The Customer of Higher Education

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It is all-too-common in higher education today to refer to students as customers. This angers many but others maintain that the student is the customer and we must do all we can to strive to satisfy the customer, if we are to survive and, hopefully, thrive.

As a lecturer of business management I appreciate this view. It is simple and, at first look, it seems accurate. After all, customers pay money for products and experiences. We sell experiences (education and more) and products (books) and the one that pays is (usually) the student. Treating the student as the customer seems quite reasonable.

Those angered feel upset partially because considering the student as the customer cheapens higher ed and turns it into a business model with the drive to become ever more efficient, each day cutting costs, improving efficiency. Our role as educators is nobler than the simple search for profit. From my background in business, this is not a great argument. We should do everything we can to cut costs. To pay more for something than is necessary is wasting resources and this is bad for society and, thus, we should always seek to be more efficient. Being efficient and caring about quality are not mutually exclusive. Indeed, I would argue that good quality is the natural by-product of an intense focus on efficiency.

I believe what those in higher ed really object to is what they see all-too-often in business where a manager will outsource jobs to another company (or country) or eliminate some jobs in the name of saving money. These scholars feel that there is something almost holy about higher ed and once someone is working for an organization, they should never be let go. It's as if the organization owes a loyalty to the worker, even though the worker is free to leave anytime they choose – a magical one-sided loyalty.

Companies do reduce staff and outsource to cut costs. Sometimes this results in lower quality. When it does lower quality, this is a strategic decision. The manager believes the customer does not value the existing quality enough and that the company can reduce the quality of their products without lower the price (thus increasing profits). This is a mistaken assumption which has led many companies to ruin. Wise managers would never eliminate the job of someone who adds value to the organization. Why would they? They would be making the organization worse off and that is not the job of the manager. Short-sighted managers might make short-sighted decisions but that does not mean we should stop allowing all managers to make decisions.

So, the idea of the student as the customer makes sense but it does not hold up to deeper analysis. Consider this: Quality and cost are two common ways companies differentiate themselves from their competitors. For now, I will focus on quality.

Most, if not all, in higher ed would agree that if we want to satisfy our customer we must provide good quality. If we provide better quality, we will have more customers which will lead to more revenue which we can use for improved facilities, staff, professors, and researchers, etc. As a general statement, it seems safe to say: We should provide the best quality our abilities allow.

The next step is to define quality in our scenario. Many professors will say: Improving quality really means improving student learning. That seems quite intuitive, especially to those whose job is it is educate students. The problem is, we should not be asking the educator. Should we, then, ask the administrators? Many admins will say: Improving quality really means helping students to get jobs. However, we should not be asking the admins either.

Quality must be defined by the customer. This is the commonly-accepted truth in quality management: **Quality is whatever the customer says it is.** Providing the customer with something they don't want is silly and wasteful and should generally be avoided. The question must then be asked: What does the customer want? If the customer is the student, what do students want?

As I talk to my students every day, it seems all students have the same answer: "I want my degree!" This is also intuitive. Of course they want their degree. Do some students consider knowledge more important than the degree? Yes, but in my experience very few. Knowledge is important, but secondary. This is one of the great frustrations of educators the world over: "Why don't students focus on learning and see the grades and degree as the natural result of learning? If they learn, they will have all they want in life. The degree just gets them in the door of a company. Their knowledge helps them stay and advance their career."

So, we have established that the primary objective of an undergraduate student is to get the degree. For those who do not care about grades, and only care about the actual degree, then the math is quite simple: Achieve the goal (degree) with the minimum effort and expense. In other words, study as little as possible but still pass. From the students' perspective this rings true for many.

If we are to define quality as giving the students what they want then we should give them a degree without asking them to study outside of class (no homework, no reading to prepare for class time) at all and we should reduce the time in class as much as possible, all while making the in-class experience as entertaining as possible. Perhaps ice cream and karaoke one time per week would be what they want (from my surveys, they would love this but I teach in Asia, other locales may vary).

The problem with all of this is quite obvious. We have just defined a high-quality university as one which does not require students to study much and I do not know anyone who would agree with this (no students, no admins, no educators, nobody). Therefore we have a problem with our math somewhere. If the customer defines quality and the student is the customer then we have a paradox. There must be a mistake: Either the customer does not define quality or students are not customers.

If students are not customers, who is the customer? The general definition of a customer is the one who consumes a company's output. Every company has inputs, processes, and outputs. What do universities output? Educated people. What are our inputs? People with a high school degree. What are our processes? Education. So, who consumes our outputs? Who consumes educated graduates? Employers.

Working through the new math, employers are the customer so they must define quality. What do employers want? They want graduates with the skills, knowledge, and experiences needed to do their job. This includes both domain-specific skills (risk analysis, producing a marketing campaign, etc.) as well as general skills (critical thinking, writing, speaking, etc.). This is starting to sound like something professors, admins, and everyone else could agree on.

Wait one minute, you might be thinking. How can the employer be our customer when they don't pay us anything? When someone buys a new shirt, the person paying is the customer. In our case, the student (or

their parent or someone else) pays. It is the student (and their parents in some cases) who chooses which school to go to. So, the student must be the customer. Of course that argument ignores scholarship students. If we follow that old argument then we should not care at all about scholarship students but I do not believe those working at a university would agree with that (which is another sign there is a problem with that old argument).

Consider the following business metaphor of a manufacturer. It takes in raw materials. Specialists take those raw materials and transform them into something someone will want to buy. We sell our products to a retailer. We market our product to the customer who goes to the retailer to buy our product.

In this metaphor, **the university is the manufacturer**. We manufacture skills, knowledge, and experience (SKEs or competencies). What we create exists in the minds of our students. This is what the customer (employer) wants. Companies don't want people, they want problems solved. If a computer could more cheaply do everything a person could do, then that person would be replaced by a computer. Clearly companies care about the skills. The only reason they hire the human is because the humans have the skills.

The employers are the customer. They buy the SKEs by hiring the person who has them. The company gets what they want (the SKEs and their problems solved) and they pay (a salary).

The educators are the specialists who create the SKEs in the mind of the student. They know how to create the SKEs by choosing what the student reads, exercises to perform, planning experiences, etc.

The students are the retailer. They have the product the customer wants. If the customer wants the SKEs that the retailer has, then the customer must pay the retailer. The retailer pays the manufacturer to have the SKEs which the retailer believe they will be most successful selling.

This model works quite nicely.

If we, the university, want to be successful we must focus on the customer's definition of quality. If we do create excellent quality products (students' SKEs) then employers will increase the demand for our students. The students will knock down our doors trying to get into our school instead of others. If we ignore the customer's definition of quality and, instead, focus on the retailer's definition of quality, we might find we are producing a product that retailers will buy for a short time but when those retailers cannot find customers to buy those products, the retailers will avoid the manufacturer completely (since those products don't sell).

This is, after all, what makes schools like Harvard so popular. A student with a degree from Harvard can work wherever they want. Therefore, there is fierce competition amongst students to get into Harvard.

It is time we take our own advice: Don't focus on the short term. Focus on the basic truths and the long term benefits will come: Provide the customer with what they want we will have more students than we can handle.