International Journal of Modern Education
EISSN: 2637-0905
IJMOE
Volume 7 Issue 26 (September 2025) PP. 1157-1165
DOI: 10.35631/IJMOE.726075

INTERNATIONAL JOURNAL OF MODERN EDUCATION (IJMOE)
www.ijmoe.com

BEYOND THE LECTURE HALL: THE TRANSFORMATIVE POWER OF INDUSTRY-EXPERIENCED FACULTY MEMBERS OF BUSINESS SCHOOLS IN MALAYSIAN HIGHER EDUCATION INSTITUTIONS - A CONCEPTUAL PERSPECTIVE

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Article Info:

Article history:
Received date: 28.06.2025
Revised date: 14.07.2025
Accepted date: 28.08.2025
Published date: 22.09.2025

To cite this document:

Abu Bazar, M. M. M., Ismail, N. A., & Mohd Azmi, M. A. A. (2025). Beyond The Lecture Hall: The Transformative Power of Industry-Experienced Faculty Members of Business Schools in Malaysian Higher Education Institutions – A Conceptual Perspective. *International Journal of Modern Education, 7* (26), 1157-1165.

Abstract:

The presence of industry experience in business education is becoming more crucial, yet research on its impact, particularly within Malaysian higher education institutions (HEIs), remains limited. While practical training is widely acknowledged in STEM disciplines, its role in shaping business educators' teaching effectiveness and improving student learning outcomes has not been extensively examined. Over the years, Malaysia's job market has undergone significant changes, with entrepreneurship, freelancing, and digital businesses becoming more common due to economic shifts. As traditional career paths become less stable, business students must gain more than just theoretical knowledge. Exposure to industry practices through experienced educators can help them develop the skills and mindset needed to succeed in today's evolving business landscape. This paper explores how integrating industry knowledge into academic settings benefits both educators and students. By reviewing existing studies and theoretical perspectives, the discussion highlights the value of experiential learning and industry collaboration in equipping students with real-world problem-solving abilities. Strengthening the connection between universities and industry practitioners is essential to ensure business education in Malaysia remains relevant, adaptable, and aligned with the country's economic needs.

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Keywords:

Industry-Academia Collaboration, Experiential Learning, Entrepreneurship Education, Employability Skills, Business Curriculum Development, Malaysian Higher Education Institutions (HEIs)

Introduction

Business education plays a vital role in equipping students with the skills needed to navigate Malaysia's rapidly changing economic landscape (Rahim & Aziz, 2024). The connection between academia and industry has been a hot topic in recent years, particularly regarding how universities and businesses collaborate to share knowledge. Bugan, Făină, Semenescu, and Ionescu (2024) emphasize the significance of these partnerships in preparing students for the workforce. In contrast to previous generations, where securing a stable corporate job was the primary goal for graduates, there is now a noticeable shift toward entrepreneurship, freelancing, and the start-up ecosystem as viable career paths. This transformation is largely driven by job market saturation, economic uncertainties, and rapid technological advancements. Malaysian business school graduates have faced notable employability challenges in recent years. Graduate unemployment remains significant – for instance, one report noted that over 197,000 graduates (about 33% of total unemployed persons) were unemployed, with business-related fields among the top sectors affected (Suppramaniam & Sian, 2019). As a result, many graduates who struggle to secure traditional employment are instead pursuing self-employment, business ventures, and digital enterprises as alternative career opportunities.

Despite these evolving career trends, a major challenge persists. According to Tan et al. (2021), the lack of industry experience among Malaysian business educators has widened the gap between academic instruction and real-world business applications. Without practical exposure, educators may struggle to fully prepare students for the complexities of business operations, financial risk management, and competitive market dynamics (Abdullah et al., 2020). While much of the research in Malaysia has focused on integrating industry experience into STEM education (Idris & Bacotang, 2023), studies examining its role in business faculties remain limited. To address this gap, universities should prioritize hiring educators with industry backgrounds, allowing business faculties to incorporate experiential learning, real-world business challenges, and mentorship in entrepreneurial thinking. This study aims to conceptually examine how industry experience can enhance business education in Malaysia while exploring best practices for integrating practical exposure into academic programs.

Literature Review

Recent researches strongly support the necessity of integrating industry experience into business education. Rafi and Abdullah (2023) examined how business models in higher education institutions have evolved through stronger industry collaborations, ensuring that curricula remain relevant to contemporary business challenges. Rokeman et al. (2024) highlighted the importance of industry exposure to mitigate skill mismatches among graduates. The World Bank (2021) emphasized that industry-academia collaborations in ASEAN nations, particularly Malaysia, have played a significant role in improving educational quality and employment rates. Mustapha et al. (2024) reviewed the impact of augmented reality in vocational education, which shows that hands-on learning through industry collaborations significantly enhances student competencies.

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Theoretical Perspectives

Kolb's Experiential Learning Theory (1984) emphasizes that people learn best when they actively engage with real-world experiences. Building on this idea, Boggu (2020) highlights how Kolb's learning cycle helps learners retain knowledge more effectively by immersing them in hands-on, practical situations that deepen their understanding and make learning more meaningful. Additionally, the Human Capital Theory underscores the importance of industry knowledge in enhancing educators' skills and overall teaching effectiveness (Becker, 1993). Expanding on this, Aboobaker (2020) reinforces that industry exposure equips educators with practical insights that improve their teaching methodologies, aligning with the foundational principles of Human Capital Theory. This idea aligns with research by Swargiary (2024), who points out that experiential learning is particularly important in business education, where bridging the gap between theory and real-world application is critical. These industry-academia linkage theories highlight the importance of collaboration between universities and businesses to facilitate knowledge transfer (Bugan et al., 2024) among business educators toward students.

Prior Research in the Malaysian Context

Most previous studies on industry collaboration have focused predominantly on STEM fields, where findings consistently show that industry experience among educators enhances student employability and skill development (Hora & Lee, 2020). In contrast, research involving business or entrepreneurship faculties remains relatively limited, especially within the Malaysian context. Even when such studies exist, they are largely conducted in Western or developed nations, making their implications less relevant to Asian business schools (Syed, Omar, & Rasool, 2024). For instance, while Azman et al. (2020) and Ishar et al. (2020) examine industry involvement, their focus remains on technical education rather than business faculties. Nonetheless, the few available studies do highlight the importance of faculty industry experience. Fadzil et al. (2022) emphasize that educators with real-world exposure help students grasp market dynamics, assess risks, and navigate competitive environments. Similarly, Perera et al. (2020) find that such faculty contribute to practical decision-making skills, particularly in financial risk management. In the context of entrepreneurship education, Tan et al. (2021) further stress that instructors with industry backgrounds foster innovation and problem-solving skills, critical components in Malaysia's expanding startup ecosystem.

Variables Explanation

Independent Variable (IV): Faculty Industry Experience

Faculty industry experience serves as the primary independent variable in this study. It refers to the extent to which faculty members have prior professional experience in business or industry-related fields. Faculty with such backgrounds bring a real-world dimension into the classroom, enabling students to connect theory with practice. As Hora and Lee (2020) found, industry-experienced faculty are more likely to incorporate applied learning and workplace-relevant scenarios, enhancing students' ability to engage with course content meaningfully and preparing them for real-world challenges.

Moderating Variable (MV): Experiential Learning Application

Experiential learning application moderates the relationship between faculty industry experience and student outcomes. This refers to the use of real-world teaching tools—such as simulations, case studies, internships, and live projects—to reinforce business theories. Coker et al. (2017) emphasized that deeper and broader experiential learning activities lead to stronger

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student development, critical thinking, and engagement. Thus, the effectiveness of faculty industry experience is enhanced when paired with immersive experiential learning strategies.

Dependent Variable (DV): Business Students' Learning Outcomes & Career Readiness

The dependent variable in this study refers to business students' learning outcomes and career readiness, which encompass the acquisition of practical business knowledge, soft skills, and preparedness for professional employment. According to Burke, Shaw, and Meisinger (2024), a curriculum that integrates mentoring, experiential coursework, and mandatory internships significantly enhances students' transition into the workforce. These structured elements help develop problem-solving, adaptability, and real-world decision-making skills, competencies essential for employability and long-term career success in business environments.

Integration of Variables: Faculty Industry Experience, Experiential Learning Application, And Business Students' Learning Outcomes & Career Readiness

The synergy between faculty industry experience and experiential learning application plays a pivotal role in shaping business students' learning outcomes and career readiness. Faculty members with substantial industry backgrounds bring real-world insights into the classroom, bridging the gap between theoretical concepts and practical application. Their firsthand experience enables them to design curriculum and learning activities that mirror actual business challenges, thereby enhancing the relevance and applicability of academic content.

However, the mere presence of industry experience among faculty does not automatically translate to improved student outcomes. The effectiveness of this experience is significantly amplified when coupled with experiential learning methodologies. Techniques such as simulations, case studies, internships, and project-based learning provide students with hands-on opportunities to apply theoretical knowledge, fostering deeper understanding and skill development. This combination not only enriches the learning experience but also equips students with the competencies required in the modern business environment.

Empirical studies support this integrated approach. For instance, Hora and Lee (2020) found that faculty with industry experience who employ experiential learning strategies significantly enhance students' engagement and comprehension. Similarly, Coker et al. (2017) demonstrated that the depth and breadth of experiential learning activities positively impact student development and critical thinking skills. Furthermore, Burke et al. (2024) highlighted that curricula incorporating mentoring, experiential coursework, and mandatory internships effectively prepare students for professional employment.

In summary, the intersection of faculty industry experience and experiential learning application serves as a catalyst for improving business students' learning outcomes and career readiness. This integrated approach ensures that students are not only academically proficient but also possess the practical skills and adaptability necessary to thrive in dynamic business environments.

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Research Methodology

Conceptual Framework: Integrating Kolb's Experiential Learning Theory and Becker's Human Capital Theory in Business Education

This paper develops a conceptual framework that integrates Kolb's Experiential Learning Theory (1984) and Becker's Human Capital Theory (1993) to explore the role of faculty industry experience in enhancing business students' learning outcomes. By synthesizing these two theoretical perspectives, this framework highlights the ways in which industry-experienced educators contribute to the development of applied business skills, economic value, and career preparedness.

Experiential Learning and Faculty Industry Experience

Kolb's Experiential Learning Theory (ELT) remains a foundational model for understanding how students acquire knowledge through direct engagement with real-world experiences. ELT emphasizes that learning is most effective when individuals actively participate in concrete experiences, reflect on those experiences, and apply insights to new situations. Within the context of business education, faculty members with industry backgrounds facilitate this process by incorporating practical learning methodologies such as business case studies, simulations, and hands-on problem-solving exercises.

Through industry-driven pedagogy, students gain exposure to market analysis, risk assessment, and strategic decision-making, reinforcing the experiential learning cycle. This aligns with recent findings by Jonathan and Laik (2024), who assert that faculty industry experience significantly enhances business students' learning by bridging theoretical knowledge with practical application. This conceptual alignment suggests that faculty industry experience acts as a catalyst in fostering experiential learning environments, leading to higher student engagement, deeper understanding, and better retention of business concepts.

Human Capital Development Through Industry Knowledge

Becker's Human Capital Theory (HCT) provides a complementary perspective, arguing that education serves as an investment in an individual's economic value by developing their skills, competencies, and employability. In the business education context, industry-experienced faculty members serve as conduits for entrepreneurial skill development, financial literacy, and strategic thinking, thereby enhancing students' career readiness. By integrating real-world business challenges into coursework, faculty members contribute to the cultivation of workforce-relevant competencies, preparing graduates for leadership roles, self-employment, or entrepreneurial ventures.

This aligns with insights from Hora and Lee (2020) and AACSB (2023), who emphasize that faculty industry experience plays a crucial role in business education by equipping students with practical, industry-relevant skills. This conceptual synthesis suggests that industry knowledge among educators is not only an asset to experiential learning but also a critical factor in enhancing students' long-term economic potential.

Conceptual Integration and Implications

By merging Kolb's ELT and Becker's HCT, this framework offers a holistic perspective on the role of faculty industry experience in business education. While ELT underscores the importance of hands-on learning, HCT highlights the broader economic implications of

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knowledge acquisition. Together, these theories suggest that faculty members with industry experience serve as pivotal agents in transforming business education into a practice-oriented, career-enabling process.

This study adopts a dyadic research approach to examine the interplay between faculty industry experience and business students' learning outcomes and career readiness, capturing insights from both faculty members and students. Faculty respondents provide perspectives on their industry experience and its integration into teaching practices, while student respondents offer reflections on how these experiential learning strategies influence their knowledge acquisition, skill development, and preparedness for future careers. By analyzing these two interconnected viewpoints, the study aims to provide a comprehensive understanding of how industry-informed pedagogy enhances business education. This conceptual integration underscores the need for academic institutions to prioritize industry experience in faculty recruitment and curriculum design, ensuring that business graduates possess the practical competencies and economic acumen necessary to navigate complex market environments. Furthermore, future research can build on this framework by empirically testing the relationship between faculty industry experience and student career outcomes, offering deeper insights into its effectiveness across diverse educational settings.

Discussion

This discussion elaborates on how the proposed framework aligns with existing theories, its potential impact on business education, and the importance of industry-academia collaboration.

Theoretical Justification: Experiential Learning and Human Capital Development

Kolb's Experiential Learning Theory point out that students gain a deeper understanding when they actively engage with real-world situations. Within business education, faculty members who have industry experience play a crucial role in fostering experiential learning. By integrating case studies, business simulations, and industry-focused projects into their teaching methods, these educators help students sharpen their ability to interpret market trends, evaluate financial risks, and make strategic decisions, ensuring that their learning experience is closely aligned with actual business practices.

From the perspective of human capital development, Becker's theory asserts that education serves as a valuable investment that enhances an individual's productivity and economic potential. According to Abdullah et al., (2020), faculty members who bring firsthand industry exposure into the classroom are better equipped to impart practical skills, industry knowledge, and strategic insights that align with real-world business demands. As a result, students guided by such educators develop stronger competencies that improve their career prospects, entrepreneurial capabilities, and overall preparedness for the evolving job market, ultimately contributing to economic development and workforce advancement (Samad, 2020).

Enhancing Business Education Through Industry-Experienced Faculty

The proposed framework highlights the critical role of faculty members with industry experience in enhancing the effectiveness of business education. By incorporating practical insights, real-world case studies, and hands-on problem-solving activities, these educators help bridge the gap between academic theories and industry expectations (Mukhtar et al., 2021). Moving away from traditional lecture-based teaching, this experiential learning approach equips students with market-relevant skills, ensuring they are more adaptable and prepared for

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the evolving demands of the business world.

Moreover, faculty members with industry backgrounds can facilitate valuable networking opportunities, mentorship programs, and collaborations with professionals in the field, giving students an advantage in the competitive job market. This integration creates a learning environment that closely reflects real business scenarios, enabling students to develop critical thinking skills and adaptability, both of which are essential for success in today's fast-changing economic landscape (Ahmed et al., 2020).

Strengthening Industry-Academia Collaboration

For this model to be successfully adopted, fostering stronger partnerships between universities and industry stakeholders is crucial. Collaborations with corporations, startups, and financial institutions can open doors to valuable opportunities such as guest lectures, internships, and faculty exchange programs. These initiatives help ensure that business education stays relevant and aligned with current industry trends.

(Wardana et al., 2020) suggest that such partnerships not only benefit students by providing them with real-world exposure but also support faculty members in their continuous professional growth. By engaging with industry experts and staying informed about the latest business strategies and technological advancements, educators can refine their teaching methods and better prepare students for the evolving demands of the workforce.

Conclusion and Recommendations

Business schools in Malaysia should implement structured industry engagement programs that allow educators to gain direct exposure to real-world business environments. Orazbayeva et al. (2020) argue that such partnerships not only enhance faculty members' expertise but also strengthen the relevance of business curricula by aligning academic content with real-world business challenges. Universities must also promote cross-disciplinary collaborations to enhance teaching effectiveness and integrate practical business applications into academic programs. To further reinforce industry relevance, the hiring criteria for new business faculty members should prioritize candidates with substantial industry experience rather than solely focusing on academic qualifications. Business educators with practical industry exposure bring firsthand insights into classroom discussions, fostering experiential learning that equips students with real-world problem-solving skills, entrepreneurial acumen, and market adaptability. To support this, higher education institutions should establish flexible policies that enable business educators to gain industry experience without hindering their research responsibilities. Additionally, government support and funding should be directed toward initiatives that strengthen collaboration between academia and industry, particularly within business faculties, ensuring that business education remains aligned with Malaysia’s evolving economic landscape.

Acknowledgment

The authors would like to express their sincere gratitude to Universiti Teknologi MARA (UiTM) for the continuous support and facilities provided throughout this research. Additionally, the authors acknowledge the assistance of AI-based tools, which were utilized to enhance the language and clarity of the manuscript.

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