



CASE STUDY

Gap Inc.



We changed our performance philosophy to a Growth Mindset... where all can grow and develop.



DIRECTOR TALENT PLANNING AND PERFORMANCE



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Gap Inc.

140,000
NO. OF
EMPLOYEES

Fashion Retailer

INDUSTRY
VERTICAL

Global
REGION

Growth Mindset

SOLUTION
BASIS

Doris and Don Fisher opened the first Gap store in 1969 with a simple idea — to make it easier to find a pair of jeans and a commitment to do more.

Over the last 46 years, the company has grown from a single store to a global fashion business with five brands — Gap, Banana Republic, Old Navy, Athleta and Intermix. Gap's clothes are available in 90 countries worldwide through 3,300 company-operated stores, almost 400 franchise stores, and e-commerce sites and is still growing.

BUSINESS CHALLENGE

To shift from traditional performance management, which failed to drive performance and disengaged employees, to a new system that offered growth and development.

The old system was time consuming (130K hours) and cost about \$3.3M in payroll in the process. It also did little to let employees know where they stood currently and in the future. Being disliked by employees and management alike, it was time for a change.

INITIATIVE

GPS - Grow. Perform. Succeed. Performance management that is more of the performance and less of the management.

"I think the **annual review and rating is a waste of an employee's time**... causes unnecessary stress... and is really an old way of thinking in this modern day and age."

GAP INC. EMPLOYEE





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SOLUTION

GPS starts with a new standard of performance, followed by setting fewer goals at the beginning of the year, involves regular monthly discussions of performance and ends with an allocation of rewards.

By eliminating the administratively burdensome year end process (ratings and reviews) regular discussions of performance ensures that every employee is on the path to hitting their goals all year long. To build understanding and get fully grounded in the concept of Growth Mindset, learning modules were created to support the new initiative.

THESE DISCUSSIONS INCLUDE:

Goal setting and progress

Performance against the standard

Key relationship effectiveness

Development plans

Finding insight in career successes and failure

COMMUNICATION

- Starting at the top, the new program was shared at a Director and above meeting.
- It was then launched company wide through meetings, web presence, emails and desk drops.
- Our employees cheered when they heard that reviews and ratings were going away.

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We want managers to be their employees' GPS and help them navigate day to day performance as well as where they need to go in the future. //





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RESULTS

While it was initially hard to move an organization from the only PM process they ever knew the employees embraced the change and reported that the quality of the conversations was high.

Another huge benefit was no more noise at year-end after allocating rewards based on reviews and ratings.

WHAT WAS LEARNT

You still need some level of accountability measures in place to get managers and employees to have regular discussions of performance, quarterly surveys were one method used.



90% of employees were now having monthly performance discussions

“We have **completely changed the way employees think about performance management.**”

ON A SCALE OF 1-5 (WITH 5 BEING THE HIGHEST), EACH OF THE FOLLOWING QUESTIONS RECEIVED ~4.2

Are these discussions increasing your level of performance?

Is your manager helping you find insight in your successes and failures and applying that insight to future performance?

Does the way your manager give you feedback make you want to get more feedback?