

Consumerization: The value of treating employees as customers

To attract and maintain talent, many modern businesses are turning to a concept known as consumerization. Consumerization promotes interacting with employees in much the same way that companies do with customers. Realizing that workers have a variety of employment options – especially in a period with an unemployment rate consistently below 4 percent – employers aim to differentiate themselves by providing positive experiences.

Consumerization seems particularly suited for attracting one of the most coveted segments of the workforce – Millennials. From customizing coffee orders down to the last drop to watching favorite TV shows whenever and wherever they choose, members of this group are used to being presented with options in their daily lives. Employers who take this same individualized, responsive approach stand to benefit.

Bringing a customer mentality to the workplace

The elimination of geographic barriers to employment thanks to telecommuting, the popularity of freelance and gig work, and the willingness of people to job hop have changed the nature of the relationship between employer and employee. Companies know that bringing someone aboard today is not a guarantee that his services will remain available down the line. Just as organizations court the patronage of their clients, consumerization suggests applying the same strategy with workers to gain their loyalty.

Asking for employee input plays an important role in successful consumerization efforts. Seeking opinions provides the engagement and power of choice so many 21st-century workers crave.

Elliot Dinkin -- president and CEO of Cowden Associates and an expert in actuarial, compensation, and employee benefits issues -- offers this example:

Among the vital areas affected by workplace consumerization is an organization's ability to introduce new technologies, whose success is generally dependent on employee acceptance, understanding, and use. Rather than simply imposing innovation from above, studies show that employers should use surveys and group discussions to explore employees' feelings about new technologies and elicit their help and suggestions -- in effect, their managerial collaboration -- in making the implementation a success.

Other ways in which businesses might tailor employee experiences or give staff members a greater voice include:

- acceptance of flex work, such as telecommuting, alternate hours, and unlimited paid time off
- choice among benefits rather than one-size-fits-all packages, such as options for pet insurance, health plans that cover fertility treatments, and student debt repayment
- encouraging workers to establish Employee Resource Groups (ERGs) based on criteria of their choice rather than sticking to traditional categories such as gender or cultural background
- providing workspace options (such as both an open floor plan and private cubicles) so that people gain

control over their environment and don't feel "forced" into an arrangement they find uncondusive to doing their best work

- adopting an organizational structure that promotes the free flow of information between staff and management and among departments

But what about simply focusing on being the employer who pays the most? Just as the cheapest product isn't always the one a consumer opts to buy, monetary gain does not necessarily translate into retention.

"The constraints of the economy, such as a projected 6 percent increase in employer-based healthcare costs in 2020, [make it difficult for most employers to offer a significantly competitive advantage in terms of salary and benefits](#)," Dinkin says. "The key is to do what the market requires and at the same time be a valued supplier to your consumerized employees. Make them feel they have a stake -- and a hand -- in your success. Your candor and consideration will pay big dividends in loyalty, retention, corporate agility, and profit."

The far-reaching effects of consumerization of the workplace

Especially in this era of social media posts and online reviews, customers are quick to share positive and negative experiences they have with companies. Similarly, employees add to the information being circulated about an organization through what they write or say.

Satisfied workers make exceptional brand ambassadors both in terms of attracting new customers and enticing prospective employees. People view what employees choose to reveal as more genuine than premeditated marketing tactics.

Think about consumerization from a recruitment standpoint. A happy employee "customer" serves as a first-hand endorsement of the company being a great place to work. Just as companies encourage satisfied patrons to tell their friends about a positive experience, passionate workers build excitement about your workplace. Generating an applicant pool in this manner proves effective since employee referrals rank among the best ways to find talent that aligns with your needs and culture.

Finally, push the worker-as-customer mentality even further by thinking of potential candidates through the consumerization lens. Actions such as making it easy to apply through various methods and devices, offering a timely response just as you would to clients, and providing updates about the status of positions demonstrate the type of concern that makes people feel valued as individuals. Even if you do not end up hiring the person, a positive experience leaves a lasting impression. When someone walks away feeling good about your organization, it leaves the door open for future employment and increases odds of favorable comments circulating.