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Article

From Memorization to Experiential Learning: Reconfiguring Classroom Pedagogy in Management Education through Generative AI

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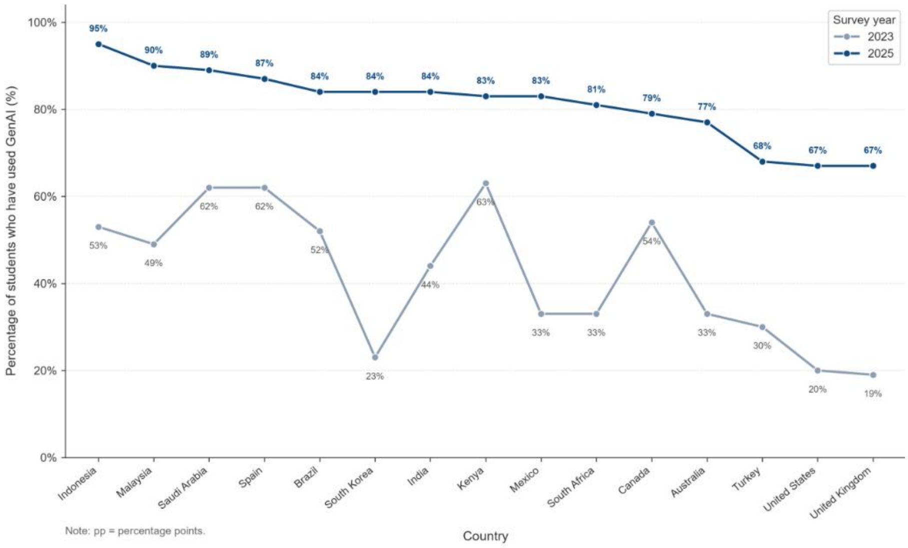
Abstract: Traditional management education has long remained centered on knowledge memorization and has therefore struggled to develop students' decision-making capabilities in complex business environments. Three specific challenges characterize this problem: a disconnection between theory instruction and business practice, a lag between textbook content and contemporary needs, and a divide between classroom simulations and real-world contexts. We argue that the widespread adoption of generative artificial intelligence (AI) creates a viable means of addressing these challenges. Using a strategic management course as an example, this study proposes three mechanisms for reconfiguring classroom pedagogy with generative AI. The theory-practice dialogue mechanism is designed to bridge the gap between theory and practice. The emerging-knowledge tracking mechanism is intended to reduce the time lag between textbook updates and business practice. The dynamic business-simulation mechanism shifts simulation-based learning from the execution of predetermined rules to decision-making under uncertainty. This study explores viable directions for business education reform in the age of AI and offers a reference for shifting management education from knowledge transmission toward capability development.

Keywords: Generative AI; Management Education; Pedagogical Reconfiguration; Experiential Learning

1.Introduction

Management courses, such as strategic management, are highly practice-oriented and context dependent. Yet current instruction continues to rely heavily on lectures on classic theories and analyses of static cases. This approach tends to privilege rote memorization over contextual awareness and cannot adequately reproduce the uncertainty and multilateral interactions of real business settings. Traditional management classrooms consequently face three interrelated challenges: a disconnection between theoretical understanding and business practice, a mismatch between textbook content and contemporary needs, and a divide between classroom simulations and real-world contexts.

The rapid uptake of generative AI among students has made these challenges even more pronounced. Chegg's 2025 Global Student Survey reports that, across the 15 countries surveyed, more than 67% of university students used generative AI to support their learning, with a global average of 80% (see Figure 1). When students can use AI at any time to access emerging business developments, test theoretical assumptions, and generate dynamic simulations, the static textbooks and predefined cases on which conventional teaching relies appear increasingly outdated, further widening the gap between classroom instruction and business reality.



Source: Chegg Global Student Survey, 2023 and 2025

Figure 1. The rapid uptake of generative AI among students

In this context, generative AI can both intensify existing challenges and provide a means of addressing them. Rather than treating AI as a threat to education, we argue that it should be embedded deeply in course design to reconfigure theory instruction, knowledge updating, and simulation-based learning, thereby shifting conventional memorization toward AI-enabled experiential learning. Specifically, this study proposes three AI-driven mechanisms: a theory-practice dialogue mechanism to bridge the disconnection between theoretical understanding and business practice; an emerging-knowledge tracking mechanism to narrow the gap between textbooks and contemporary needs; and a dynamic business-simulation mechanism to reduce the divide between classroom simulations and real-world contexts. Together, these mechanisms provide a framework for strengthening students' real-world decision-making capabilities and advancing pedagogical change in management education.

2.Core Challenges Facing Traditional Management Education

2.1 Disconnection between Theory Instruction and Business Practice

A common approach in management education is to introduce a distilled theoretical framework and then validate it through a case whose outcome is already known. This theory-first model turns learning into an exercise in matching. Because the case has already been interpreted through a particular theoretical lens, students need only assign the appropriate theoretical label to a known outcome. Instruction thus becomes a closed and potentially misleading cognitive loop rather than genuine training in strategic analysis (Smith & Lewis, 2022).

This disconnection is evident in classroom treatments of Nokia's decline in the mobile-phone business. The case is often reduced to a standard account of the innovator's dilemma: Nokia remained committed to the Symbian operating system and overlooked the rise of touchscreen smartphones. Yet case narratives typically omit the very conditions that made the decision difficult at the time. Feature phones were still generating billions of euros in quarterly profits, and short-term performance pressures made any major bet on a new platform appear imprudent. The internal contest between MeeGo and Symbian was, in essence, a power struggle among the hardware, software, and regional-market divisions. Market signals were equally ambiguous, combining the poor performance of touchscreens in low temperatures with enterprise customers' continuing reliance on physical keyboards. Once these details are filtered out by the innovation lens, the analysis becomes deceptively straightforward: strategic myopia or a lack of innovation appears sufficient to explain the outcome. What disappears from the classroom is the difficulty of choosing amid conflicting pressures and ambiguous signals.

The immediate consequence of separating theory instruction from business practice is that knowledge application remains superficial. When concepts such as moats and core competencies are taught, instruction often stops at definitions and encourages students to attach theoretical labels to firms. It rarely demonstrates how these concepts emerge in practice from dynamically evolving capabilities and tacit resources (Helfat & Raubitschek, 2018). Consider Apple's ecosystem moat. Classroom discussion typically addresses only the closed-system advantages created by iOS and the App Store, while giving little attention to the practical difficulties of building that ecosystem: attracting developers, exercising tight control over a global supply chain, and absorbing internal resistance and experimentation costs when the iPhone was introduced to cannibalize the iPod. Over time, theory becomes empty doctrine and practice becomes little more than mechanical confirmation of theory, leaving students poorly equipped to convert what they have learned into independent judgment.

At a deeper level, the separation of teaching from practice deprives students of opportunities to confront complex problems under realistic conditions. Real business decisions involve incomplete and conflicting information, whereas classroom cases are designed around clear clues and definitive conclusions, effectively granting students an omniscient perspective (Rousseau, 2020). Without sustained practice in defining problems and weighing trade-offs under ambiguity, students may experience analysis paralysis when they move beyond predefined theoretical frameworks and encounter the complexity of real-world challenges, making it difficult for them to develop actionable solutions.

2.2 Mismatch between Textbook Content and Contemporary Needs

A classic textbook often takes several years to progress from writing and review to publication. While classrooms continue to teach Porter's five forces or generic competitive strategies developed in the context of traditional industry, business practice may already have moved toward digital business models, cross-sector collaboration, and ecosystem competition (Kaplan & Haenlein, 2023). This delay in knowledge renewal creates a structural risk that instructional content will become outdated. Differences in students' foundational digital literacy further amplify the problem. The global development of basic digital education remains uneven: some economies have made computing a compulsory subject in primary and secondary education, while many other regions offer it only as an elective or lack systematic provision altogether. These disparities in digital literacy make the mismatch between outdated textbook content and emerging business practice even more visible (AI Index, 2025; Raspberry Pi Computing Education Research Centre, 2024).

The mismatch is particularly apparent when corporate strategy frameworks are taught. Traditional textbooks assume a stable macroenvironment and clearly defined industry boundaries. With today's rapid technological change, however, those boundaries are dissolving. The new-energy vehicle industry, for example, now extends well beyond conventional mechanical manufacturing to incorporate energy storage, autonomous-driving algorithms, intelligent cockpits, and other technologies. Continued reliance on static industry life-cycle theory cannot adequately explain such cross-sector convergence and may constrain students' strategic perspectives. Classic cases grounded in traditional manufacturing logic face a similar loss of explanatory power (Jacobides et al., 2018). Most of these cases are rooted in linear value chains, with strategy centered on economies of scale and cost leadership. Contemporary competition, by contrast, increasingly takes the form of nonlinear ecosystem interactions. Competitive barriers no longer depend solely on internal resources; they also arise from modular coordination, data assets, and cross-sector network effects within an ecosystem. As business logic changes, lessons from traditional cases become difficult to transfer directly and may even be misleading.

An immediate consequence of this mismatch is that the classroom gradually loses its appeal to students. When students encounter emerging business practices through industry news, internships, and social media while classroom discussion continues to revolve around cases and frameworks from years earlier, the distance between instruction and practice becomes difficult to ignore. Students may conclude that course content has fallen behind current developments; once this perception takes hold, classroom participation and learning engagement tend to decline.

Over the longer term, this mismatch is transmitted through graduates to the labor market and ultimately undermines the viability of business schools themselves. Students who enter the workplace with outdated knowledge structures and narrow strategic perspectives may struggle to demonstrate the digital acuity and ecosystem-oriented thinking that employers expect when confronting issues such as the reconfiguration of globalization, supply-chain resilience, and the application of AI (Wright & Lund, 2022). If firms repeatedly observe a gap between what graduates have learned and what business practice requires, the reputation and credibility of business schools will erode. This negative demand-side feedback poses a fundamental challenge to conventional management education.

2.3 Divide between Classroom Simulations and Real-World Contexts

Existing simulation-based courses often resemble board games with clearly specified rules: market demand, cost structures, and even unexpected events are bounded in advance (Schoemaker et al., 2024). Real business environments, however, are volatile. Firms may face black swan events or gray rhino risks that are widely recognized yet remain difficult to address (Bennis & O'Toole, 2021). Simulations also tend to portray the firm as a purely rational actor, removing human factors and internal organizational complexity. Once a strategic decision is made in a simulation, implementation proceeds smoothly. In practice, implementing strategy often involves competing internal interests, cross-departmental coordination problems, and resistance to change.

This divide appears at two levels. At the organizational level, a business transformation or cross-functional restructuring that can be completed through a few simple actions in a simulation may trigger labor disputes, the departure of key employees, and cultural disruption in practice. By oversimplifying organizational complexity, simulations understate the hidden costs and practical resistance involved in strategy implementation. At the competitive level, simulated rivals operate according to fixed algorithms and are therefore relatively predictable. Real competitors may initiate irrational price wars or public-relations attacks, or even seek to alter the rules through lobbying. Prolonged exposure to such deterministic environments can encourage students to assume that entering the correct variables will necessarily produce a successful outcome. This rigid mental model can quickly fail when confronted with the probabilistic, ambiguous, and sometimes irrational nature of the real world.

The immediate consequence is that simulation-based learning cannot reproduce the actual pressure of decision-making. In a protected simulation, students face neither real financial gains and losses nor the pressure of sunk costs, and they encounter little deliberately misleading information. They therefore have difficulty experiencing the pressure of making consequential decisions with insufficient information (Eisenhardt & Bingham, 2025). Strategic decision-making is reduced to finding the correct answer within known rules rather than exercising judgment under ambiguity. As students become accustomed to this simplified decision environment, they may develop a false sense of competence and assume that strategies that work in a simulation will withstand real-world scrutiny.

At a deeper level, this divide can turn the experience accumulated in the classroom into a liability when students confront real challenges. Because simulated environments filter out uncertainty, repeated practice reinforces a problem-solving mindset based on predefined rules. When students enter real business settings characterized by incomplete information, blurred boundaries, and irrational competitors, that mindset may not only prove ineffective but also produce flawed judgments. If decision habits formed in the classroom are transferred to practice without reflection, an intended learning outcome can become a cognitive liability. Students may learn to execute rules effectively within a safe environment while remaining unable to adapt when confronted with genuine uncertainty, further widening the gap between classroom preparation and workplace demands.

3.Generative AI-Driven Mechanisms for Reconfiguring Management Education

3.1 Building an AI-Driven Theory-Practice Dialogue Mechanism

To address the disconnection between theory instruction and business practice, instructors can use generative AI to establish a dialogue between theory and practice, guiding students to examine the boundary conditions of classic theories against real business data (Bearman et al., 2020).

Before class, the instructor uses AI to build a structured knowledge base. First, long-document analysis tools can decompose theories such as Porter's five forces and the resource-based view into modules covering their core assumptions, key variables, and boundary conditions. Second, when gathering practice-based materials, the instructor can use AI tools with web-search capabilities to collect original financial statements, brokerage research reports, and media coverage relating to different stages of a selected industry's development. AI can cross-check and conduct an initial synthesis of these fragmented and complex materials from multiple sources, helping the instructor identify critical information and construct a foundational database that approximates a real business information environment (Chen et al., 2020).

During class, the instructional focus shifts toward sustained interaction between students and AI. Rather than reading polished cases with predetermined conclusions, students use instructor-designed prompts to pursue a sequence of questions about a specific problem. In the smartphone industry, for example, students might first ask AI to retrieve information from the database and compare supply-chain changes between the feature-phone and smartphone eras. They could then ask whether Porter's assumptions about supplier bargaining power continue to hold in the current business environment (Dwivedi et al., 2021). Through continued inquiry grounded in real data, students can identify the limitations of classic theories in explaining contemporary business phenomena. This process lowers the threshold for working with complex information while developing students' ability to identify central tensions, evaluate information, and think critically.

3.2 Building an AI-Driven Emerging-Knowledge Tracking Mechanism

To address the mismatch between textbook content and contemporary needs, instructors can use generative AI to establish a continuous process for tracking emerging knowledge and shorten the time required to bring new scholarship into the classroom (Dwivedi et al., 2023).

Before class, instructors can use AI tools to establish a regularly updated knowledge-collection process. First, AI can periodically compile emerging cases and developments in corporate strategic transformation from business contexts worldwide. Second, it can rapidly review leading journals and use text mining to extract recently introduced concepts and theories (Ouyang et al., 2022). Finally, the instructor can guide AI in comparing recent practices with emerging theories. When AI identifies a new corporate practice that contradicts a conventional theory but aligns with a newer one, the instructor can isolate the central tension and develop classroom discussion materials that juxtapose the established and emerging theoretical explanations (Cotton et al., 2024).

During class, the instructor organizes group discussions around AI-assisted materials. Consider a lesson on competitive barriers. The instructor first presents a recent case, compiled with AI assistance, in which a digital platform firm disrupts a traditional industry by crossing sectoral boundaries. Students are then divided into two groups. One group applies classic textbook theories to analyze the limitations of the firm's behavior, while the other draws on emerging theoretical materials supplied by AI to propose an alternative explanation. With access to AI-organized materials at the research and practice frontier, the two groups debate competing interpretations of an actual business phenomenon (Tlili et al., 2023). This design keeps course content aligned with recent developments in business practice and helps students move beyond dependence on a single theory to develop more flexible analytical frameworks.

3.3 Building an AI-Driven Dynamic Business-Simulation Mechanism

To address the divide between classroom simulations and real-world contexts, instructors can use the generative capabilities of AI to create dynamically evolving simulations, transforming the simulation environment from a closed system governed by predetermined rules into an open context characterized by uncertainty (Lodge et al., 2024).

Before class, the instructor provides AI with multidimensional background instructions and assigns it a role that permits the random generation of challenging events. In a lesson on cross-border mergers and acquisitions, for example, the instructions would specify not only basic parameters such as initial capital and market growth rates, but also macroeconomic volatility in the target country, the structure of industry competition, and latent labor-management tensions within the target firm. On the basis of these parameters, AI constructs a generative environment that evolves automatically as conditions change (Rospigliosi, 2023).

During class, AI performs both environmental simulation and outcome feedback. After a student team submits an acquisition decision, AI first calculates its direct consequences, such as changes in market share and cash consumption, and then generates cascading effects based on business logic. It might, for example, issue a breaking update that the target firm's core R&D team has resigned and joined a competitor because of failed cross-cultural integration, or that local regulators have opened an antitrust investigation (Farrokhnia et al., 2024). The instructor can require students to revise their plans immediately in response to these AI-generated developments. In this high-pressure environment, students' static plans are disrupted; within a limited period, they must reassess resource allocation on the basis of incomplete information and submit a new response. The process develops their ability to exercise judgment and adjust decisions under ambiguity (Keding, 2021).

Through this form of simulation, classroom interaction shifts from executing established rules to responding to unknown challenges. Students no longer perform risk-free calculations designed to match a standard answer. Instead, through experimentation, failure, and unexpected developments, they translate abstract strategic theories into concrete response strategies.

4.Conclusion

This study examined how generative AI can reconfigure classroom pedagogy in management education in response to three challenges facing traditional instruction. The analysis suggests that the disconnection between theoretical understanding and business practice, the mismatch between textbook content and contemporary needs, and the divide between classroom simulations and real-world contexts arise not from insufficient student effort but from limitations in pedagogical design. Theory instruction relies on distilled frameworks and cases with settled conclusions, textbook updates lag behind business practice, and classroom simulations filter out the uncertainty inherent in real decisions. These three challenges are interconnected and collectively produce a gap between what is taught in the classroom and the realities of business practice.

To address these challenges, this study proposed three AI-driven mechanisms for pedagogical reconfiguration. The theory-practice dialogue mechanism uses AI to introduce real business data and encourages students, through sustained inquiry, to examine the boundary conditions of classic theories. The emerging-knowledge tracking mechanism uses AI to identify new cases and emerging theories at regular intervals, reducing the time lag between textbook updates and business practice. The dynamic business-simulation mechanism introduces AI-generated contingencies to shift simulation-based learning from the execution of predetermined rules toward decision-making under uncertainty. All three mechanisms serve a common purpose: redirecting instruction from validating known conclusions toward developing the capacity to exercise judgment under ambiguous conditions.

The principal contribution of this study is to position generative AI as infrastructure for redesigning pedagogy rather than merely as an efficiency tool that supports conventional teaching. This change in perspective means that AI does more than help students obtain answers more quickly; it alters the underlying logic of teaching and learning. The emphasis shifts from memorizing established knowledge to engaging with situations that have yet to occur. AI-driven pedagogy nevertheless has limitations, including variation in instructors' AI literacy, concerns about the accuracy of generated content, and the risk that students will become dependent on AI assistance. Future research should examine these issues in greater depth.

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