



[HOME](#) | [BENEFITS SITE](#) | [STAFFING SITE](#)
[TRAINING SITE](#) | [HR NEWS](#) | [HR JOBS](#) | [ABOUT US](#)
[STORY ARCHIVE](#) | [TEST DRIVE](#) | [LEGAL CLINIC](#)



Top Story by *Human Resource Executive*® Magazine

ACNielsen Stages a Comeback

[Send this article to a colleague](#)

By Julie Cook

Best known for the legendary television ratings system that helps set advertising rates and ultimately determines the fate of countless TV series, ACNielsen Corp. could well have predicted its own cancellation by the mid-1990s.

Despite a proud 75-year heritage, the Stamford, Conn.-based market research firm seemed to be headed for has-been status at the time of its 1996 spin-off from Dun & Bradstreet. During the preceding three years - a time period dubbed the "dark days of ACNielsen" by Executive Vice President and CFO Bob Chrenc - the company had lost literally hundreds of millions of dollars. Operating margins stood at a mere 2 percent, and client dissatisfaction was raging.

"It's a wonder that Dun & Bradstreet didn't just kick us out - lock, stock and barrel," says Althea DeBrule, ACNielsen's senior vice president of global human resources. "Given that significant of a loss, I'm sure they couldn't fathom how we would be able to turn around the organization."

Not about to admit defeat, Nielsen set out not only to turn around the organization, but to achieve what at the time must have seemed a tremendously lofty goal - to become the premiere market research professional services firm worldwide.

In order to accomplish that kind of transformation, DeBrule explains, the organization needed to hang onto valued employees, while recruiting fresh blood that could bring new insight and energy to the company. As she discovered, however, even the mighty Nielsen name could not help the organization overcome the stigma of its recent poor performance.

"It became a real challenge, keeping people on staff who we felt would help with the turnaround and attracting new ones to a business that was so abysmal," says DeBrule. "The name would attract people, but as they got more involved in talking to us, they found out we were just losing so much money hand over fist."

Even more disturbing were the results of Nielsen's business effectiveness survey, an in-depth questionnaire the company had pioneered the year before with the help of Washington-based Watson Wyatt Worldwide. The 50-question survey sought to establish an employee satisfaction index by delving into 12 key work-related dimensions, including pride and commitment, reward and recognition, career development and leadership. In 1995, right in the midst of Nielsen's darkest days, employee satisfaction stood at a stark 42 percent.

From the earliest days of its resurrection, Nielsen recognized that its ambitious goals would never be anything more than pretty words on paper unless it could somehow manage to engage the hearts and minds of the workforce. If the company had any hope of turning things

around, it would have to fundamentally change the way it managed, rewarded, trained and communicated with employees. That would require more than strong HR leadership; it would demand a true commitment to human resources from the very top of the organization.

Setting the Stage

DeBrule has been heading up the HR charge at ACNielsen since 1998 when she was recruited from Salt Lake City-based First Security Corp. However, due to a calling from a higher power, she recently accepted early retirement in order to pursue a full-time career in the ministry. Stepping up to fill her shoes as senior vice president and chief human resources officer is Jim Cravens, a five-year Nielsen veteran who most recently served as vice president of global human resources.

With a background as an attorney, Cravens initially joined Nielsen as head of legal for Asia-Pacific, but was soon asked to spend three years in Hong Kong, heading up HR for the region. More recently, he's been involved with the launch of Nielsen Net Ratings, the company's new Internet audience measurement business.

"One of the reasons I came over from legal was that I bought the pitch that HR can have a much greater role and a much more strategic role than it currently does," says Cravens. "There's a great deal of support from senior managers for what HR can be in this company, and it's been demonstrated by their willingness to really put some investment in this area because they believe in it."

According to DeBrule, one senior management appointment in particular played a critical role in making people issues central to the ACNielsen way of doing business. Shortly after the spin-off, Michael Connors, the former senior vice president and chief human resource officer for Dun & Bradstreet, took the reins as Nielsen's new vice chairman. For DeBrule, having a champion of people issues seated alongside the CEO helped set the stage for a slew of initiatives that would ultimately transform ACNielsen into an HR powerhouse.

"As a result of his vice chairmanship, we were able to initiate all kinds of people-friendly practices, procedures and policies, literally focusing totally on the people side," says DeBrule.

Connors also helped establish a new respect for the HR function and the strategic role it could play in the day-to-day business of ACNielsen. HR was soon considered a full business partner, and DeBrule was granted a seat on the Operation Leadership Committee, which is comprised of the top 15 executives in the company.

Perhaps the most important factor in the transformation, however, was the philosophy Connors brought with him, a philosophy DeBrule calls the "foundation piece" of the organization's entire approach to doing business - the service-profit chain.

Put simply, the service-profit chain philosophy holds that satisfied employees deliver superior service that creates satisfied clients. In turn, satisfied clients create growth in revenue and earnings as well as increased shareholder value. However, DeBrule is quick to point out that Nielsen isn't about to accept empty, meaningless, "happy talk" and try to pass it off as the sign of an engaged, motivated workforce.

"When we say employee satisfaction, we are not talking about smile sheets or happy faces;

we are not even talking about loyalty," says DeBrule. "We are talking about whether our employees are satisfied that we are giving them the tools and resources they need to be able to service the client effectively, whether they believe that the leaders are moving the company in the right direction and whether we have created an environment in which employees are willing to follow them."

Taking Action

Nielsen needed a regular means of tracking employee satisfaction, so the organization took to conducting the business effectiveness survey every fall. Over the past five years, DeBrule says, the survey has become an institution in and of itself. Employees look forward to the opportunity to offer their feedback, and managers constantly refer back to their results throughout the year.

"When you say BES, it doesn't matter what language, people understand exactly what you are talking about," says DeBrule. "When you visit them in their regions, the first thing they do is pull out their BES results, good or bad."

That's not to say that the BES is all about the numbers. On the contrary, it's only after the results roll in that true progress can really begin. At that point, each manager with 10 or more direct reports undertakes an extensive action-planning process in which they work with employees to determine what areas need improvement and then brainstorm about possible solutions.

"They are not collecting the information just to do a bean-counting exercise, but to make constructive change at all levels of the organization," says Bruce Pfau, national director for Watson Wyatt's organization effectiveness practice. "What they do with the data is the part that really adds the value. It's the only part of the process that's really important."

To assist managers with interpreting and improving on BES scores, Watson Wyatt developed a comprehensive resource guide, which describes how to conduct effective survey feedback meetings and create empowered teams to develop action plans. The company has also given Nielsen managers access to its best practices database where they can search hundreds of case studies for ideas on resolving workplace issues.

In particularly difficult or complex situations, ACNielsen will provide either an internal member of HR or a Watson Wyatt consultant to serve as facilitator during the action-planning process. However, DeBrule is adamant that the sole responsibility must remain with the manager.

"We literally could do this whole thing from start to finish, but then it would be perceived as an HR program," she says. "We will help facilitate to make sure that all questions get addressed, but we believe that the leader must be held 100 percent accountable for making sure those action plans get done."

To ensure that those leaders take both the BES action-planning process and the service-profit chain philosophy seriously, Nielsen places its money where managers' mouths are. Twenty-five percent of bonus pay for the company's top 1,500 leaders is based upon achieving improved BES scores.

"That got their attention," says DeBrule. "They realized we were dead serious about it and started crafting environments where people felt comfortable sharing."

Awarding Excellence

Although many of the action plans result in isolated regional changes, many highly innovative company-wide programs have come about as a direct result of the process. When survey respondents indicated they felt the organization didn't do enough to recognize employees' hard work, for example, the company instituted ACNielsen Day, a simultaneous worldwide celebration for all employees.

Coinciding with the release of the BES results, the day - or night, as the case may be in some regions - begins with a discussion of the scores and possible areas for improvement. The latter half is spent enjoying local customs, taking in a show or visiting special sites.

With rewards and recognition achieving the lowest scores of all the dimensions measured by the BES, Nielsen management decided that more than just one day of celebration was needed to show employees how much they mean to the company. Therefore, the organization introduced its Built to Last global awards program in early 1998.

The Chairman's Award for Excellence is given annually to 25 employees who have delivered exemplary client service or have gone considerably beyond their job requirements. The Arthur C. Nielsen Jr. Award honors excellence in adhering to the principles established by the company's founder, while the ART Award recognizes outstanding client service by either individuals or teams.

According to DeBrule, satisfaction scores "shot through the roof" when such programs were initiated, simply because it demonstrated to employees that the company had actually taken their ideas seriously.

"Employees know it makes a difference," says Pfau. "They are not cynical about it; they've seen changes, and when you have that kind of credibility, people pay attention."

They also are far more likely to participate. When Nielsen first rolled out the BES, just slightly more than 40 percent of employees took the time to respond. These days, more than 90 percent of ACNielsen's worldwide workforce participates in the process.

"Each year, they continue to go up," says DeBrule. "We've been told that these are unheard of, unprecedented levels of response to an employee satisfaction survey."

At its most basic level, the BES results in what DeBrule calls "plucking the low-hanging fruit." In one instance, management noticed a sudden dip in satisfaction among one particular work group. A more in-depth investigation was undertaken and it was discovered that the leader assigned to them "had not been living the values of the company." As a result, he was removed and a new leader was put into place.

Role of A Lifetime

As ACNielsen began to claw its way back up toward financial and structural stability, it became clear that the organization would have to clean house of employees who were unwilling to change, particularly among the leadership ranks. Building upon the company's key business goals, DeBrule and the rest of the operation leadership committee developed a list of 10 leadership competencies, including such traits as strategic agility, action

orientation, business acumen, managing vision and client focus.

"As we started to assess our people against those new competencies, we did have a few who didn't make it," says DeBrule. "With a lot of dignity and integrity, we let those people go and started to replace and build the [new] organization."

DeBrule also assessed her own HR staff against those competencies. Fortunately, she did not have to weed any of them out. However, she used the opportunity to help them understand that they were going to have to look at their jobs differently and acquire additional business acumen if they wanted to continue developing within ACNielsen's new framework.

In order to help them grow, DeBrule enlisted the assistance of her ACNielsen University colleagues to facilitate training for the HR staff. Not a traditional bricks-and-mortar corporate training center, like McDonald's Hamburger U., ACNielsen University occurs anywhere training is needed. The heads of training for various countries and regions sit on a training council, which meets in person quarterly, but stays in constant communication via phone, e-mail and videoconferencing.

Whenever a training need is identified, either through the BES or some other means, a course is piloted in the area where the need is greatest. If it proves successful, training kits are developed and distributed to other regions where employees might benefit from the course. Offerings vary drastically, from basic client service courses to those with such lofty names as Statistical Methods for Research.

As for DeBrule, she asked ACNielsen University trainers to put her HR staff through courses that would help them better comprehend the everyday problems faced by those they strive to serve.

"We asked them to put us through the same training that the client service people go through, so that we could understand exactly how it works," says DeBrule. "I'm not going to say we know everything there is to know about market research, but we can at least understand when the line leaders start to talk about the issues they are struggling with. As a result, I think our advice and counsel is better and much more robust."

At the Ready

ACNielsen University also plays a significant role in helping the organization live up to its commitment to develop and promote from within, a strategy DeBrule calls "finding and keeping the best." Nielsen maintains a database of high-potential employees, those whom it seeks to groom into senior management material. Each year, the top 200 attend the Global Leadership Institute, a weeklong program featuring executive forums and workshops, as well as meetings with members of the senior leadership team and the board of directors. In addition, participants are given real-life problems with which to prove themselves by coming up with viable solutions.

"These are not Harvard Business Review-type case studies; these are real cases within ACNielsen where we have a problem and we need help," says DeBrule. "These groups of people will come and work on the solution for the problem. It's not just a 'let me be entertained today.' "

Each year, their progress is examined through the company's Global Leadership Review

process to determine if they are still in the high-performance category or if they have plateaued. In addition, they may be moved if an opportunity arises or if there are concerns that they're growing stale in their current position.

For the past two years, DeBrule has worked toward her goal of lining up a minimum of two "ready-now successors" for each of the company's top 20 positions. So far, this has been accomplished for all but five of the positions. According to DeBrule, technology has played a significant role in helping her to achieve this goal of an "inner talent pool."

"In our database, we've got some good history on these individuals - where they've gone, what their assignments have been - and we use this throughout the world," says DeBrule. "At a moment's notice when an opportunity comes up that we hadn't planned for, we immediately go to the database, key in a few words, and it spits out the names of those people who've had that kind of experience and would be willing to take that kind of assignment."

In addition to an 87 percent annual retention rate in its key jobs, DeBrule is proud to say that 81 percent of Nielsen's key openings within the past two years have been filled with internal talent. She feels strongly that such a mixture of outside and inside talent will prove to be a successful balance.

"You need that fresh blood coming in to help get everybody stirred up a little and get people to grow and develop and bring in new ideas, but if we blend that with the fact that we've got people that we've been grooming, word gets around that you can come into our organization and you will be able to advance," says DeBrule. "That's been a big plus for us."

What's Next?

It's also a big plus for Nielsen's new parent company, Dutch-based VNU N.V., which completed its purchase of the organization in mid-February. Whereas some companies might be quick to enforce their own processes upon the entities they have acquired, DeBrule says VNU managers and leaders are excited to learn more about the Nielsen way of doing business.

"Even though they acquired us, they want to keep our people practices and processes intact as much as they can because that was one of the things that attracted them," says DeBrule.

Cravens concurs: "They've made it very clear they want us to continue the same kind of programs we currently have, and they would like to get to know [those programs] because it may make sense for them to adopt some of them," he says. "They have been very flexible in saying, 'Let's see what's out there and what we can use.'"

No doubt, Cravens and his staff will place heavy emphasis on the results Nielsen has achieved since adopting the service-profit chain philosophy and putting the BES and its related action-planning process into action.

Since 1996, operating income has more than tripled and net income has nearly quintupled. Return on equity and return on assets have more than tripled as well. By 1999, turnover had dropped to 10.5 percent, a 50 percent decline since the dark days of 1996. In addition, employee satisfaction now stands at 72 percent in the United States and 65 percent worldwide.

For DeBrule, such an amazing turnaround should provide plenty of bragging rights. However, she says, that kind of success results in perhaps an even greater challenge for HR: What to do for an encore. Specifically, now that the company has achieved world-class levels of employee satisfaction in most of its regions, where else is there to go?

"We are trying to figure out not only how to maintain that, but how to get people to want to go even higher," says DeBrule. "What's the new goal for them? What's beyond world-class? I still don't have the answer to that."

For Cravens, an initial primary focus will be on leveraging technology, working with VNU to put in place a state-of-the-art HRIS system. In addition, he has pledged a "relentless focus" on leadership development. Cravens has been particularly pleased with Nielsen's Leadership Review Process, which he says has not only helped employees see that they have opportunities to grow, but has also helped make the organization more global.

"Now, people are aware of who the other high-potentials are, who the current high-performing leaders are, so that when we have global leadership meetings, they know who these people are," he explains. "It's all really about trying to bring the organization closer together."

Although DeBrule's accomplishments in making HR a strategic part of the senior management team cannot be disputed, Cravens believes there is still room to grow. Specifically, his goal is to take HR from business partner to business leader. That won't be an easy task, he concedes.

"My goal is to step up not only the reputation and the perception of the HR function, but also the caliber of the people, so they will want a place at the table, they will earn a place at the table and they will be successful contributors once they get there," he says. "That's a big stretch and I'm sure there are people who wouldn't all agree with that, but if we get the right people and demand a lot of them ... they will see the writing on the wall."

[Read other *Human Resource Executive*® magazine stories from our archive.](#)

All materials copyright of *Human Resource Executive*® magazine.