

**IMPACT OF EXTERNAL ENVIRONMENT AND HUMAN
RESOURCES MANAGEMENT AT JOHN LEWIS
PARTNERSHIP**



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Executive summary

This report investigates how John Lewis Partnership (JLP) is managed through leadership and human resource strategies, as Jason Tarry replaces Sharon White. It looks at the ways in which changes in inflation, new digital technologies and increased competition affected the decisions made by organizations. Cost-saving measures introduced by Sharon White weakened the company's staff and culture. Practices in leadership and HR have been assessed in this report through the use of PESTLE, Herzberg's Two-Factor Theory and Ulrich's HR Model. The study discusses the need for Tarry's leadership to shift from focusing on efficiency to a stronger emphasis on employees. Suggestions are outlined to help HR plan for improvements such as a rise in employee morale, better communication and ensuring HR works toward the same goals as JLP's stores. It is clear from the report that for a company to recover in an eco-friendlier way, its leaders and HR department must work together to encourage employee empowerment and adapt quickly to new situations.

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1. Introduction

JLP, the UK's employee-owned retail company, has struggled with both strategic and operational issues in recent times. Sharon White was guiding the company through a big restructuring due to increased debts, inflation and more forceful competition (Onita, 2024). Still, some people believe that since she lacks experience in retailing, this might affect how satisfied employees are and how well customers are served. Jason Tarry was recently appointed and JLP is counting on him to help restore its main retail activities and make its human resource practices more reliable. The report reviews how the company's path and future are influenced by external factors, the style of leaders and HR methods.

2. Influence of external environment on leadership and HR strategies

2.1 External environmental forces affecting JLP

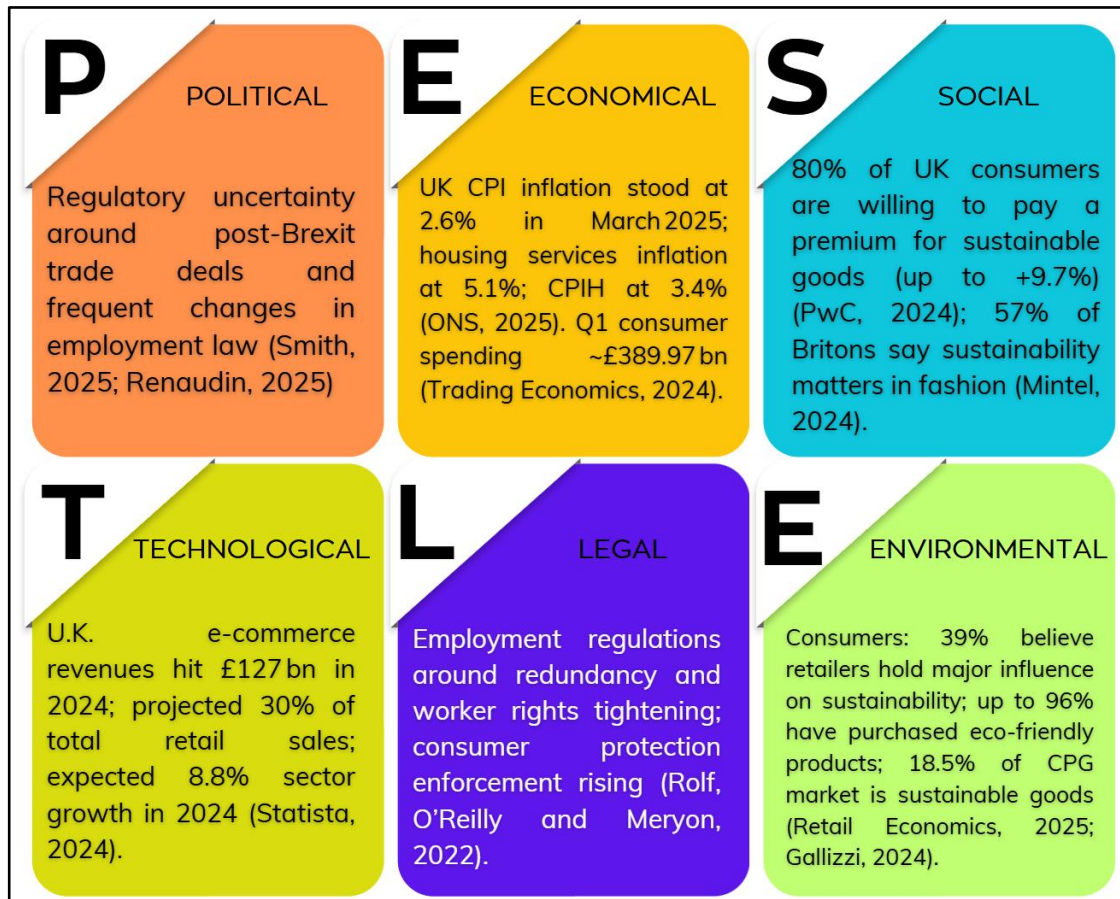


Figure 1: PESTLE analysis

(Self-developed)

John Lewis Partnership (JLP) works in a setting that is susceptible to different risks and new possibilities. Changes in political and legal conditions since Brexit have increased the difficulty of managing and following regulations. Due to high inflation and less consumer spending, the JLP's profit is reduced, further pressured by their debt. Still, more people care about sustainability, so the brand can use this to benefit their image and positively impact the environment. There is a growing need for digital innovation in the e-commerce industry, given that M&S and similar brands are always finding new ways to compete. On the other hand, tougher laws concerning both redundancy and employee rights mean HR should be more focused on people. Ultimately, while JLP faces many threats, it can bounce back in the market by placing its leadership strategies and HR releases alongside digital, environment and employee progress.

2.2 Impact on leadership decision-making

Leadership choices at John Lewis Partnership (JLP) have been greatly influenced by changes in the external environment (Onita, 2024). When inflation rose, the economy became unsteady and competition increased, Sharon White decided to lead by cutting costs and trying to keep things going. Because she did not have experience in retail, made choices to close many stores and cut staff who, as a result, became discouraged and began to see the company differently. Utility Theory held that she made decisions mainly in response to what was happening outside rather than relying on personal knowledge (Zhan et al., 2021). Meanwhile, Jason Tarry stepping in reveals that the company will now be led with an informed, proactive retail style. Using his knowledge from Tesco, this individual is likely to strike a balance between saving money, encouraging innovation and looking after staff (Onita, 2024). It seems that his leadership will rely on adapting decisions for his staff depending on their skills and the needs of the market. In summary, JLP's leadership is now changing due to pressure from the outside and the need to improve how things are done.

2.3 HR strategy shifts triggered by environment



Figure 2: Analysis of Ulrich's HR Model

(Self-developed)

Using the HR Model created by Ulrich, the role of HR at John Lewis Partnership can be fully examined during a period of great transformation (Ulrich, 2024). As a result of Sharon White's leadership, HR mainly functioned as an expert in administration and as a driver of change, focusing on reducing expenses, reorganizing the company and making the operations more efficient. Still, because of this strategy, the Employee Champion role was ignored, causing employees to become less enthusiastic at work, less engaged and their partnership with the company to weaken (Islam, Furuoka and Idris, 2020). Making cuts without considering employees led JLP to abandon its values it had stood by for years. Under Jason Tarry, HR can now help guide the company's strategy as a Strategic Partner, while also upgrading its approach to employees. Applying all four roles evenly and giving more attention to the Employee Champion can help restore faith in the company, improve loyalty and bring long-term benefits (Peng et al., 2022). What matters most now is that HR helps JLP become proactive instead of just reacting to workplace issues.

3. Leadership and HRM Strategies under Sharon White and Jason Tarry

3.1 Analysis of Sharon White's Leadership Style

Sharon White's ways of managing at JLP can be described as transactional and bureaucratic, as she focused mainly on control, making JLP more cost-efficient and restructuring it from the top

(Swan, 2022; Lesmana et al., 2022). Not being from retail made her leadership style favour following the rules consistently rather than bringing new ideas to the table. The change misaligned JLP's culture, making employees unhappy and leading to customers feeling dissatisfied. White used Kurt Lewin's Change Management model to start the unfreezing stage by acknowledging that changes were necessary, seen through store closures and people losing their jobs. Still, the organisation never gave its employees a chance to fully welcome the new changes, leading to people feeling pulled away and unsure of the company's future (Rosdiana and Aslami, 2022). Since she could not connect her team to the retail company's long-term vision, her leadership failed to achieve results, leaving the culture to be fixed by the next leader.

3.2 Jason Tarry's Leadership potential

At John Lewis Partnership (JLP), Jason Tarry is transforming the company and involving everyone through his 30 years of experience at Tesco (Onita, 2024). It appears from his achievements that he can guide change by inspiring people, working well with others and using his retail background. Tarry, unlike Sharon White, is well-placed to make decisions that reflect the reality of the retail industry. Being retail-focused allows him to face the same problems as shopkeepers, helping him to boost teamwork and motivate people by sharing goals. Tarry's way of leading motivates employees to cooperate and share thoughts, much like what JLP believes in. Because he supports innovation and allows his team to take more initiative, he can help reawaken an unmotivated group. Overall, John's skills in retail and leading others give John a strong likelihood to change HR strategies to match the business, all while improving the feelings and environment within the company.

3.3 Implications for HRM

Under Sharon White, John Lewis Partnership's HRM was mainly focused on controlling expenses, downsizing and streamlining the business. To ensure the business stayed afloat, managers resorted to quick actions that lowered staff involvement and affected the company's culture. HR could only implement changes decided by others, causing fewer opportunities for employees to improve their skills. Similarly, Jason Tarry's approach is thought to direct HRM towards a more active process that focuses on talent retention, upskilling and motivation for employees. Using Situational Leadership Theory, Tarry would offer support to those rebuilding teams by guiding them, but he would also encourage those with more experience to use their abilities. Changing from crisis management to focusing on human capital strategy is a significant change for JLP (Xuecheng,

Iqbal and Saina, 2022). As new leaders take over, HR is required to increase investment in staff and ensure the company operates better, promoting a new style of strong, effective influence, all with the aim of regaining the company's high level of service quality and successful team unity.

4. HR processes and organisational practices

4.1 Sharon White's HR initiatives

Under Sharon White's leadership, the John Lewis Partnership took HR actions to save costs due to financial difficulties. This meant terminating many workers, closing 16 stores and standardizing job roles within the company. Although operations were simplified through these actions, not everyone in the company's team was brought into the decision process, mainly regarding digital transformation. As changes happened too fast and information was unclear, many employees felt that nothing they said had an impact, so they began to feel detached (Scott et al., 2021). Instead of prioritizing employees, HR moved toward handling administration and making sure the company remained compliant.

4.2 Effects on motivation and organisational culture

Morale of the staff plummeted substantially. In view of Herzberg's theory, hygiene factors that should be preserved (such as job security and fair income) worsened. Additionally, factors like advancing in their careers, receiving appreciation, and joining in on decision-making were not considered (Mitsakis and Galanakis, 2022). Because of this situation, the employees felt less motivated. Since the company's "Partnership ethos" was deteriorating, it led to increased uncertainty and mistrust among staff.

4.3 Future HR strategy under Jason Tarry

Benefits for the organisational culture and employee morale will emerge due to Jason Tarry's guidance. A High-Commitment HRM model and better EVP can help JLP improve its approach to employees. Some ways to do this are to reward workers with recognition, structure career paths clearly and place an emphasis on training the team in new technology. Similarly, using both directions of communication and team leadership is a good way to build trust and get everyone committed again. If JLP's HR strategy is to achieve this, it must balance being efficient with giving employees power.

5. Recommendations

Sl. No.	Recommendation	Description	Possible Challenge	Priority Level (1–4)
1	Restore Employee Bonus and Recognition System	Reintroduce performance-linked bonuses and non-monetary recognition to boost morale and retention (Gu et al., 2023).	Financial constraints due to ongoing cost-saving measures.	1
2	Implement High-Commitment HRM Practices	Focus on employee engagement, upskilling, and participative decision-making aligned with EVP (Borah, 2024).	Resistance to cultural change from previously top-down structure.	2
3	Strengthen Leadership Communication Channels	Foster two-way communication between leadership and staff to rebuild trust and transparency (Kurnia, Lingga and Cindoswari, 2024).	Middle management may resist open communication due to past norms.	2
4	Invest in Digital Training and Development	Provide targeted digital training to improve retail efficiency and future readiness of employees (Woods, Doherty and Stephens, 2021).	Budget allocation and differing digital competencies across staff.	3

5	Align HR Strategy with Retail-Centric Goals	Redesign HR planning to support customer service excellence and omnichannel retail growth (Nguyen and Truong, 2022).	Balancing short-term targets with long-term strategic investments.	4
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Table 1: Strategic recommendations

(Self-developed)

The recommendation table discusses five strategies that target improving HR practices and work culture at John Lewis Partnership. Restoring how the company rewards and praises workers should be the first concern to revive their motivation. Getting employees trusted again and involved depends on both utilizing HRM and improving leaders' communication. Digital workforce development helps people adapt to future changes in their jobs and adopting HR policies that suit the retail sector reflects the company's business plan. After considering the problems in putting the recommendations into practice and assigning them a priority level, management can decide on the proper order of addressing the issues and ensure both urgent and future needs are dealt with.

6. Conclusion

In summary, this report analysed how environmental factors, top-level changes and HRM strategies influenced John Lewis Partnership. Because of Sharon's style of leading based on numbers and rules, the company lost touch with its culture and many employees became disconnected. If JLP promotes a valuable HR model, restores staff morale and sets leaders on the same goals, its workplace culture and competitiveness will improve. Linking human resource strategy with leadership driven by people is important for a company's sustained progress.

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