

## ISSUES AND CHALLENGES FACED BY PRIVATE HIGHER EDUCATION INSTITUTIONS (PHEIS) IN MALAYSIA: IMPLICATIONS AND RECOMMENDATIONS

<sup>1</sup>\*Yuk Fong Chin, <sup>2</sup>Fung Lan Yong, <sup>3</sup>Sook Han Wong

<sup>1</sup>\*Jesselton University College, Malaysia

<sup>2</sup> Jesselton University College, Malaysia

<sup>3</sup> Twintech International University College of Technology, Malaysia

\* corresponding author: fred@jesselton.edu.my

---

### Information of Article

---

#### Article history:

Received :

Revised :

Accepted :

Available online :

---

#### Keywords:

Issues and Challenges

Malaysia Private Higher Education Institution

Socioeconomic Alignment

Education Export

---

### ABSTRACT

The purpose of this conceptual paper was to provide an overview of the issues and challenges faced by private higher education institutions (PHEIs) in Malaysia. Secondary research was obtained by conducting a literature review whereby relevant information from the Internet was downloaded and synthesized. Findings revealed that PHEIs in Malaysia tend to experience several issues and challenges. In light of the findings, some recommendations were made on how Malaysian PHEIs could improve and maintain their sustainability.

### INTRODUCTION

Since the 1990s, private higher education institutions (PHEIs) of Malaysia have become prominent players in advancing national agendas worldwide through research, education and innovation (Osman, 2023). They have successfully trained many prominent government officials, entrepreneurs, educators and other professionals who now hold leadership positions. PHEIs tend to have more flexibility to develop specialized programs to address the nation's specific needs, thus offering a vast array of courses that cater to the needs of both local and international students, regardless of their socioeconomic backgrounds. Additionally, to promote social responsibility in the nation, PHEIs strive to develop holistic individuals who not only excel academically, but also possess the knowledge, skills and innovativeness to raise the nation's global standing by providing a platform for staff and students to pursue communal activities, entrepreneurship and volunteer work. To fulfil the nation's agenda, many PHEIs have implemented effective strategies to establish partnerships with government agencies, non-governmental organizations and the corporate sector. Collaborative efforts between PHEIs and government institutions often lead to innovative solutions to address socioeconomic challenges, ultimately contributing to national development.

In Malaysia, PHEIs have evolved from being mere providers to exporters of higher education; therefore, they must align their actions, policies and strategies to the socioeconomic needs of the nation (Chin, 2019). They create opportunities for lifelong learning by offering new types of enterprises for corporates, entrepreneurs, firms and organizations. By considering the quality of education and their role in society, especially in terms of the escalating unemployment rates among graduates, PHEIs can decrease the skills gap by emphasizing generic skills in addition to specialized knowledge. They strive to design their curricula and innovation pathways to produce highly skilled graduates with entrepreneurial competencies needed not only to charter their own professional careers, but also to actively contribute to regional economic, technological and socioeconomic development. The primary purpose

of this paper was to provide an overview of the challenges and issues faced by PHEIs in Malaysia and suggest recommendations on how to effectively resolve them.

## **REVIEW OF LITERATURE**

The secondary research has provided a vast array of existing information on PHEIs in Malaysia; the wealth of readily available knowledge has yielded new insights and a deeper understanding of Malaysian PHEIs. It has also helped uncover hidden connections, draw relevant conclusions and contribute to the collective pool of knowledge.

### **Academics' English proficiency and research capacity**

To establish the research gap and conceptualize a framework for the paper, a literature review was conducted. Research has shown that PHEIs in Malaysia are confronted with a diverse array of issues and challenges that threaten their sustainability and success. According to Arokiasamy et al. (2009), Malaysian PHEIs encounter two major challenges, namely, academics' attitudes toward English and research capacity in relation to industry. First, PHEIs need to seek a wider range of students from local and abroad to compete and survive in the digital era; therefore, academics who have graduated from public universities need to be sensitive with the current demand for English proficiency to cope with internationalization; they need to demonstrate high English proficiency to successfully play an effective international role. Second, academics need to understand the concept of partnership between university and industry for the commercialization of research products that is now an important key performance indicator for their annual appraisal. Perceiving that university-industry partnership is still at its rudimentary stage, many academics lack the motivation and drive for better performance in research and development. Nevertheless, to gain competitive advantage over others, they need to upgrade their qualifications and establish a culture of teaching, research and community services in their quest for higher academic standards.

### **Priorities and values of PHEIs**

According to Ghasemy et al. (2018), PHEIs in Malaysia must focus on numerous issues, values and challenges. They have to invest a tremendous amount of time and money to prioritize the following issues: (1) monitoring, teaching and delivering programs, (2) undertaking research, (3) staff development, empowerment and expertise, (4) performing department and faculty routines, (5) achieving goals, KPIs and standards and (6) staff affairs management. Additionally, among the top values in the context of Malaysian PHEIs are creativity and innovation, punctuality and timeliness and discipline. Since any of these issues or values is a priority, PHEIs must treat incompetency or inefficacy as a serious challenge and strive to improve to address the resultant human resource/management problems. Lastly, since ineffectiveness in collaboration and cooperation are among the top challenges faced by PHEIs, policymakers need to constantly develop and update professional development programs and introduce new policies to ensure quality provision of higher education.

### **Financial distress, negative equity and poor revenue**

According to Williams (2018), many PHEIs have been left much to their own devices to deal with market forces. Absorbing tremendous amounts of the National Higher Education Fund Corporation (PTPTN) loans, many PHEIs still experience significant financial distress that impacts thousands of students, graduates and staff. They are struggling and need help and support to survive and thrive in the coming years. PHEIs that have been making losses since 2010 experience massive financial stress which not only adversely affects staff pay and conditions, but also the quality of education. Additionally, after several years of accumulated losses,

poor financial management and increasing levels of debt, many PHEIs now experience negative equity. Since 2013, many have been struggling to pay their bills, being technically insolvent with insufficient current assets and are at risk of financial failure. In the face of poor profitability and under-resourced cashflows, many PHEIs are increasing their short-term debt levels.

In 2016, 64 percent of private PHEIs were found to have too few assets to cover their debt levels and were therefore in some form of debt distress; either their debt exceeded their assets or they had negative equity and high debt. Overall, international branch campuses have performed much worse in financial terms than their Malaysian counterparts for holding below market cover of current assets over liabilities. Lastly, PHEIs are extremely vulnerable to small changes in revenue due to fluctuating market conditions; for example, in 2014, the government cut PTPTN allocations by 15 percent for PHEIs; a five-percent cut in their income would result in 69 percent of PHEIs making a loss. International branch and local campuses would become loss-making with a 10-percent cut in income for the former and a 75-percent cut for the latter. A 15-percent cut in income would make many PHEIs insolvent (Williams, 2018).

### **Drop in new enrolments**

Azman (2020) reported that, many PHEIs were not only been severely affected by the pandemic, but they also must brace for the delayed government examinations and a devastating drop in new enrolments. They had to wait for the government to formulate a resilient policy that could help ease enrolment of local and international students to ensure their survival. Besides not expecting any financial aid from the government, PHEIs were also not allowed to enrol students using Sijil Pelajaran Malaysia (SPM) trial results, thus leading to zero revenue the following year. Already suffering with no international student intake at the beginning of the pandemic, the major examinations for secondary students had also been postponed several times until February 2021. Without student intake until June 2021, there would be no growth for PHEIs that were already under profound financial strain, together with a 60-percent decline of local enrolments.

### **Overestimation of potential enrolments**

Hunter (2020) noted that some PHEIs tend to overestimate potential enrolments, for example, an international university that opened a branch campus at EduCity in 2014 had lost more than RM 120 million because university management grossly overestimated potential enrolments and the nature of the Malaysian business environment. Besides student visa issues that delayed enrolment, the branch campus had also experienced difficulties in getting courses promptly accredited by the Malaysian Qualifications Agency (MQA). With only 684 registered students in the 2018-19 academic year, 50 percent staff cuts, course cancellations, the branch campus has to shoulder heavy financial burden. Another international branch campus also ended up making massive course and staff cuts due to an overly-optimistic Malaysian Education Blueprint 2016-2025 that foresaw the creation of a higher education hub, which would accommodate 2.5 million students. The number hinged on the premise that there would be 10 percent or 250,000 international student arrivals and that the Malaysian economy would continue to grow at a rate that would absorb new graduates. In late 2018, about half of private campuses had less than 3,000 registered students, while 25 percent had less than 1,000 students. One PHEI in Sabah had only 80 registered students in 2003, leading to cease operations in 2006.

### **International student enrolment**

According to Abdullah, Rosli and Ramasamy (2021), most PHEIs are highly dependent on international students for their revenue since an estimate of 20,000 to 30,000 new international students arrive in Malaysia annually. They seem to be doing much better than public universities in attracting international students, partly because they use English as the medium of instruction, whilst public universities adopt the national language policy. However, international student enrolment plummeted in early 2020 when the

Malaysian government implemented the Movement Control Order (MCO) that almost halted the inflow of international students; the MCO had greatly strained the cash flow and further exacerbated the prospects of PHEIs that were already making serious losses.

### **The digital divide**

Besides students, academic staff are also affected by the digital divide (Azan & Abdullah, 2021). Besides optimal broadband connection, they also require digital devices with enhanced capabilities to record lectures and administer learning and supervision sessions, either in synchronous or asynchronous modes. A basic home studio, for example, requires a webcam, microphones, appropriate lighting and audio modulation equipment. Round-the-clock technical support is also required for managing unforeseen glitches. Furthermore, interactivity in online instruction requires the subscription of applications and online platforms, which may incur out-of-pocket expenses from individual academic staff. Therefore, PHEIs need to resolve hardware and software issues before remote learning can successfully occur. Quality online delivery demands high-input operations, requiring time to develop and significant investments to run. While digital technologies can be deployed at scale, PHEIs need to do much more on the hardware side in terms of bandwidth capacity and digital inequalities. In short, they need to narrow the digital divide that often affects student learning outcomes in remote and low-income areas characterized by limited Internet connectivity.

### **Costly marketing techniques**

PHEIs require cutting-edge marketing techniques to promote themselves; for instance, the incentivized e-Word of Mouth Marketing (eWOM) technique allows students to co-create value by sharing their learning experiences on social media and web portals. PHEIs are increasingly using social marketing to encourage parents, students and other stakeholders to share information and recommendations with greater emphasis on recognized programs that offer industrial training and high employability. Adequate data mining and impressive marketing initiatives ensure that their marketing campaigns will have impact and generate long-term value. PHEIs need to have a post-marketing campaign that employs robust digital content data to engage with the public, besides conducting roadshows or exhibitions to achieve better outcomes. Additionally, for PHEIs to get higher student enrolment, they must also do marketing to attract each cohort before the start of every semester; hence, they must be able to continue their cycle of educational pursuits to succeed as education service providers (Abdahir, Wan Hussin & Rasiah (2021).

### **Entrepreneurial leadership**

PHEIs require leaders with entrepreneurial leadership and business intelligence to overcome various challenges along the way. They must possess effective networking skills to deal with compliance cost, regulatory pressures and stakeholder engagements to ensure the continuity and profitability of their institutions. Moreover, they must be able to combine management practices and collegial professional values to ensure that their institutions become more entrepreneurial in providing a holistic education to students. Driven by brand intelligence, they will be able to implement cost-effective methods to portray their brand values and garner positive publicity. Additionally, PHEI leaders must have the entrepreneurial leadership and business intelligence to capitalize on opportunities that ensure sustainability and development of their institutions. To thrive in the current and future competitive and complex higher education milieu, both locally and globally, PHEI leaders not only need to seek alternative solutions to sustain the business, but also strategically align their limited resources to available opportunities (Abdahir, Wan Hussin & Rasiah, 2021).

### **Stakeholder communication**

PHEIs must excel in practising open communication with students, employees, local communities, vendors, suppliers, relevant authorities and the global community to establish favourable relationships with stakeholders. Effective stakeholder communication is crucial since PHEIs are essentially a coalition of participants who require appropriate infrastructure to offer a relevant education

experience for both students and staff. For example, to have the best technological infrastructure to support teaching and learning, PHEIs must have the cybersecurity and digital systems to ensure a seamless tertiary experience. They need to augment their role by being innovative to create value in their technology transfer processes, particularly during and after the pandemic to continually sustain their education business (Abdahir, Wan Hussin & Rasiah, 2021).

### **Far-sighted management**

PHEIs need to have an ambitious vision and mission, being founded with specific goals that motivate both staff and students as well as global communities. They have to keep up with the latest trends that promote the teaching and learning process, while constantly introducing industry-relevant programs to attract potential students, parents and other stakeholders. For instance, small PHEIs in Sabah and Sarawak usually try to enrol 100 students from the onset, while targeting 200 annual enrolments and reaching 500 students within the first five years to optimize operational efficiencies and staff performance, while others with more powerful funding usually set their benchmark against an international university to sustain their lifespan and brand name. To achieve such goals, PHEIs need to provide strong support and funding for staff to engage in research and development (R&D). Besides R&D, they also need to expose staff to international standards and practices and market demands so that they can contribute to organizational development and progress. In brief, success and progress of PHEIs depend on how much they can fulfil their vision and goals like any other kinds of business (Abdahir, Wan Hussin & Rasiah, 2021).

### **Service quality and performance**

To thrive in the competitive market, PHEIs in Malaysia must excel in their teaching and learning; it is therefore compelling for them to know the factors that can give them the edge over their competitors. Since they are competing for students locally as well as abroad, they often incur high expenditure in implementing aggressive strategies to promote their brand to attract and retain students. As service providers, PHEIs must anticipate students' demands to provide excellent service quality in terms of reliability, assurance, tangibles, empathy and responsiveness. The more they improve their service performance, the more they will be able to meet the expectations of students. Besides providing high service quality, PHEIs must also practise services differentiation as a competitive tool (Abdullah, Rosli & Ramasamy, 2021).

Additionally, PHEIs need to invest heavily on the five dimensions of service quality, including reliability, assurance, tangibles, empathy and responsiveness. They must be able to demonstrate reliability to increase trust and confidence amongst students, parents and other stakeholders with great assurance. Further, they must have appropriate tangibles, including physical facilities, equipment, personnel and communication materials to provide flexibility and customized service. Lastly, having empathy enables them to provide caring individualized attention to students to meet their demands and gain their loyalty, while responsiveness enables them to pay prompt attention to requests, questions, complaints or problems from various parties (Abdullah, Rosli & Ramasamy, 2021).

### **Stringent government regulations and advanced learning management systems**

To become world class educational providers, PHEIs need to excel in terms of quality assessment practices, with limited funding resources as their major challenge, especially in the areas of quality research and effective teaching. Established in September 1996, the Malaysian Qualifications Framework (MQF) sets standards for all qualifications and accreditations of academic and training programs conducted by PHEIs, subjecting them to a national rating known as SETARA and MyRA (Abdullah, Rosli & Ramasamy, 2021).

Further, many PHEIs have invested heavily in learning management systems (LMS) that enable both academics and students to switch from traditional teaching and learning to become fully seamless. Nonetheless, online delivery of teaching and learning is rather new and requires upskilling and reskilling among academics; therefore, PHEIs have to ensure that they have sufficient learning facilities, rapid Internet connectivity and adequate access to broadbands (Abdullah, Rosli & Ramasamy, 2021).

### **Lack of e-learning in the rural areas**

Jafar et al. (2022) found that geographical location and residential environments tended to influence students' overall ability and effectiveness to participate in e-learning. Students in rural areas are more likely to face technical and connection problems, decreased focus on learning, physical health problems, social isolation, and low digital literacy than urban students. They are regarded as vulnerable groups who face greater risks in terms of health and social issues, especially those in Sabah, Perlis and Malacca. Therefore, PHEIs should give priority to the most vulnerable groups to ensure they have the same privileges and opportunities in education as students in urban areas. It is critical for PHEIs to improve the overall implementation of e-learning in Malaysia by improvising basic infrastructure and facilities so that e-learning can be conveniently accessible to all students. Additionally, they should address pertinent social issues, such as mental health and physical health in relation e-learning by providing evaluation and intervention measures to ensure student well-being. When implementing e-learning, PHEIs must emphasize effective teaching strategies, besides addressing technological problems, connection issues and poor digital literacy to enhance academic achievement and to minimize social isolation among students.

### **Pandemic issues**

Azman and Abdullah (2021) summarized several issues faced by PHEIs in the midst of the pandemic. First, they lack knowledge of the virus and its rapid spread had created an unprecedented situation in Malaysia's higher education. On 17 March 2020, the Ministry of Higher Education (MoHE) directed that students could choose to either return home before the start of MCO or to remain on campus throughout the lockdown period that had subsequently generated much media attention. At this stage, many students were left stranded in their universities and private accommodations. Those who were undergoing their internships and practicum were unsure of their status in terms of continuity of their terms of service and its impact on the end-of-term assessment. Since most PHEIs were ill equipped with disaster and risk mitigation plans, there was little understanding within their organisational structures as to who was ultimately responsible for decision-making and implementing contingency plans.

### **Online distance education**

The pandemic had made online distance education a viable tool to sustain academic activities. A breakthrough in the midst of the pandemic, academics were required to practise deliberate planning to transfer content for online delivery, with an average of six to 12 months to develop a fully online course. They had to shoulder extra workload to rewrite materials, reorganize assessment tasks, videotape lectures and assess electronically submitted assignments and assessments. Many of the online learning experiences offered throughout the MCO might not have been fully featured or necessarily well-planned, with sub-optimal implementation characterized by simple online content delivery and activities. Many lecturers had expressed scepticism about maintaining quality in online course delivery, while students had frequently expressed their disappointment for not receiving 'value for money' because of the reduced face-to-face component of course delivery. Some academics had reported grave concerns in the media about students' poor quality of work, while others were concerned that standards might be compromised by the new assessment arrangements, for example, take-home and open-book exams (Azman & Abdullah, 2021).

Additionally, evaluating students' learning acquired through distance learning became a challenge for quality assurance. Students, parents and the general public had concerns about the quality of online education during the pandemic; they were concerned that the learning experience online might not be on par with face-to-face instruction, thus feeling that they were not receiving value for money in their educational investment. Therefore, PHEIs had to deal with several quality dimensions of online teaching and learning, such as academic staff's competencies, quality of formative and summative assessments and the novelty/authenticity of students' work (Azman & Abdullah, 2021).

By the second phase of the MCO, many PHEIs had adapted policies and guidelines to promote remote working and learning from home, with several revisions to the academic regulations and calendar to ensure continuity of teaching, learning and research activities. Oral examinations for postgraduate students, meetings and interviews were pivoted online, thus reducing travel time and the carbon footprint. Automation of work processes, through online platforms and systems, had also reduced turnaround time for routine processes in academic administration. Nevertheless, PHEIs must demonstrate solidarity, cooperation and resilience in their responses by collaborating with other PHEIs, organizations and civil societies to introduce various initiatives to reduce the adverse impact of the pandemic (Azman & Abdullah, 2021).

### **Structured online delivery**

To provide structured online delivery, a learning management system (LMS) is needed to promote the smooth running of the teaching and learning process. PHEIs must invest in open-source platforms, such as Moodle and Blackboard to deliver their programs online. These platforms require time to master, for example, it took several years to develop the technical capabilities and expertise in optimizing Moodle as a credible LMS for teaching and learning. Advanced LMS, such as Blackboard provide maximum technical support to both students and staff, but they require subscriptions and annual renewals. Small-scale and newly established PHEIs often lack the infrastructure and investment capital to implement full online delivery, thus are unable to provide optimal learning for students (Azman & Abdullah, 2021).

### **Digital divide and TVET**

According to the Policy Planning and Research Division, Ministry of Higher Education Malaysia (2022), the digital divide and TVET coordination are two critical issues that PHEIs need to resolve. First, efforts in providing quality education, especially in Sabah and Sarawak, are often hampered by the lack of physical and digital infrastructure as well as comprehensive online learning facilities, which impede the overall provision of quality education and development of human capital. To provide quality education especially in Sabah and Sarawak, PHEIs need to upgrade their digital infrastructure and facilities to create a teaching and learning environment that is conducive to both staff and students.

Second, there is a lack of coordination among TVET educational providers in Malaysia. Currently, there are 633 private TVET institutions offering multiple programmes across levels 1 to 6 of the Malaysian Qualifications Framework (MQF). In terms of accreditation, there are two entities governing TVET in Malaysia; the Malaysian Qualifications Agency (MQA) is in charge of accreditation of qualifications for academic (higher education) and vocational education sectors offered by universities, polytechnics and community colleges, while the Department for Skill Development (DSD) oversees the accredited skills training programs offered by skills training institutions. With the various TVET institutions governed by different ministries, state governments and private institutions, more efforts should be directed to align the diverse systems to streamline students' pathways to higher education and future careers in TVET. (Policy Planning and Research Division, Ministry of Higher Education Malaysia, 2022).

### **Student characteristics and preferred dimensions**

PHEIs need to explore the characteristics between bachelor and master students in terms of their marketing strategies by having a conceptualized research framework that can be used to examine the factors influencing both groups (Krishnaswamy, Nyepit & Leow, 2023). To increase their student intake, PHEIs need to enhance their curricular procedures and formalities as well as functional operating systems. For example, significant differences between the two groups tend to exist in the dimensions of smart classroom, peer support, partnership and perceived benefits. While master students are highly influenced by smart classroom, peer support and perceived benefits, bachelor students often prefer partnership.

### **Cost, competency, donations and rankings**

PHEIs might be affected by several factors, including competency requirements, unfair practices, ranking and high tuition fees (Haroun, 2023). First, the pandemic has made many potential tertiary applicants realize that they can learn online and save more than \$100,000 instead of pursuing a tertiary degree. Moreover, many companies will provide their employees with affordable and or free online education to get a tax break, while allowing their employees to learn practical and digital skills that they can immediately apply in the real world. In brief, many PHEIs can hardly survive when competing with lower priced online educational offerings.

Second, since competency is more important than credentials, many large companies including Google, Apple, IBM and Bank of America no longer require university degrees as a requirement for employment. Moreover, an undergraduate education mainly consists of 15 to 20 hours of classes per week, but rarely includes the most important life skills, such as job/customer networking, financial management or starting a business. Third, some PHEIs have a system that is rigged to unfairly favour wealthy families and legacy students. They accept donations of money or a building from the elite who try to get their children accepted, which is arguably as unethical as bribing university officials. This system is unfair, antiquated and ripe for change as it widens the gap between the rich and poor, which in turn, impedes the progression of humanity. Lastly, many students are unlikely to pursue a tertiary degree unless they get accepted to a top university; lower ranking PHEIs will stop to exist after depleting their endowments and exhausting all donations from alumni (Haroun, 2023).

### **Illegal activities of PHEI students**

Tajudeen (2023) summarized some serious issues related to international students that PHEIs have to deal with to avoid negative public opinion and rigorous government investigations. First, there were cases where international students have been alleged to be involved in criminal cases and unlawful activities, supported by some local students. This issue not only tarnishes the institution's reputation, but it also has an adverse impact on student enrolment. Between 2015 and 2017, 358 international students were arrested for narcotics possession and trafficking.

Second, some local students are easily enticed to join terrorist organizations. In 2014, a local student was influenced by IS jihadists via Facebook, while another was detained for marrying an IS militant. In 2016, one international student was suspected of belonging to a militant cell that carried out a terrorist attack in Dhaka, Bangladesh, killing 22 people. Third, PHEIs often face the misuse of student visas. In 2011, 76 international students were detained for misusing student visas and engaging in illegal activities. Additionally, in 2011, the Immigration Department blacklisted some PHEIs for exploiting student visas by registering too many international students, which as well beyond their actual capacity to accommodate them. There have also been criminal organizations that use PHEIs to bring in internationals disguised as students to engage in criminal activities (Tajudeen, 2023).



## **METHODOLOGY**

This conceptual paper primarily relied on a literature review that examined previous research on the issues and challenges faced by PHEIs in Malaysia. It involved searching various databases, including Google Scholar, JSTOR and ResearchGate. The key phrases used in the search were “issues and challenges faced by PHEIs in Malaysia,” “Malaysian Quality Assurance” and “private institutions of higher learning.”

## **IMPLICATIONS AND RECOMMENDATIONS**

### **Requirements of the Malaysian Qualifications Agency**

PHEIs must strive to satisfy the requirements of the MQA to provide pragmatic training and quality education to enable individuals to advance their careers, professional practices and employment prospects in various sectors (Azman and Abdullah, 2021). They must ensure that their programs are structured based on the eight levels of learning achievement: Certificate (Level 1-3), Diploma and Advanced Diploma (Level 4-5) and Bachelor, Master and Doctoral degrees (Level 6, 7 and 8). They are also tasked to provide progression and flexible learning pathways to students with various needs and backgrounds to widen access to education for lifelong learning. Ultimately, PHEIs are expected to contribute to Malaysia’s socioeconomic and political development by nurturing of quality citizens, a highly skilled and talented workforce and production of new knowledge. PHEIs must ensure that all their academic programs and courses have clearly stated learning outcomes that specify what students should know, understand and can perform upon successful completion of a study period that generally leads to a qualification or part of a qualification (Azman & Abdullah, 2021).

Further, PHEIs must carefully outline the specific skills and knowledge that the students can perform in professional, educational and other life contexts as well as clarify the demands and complexities of learning by each level. Their learning outcomes must include both declarative (facts, theories and rules) and functional knowledge (communication skills, organization skills) to develop students’ objective reasoning, self-inquiry and critical-openness that aim to improve their scholarship and analytical skills. Lastly, PHEIs must ensure that students are assessed on the five clusters of learning outcomes: knowledge and understanding, cognitive skills, functional work skills, personal and entrepreneurship skills, as well as ethics and professionalism, either through formative assessments such as quizzes, tests, and assignments, or summative assessment in the form of final examinations (Azman & Abdullah, 2021).

### **New economic model, diversity and accessibility**

To promote sustainability and progress, PHEIs need focus on a new economic model, student diversity and accessibility (Azman, 2020). First, they must formulate new courses that can prepare students for the ever-changing future as jobs have changed, which requires aligning with the future and the new normal. New courses must be based on the new economic model since innovative skillsets are required nowadays. Imminent change requires PHEIs to reevaluate, review and reformulate policies and processes that necessitate cognitive, emotional and dispositional agility. Second, since endemicity has considerable impact on the work and study ethics, delivery and learning, PHEIs need to become more aware of student diversity and accessibility to adequately meet varied learning needs. They need to find ways to innovate in response to these elements, for instance, by collaborating with industry practitioners to impact the community. They should also engage the industry and community in curriculum development by bringing them to campus so that students are exposed to both field experience and work-based training.

### **Industry 4.0 pursuits**

Abdahir, Wan Hussin and Rasiah (2021) postulated that PHEIs need to stay current on government policies and mandates to be able to offer new programs that reflect the demand of Industry 4.0. To enhance their dynamic capabilities, PHEIs must become smart entities that embrace and optimize the use of digital technology that requires high expenditure. Digital advancements in online, blended and hybrid teaching and learning approaches require intelligent stakeholder management that can only be accomplished through benchmarking against international universities. PHEIs therefore need to keep abreast with global trends that incur high compliance costs, which in turn, can affect their profitability.

### **Qualified staff**

PHEIs need to employ committed staff with diverse skill sets to thrive because they are only as good as the people they hire. Since they cannot succeed on their own, they need extra training resources to develop an agile and resilient workforce with dynamic capabilities. They need tried and tested strategies to train staff to adeptly handle change brought on by globalization and, more recently, the pandemic. They need a multi-talented and responsive workforce that can quickly respond to a lean decision-making framework, detect and manage risks as well as face uncertainty with confidence and efficiency (Abdahir, Wan Hussin & Rasiah, 2021).

### **Higher education for sustainable development**

According to Syed-Abdullah, Kushnir and Abdrahim (2023), senior management of tertiary institutions must recognize the importance of education for sustainable development (ESD) and make it a strategic priority. ESD can assist PHEIs in meeting their sustainability goals, while improving their reputation and competitiveness in a rapidly changing global environment. To gain a broader perspective on ESD and its potential impact, PHEIs need to involve external stakeholders, such as, global sustainability experts and community leaders. Awareness of the importance of ESD can help create a shared vision for a sustainable future and drive institutional change toward sustainability. PHEIs need to set clear targets for ESD implementation, provide resources for staff training and development and ensure that it is embedded in the curriculum and campus operations. They should provide professional development opportunities for staff to improve their knowledge and understanding of ESD principles, which include training on incorporating ESD into the curriculum, creating ESD-related learning outcomes and engaging students in sustainability issues. Lastly, PHEIs need to increase the availability of relevant teaching materials such as case studies, simulations and other teaching resources that demonstrate the application of ESD in tertiary settings.

## REFERENCES

- Abdahir, M. R. B., Wan Hussin, W. S. B., & Rasiah, R. (2021). New business venture into private higher education in Malaysia. *Asian Journal of University Education*, 17(4), 117-131.
- Abdullah, N. R. W., Rosli, N. A., & Ramasamy, R. (2021). Private higher education institutions (PHEIs) in Malaysia: An assessment of service quality and students' satisfaction. *International Journal of Management, Accounting, Governance and Education*, 1(2), 46-54.
- Arokiasamy, L., Ismail, M., Ahmad, A. & Othman, J. (2009). Background of Malaysian private institutions of higher learning and challenges faced by academics. *The Journal of International Social Research*, 2(8), 60-67.
- Azman, N., & Abdullah, D. (2021). A critical analysis of Malaysian higher education institutions' response towards Covid-19: Sustaining academic program delivery. *Journal of Sustainability Science and Management*, 16(1), 70-96.
- Azman, N. H. (2020). Another bad year ahead for private colleges and universities. *The Malaysian Reserve*. <https://themalaysianreserve.com/2020/11/30/another-bad-year-ahead-for-private-colleges-and-universities/> [Accessed 21 August 2023]
- Chin, Y. F. (2019). Malaysia: From hub to exporter of higher education and implications. *International Journal of Business and Social Science*, 10(2), 48-54.
- Ghasemy, M., Hussin, S., Megat Daud, M. A. K., Md Nor, M., Ghavifekr, S., & Kenayathulla, H. B. (2018). Issues in Malaysian higher education: A quantitative representation of the top five priorities, values, challenges, and solutions from the viewpoints of academic leaders. *SAGE Open*, 8(1). <https://doi.org/10.1177/2158244018755839>
- Haroun, C. (2023). The future of education & why most universities will go bankrupt. <https://www.linkedin.com/pulse/future-education-why-most-universities-go-bankrupt-chris-haroun/>
- Hunter, M. (2020). The collapse of Malaysian private universities. *Asia Sentinel*. <https://www.asiasentinel.com/p/the-collapse-of-malaysian-private> [Accessed 24 August 2023]
- Jafar, A., Dollah, R., Sakke, N., Mapa, M. T., Hua, A. K., Eboy, O. V., Joko, E.P., Hassan, D., & Hung, C. V. (2022). Assessing the challenges of e-learning in Malaysia during the pandemic of Covid-19 using the geo-spatial approach. *Scientific Reports*, 12(1):17316. doi: 10.1038/s41598-022-22360-4.
- Krishnaswamy, J., Nyepit, C. B., & Leow, N. X. (2023). The perceptions of master and bachelor students on the performance of private higher education institutions: An empirical study in Malaysia. *International Journal of Educational Management*, 37(4), 721-736.

Osman, N. A. A. (2023). Private higher learning institutions have vital role in national agenda. *New Straits Times*.  
<https://www.nst.com.my/private-higher-learning-institutions-have-vital-role>

Policy Planning and Research Division, Ministry of Higher Education Malaysia (2022). Higher education report: Malaysia. UNESCO National Commission.

Syed-Abdullah, S. I. S., Kushnir, I., Abdrahim, N. A. (2023). Narratives on education for sustainable development in Malaysian universities. *Sustainability*, 15, 13110. <https://doi.org/10.3390/su151713110>

Tajudeen, A. B. A. (2023). The challenges faced by private higher education in Malaysia from the 1990s to Covid-19. *Sejarah*, 32(1), 166-187.

Williams, G. (2018). Private varsities struggling/ <https://www.nst.com.my/amp/opinion/columnists/2018/12/436695/private-varsities-struggling>