

Customers vs. Products: Adopting An Effective Approach to Business Students

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Abstract

This paper compares the benefits and consequences of two different educational philosophies adopted by business schools: the customer-oriented approach and the product-oriented approach. The customer approach suggests that faculty treat the students as their customers and the product approach requires that faculty treat the students as their products. Under a student-customer program, enrollment and levels of student satisfaction increase at the expense of learning and program quality. The product approach shifts the focus from student satisfaction to student capabilities and holds business programs responsible for producing knowledgeable, effective students who possess skills and talents valued by public and private corporations.

Introduction

Business educators are charged with graduating students who are well grounded in basic business principles, which are able to adapt, learn and contribute to a variety of business settings, and who possess reasonable communication and problem-solving skills. Both public and private organizations look to business schools to provide students with skills that match the current needs of the marketplace. However in today's business environment, characterized by hypercompetition and rapid technological change, the marketplace requirements are a constantly moving target. Therefore it is essential that business educators constantly update their curriculum and re-evaluate their pedagogical approaches. Different business schools may encourage faculty adopt different approaches, such as a student-customer approach or a student-product approach.

These two approaches represent different educational philosophies. The customer approach maintains that faculty treat the students as their customers and the product approach requires that faculty treat the students as their products. This paper addresses the question: Are students products or customers of educational institutions? The authors posit that the different philosophical approaches produce distinctly different educational effects. This paper will examine these two different approaches; compare the advantages and consequences of each approach, and suggest more effective ways for business educators to conceptualize their roles.

Customer-Oriented Approach

Many business schools today have adopted a customer-oriented approach, insisting that professors treat the students as their customers. This approach subscribes to the old marketing maxim that "the customer is

always right.” On the surface, this approach has great appeal. Professors are asked to be more accessible to students; to develop meaningful relationships with students; to provide quicker feedback to students; and to develop and deliver curriculum that best meet students needs.

One extreme example of the customer-oriented approach was discussed by Bagley and Foxman (1997). In this case, the instructors and students were told that because the students were “buying” the course, they had the right and the responsibility to state what they wanted from the course and how they thought they should get it. In these customer-driven courses, the students build their own syllabi. The students decide on issues such as, course objectives, whether or not to use a textbook, assignments and assignments weights, and the amount of time to be spent on particular topics or with guest speakers through a process of negotiation, open discussion and voting. The syllabus is treated as a living document, subject to change, allowing for changes in student needs and objectives. Hence, the primary role of the instructor is to ensure that the self-proclaimed needs or expectations of each of his or her “customers” are met. While most schools that adopt the “student as the customer” approach do not practice these extreme methods, most manifest this philosophy in the school’s policies on office hours, course drop dates and procedures, attendance, and the emphasis on teaching evaluations.

We understand there may be short-term economic advantages for schools that adopt a “customer-oriented” or a “for profit” approach. Bailey and Dangerfield (2000) observed, business school leaders find themselves dealing with the classic business problem: unlimited wants and scarce resources. Business schools are faced with multiple demands from corporations that hire their students and from the expectations of students, alumni, and parents. Additionally, faculties are constantly seeking funding for new or improved technology, pay raises, new programs, or additional faculty members. Juxtaposed upon these demands are the constant threats of decreased revenues from either public apportionments or private donations. Consequently, there are pressures to increase student enrollments as one way to deal with limited resources. Larger enrollments create budgetary and other benefits. Student-customer satisfaction directly correlates to larger enrollments: happy students stay in school, so retention rates remain high; happy students tell their high-school friends, so recruitment numbers are higher; and happy students turn into happy alumni, so alumni donation rates increase. These factors create a powerful incentive for business schools to adopt a customer-oriented approach. Bailey and Dangerfield (2000) discovered that the demands for increasing student enrollments, the pressure to satisfy the students’ desires for higher grades, and the use of student evaluations as the primary indicator for teaching effectiveness become three influential forces that make the business schools adopt a customer-oriented approach to the students.

These financial benefits are typically short-term and are far outweighed by the potential negative consequences associated with the student-customer approach. Students derive satisfaction from less coursework, easy testing, and higher grades. At many colleges and universities, students have developed attitudes of entitlement: they are entitled to good grades from courses that are offered at times to fit their schedules and for which attendance is optional. These students believe that if they pay their tuition, then passing the course is a guarantee and they expect to receive an A or B, regardless of their performance. In fact, one of the authors had several students tell him, "I am your boss. I pay your salary" as they negotiated for grade changes. Any pedagogy that reinforces these beliefs and attitudes will sacrifice the quality of education for enrollment quantity.

By placing a strong emphasis on students' evaluations of teaching effectiveness in professorial performance reviews, business schools deans have conceded too much power to the students. In general, only those professors that are "easy" will receive the high evaluations necessary to ultimately obtain tenure. Those professors that offer rigorous, academically challenging courses will suffer by comparison with easier peers. According to Franz, "... we find students buying their education and shopping around for classes and majors; our goal as educators becomes attracting and retaining students for our courses. What the students desire out of their college experience starts driving programs. Resources follow students, and departments are rewarded in direct proportion to the number of students (customers) who choose to attend (buy) their classesclasses become popularity contests. Pedagogy becomes entertainment" (Franz, 1998, p.63). In order to survive, many professors are forced to do what Peter Sacks (1996) calls dumbing down the curriculum. Sacks suggested that this "hand-holding and spoon feeding" of students will yield a lower-quality education with students less prepared for the workplace.

Just as bankers do not let customers set interest rates on their loans, the business schools should not allow students to dictate what topics the curriculum should include or what grades they should receive. The quality of the business program will suffer if students are allowed too much influence over the structure and learning objectives for courses. If students decide what they need to learn and how to measure learning effectiveness, how can we assure educational quality? Students cannot define the learning objectives without guidance and faculty cannot objectively measure learning without pre-established objectives. Therefore, it is particularly crucial in professional preparatory programs that trained scholars develop both the learning objectives and the measurements of effectiveness (Albanese, 1999).

Grade inflation and an increase in student complaints are also possible negative outcomes of a customer-oriented approach. Because they are so highly valued at customer-oriented schools, the evaluations from students about teaching effectiveness inevitably lead these professors to pandering to student requests. The average course grades have continued to climb over the last decade as professors either strive to satisfy both students and administrators or to avoid grade challenges filed by students. Students that do not receive the grade they desire feel justified in demanding reconsideration, often without the proposal of additional work. In fact, students are often encouraged to file challenges and complaints. Two of the authors of this article once worked together at a small tuition-driven college in the South where the business department chair clearly instructed them to treat the students as customers. On the other hand, the students were encouraged to discuss any problems directly with the department chair, rather than with the professors. This eventually created a situation in which students fabricated problems, the administrator continually supported these claims of unfairness, and five faculty members left the school to seek alternate places of employment within one year.

The greatest risk of a customer-oriented approach to business curriculum is the perpetuation of the commoditization of a college education. Too often today, students believe that any type of college degree will satisfy their needs. They fail to make quality distinctions between traditional (brick) programs and on-line virtual (click) programs. To these students, learning is not a valued outcome; only documentation of completion is valued. Quality education involves an ongoing process, heavily dependent on the student's willingness to participate in learning. By creating an environment in which the student is not required to learn, only to pay tuition, we have failed to meet the expectations of our stakeholders: public and private corporations that demand well-educated, well-rounded employees. Professor Brian Gordon (1998) at St. Louis Community College criticizes the "students-as-customers" approach by saying: "Let's try to find a more appropriate model for education than yet another half-baked idea borrowed from the retail world. Or else let's candidly admit what we are edging toward or are perhaps already doing when we adopt the "student-as-customer" model wholeheartedly. Remember, 'the customer is always right.' So if these imagined 'customers' want credentials, why not just become a diploma mill and sell outright what they really want, and never mind trying to get them to put some learning in their shopping cart? That, after all, is the logical endpoint of a race to the bottom as educational institutions try to please these 'customers' in a competitive market." While it is admirable for business schools to use whatever means they have to sell education to students, critics say that such efforts may go too far and even undermine education standards (Jones, 1997). The "customer is always right" mindset may potentially lead faculty to pander to students' desires, to the disappearance of rigorous and challenging instruction; to confusion

and conflict regarding students' needs; and potentially to the decline of areas of scholarship that have little value in the minds of the students.

Product-Oriented Approach

As discussed, business schools must anticipate the needs of the business world, taking a long-term perspective and striving to meet both expressed and latent needs of real business communities. AACSB, the internationally recognized organization for accrediting business schools, has indicated clearly “management education must prepare students to contribute to their organizations and the larger society and to grow personally and professionally through their careers” (AACSB, 1999, p.1). This requires business schools to mold students into qualified employees through serious education programs that take the society’s needs into consideration. To meet these criteria, business schools must take an approach that differs from customer approach and design more rigorous programs, thereby creating various brands in terms of education quality and specialty. Bailey and Dangerfield (2000) stated that rigorous course work is good for the long-term perspective, but not good for the short-term, because it may mean more work, lower grades, and lower grade point averages. Rigorous programs, however, will help business schools create positive brand images: the school will become known for the caliber of students graduating from its programs. Such programs will help students learn more effectively so they will be more productive and able to deal with challenges in the real world after graduation.

Notturmo (1997) defined the product approach in the college settings as the deliberate attempt to design a system whereby students begin as natural inputs and work their way through a program of study from which they emerge as more knowledgeable and capable individuals. Students can be defined as products along the following dimensions: 1) their transformation through the educational process is the focus of all of the resources committed to the educational process (the college or university) and 2) they are one of the means by which the external environment, namely corporate employers, evaluate the school and its merit as a potential supplier for future human resource needs. When a college or university adopts the product approach, it must ensure the quality of their product by designing policies and procedures that focus on producing and packaging a product that meets the needs of their market and by monitoring the process throughout the system. Faculty in a product-focused school then become the engineers, the producers, and quality controllers of the system. As engineers, professors must carefully construct meaningful and updated course syllabi that can be viewed as the product design. As producers, they need to carefully deliver the course content and lead the students step-by-step to master the course concepts and theories. As quality controllers, they function as gate-keepers, objectively

measuring students' achievements, passing those qualified products, and refining those less qualified products until they meet the performance criteria.

The product approach demands that business schools treat students as their products; they assume the responsibility to train students to become qualified products that can meet the criteria of various industries. With this approach, students must adhere to the regulations and the criteria of the education programs in which they are enrolled, and allow the instructors to model and reshape them according to the society's needs. The measure of a program's success will be the extent to which it prepares them to be more employable in terms of knowledge and skills. Administrators must help students understand that only by doing rigorous assignments can students be well prepared to face the challenge later. Likewise administrators must entrust and support professors' ability to define learning objectives and develop the coursework necessary to help students to master the course concepts and principles.

By taking the approach of students as products, the instructors should be empowered to design the course according to the needs of the market and based on their own expertise and understanding of the course material. For instance, one of the authors designed his consumer behavior course by using a psycho-anthropological approach. Because he knew that the new trend in marketing was the use of anthropological content-based research methodologies, he deliberately designed the course with an emphasis on hands-on training and viewed students' coursework as part of the products developed. He assigned rigorous coursework designed to add value to the products (students) and required a final term paper of publishable quality (Tian, 2000). Although students complained from time to time about his rigorous coursework and the possibility that it would lower their grades-point averages, they acknowledged that they learned more than they had expected. As the result, one group's term paper was accepted for presentation and publication in the conference of the 2001 International Applied Business Research Conference (Boyce, et. al., 2001).

The clear benefit from a product-oriented approach is the quality of education that each student receives. By treating each student as a product to be carefully "crafted" and "inspected" for quality, the focus shifts from teaching to learning. Unfortunately, there are disadvantages associated with the product approach. From the administration's perspective, the school could be faced with lower retention rates and under-enrolled classes as students shop for either easier professors or easier programs. Faculty must be prepared for potentially lower teaching evaluations and students for lower GPAs. However, as the college or university builds brand image, the majority of these negative consequences will be mitigated. As the school builds a reputation for having a rigorous program of study, those students that enter the program will be prepared to meet the expected the levels

of performance and be less critical of those professors who deliver the commitment to quality. While GPAs may remain lower, that too can be offset by the reputation of the college. For example, at a recent job fair, one recruitment officer from a Fortune 500 company stated that a 2.5 GPA from Davidson was the equivalent of a 3.5 from any other institution in the Southeast. Allowing for the possibility that the recruiter may be biased, this example still points to the fact that Davidson is known for its rigorous standards and the quality of the products (students) it produces.

Implications and Conclusion

The relationships between students, businesses, and educational institutes are reciprocal. Schools rely on students and business for current financial needs; students depend on schools to impart the knowledge necessary to help them forge meaningful careers and on businesses to supply employment; and businesses rely on schools to provide qualified and capable individuals to help run the organizations. Only when graduates are welcomed by the employers will the programs be reputable, and when the programs become more reputable the students' degrees will be more valuable. As business educators, our focus must be on the future competitive capabilities of our students rather than their immediate desire for higher grades.

It is usually those students who believe that one college degree is indistinguishable from another that demand a customer-oriented approach. The proliferation of students with this attitude can be seen by the increase in the number of virtual universities, on-line programs, and distance-learning courses available over the last decade. However, all is not lost. Most traditional, full-time students dispute the customer approach. For example, one of our students suggested, "Students should be considered the products of the colleges they attend and that this point of view will most certainly benefit the students. Almost always, the experienced faculty and staff know best how to equip the students so that they can be the best that they can be in business, public schools, graduate schools, and in their familiar relationships. The faculty needs to be in charge, and they have the ultimate power and authority needed to shape students and help them realize their potential. On the other hand, if students are viewed as customers, the faculty and staff must cater to their needs and wants. Instead of equipping the students with an invaluable education, they are forced to offer an education that might be significantly watered down. Students may not be excited about the hard work in the short run, but in the long run, the students will be very appreciative of the quality education that prepared them to excel in the real world."

It is clear that business schools should not regard students as their customers, but as their products. From a marketing perspective, product development is a process that includes product design, product development, and product test stages. Only those final products that meet the quality standards will be perceived as being

ready for the consumers. Before students graduate, they are unfinished products or the products in process. Also, from the marketing perspective, the students need to treat the “professors as customers”, i.e. as people who are judging their products (e.g., homework, presentation, knowledge) (Emery, 2001).

In summary, it is the responsibility of business schools to decide how to develop their products, and to whom to market their products. Only rigorously designed programs can “craft” the students as qualified products to meet their consumers’ needs. Taking a product-oriented approach requires a paradigm shift from teaching to learning effectiveness. It will also challenge the popular practice of using students’ evaluations as the primary indicator of faculty teaching effectiveness. Research indicates that students’ evaluations may not necessarily be objective, but is correlated with their expectations of the grades: if the final grades meet their expectations, the evaluations tend to be more positive; if the final grades do not meet their expectations the evaluations tend to be more negative (Boex, 2000). The better evaluation of faculty effectiveness should be tested by examining what students can do, how well they do these things, and the quality of their works, as well as the feed-backs from school administration.

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