THE NOTION OF THE CUSTOMER IN TQM

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Abstract

This paper presents a critique of the notion of "the customer" as a basis for TQM. It argues that in practice the concept is often difficult to apply and likely to lead to confusion and misleading conclusions. It explicitly excludes the interests of many stakeholders – these include the workforce, shareholders, the community in general, and environmental considerations. Ostensibly, customer focused TQM should make customers' interests the first priority; in practice the real aim may be enhancing the profits of the organisation. However, the assumption that "the customer" is the only important beneficiary may to so unrealistic as to make TQM ineffective for either of these purposes.

The alternative suggested here is to focus on activities which may serve a variety of interests, and then to carry out a multi-criteria decision analysis to judge which strategies and tactics are likely to increase quality levels. This is likely to lead to a more complex, multi-faceted analysis than a simple focus on "the customer". The analysis may be enhanced by the use of further problem structuring techniques such as cognitive mapping. Then TQM can be made relevant to quality in the broad sense of the word and to general concerns about the quality of life.

THE NOTION OF THE CUSTOMER IN TQM

Introduction

As with many influential ideas, the exact definition of TQM is hazy. It means different things to different people. Despite this there is an increasingly widespread acceptance of the idea that "the customer" is an important – perhaps the most important – focus of a TQM strategy. Customers' needs should be satisfied, or, better, they should be "delighted". For example:

> "The core of the model [for TQM] is the <u>customer-supplier</u> interfaces, both externally and internally ..." (Oakland, 1993, p ix).
>
> "QUALITY = Meeting Customer Requirements Exactly" (Wilkinson and Witcher, 1993, p 48).
>
> "Focusing on the customer, then, is the first of three basic quality management principles." (Tenner and DeToro, 1992).

This emphasis on the customer is evident from, for example, the number of articles with phrases such as "customer-focused" in their titles (eg Bragar, 1992; Lawton, 1991), and surveys of the implementation of TQM in organisations in Europe (Tomlinson et al, 1991; Van de Wiele et al, 1993) – but much less so in Japan (Tomlinson et al, 1991).

The aim of this paper is to present a critique of this notion of the customer as a basis for TQM. From a conceptual point of view the focus on the customer has problems, and it also means that certain stakeholders' interests are inevitably ignored. However, the practical effects are often contrary to the obvious intentions of the stakeholders advocating TQM themselves. For all these reasons the notion of the customer is thus seen to be of dubious value as a general motivator for TQM. This leads on to a discussion and evaluation of alternatives.

The published literature, and anecdotal evidence, indicates that there is considerable dissatisfaction with TQM

as a practical business strategy: it often appears not to deliver the anticipated benefits. Informal comments often suggest that TQM is seen as empty rhetoric with no relevance to real improvement strategies. This paper argues that the emphasis on the notion of the customer may be an important reason for this, so displacing the customer notion from its present pivotal role may be an excellent way of improving the success rate of TQM programmes[1].

What sort of concept is quality?

We need to start with some conceptual analysis (Smith, 1993). It is important to clarify the general status of the word quality. Smith (1993) points out that quality is a <u>property</u> of something. The something in question might be a product (a car, for example), or a service (a haircut for example). Or it might be a collection of products or services (all Ford cars, or all the haircuts provided by a salon in a given time span). Or the something might be a process or a number of processes: ie the activities which are necessary to provide products or services. In the last case high quality might be defined in terms of the quality of the resulting products or services, but the term can refer to the process and not just the output.

Quality is a property which can be assessed either "against the accepted standards of merit or against the interests of relevant stakeholders" (Smith, 1993). The first of these possibilities begs the question of who or what is accepting the standards in question, but implies that these are considered in some sense "absolute". A piece of work submitted by a student as part of an academic course would normally be assessed by reference to "academic standards" – which are assumed to be independent of the perspective of any

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[1] Empirical evidence for this hypothesis from a survey would be of dubious validity because of difficulties in measuring either cause or effect, and the enormous number of other variables which may hide any effect. The most convincing way of providing empirical confirmation would come from an action research project with an organisation experimenting with moving to a less customer focused TQM strategy.

particular stakeholder. The alternative definition of quality would be by reference to the views of the relevant stakeholders such as employers.

Why focus on the customer?

The focus on the customer began as a reaction to definitions of quality which paid little attention to the purpose of the product or service being produced. Quality defined as conformance to a specification or to "accepted standards" presupposes that the specification is given and unproblematic, or that the standards are accepted by everyone for all purposes; similarly quality defined as "fitness for purpose" takes the purpose and the criteria for judging fitness as given. The difficulty here is that if customers have different specifications, or different views of fitness or even different purposes, then customers may not be prepared to buy the product or service. Accordingly the quality movement has tried to become more responsive to the market by emphasising the needs of customers directly. The customer focus is simply a way of trying to ensure that what is produced is likely to correspond to what potential purchasers want to buy. The customer is asked – in one way or another – to assess the quality of products and services, and so, by implication of the processes responsible for these goods and services.

In addition, the notion of the customer is – apparently – a simple one. It is a rhetorical device for focusing attention on the importance of defining quality in the right way.

Who or what is "the customer"?

The commonest use of the word customer is perhaps in the context of a typical retail transaction: a customer comes in, decides what she wants, pays the money, and receives the goods or services. There are three important activities here: deciding what to have, paying the money, and using, consuming or benefitting from the goods or services. These activities

correspond to three roles of a customer: that of decision maker, provider of money, and consumer/user.

In the simple retail transaction above the same person performs all of these three roles. However, in other situations, these three roles may be split. For example, when I take my son to the dentist I decide he has to go, the dentist decides on the precise treatment – presumably bearing in mind the wishes of the other parties involved, the government pays the money (treatment for children being free in the UK), and my son "enjoys" the benefits of the treatment – which it may only be sensible to evaluate in the long term as in the short term there may be no benefits. Who is the customer here: the government, myself or my son? The expressed preferences of these three parties may be very different. Similarly I have just ordered some computers which will be used by five manufacturing firms collaborating with us on a government sponsored project. Who is the computer supplier's customer? I made the decision (or more accurately, a colleague who has even less to do with the final use of the computers, made the decision), the firms will use the computers, and the government will pay.

These issues are considered in the literature of marketing, of public sector management, and, to a limited extent, quality. From the marketing perspective it is important to analyse the actual influence of the various parties in the "decision making unit" (eg Oliver, 1990, chapter 5; Wensley, 1990). On occasions the consumers' lack of information may mean that they are not in a position to make decisions (Wensley, 1990, Clark, 1993), and have to rely on the expertise of the supplier. The divorce between decision making, consumption and paying is particularly obvious in the public sector (Flynn, 1990). And the quality literature has much to say on quality standards (such as BS5750) which are to help decision makers make good decisions from the point of view of the consumer/user. However, my purpose here is not to review this literature, but simply to point out that the different customer roles may have different interests, and

that the use of the naive phrase "the customer" may confuse or disguise the true situation.

It is also possible to use the term customer in the context of transactions in markets that do not involve money. This may be a bartering context, or it may be an organisation such as a voluntary organisation which has clients it tries to help (satisfy or delight to use the customer oriented terms) in exchange for social recognition or the satisfaction of more personal values.

There is also the distinction between internal and external customers. From the point of view of customer as consumer it makes little difference if the customer is inside or outside the organisation; from the point of view of customer as decision maker internal consumers are only customers in so far as they have the power to make decisions, and from the point of view of customer as currency provider internal customers are only customers in so far as there is an appropriate internal accounting system.

Another sense in which the situation is complicated is due to the fact that there is rarely only one customer – the singular phrase "the customer" is seriously misleading in this sense. There may be several customers of the same broad type – different people coming in to a shop to buy goods, for example. It may not be possible to satisfy all of them, so the shop may need to consider prioritising its customers: although the customer is always right, some are more right than others. There may be a chain of customers – either internal or external to the organisation. There is also the possibility of a hierarchical relationship between customers in the sense that satisfying the low-level customers is only important in so far as this will lead to satisfying the higher level customer.

As an example, consider the case of a firm selling, say ice creams, which is owned by a group of people whose only interest is the profits the firm makes. In one sense the customers are the people who buy the ice creams and quality can be judged by the extent to which these customer enjoy

their ice creams and come back for more. These customers may take the ice creams back to their children – who are also customers in an indirect sense.

In another sense the customers are the owners of the firm, the service provided is making profits, and quality is judged by the perceived size and reliability of these profits and the fact that the owners choose to keep their money invested in the firm. The quality of the firm's ice creams is only important as a means to the end of making quality profits.

In yet another sense the firm is providing a service to its own workers – employment, income and so on. The quality of the ice creams is only important in so far as it is a means to the end of improving the employees' lot. The firm's customer is the workforce, or, in a sense, itself. From this point of view strategies which improve the working conditions improve quality.

This illustrates the general principle that the same activity may provide different services to different stakeholders who evaluate it on different criteria.

To summarise, we can say that the notion of the customer incorporates three roles: the consumer/user role, the currency (usually but not necessarily money) provider role, and the decision maker role. It is difficult to imagine that anyone's notion of a customer could exclude the consumer/user role; it may or may not incorporate the other two roles. Furthermore the customer may be a single person or a group or an organisation. An extra level of complexity is due to the obvious fact that there are almost always a number of different products or services on offer. There may be chains or hierarchies of customers – internal or external – or multiple customers receiving the same product or service.

However, in practice, the phrase "the customer" tends to be used in a way which disregards many of these subtleties: the customer is simply the person who decides to buy an organisation's product, and then consumes or uses it and pays for it. The implicit assumption is that all roles are carried

out by one person, and customers (in a wider sense) for other services provided, internal customers, customers further along the chain, and so on, are all ignored. It is in this naive sense that we will use the phrase "the customer" (in quotation marks) in the rest of this paper.

A wider view of quality

The discussion above concluded that quality was best viewed as a property of products or services, or processes producing products or services. From the perspective of consumers or users, the product or service based definition is the more useful. From the perspective of organisations providing goods and services, which is the perspective relevant to TQM and this paper, the process perspective is more useful because this allows a more future-oriented outlook (see, for example, Wood, 1994). However, as we saw in the previous section, the same activity – such as selling ice creams – can provide different services to different parties. An approach to total quality management clearly needs to be able to reconcile or at least acknowledge these different aspects of the same activity. Accordingly we will take the activity of selling ice creams (for example) as the object to which the quality property refers. This activity incorporates the processes of providing ice creams to people who want ice creams, profits to the owners of the shop, and jobs for the people who work in the shop.

At any point in the life of an organisation decisions are made about which activities to pursue, and what changes and adjustments to make in activities currently being undertaken. Smith (1993) suggests multi-criteria decision analysis (see, for example, Goodwin and Wright, 1991, chapter 2 for a brief and elementary introduction) as a framework for analysing these decisions from a quality perspective. In the present example this would involve evaluating the various possible ways of modifying the ice-cream-selling-activity from the perspective of "quality". Quality is assessed by all relevant

stakeholders and by all relevant criteria. These would include the customers who buy the ice creams, the workers at the shop, the owners, and possibly also the dental profession whose workload might be increased by the extra cavities in the teeth of these customers, people on country walks who suffer from the litter that these customers may drop, and so on. In the case of the student's work the criteria might include "academic standards" which might be thought of as an "absolute" criterion independent of the interests of any group of stakeholders. The "loss to society" (a phrase due to Taguchi – see, for example, Disney and Bendell, 1990) would be another potential criterion for this analysis. Also, one stakeholder may have conflicting criteria (eg the consumers of the ice cream may want tastier ice creams and also to pay less). The important concept is that of the criteria used for evaluation, not that of the stakeholders.

A decision then has to be reached about how any conflicts about these different quality assessments are resolved. In practice some of the criteria would be given little, if any, weight. The literature of multi-criteria decision analysis suggests a number of ways in which this can be achieved. However, there can be no "correct" answer which cannot be disputed as the question depends on judgments of value.

To put the issue in slightly different terms, questions of quality need to be assessed by reference to some standard or framework. This can be provided by the answers to any of the following questions:

1   Who is "the customer" for these goods or services and what does this customer want?
2   For whom are we performing this activity, and what do they want?
3   Why are we performing this activity?
4   How should we evaluate this activity?

Each of the first three of these questions – as understood in ordinary English – is more restrictive than the one below it. (1) implies there is one unproblematic customer and leaves out the fact that we may be doing the job to make some money or

for some other reason. It also, if taken literally, leaves out potential customers – people who are not customers now but might be in the future. (2) precludes the possibility that there may be potential non-human beneficiaries – the environment for example – or the human beneficiaries may not be identified in detail – perhaps posterity or the community in general. (3) discourages the consideration of unintended and possibly unwanted side-effects. The manufacture and sale of pesticides may satisfy our customers, may make profits, and may appear to give future generations the possibility of an increased food supply. However, unforeseen environmental damage may negate these anticipated advantages for everyone.

In principle, all four questions could be rephrased in terms of the customer (in the wide sense of the term). The last question, for example, might involve viewing the wider community as a customer; the second might involve viewing the workers as customers of the process of providing work. This however, is very convoluted and seems essentially pointless.

The advantage of starting from (4) – "How should we evaluate this activity?" – is simply that it is the most general. Any of the other questions may lead to decisions which exclude consideration of potentially important criteria.

This raises the question of who decides which criteria are of greatest importance. The ideology of "the customer" sidesteps this by referring decisions back to "the customer". We have argued that this is not always sensible. However, there can surely be no general and acceptable method of determining the values to be pursued by any organisation – except to point out that different stakeholders with different perspectives may arrive at different conclusions.

What is the effect of the focus on "the customer"?

We have argued that the notion of "the customer" is a restricted basis for the definition of quality. Does it matter in practice? Sometimes, undoubtedly, the focus on "the customer" does have the desired effect. But there are a number

of ways in which in which the rhetoric of "the customer" may have consequences which are unintended and against the interests of some or even all stakeholders.

The notion of "the customer" may cause confusion
The notion of "the customer", with its implication of one person or agent, is, at best, a simplification. Simplification is, on occasions, necessary and useful; but if we are to decide whether this simplification is justifiable we need to consider the purpose of the notion of "the customer" for TQM. This purpose is presumably to clarify the objectives of the business and to ensure that these are properly understood and are in fact the goal towards which everyone is working. In the case of the visit to the dentist, satisfying the three different customer roles may lead to very different strategies. The consumer/user is my son who might want to minimise his discomfort in the short term (and perhaps opt for no treatment). The decision makers are myself and the dentist (the decision maker role here is itself split which constitutes an additional complication): the dentist might decide that a lot of work needs doing (to make as much money as possible) whereas I might have different views. The financer is the government – which perhaps has an interest in preventative work which will cut costs in the future.

Obviously the naive use of the term "customer", with its implication of a single, unproblematic agent, does not seem helpful in situations like this. It leads to no clear recommendation because there are different aspects of "the customer" with different requirements, and the confusion generated may delay or impede the introduction of TQM. A more sensible approach is to ask the more general question "how should decisions about dental treatment be evaluated?"

There are many similar situations – particularly in the public sector. The customers of a local government department which arranges contracts for other departments are, in one sense, these other departments, but in another sense are, for example, the schools buying the services specified by the

contract, and in yet another sense, the children in the schools who are the end-users of the goods and services provided by the contract (Wheller, 1993). The use of the word "customer" here could - and did - cause confusion unless the transaction in question is specified carefully. Needless to say, different customers may have different requirements, so it may be misleading to use the phrase "the customer" in the singular.

The dangers of the confusion the notion of "the customer" may generate are that it may not lead to clear conclusions, and, more seriously, it may lead to wasted energy as people try to make sense of it or it may even lead to results which are counterproductive if, for example, the dentist decides not to treat my son's teeth just because of the customer's (my son's) expressed preferences. This problem of confusion may, in practice, be very similar to the difficulty discussed in the next section.

The notion of "the customer" may be misapplied
The notion of a customer is usually taken to imply that the aim is to satisfy the customer as far as possible (or to "delight" the customer) so that the customer buys more of the product or service. Sometimes this is not reasonable: a health service should surely aim to reduce demand for services by encouraging preventative medicine, and a prison service may choose to provide the opposite of the freedom that its customers - in the sense of the prisoners - may choose if given a free choice. Education raises similar questions, although perhaps the answers are less clear. To what extent should educationalists aim to "delight" students? The use of the word "customer" in situations like these is likely to have misleading implications. (See Flynn, 1990 for a discussion of these issues in relation to public services.)

The proponents of the customer paradigm would claim that these examples show a misunderstanding of the identities of the relevant customers. This is doubtless a fair comment, but the slogans like "the customer" need to be evaluated in terms

of the way they are interpreted and used in practice.

The customer notion also has implications that consumers are customers who make decisions. As we have seen above this is not always realistic. The danger of this, of course, is that the seller may "manage the expectations" of the customer by the creation of "false needs" (for unnecessary fillings, for example). In practice, of course, there are various agreed standards to help consumers assess quality in situations such as this: one is, for example, advised to go to dentists with appropriate qualifications. In a more general context, the BS 5750 standard exists to help customers choose suppliers. The irony is that these standards may encourage exactly the sort of blind adherence to rules that the notion of customer responsiveness aims to circumvent (du Gay and Salaman, 1992).

The notion of "the customer" ignores the interests of all other stakeholders and evaluation criteria

This is the obvious problem to which we have alluded at many points in the above discussion. In particular it ignores the interests of the community in general, the environment, and the workforce of the organisation. In practice, there are other standards and criteria – for example the environmental management standard BS7750 – which are designed to reflect the needs of these stakeholders, but they are explicitly excluded from the discourse of the customer which may thus promote one group of interests at the expense of others.

The notion of "the customer" may hinder TQM *even if the customer is clearly interpreted and TQM defined in customer focused terms*

The underlying problem here is that the focus on "the customer" means that the producer side of the balance sheet is ignored (Smith, 1993). The ice cream firm which believes that the quality of ice cream should be improved at all costs may price itself out of business. In fact, of course, this would never happen because the rhetoric that "quality is free" is never taken that literally. But if the focus on "the customer"

discourages organisations from taking sufficient account of production costs, this may have a long term impact. Similarly failure to take adequate account of community interests may lead to difficulties in the long term (see Caulkin, 1995 for a review of a recent report on this theme).

More subtly, the concentration on "the customer", and the simplifications inherent in this notion, means that the objectives of the organisation appear to be clear and not subject to dispute. The aim of everyone in the organisation is simply to improve quality as perceived by "the customer". Trade-offs and arguments are unnecessary because there is a clearly defined customer whose interests everyone in the organisation is aiming to serve. In effect "the customer" is used to manage the workforce – sometimes quite explicitly by basing performance measures on customer feedback (Fuller and Smith, 1991).

In reality, this assumption is unrealistic because different groups inevitably have different objectives. Individuals may want to improve quality but they also want to improve their position in the organisation. The rhetoric of quality, with its implied unified objective, may be viewed as a means of uniting everyone in the one common cause.

A difficulty with this is simply that it may not work. Coopey (1995) reviews evidence that many employees are not fully committed to their employers and that their personal objectives may not coincide with those of the organisation. This leads to the obvious conclusion that TQM may fail because employees see it as serving the interests of the organisation, or of top management within the organisation, rather than their own interests. If TQM is to succeed it must take account of political processes within the organisation (Wilkinson and Witcher, 1993). A wider perspective of the evaluation criteria for the organisation's activities may be preferable, even from the perspective of the profitability of the organisation.

The ideology of customer-based TQM

TQM is often portrayed as a complete approach to, or philosophy of, business, which has more in common with a religion or a political creed. This impression is reinforced by the frequent references to key figures in the TQM movement as "gurus" (see, for example, Appendix A in Oakland, 1993). Like religions or political creeds it is important to ask about the basic ideas on which the system depends, and whose interests the system serves. These ideas are sometimes more effective for not being explicitly recognised by those whose behaviour depends on them. Certain "brands" of religion, for example, may encourage people to accept exploitation in this life by promising something better in the next life. Can anything similar be said of TQM? The following discussion refers to those underlying assumptions, and their implications, which stem from the notion of "the customer".

Du Gay and Salaman (1992) have analysed the "cult(ure)" of the customer and its role in current management doctrines. They claim that "the notion of the customer is fundamental to current management paradigms" (p. 616) and trace its use in restructuring the public sector, in doctrines such as TQM and JIT, and in its use in restructuring organisations by means of the concept of the internal customer.

In terms of the role of the customer notion in TQM, we may distinguish two interlinked strands. The first is that "the customer" implies a market orientation, and the second is that "the customer" implies there is only one stakeholder who matters.

The market

The notion of "the customer" is obviously tied up with the idea of the market. One of the main advantages claimed for TQM is that it will yield "competitive advantage" – again, a reference to a market.

At first sight this is strange because the standard theory of perfect markets concludes that consumer decisions alone will eventually lead to the situation where consumer preferences are satisfied as far as is possible subject to the

constraints of the production system. It is both unnecessary, and in the long run inefficient, to ask consumers what they want and how satisfied they are with what they have bought, because the market mechanism will make these decisions so much more efficiently. Perfect markets do not need explicit consideration of TQM: it will happen automatically.

However, from the point of view of the individual producer in a market TQM should enable a greater degree of responsiveness to consumer preferences; instead of information being conveyed by the failure of a product line or a bankruptcy TQM should ensure that feedback is faster and more detailed so that failures and bankruptcies can be prevented. This means that if producers practise TQM this should benefit both producers and consumers.

TQM, then, is, among other things, a means of making the market mechanism a more efficient means of satisfying consumers and enabling producers to make a living. If it is to do this effectively it is important that it should not copy market mechanisms but rather should compensate for their inadequacies. Using the market based notion of the customer is inappropriate from this point of view. The economic theory which suggests that the market is an efficient means of allocating resources is based on the assumption that customers or consumers are unitary agents who can make rational decisions based on preferences; if this is not so – if, for example, the decisions are made by one agent (who may be the supplier of the product or service), the money is paid by another, and the product is consumed by a third and these three parties have less than perfect lines of communication – then the market will work inefficiently – both from the point of view of individual producers and from the consumer viewpoint. If TQM is based on the same concept it is likely to make the same mistakes. In these circumstances, TQM is more likely to succeed if it is based on a notion which reflects reality more accurately than "the customer".

On the other hand the identification of TQM with "the market" seems on occasions to imply (and remember that we are

talking of ideas which may not be fully explicit) that it is only possible in businesses operating for profit in competitive markets and is irrelevant or meaningless in other contexts. For example, Tenner and DeToro (1992, p 33) explain the importance of total involvement in terms of gaining "a competitive advantage in the marketplace". This seems unnecessary: ideas such as total involvement and continuous improvement are as relevant to non-profit businesses – such as governing the country or running an army or a charity.

"The customer" as the only important stakeholder

The main implication of the emphasis on customers is that the concentration on "the customer" to the exclusion of everything else, if TQM is regarded as a Total Management Philosophy, means that all other interests – the environment, the workforce, anyone or anything who is not a "customer" – are ignored by the one dimensional focus on "the customer" induced by the TQM drive. All this in the name of quality – and who could argue with that?

However, as we saw above, there are in fact other stakeholders with other interests which means that this is at best even a partial picture. Most obviously it ignores the interests of the organisation in keeping costs down. It also ignores the direct interests of all other stakeholders except "the customer". As a myth it serves to keep everyone pulling in the same direction – even if that direction is not a sensible one from many perspectives.

Tomlinson et al (1991), in a survey of managers in firms in Denmark, Italy, Scotland, the US, and Japan, found that the European and American firms tended to see customers (closely followed by owners) as the most important stakeholders, whereas the Japanese gave much more weight to employees and the "public at large". The ideology of "the customer" may be much stronger in Europe and the US – although the example of Japan suggests that it may not be necessary as a route to TQM.

One implication, then, of the focus on "the customer" is to make the effort of an organisation more one-dimensional

that it might otherwise be. In principle, customers are likely to get a better deal. Even this is doubtful to the extent to which the customer notion causes confusion, is misapplied, and means that TQM does not improve the effectiveness of markets as much as its adherents might assume (all of which are discussed above). The only obvious interest that the focus on "the customer" serves is that of consumerism and enhanced consumption: everything else is irrelevant to quality defined in this way.

From the economist's perspective, this is the problem of "externalities" (Cornes and Sandler, 1986); the obvious remedies being taxes or subsidies so that individuals' self interest leads to actions which are consistent with the general good. TQM, however, is not concerned with changing the rules of the market, but rather with providing a rationale for businesses working within the current rules; here is the issue is whether quality is concerned solely with the customer who pays the money, or with quality of life in a more general sense.

Consumers are becoming increasingly aware of environmental issues, and so businesses are emphasising their "green" credentials whenever possible. In a similar vein, according to Band (1989), McDonald's promotes community activities, charities and so on because this is what they think customers want. Many other businesses sponsor sports events and charities in a similar way.

This step has implicitly been taken by those who see the British Standard for "Environmental management systems" (BS 7750, 1992) as an extension of TQM and BS 5750. However, Green (1993) claims that most quality professionals "don't see the connection between environment and quality". He goes on to show how "Deming's 14 points" can be adapted for environmental TQM. It is worth noting that this view of quality does not mention the customer explicitly; views of quality which are explicitly based on the customer seem less likely to be consistent with a environmental concerns except in so far as customers insist that businesses should be environmentally

friendly.

The workforce are also at risk by the consumer orientation of TQM. Schumacher (1973) describes what he calls "Buddhist economics" in these terms:

> "The Buddhist point of view takes the function of work to be at least threefold: to give a man a chance to utilise and develop his faculties; to enable him to overcome his egocentredness by joining together with other people in a common task; and to bring forward the goods and services needed for a becoming existence. Again the consequences that flow from this view are endless..." (p 45).

In stark contrast to this the ideology of customer focused TQM is geared towards the third of these functions only: work is not of value in its own right but purely in terms of its value to "the customer".

Is "the customer" really the important stakeholder?

This picture of businesses putting the interests of "the customer" above all else is perhaps a bit naive. The notion of "the customer" could be viewed as serving the interests of higher management, and possibly shareholders, controlling those lower in the hierarchy by using the rhetoric of quality to blind people to their real interests. Again, this is all in the name of quality – to which no reasonable person could object. The account of "management by customers" in service industries given by Fuller and Smith (1991) shows how "the customer" can be used as a practical controlling device. However, the extent to which employees realise that the focus on "the customer" means that important objectives and evaluation criteria are not even on the agenda, and the extent to which managers consciously use "the customer" as a controlling device without letting it control themselves, are open questions.

Towards a broader ideology for TQM

There is no necessary reason why TQM should be focused solely on "the customer". The multi criteria perspective suggested

above could incorporate any criteria and any stakeholders'
views. These might include environmental perspectives,
Schumacher's "Buddhist economics", or anything else. TQM would
then not be inextricably linked to one particular ideology.

Practical alternatives to the focus on "the customer"

What are the alternatives to the focus on "the customer"? We
have already discussed, in broad terms, one such alternative –
a multi-criteria decision analysis focusing on the activities
in which the organisation is engaged. This is in many ways the
preferred approach because of its generality. In practice the
task of eliciting and structuring the criteria requires
careful and systematic handling: further techniques such as
cognitive mapping, pairwise comparisons and repertory grids
may be helpful here (Eden, 1989; Belton, 1990; Ackermann and
Belton, 1994). There are also other frameworks such as soft
systems methodology (Checkland, 1989) which could provide a
starting point for the analysis.

However, "the customer" is a neat slogan which cannot be
said of analysis by means of multi-criteria decision and
cognitive mapping. Are there any other terms which could
directly replace "the customer"? Flynn (1990) refers to
"users" of public services (p. 134). Other possible terms are
client, consumer, and, in a slightly different context,
stakeholders. We will assume that "users" and "consumers" are
synonymous, as are "customer" and "client"[2]. The last term,
stakeholder, is different, and also confusingly vague and
general, but would seem to include more than the notion of the
customer: "[stakeholders] are the people and groups with an
interest in the project, and who can affect the outcome"
(Boddy and Buchanan, 1992, p 55). This, then, includes not

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[2]   The word "user" is perhaps more appropriate to services, and "consumer" to tangible
products. Similarly a "client" always buys a service, whereas a "customer" may buy a product
or a service. However, these distinctions are not important for the argument here.

just those with an interest in the product or service produced by the business, but also those with influence or power on the business itself – perhaps workers, managers and shareholders and competitors (who are stakeholders in that they have an interest and can affect outcomes).

The difficulty is that the terms "user" or "consumer" are too narrow as a substitute for "customer". On the other hand "stakeholder" is too broad – businesses do not try to serve all parties which wield influence and power over them (competitors being an example of a stakeholder whose interests a business may not wish to serve and yet may be a stakeholder).

In fact, for the reasons outlined above – most activities have multiple beneficiaries, and there may be parties who inadvertently benefit or are harmed by the activity – there cannot be one individual or coherent group at which the quality drive can to aimed. In practice life is more multidimensional than this would imply.

Considering the organisation as a whole, we can consider the whole question of strategic management – taking the interests of all relevant stakeholders into account. In its widest form, we might carry out a social audit (Zadek, 1993; Traidcraft, 1994). However, this is focusing on the organisation, and for quality purposes it is necessary to evaluate specific activities.

An example: running a quality course

We will illustrate the arguments of this paper by considering a course on statistical quality control run for a large organisation by a college of Further Education in England. The course lasted for two full days and was repeated about one hundred times with between ten and twenty five participants each time over a period of five years. The course was run by two lecturers employed by the college, except for a presentation by a senior manager in the organisation at the end. Participants were given help and encouragement during the

course to apply the concepts and techniques covered to their own work for the organisation.

Clearly the quality of the course was a concern for all concerned. In practice the organisation tried two approaches to measuring this quality. Participants filled in questionnaires at the end of each two day course: the results from these "happy sheets" were consistently good. Without this positive feedback the course would almost certainly have been discontinued. In addition, and rather belatedly – after the course had been running for about three years – a manager in the organisation conducted a telephone survey of a sample of participants in the course six months after they had attended the course. This survey showed that there was very little effective use of the course content among this group. The evidence suggested that participants enjoyed the course and thought that they had learned something useful, but there was little sign of the approaches covered being implemented six months later.

Who was "the customer" for this course? In one sense the customer was the organisation as a whole, in another sense the customers were the participants on the course, and in yet another sense the customers were the senior managers within the organisation who sponsored the course. In practice, from the perspective of the college, the key decision makers were the senior managers who tended to look for support for continuing the course to the feedback questionnaires provided by the consumers of the course – ie the course participants. Making any substantial changes to the course was difficult because of the interests of various stakeholders within the organisation. Asking who "the customer" is does not clarify matters at all, the relevant questions are who is making the decisions, what criteria they are basing those decisions on, and where the evidence is coming from.

From a broader perspective, the college needed to evaluate the course against a wider set of criteria. The costs of running the course are obviously relevant, as are the development of the lecturers and the impact of the course on

the college's reputation. Is running the same course one hundred times good for any lecturer? The lecturers were customers for the jobs provided by the college; they might have left if the job failed to meet their expectations. If the content was as ineffective as the six month telephone survey suggested was the course likely to enhance the reputation of the college in the long term? And was it fair on the course participants to teach something which has been demonstrated to be ineffective?

These questions meant that the college's criteria for evaluating the quality of the course were far from clear. From the point of view of continuing the course the "happy sheets" were critical; from the broader perspective quality might have been enhanced by introducing changes which might have reduced the "course rating" and upset stakeholders in the organisation. The college did not use any structured approaches for modelling and measuring the evaluation criteria, but it might have been to their advantage had they done so.

If the college had formulated a clear quality strategy focusing on "the customer" this would clearly not have helped in the analysis of a complex situation. Focusing on the organisation as customer may have led to the college ignoring the views of the course sponsors within the organisation, or to ignoring the needs of the lecturers who may as a result have left the college. Either possibility would have been counter-productive for the college. On the other hand the customer focus might have been an effective ideology in persuading the lecturers to suppress their own interests and to put more effort into delighting "the customer", thus leading to a continuation of the course and more income for the college.

Conclusions

There are two broad problems with focusing a TQM strategy on the naive notion of "the customer".

Firstly it is likely to serve a restricted – and possibly inappropriate – range of interests, and it may appear to restrict the applicability of TQM to domains where there are clear customers and a competitive market. The main interest served is ostensibly the customer's, although in practice this may be a means of serving the interests of management and shareholders by encouraging an uncritical acceptance of imposed objectives ("delighting the customer") and so of controlling the workforce. Other interests – those of the workforce, the environment, the community, and so on are ignored by the focus on "the customer".

Secondly, even given the interests served it may be an inefficient tactic. Use of the oversimplified notion of "the customer" is likely to lead to a simplified, distorted and ultimately unhelpful analysis of quality issues. Pretending that people's whole motivation lies in the satisfaction of customer needs may be so far from reality as to be completely impotent as motivating myth. This may lead to sub-optimal decisions, or, in some cases, just to confusion and no clear decisions at all. In addition, following customers' expressed requirements slavishly means that there is a danger that TQM will merely mirror the workings of the market instead of going beyond it to improve the workings of the market by, for example, consulting end-users rather than decision makers, or by helping customers achieve their "real" needs rather than what they think they want.

All these factors mean that TQM is likely to be less effective than it might otherwise be in improving the quality of goods and service provided to the community and enhancing the effectiveness of businesses. Solving these problems may change TQM from a good idea which is rarely fully successful (Wilkinson and Witcher, 1993) to a genuinely helpful strategy for all stakeholders.

There are, then, a number of reasons for dethroning "the customer" as the controller of TQM programmes. The alternative suggested here is firstly to concentrate on activities which may serve a variety of interests (instead of goods and

services, and processes producing goods and services), and then to carry out a multi-criteria decision analysis to judge which strategies and tactics are likely to increase quality levels. This is likely to lead to a more complex, multi-faceted analysis than a simple focus on "the customer". The analysis may be enhanced by the use of further problem structuring techniques such as cognitive mapping. Then TQM might be relevant to quality in the broad sense of the word and to general concerns about the quality of life.

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