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MASTER OF BUSINESS ADMINISTRATION

Factors Influencing the Successful Internship Program

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EXECUTIVE SUMMARY

This research aims to determine the factors influencing successful internship program and it is significant to the private education institution chosen for this research as it measures how internship is able to groom students to its desired graduate attributes. In addition, it provides information to institutions, employers and students on the factors which have significant relationship to successful internship outcomes.

This research is limited to engineering internship program in the chosen private education institution. Self administered surveys were given to the students and from the data gathered, some of the results adhere to the past researchers analysis, some are totally new and a few actually contradicts the theories built by past researchers.

This study concludes that internship program has a moderate success rate in achieving the desired graduate attributes of the institution under study. Among all attributes, the results show that "professionalism" is the most achievable attribute via internship. For factors influencing the success of internship program, 8 out of the 13 hypothesis made were found to have significant relationship in this study. They are worksite quality, internship placement process (proper guidance and perceived value of importance of internship), intern's supervision and feedback (both host and internal supervisor), Intern characteristics (early perception towards internship, perceived value of importance of internship and age). On the other hand, the following shows no significant relationship towards internship program: academic preparedness, internship duration, gender, nationality and compensation.

CONTENTS

CHAPTER 1

INTRODUCTION

This report comprises of 5 chapters. The first chapter presents detailed introduction regarding this study which includes research background, problem statements, significance of study and research objectives. Chapter 2 will draw in the past literatures to review the credibility of constructs and to operationalize the construct. Chapter 3 outlines the Design Methodology which detailed the methods of sampling design, data gathering and statistical analysis employed. Chapter 4 is the findings and discussions to reason out the results of the given analysis. As for final chapter, conclusion is drawn from the analysis and recommendations were suggested to all the future researchers who would like to work on research related to internship.

1.1   Research Background

1.1.1 Internship Program

Internship, a form of work-based learning program, was first implemented in the University of Cincinnati in 1906 (Cook et.al. 2004, Henry et.al. 1988) by the Dean of College of Engineering, Dr. Herman Schneider. The name used for this program is co-op system and Dr. Herman thought it was essential for engineering students to transform theory into practice by working in the field while attending classes (Wilson, 1971). Following is his comment on the co-op system,

"It is not held, of course, that this method of training will supply full-fledged engineers, aged twenty three years; but it is believed that it will provide a better preparation, a stronger foundation, for the successful practice of engineering" (Cooperative Education, 2010).

This program was new at that time and it has had both supporters and critics on the positive impact it brings to students in equipping them to face the real job challenge and upgrading the skill sets of fresh young engineering graduates. Nevertheless, over a hundred years later, such kind of work- based learning programme has not only been well accepted by the education providers, industry practitioners and the undergraduate students, it has now become a pre-requisite for students to graduate from the particular course. This is more so in today's competitive world whereby industries are giving preference to students who have had working experience than those who have none.

An interesting note is that this work-based learning activity has taken different names since its first inception in 1906, it is now disguised under one of the following terms: internship, externship, apprenticeship, career academies (Barton 1996; Wilson et.al., 1996) or sandwich programme (UK), co-operative system (Germany), enhanced engineering experiences for engineers. (USA) (El-Raghy, 1999(ABET, 1997). For the ease of reading, this paper will use internship to represent work-based learning programs.

No full reference

According to Coco (2000), only 1 out of 36 graduates attended to internship before graduation in 1980 and the statistic increased tremendously to 3 out of 4 graduates in 1990. Internship is popularly found

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in disciplines such as Engineering, Architecture, Psychology, Mass Communication, Dentistry, Medical Programs and Accountancy where hands-on skills are deemed necessary.

1.1.2 The Benefits offered by Internship Programs

Many researchers believed that the essence of successful internship experiences lies on how satisfied were students with their internship (Stephen & Gwen, 2008; Clark, 2003). In order to maximize their satisfaction, students must first realize the learning opportunities and benefits which internship could deliver. The past literatures suggested many benefits linked to internship. According to Knouse & Fontenot (2008), educational professionals identify the internship benefits as: (a) internship may assist students in getting a good job opportunity, (b) internship could be practiced as stepping stones to gain full time employment, (c) internship will build satisfying knowledge in inspiring students to further pursue their career path and (d) internship may produce reasonable expectations on the working world and assist students to crystallize their career options. The above only touches the tip of many benefits brought by internship and in a broader scope, internship allows students to gain necessary experience and technical skills from the real working environment, polish up their communication skills and apply knowledge learnt from the classroom into practical action. In addition, students are able to set the right expectation on their career aspirations upon graduation as internship tends to create realistic expectations towards the future working world (Knouse & Fontenot, 2008). This tends to minimize frustration caused by unmet expectations.

Past researchers have also found that students who have had internship experience was able to secure job faster and according to Taylor (1998), employers will rate the students with internship experience higher and were more likely to be employed as they feel that internship equips students with the right employability skill sets such as better communication, critical thinking and problem solving skills. These soft skills are not available should students confine themselves within the four wall in the classroom and concentrate solely on their studies. Raymond et.al. (1993) concluded that students' ability to convert the knowledge obtained from the classroom and to resolve problems was crucial to employers. They believe that these skills could be learned effectively by attending to internship. The study highlighted on how internship create the opportunities for students to understand and value ethical issues and international cultural diversity (Knouse & Fontenot, 2008) which build attitudes of tolerance that are highly needed for better international project co-operation (El-Raghy, 1999).

Raymond et.al. (1993) stated that it is a common scenario for recruiters to comment about graduates' lack of working experience and tends to have unreasonable expectations and poor communication skills. They suggested that there are several effective methods for students to acquire skill sets which required by the employers. These methods are internship, real corporate projects, guest speakers, cases and simulations. The education institution should establish collaboration with the industries to facilitate students to have a chance to work on the above. Nevertheless, among all suggested methods, internship were selected as the most effective among these methods because they provide "hands-on" experience, which gives interns a competitive advantage over students

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who do not enroll in this program (Cook et.al., 2004). Besides, internship is essential in producing graduates who are 'work ready', that is, graduates who are equipped with the right skills, attitudes, knowledge and values which facilitate newly grads to contribute to organizations as soon as the employment commenced (Gurvinder & Sharan, 2008; Mason, Cranmer & Williams, 2006).

Education institution should highly encouraged students to step out from the classroom and join the industry in order to get to know the industry practitioners and employers to gain more information on latest market trend and skill sets required for particular profession or industry. It is through internship whereby students are given the golden opportunity to build a range of professional networks as they will be out on the field for a period of 3 – 6 months. This allows them sufficient time to build a solid relationship with the professionals.

Having said all benefits an internship program could offer, this research paper will present the benefits of internship from a different dimension. The researcher will gauge the benefits of internship from the business strategy perspectives and these benefits will be used as the desired internship success outcomes.

1.1.3 Internship and Business Strategy in Education Industry

Globalization has indeed build up tremendous pressure in the education industry nowadays. Education institutions, especially those who are self-funding, felt the pinch as they are now competing with thousands of

institutions mushrooming in the home country or international land. The survival of these private education institutions is largely based on the number of students enrolled as it receives neither funds from government nor any foundations to sustain its operations.

In Malaysia, the competition in the education industry is intensive as there is a total of 525 higher education institutions serving 28 million people in this nation, out of which 5.1 million is the potential customers aging from 15 – 24, as reported by Department of Statistic Malaysia 2009 (Table 1.1 & Table 1.2).

Table 1.1 Estimation of Population in Malaysia

		2008			2009	(000)
	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr
Total	27,728.7	27,873.6	28,018.6	28,162.8	28,306.7	28,457.6

(Source: Department of Statistic Malaysia)

Why is this table important

Table 1.2 Population Estimates by Age Group

		2008			2009	(000)
Age Group	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr
Total	27,728.7	27,873.6	28,018.6	28,162.8	28,306.7	28,457.6
0 - 4	3,163.5	3,178.3	3,193.0	3,207.7	3,222.4	3,239.8
5 - 9	2,960.7	2,971.1	2,981.6	2,991.9	3,002.3	3,014.0
10 - 14	2,762.0	2,761.5	2,771.0	2,780.5	2,790.0	2,798.6
15 - 19	2,601.1	2,606.5	2,611.9	2,617.2	2,622.6	2,628.5
20 - 24	2,494.1	2,501.9	2,509.6	2,517.4	2,525.1	2,532.1
25 - 29	2,271.8	2,286.2	2,300.6	2,314.9	2,329.3	2,341.5
30-34	2,011.4	2,022.7	2,034.1	2,045.5	2,056.8	2,070.5

(Source: Department of Statistic Malaysia)

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Out of the 525 institutions, there are 18 government-supported public universities, and the rest, 507, are private education providers made up of College Universities, Branch Campuses of Foreign Universities, and Colleges (Table 1.3).

Table 1.3 Numbers of Institutions

	2003	2004	2005	2006	2007
Universities	11	11	10	12	18
College Universities	5	10	11	15	15
Distance Learning Universities	-	-	1	1	-
Branch Campuses of Local	3	11	11	14	15
Branch Campuses of Foreign	4	5	5	5	4
Non-universities	519	533	532	482	488
TOTAL	539	559	559	515	525

(Source: The Star, 2009)

According to a statistic published in The Star newspaper (2009), the public universities have a total enrollment of 521, 696 students in 2008 whereas the 500 odd private institutions received only 399, 852 students (Table 1.4).

Table 1.4 Tertiary Student Enrolments

	2002	2003	2004	2005	2006	2007	2008+
Public	337, 944	354,275	367,305	390,828	423,343	481,685	521,696
Private	294,600	314,344	322,891	258,825	323,787	365,800	399,852

(Source: The Star, 2009)

This shows that the Malaysia's public universities are able to cater only approximately 60% of the population who wish to pursue higher education.

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The remaining 40% become a great yet tough business opportunity for private education providers as it is a lucrative business with too many players. HELP International Corp Bhd, a private education provider in Malaysia gave a good indicator of how prosperous education industry could be when it went for listing in 2006. "Its prospectus conservatively estimated the annual industry turnover at RM2.1billion, assuming a student base of 300,000, with each paying average fees of RM7,000 a year" (Oh 2009). Besides, Malaysian education industry is also attracting foreign students as the total number of foreign students hit 50,679 students in 2008 and they mainly come from Middle East (21.2%), China (12.7%), South Asia (12.3%), Indonesia (11.6%), Nigeria (10%) and other countries (Figure 1.1). According to the National Association of Private Educational Institutions (Napei), the tuition fees brought in by international students in 200 private higher education institutions come close to about RM1.1billion in foreign exchange earnings.
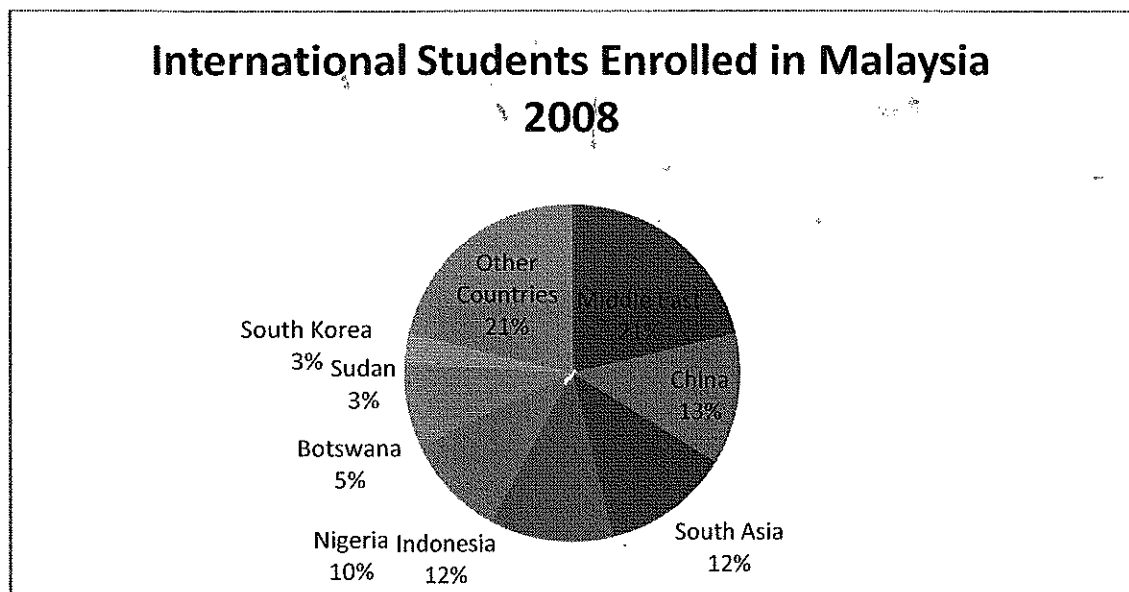

Figure 1.1   International Students Population in Malaysia
(Source: The Star, 2009)

Nevertheless, the competition within Malaysian private education remains high. In addition, Malaysian government has also built more universities to cater for the expanding population and 3 universities were up in 2009, namely Universiti Darul Iman Malaysia, Universiti Malaysia Kelantan, and Universiti Pertahanan Nasional Malaysia. Besides, they are building more branch campuses of Universiti Technologi MARA (UiTM). This is seen as a threat to the private education providers as in 2002, public universities or related institutions can cater only 89,500 students and today, the number has doubled up to 183,323 as shown in table 1.6 (Oh, 2009).

Table 1.6   Admissions Status of Malaysia's Higher Education Institutions

Paper Chase 2008

	Admissions	Enrolments	Graduates
PUBLIC			
Matriculation	6,957	10,242	4,509
Certificate	25,670	48,499	19,176
Diploma	52,278	139,045	37,660
Undergraduate degree	75,127	270,156	59,844
Post-graduate diploma	1,779	2,956	2,065
Master's degree	16,158	36,094	8,655
Doctorate	3,644	12,243	785
Professional	450	1,249	196
Others	1,260	1,212	81
TOTAL	183,323	521,696	132,971
PRIVATE			
Certificate	47,875	60,617	18,269
Diploma	91,483	177,773	32,685
Undergraduate degree	43,261	151,591	26,590
Master's degree	2,924	8,540	962
Doctorate	303	1,331	55
TOTAL	185,846	399,852	78,561

(Source: The Star, 2009)

Hence, the key success factor for the private higher education in Malaysia – besides entrepreneurship, ingenuity and adaptability - is in fact, the ability to attract and retain students (Oh, 2009).

Various means have been employed to attract students in Malaysia and overseas. The common tactics are offering quality teaching by experienced lecturers, providing world class and up-to-date facilities, and receiving accreditation from professional bodies to improve course credibility. Nevertheless, all the above are only partial factors contributes to the reputation and attractiveness of the education institution. The one factor which one must not ignore is the graduate employable ratings which concern about the graduate attributes such as professionalism and employability skills.

From the marketing perspective, industry indeed is the ultimate customer of the education institution as they are the end user after all. Institution should encourage students to familiarize themselves with the needs and wants of the industry and minimize the gaps between industry expectations and graduate skill-sets. This could be achieved through incorporating internship program in course curriculum which exposes students to the real working environment. Therefore, institutions should pay attention to internship program more than ever as it is significant in increasing student's chances of employment upon graduation (Cook et.al., 2004). If the graduate of the particular university is highly employable, then the university will enjoy a better ranking, attract more students and be more prestigious in the academia world.