John Lewis employee survey (conducted between April and June 2009) asked partners whether they 'understand the reasons for change' within the business. Since the introduction of Fit for the Future this score has increased. Laura Whyte considers this to be a great reflection on the investment of time to communicate the strategy, allowing the

partners to engage and understand the changes.

And the real acid test for success? John Lewis publishes its own internal magazine *The Gazette*. Launched in 1918, an issue has been produced every week for the past 85 years. With a print run of 40,000 and a readership of 70,000 *The Gazette* is a key vehicle for communication. Every partner from any area of the business can write a letter and have a response printed. "When we assess any business critical decision," says Whyte, "one key question is how will we respond to a letter in *The Gazette*. It really makes us stop and think about the impact of our decisions and how we need to justify them back to the owners – our partners – in our business." ■