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## ABSTRACT

This paper discusses the growing trend in higher education of treating students as customers. It addresses the traditional views of the student-instructor role and why there is a push toward a customer-oriented paradigm in higher education. Resistance to this movement is also addressed, both from the student and faculty/administrative viewpoints. Furthermore, this paper explores the concept of formal guarantees as they pertain to higher education instruction. Finally, possible drawbacks to moving toward a customer-oriented view of higher education as it pertains to guaranteeing student satisfaction are addressed, with remarks regarding future directions and applications of this paradigm. A commonly cited concern of many administrators and faculty is the "customer is always right" attitude that they fear will creep into higher education, whereby the faculty will be pressured to give better grades in order to satisfy their "customers." The concept of guaranteeing student satisfaction, for better or worse, seems to be finding its place in higher education. Some feel that guarantees will help create a system with better expectations and more defined standards, and will make the colleges more marketable. However, such guarantees could also diminish the academic integrity of the institutions. Contains 17 references. (JA)

Running head: STUDENTS AS CUSTOMERS

Is Treating Students as Customers the Right Move for Community Colleges?

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## I. Introduction

The purpose of this paper is to discuss the growing trend in higher education of treating students as customers. Specifically, this paper will address the traditional views of the student-instructor role and why there is a push towards a customer oriented paradigm in higher education. Resistance to this movement will also be addressed, both from the student and faculty/administrative viewpoints. Furthermore, this paper will explore the concept of formal guarantees as they pertain to higher education instruction, including feedback from local students, faculty, and administrators regarding instructional guarantees. Finally, possible drawbacks to moving towards a customer-oriented view of higher education as it pertains to guaranteeing student satisfaction will be addressed, with remarks regarding future directions and applications of this paradigm.

## II. Roles and Change

Community colleges have had the luxury during the past century of having a geographic advantage when it comes to recruiting students. Residents from the region the community college served often had to attend the local community college or move to another area (Kershaw, 1999). This geographic situation severely restricted the choices that students had in terms of higher education. Colleges have taken students for granted, become unaware of them, and even become disdainful of them (Schwartzman, 1995). At larger colleges, especially the research institutions, students are often considered a “necessary evil,” and are certainly not thought of as the foundation of the institution. Faculty often considered themselves to be “the key element” (Cohen, 1996, p. 325) in the instructional process. However, with the technological revolution that is in our midst, students do not have to settle for the local institution’s programs to attain their academic

goals. Driscoll and Wicks (1998) report that over the past 20-30 years, many in the marketing field have felt that educational institutions should employ marketing strategies just like most other organizations. In order to market their institution as consumer friendly, the employees must be willing to alter their roles in order to accommodate the new role that students will be enjoying. In response to the increasing challenges due to competition and decreases in federal and state funding for many institutions, colleges in the early 1980's began to implement the concepts of Total Quality Management (TQM). TQM became widespread and focused on internal quality control, ending antagonistic relationships, steadiness in purpose, continuous training, and consideration for customer needs (Cohen, 1996, p. 135).

Many credit Edwards Deming for popularizing TQM principles in the 1980's. However, the foundation of TQM dates back to the early 20<sup>th</sup> century in the areas of business and management in order to increase productivity. The lack of productivity from U.S. industries following WWII and the increased competition from other countries (especially Japan) who were already implementing TQM principles in the form of Quality Control Circles created a need for the TQM philosophy to be implemented in U.S. firms (O'Banion, 1997, p. 96). After witnessing the success of TQM when it was applied in a business setting, many educational reformers believed that the same result could be achieved in the educational setting. Although these educational reformers have embraced TQM concepts, TQM has not completely permeated the higher educational culture.

The purpose of implementing TQM practices is to improve the student learning outcomes based on the success of TQM in industry. Deficiencies in student performance

in basic academics over the years and a desire to keep American students competitive with student of other nations gave cause to introduce the principles of TQM in education (Schwartzman, 1995). The ultimate goal of implementing TQM into the college setting is to have it permeate every aspect of college life. However, many of the current applications of TQM are seen only as content material in business and engineering courses, but not as part of the instructional methodology to promote learning (p. 98). As reported by Cross (1994, p. 146), the use of TQM concepts in higher education can be seen as improved cooperation between employees and departments of an institution, but not on the learning process. Aspects of the college environment such as the mail system, registration, and maintenance have adopted the TQM philosophy, but this influence has not yet made it to the classroom. The challenge in higher education should be “to increase quality through increasing productivity” (p. 145), whereby the focus is shifted to evaluating the quality of the learning environment and instructional methods in the classroom. Using TQM in instructional assessments has been suggested as a way to improve and modify the instruction in order to augment learning (p. 149). Consistent assessment rather than the traditional method of infrequent testing is recommended in order to determine if the instructional quality is matching student need. It has been argued that in order for the quality of graduates of these institutions to improve, the first step should start “with self-evaluation” (Willis, Hillman, Taylor, & Albert, 1999). Finally, many advocates of TQM in higher education believe that the applications of TQM should be customer-driven, with the students being the most important of the customers that higher education serves.

### III. Resistance to Treating Students as Customers

There are certainly several merits to the shift in higher education towards treating students as customers. Financial considerations are unquestionably a factor. More competition means that students have a choice and may abandon the local college for a less expensive and possibly more enriching educational experience. History and tradition give an edge to local colleges when students are given a choice. Name recognition is important, but if the product quality begins to suffer, students will seek out other institutions to fill the desire for quality education.

Being an educated person and contributing positively to society are the supposed outcomes that one derives from a college education. But are the students the only customers? Some speculate that there are others who are also customers of the community college including parents, employers, the government, and society (Kershaw, 1999). This is in light of the fact that student tuition at community colleges only covers a small portion of the instructional cost.

Higher education is a unique creation and its principles do not often apply to other business enterprises. West, in Driscoll and Wicks (1998) explains this discrepancy by arguing that, in higher education, “those who consume its product do not purchase it, those who produce it do not sell it, and those who finance it do not control it.” (p. 59). Some believe that a college’s integrity and the quality of its programs may be jeopardized by a complete alteration in philosophy towards a completely market-driven educational system. Simply changing a student’s identity to one of customer, may sound simple, however, the implications may be far more profound. If the educational process is completely dominated by the business attitude, then an education may be viewed merely

as merchandise, and the students (the customers) may be treated as passive recipients who should be pleased at all costs (Schwartzman, 1995).

A commonly cited concern of many administrators and faculty is the “customer is always right” attitude that they fear will creep into higher education, whereby the faculty will be pressured to give better grades in order to satisfy their “customers.” However, Scott (1999) challenges this point by contending that it doesn’t make good business sense for a college to operate in that way. In other words, if the product (education) is substandard, then the customer will ultimately be dissatisfied, and the business will eventually fail. Furthermore, it has been noted that many academics do not properly understand the meaning of “customer” (Swenson, 1998). Businesses do not operate strictly based on customer wants. That is, an auto mechanic does not ask for a customer’s advice on how to do a tune-up.

Other areas of concern regarding the treatment of students as customers include the perception that rigorous instruction and liberal arts curricula may begin to be phased out in favor of more commercially popular areas of study (Aliff, 1998). Also, some advocate a transition from the older, traditional lecture format that many faculty are used to, towards a more democratic, team oriented classroom environment (McNary, 1994). This concept frightens many faculty members who wonder why they would even be needed if such changes were made. Reports have argued the fact that college learning is best accomplished when the students are willing to participate in the educational process (Schwartzman, 1995), and some believe that students, if given a choice would prefer to be passive recipients of education. These fears are generally rooted in the misapplication of TQM concepts. Some believe that if the principles of TQM were appropriately

applied, colleges would become more productive, learning-centered institutions with less conflict. When college students were surveyed in a recent study (Browne, Kaldenberg, Browne, & Brown, 1998) about their satisfaction and their ratings about college quality, the results indicated that the entire student experience is most important, not merely instructional issues. Clearly, there is some evidence that students desire quality, and don't necessarily wish to entirely change the power dynamic involved in an instructional situation.

#### IV. Guaranteeing Customer Satisfaction

Hart, Schlesinger, and Maher (1992, p. 20) define a guarantee as “a statement explaining the service customers can expect (the promise) and what the company will do if it fails to deliver.” There are several types of guarantees that service-oriented businesses can offer to their customers. First there is the extraordinary guarantee, which is unconditional and explicitly stated. This guarantee is meant to “recapture the customer's goodwill” (Levy, 1999) in case of dissatisfaction of any kind. The second guarantee type is the implicit guarantee, in which there is indeed an unconditional guarantee offered, yet the terms are not explicitly stated. Finally, in the specific results guarantee, the guarantee is focused on certain aspects of the service to add a perceived level of value to the customer (Levy, 1999). This type of guarantee seems to be the most feasible from a managerial standpoint, but does not have the marketing appeal of the other two types of guarantees. Another valuable aspect of the specific results guarantee is that the service providers are able to observe the customer's behavior as it pertains to shared responsibility for outcomes (McCollough & Gremler, 1999).



In a community college setting, a service to the students is what is provided. In order to guarantee an intangible product such as service, the student must experience the product first and then decide whether or not he or she is satisfied. The customer in higher education (or in any other service industry) has no prior way of knowing whether or not the service (instruction) provided will be adequate (Flipo, 1988). As a result of competition from a variety of private and public institutions that students now have access to, and the desire of institutions to improve the quality of their educational service, some institutions of higher learning have considered offering a guarantee on instruction. Some, in fact, have already test-marketed instructional guarantees in select courses as a way to recruit and retain more students.

McCollough and Gremler (1999) reported that a medium-size university offered an instructional guarantee in some courses to test its viability. The conditional, specific result guarantee was offered to students in upper division marketing classes, and gave students the right to receive a refund in they were dissatisfied with the instruction given. There were several conditions and the guarantee was not based on grade satisfaction. Some of the conditions included the agreement that the student “must be a good customer” and that a request in writing must be submitted within one month of the end of the semester. Also, occurrences beyond the control of the instructor are not covered, nor are the actions of the student that may affect his or her performance. Finally, the student will receive his/her earned grade/credit in the class, and the pay out for successful invocation of the guarantee is limited to \$150.00.

The results were quite interesting. Student reaction was varied, with some seeing the offer of a guarantee as being a positive step. Some students felt that a guarantee meant

that the instructor was serious about teaching, and this raised their expectations for their own performance. Others were not as enthusiastic about the idea. Some felt that the guarantee was simply an empty promise and that an institution of higher education should not have to offer a guarantee. Although no one actually took the college up on the offer, the general consensus among the students was that there was too much ambiguity about the guarantee, including the number of conditions, and that it did not make that much of a difference. College officials defended the guarantee's many conditions, attempting to limit the liability of the college from a financial standpoint.

Some in the educational field contend that putting students in the position as critics of the educational process may not be wise. Scott (1999) stated that students might not be aware whether or not they are receiving a good education. That is, students are more likely to concentrate on the service aspects of the educational process, such as timing of assignments and tests, when determining the performance of an instructor. Such tendencies can make the customer satisfaction evaluations nebulous with regard to the actual instruction given. Students, as the author implies, are simply not equipped to make solid judgements regarding teaching quality. These arguments have led some to conclude that rather than a move towards the student as customer with guarantees on instruction, a better course of action would be to move towards more rigorous peer reviews as a way a improving instructional quality (Baldwin, 1994).

The results of the guarantee at the university are intriguing, but would the reaction be the same if the same guarantee were offered at a community college? When several faculty members at St. Petersburg Junior College from various disciplines were asked to comment on the idea of a guarantee on their instruction, most were receptive to the idea.

They felt that a guarantee might provide more incentive to the student to be as motivated as the instructor appears to be. However, some feel that the decision of what is “good instruction” is subjective and has not been put into operational terms based upon reading the written guarantee that was distributed at the university level.

Members of the SPJC administration expressed similar sentiments regarding the guarantee idea. The prevailing view was that such a guarantee would cause a legal nightmare, and that there is would be little consensus as to what constitutes good instruction. One administrator remarked that we already have a type of guarantee in place. For instance, if a student is required to pay out-of-state tuition for taking a class a third time, the student may appeal the decision. If the student can show just cause, often the student will win. Lastly, administrators noted that all staff (non-faculty) must attend customer service programs sponsored by the college to learn how to better meet the needs of the customers

When students were given the opportunity to express their opinions about instructional guarantees, the results were decidedly mixed. One student was eager to have an instructional guarantee at SPJC and wished that there had been one in place a few semesters back based upon an experience with “an incompetent humanities instructor.” However, the majority of students argued that such guarantees don’t belong in a college setting. They said that a guarantee would make them think of college more like a “Burger King, where you can have it you way.” It certainly seems that the students at SPJC are also concerned that the misapplication of TQM concepts in higher education is likely.

## VI. Conclusions and Directions

The concept of treating student more like customers does seem to have some advantages. Many institutions experience problems with accountability and exhibit a lack of care for the students who are expecting quality education. However, it is important to understand that simply a top-down approach to creating a consumer-friendly atmosphere in higher education may be problematic. Involvement and input from all levels of employees at the college is essential. O'Banion (1997, p. 187) contends that in order to create a learner-centered environment, the faculty members and students need to be included in changes that a college makes in order to create smoother transitions. Faculty members are more likely to be responsive to change if other faculty members initiate the change, rather than if the administration and the students dictate the change to them.

The number of higher education institutions using TQM has increased from only 78 in 1991 to over 200 by 1996 (Willis, Hillman, Taylor, & Albert, 1999). The goal of TQM is to simply make educational institutions more accountable for their teaching (Higgins & Johnson, 1992). However, there are those who fear that treating students as customers will undermine the academic credibility of the institutions, and instead should focus on making the curricula more demanding to achieve true TQM (Willis, Hillman, Taylor, & Albert, 1999). Interestingly, the European universities of the middle ages had a system where the students paid for instruction directly to the instructors, thus ensuring the quality of the teaching (Campion, Mason, & Erdman, 2000).

The concept of guaranteeing student satisfaction, for better or worse, seems to be finding its place in higher education. By putting more pressure on faculty to provide a good service, the outcomes may improve the learning atmosphere in the community

college. Some feel that guarantees will help create a system with better expectations and more defined standards, and will make the colleges more marketable. Also, guaranteeing instruction may foster accountability, which is often sadly lacking in higher education (McCollough & Gremler, 1999). However, the problems of grade inflation and decreased academic rigor need to be addressed in order to assure faculty that such guarantees will not diminish the academic integrity of their institutions.

As stated earlier, one of the goals of TQM is to eliminate antagonistic relationships, and this can be best accomplished by continuing the dialogue between all of those involved with the community college. This dialogue should focus on the long-term and short-term goals of the institution. The concerns of faculty, administration, and students are legitimate, and must be addressed by each institution. Although many decry the idea that the students are the customers of higher education, it is quickly becoming a reality. If the institutions of higher education refuse to accept this fact, it will be of little shock when new suppliers of education arise to their place. The new institutions will look and act differently than the old ones do now, but will be more responsive to the needs of the customer and will most likely turn out a better product (Swenson, 1998). Many advocate the “rethinking of the community college” as we know it today (Kershaw, 1999). The student market has grown dramatically, yet community colleges no longer have the regional advantage that they once enjoyed. Roles need to be rethought, as well as the services that are provided to the customers. The challenge of making community colleges more customer-friendly may create some obstacles, but community colleges have proven that they are capable of change and are responsive to the needs and wants of the communities for which they serve.

In conclusion, it is important to consider that the community college is not necessarily the same as other businesses. Higher education has its own dynamic and is an organization that carries a heavy responsibility not only to the student but also to the community and society for which it serves. If the community college succumbs to the pressure placed upon it to cater to “consumer satisfaction” and makes policy based strictly on polling data, the reputation of the community college will begin to erode. The community college must set the example by not only respecting the input of the students, but acting to ensure its own long-term stability and that of society in general by not making educational policy decisions based on customer satisfaction surveys. The community college needs to avoid being caught up in the “anything to make the customer happy” game, by continuously improving its service and maintaining high academic standards. By doing this, while at the same time making its environment more *learning* friendly, the community college will ensure its place in higher education despite growing competition from other educational enterprises.

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