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Undergraduate Business Internships and Career Success: Are They Related?

Jack Gault, John Redington, and Tammy Schlager

This article reports the results of an investigation of the relationship between early career success and past participation in an undergraduate field internship. The study extends earlier research on the effects of formal marketing education on career success. A survey of intern and nonintern business alumni of a northeastern U.S. public university indicated significant early career advantages for undergraduates with internship experience. Advantages included less time to obtain first position, increased monetary compensation, and greater overall job satisfaction. In addition to the career benefits provided to the students, the positive implications for marketing educators, university administrators, and intern employers are also discussed.

The U.S. Labor Department predicts that 18 million graduates will be competing for the 14 million college-level jobs in the year 2005. As former Secretary of Labor Robert Reich pointed out, 80% of these jobs will require some vocational training (Watson 1995). It is not surprising, therefore, that students and their families are increasingly concerned about undergraduate preparation for employment following 4 years of increasingly expensive tuition. Experience continues to be one of the key attributes any entry-level professional can offer a prospective employer, and internships provide one of the best ways for the ambitious to obtain it. According to the American Council on Education, 9 out of 10 four-year colleges now offer some sort of structured work experience related to a student's major or career interest (Tooley 1997). The National Society for Experiential Education reports that one out of every three 4-year college attendees worked as an intern before graduating (Watson 1995). Marketing and other business departments are no exceptions in joining with industry to expand their offerings of experiential field internships. Yet, despite their pervasiveness, field internship programs have received scant scientific scrutiny. Eyler (1992) suggests that work experience programs are more likely to receive increased research attention and other faculty support when a clear link is established between on-the-job experience and career development. Eyler also noted that faculty were "dubious about the value of internship programs that displace

significant amounts of coursework, questioning whether the educational opportunity costs are offset by what is learned in the field" (p. 41). Even when the goals of liberal education and experiential education coincide—such as understanding how organizations operate or how theory might be put into practice—there remains a reluctance to support cooperative education or internship programs as the best way to achieve these goals (Gore and Nelson 1984). According to Eyler, this lack of support results from the absence of clear evidence of field internships' impact on learning. Higher-education research efforts have continued to focus primarily on improving teaching modalities and other pedagogical processes operating within the classroom setting. The lack of research into the efficacy of internships diminishes the perceived legitimacy of field experience programs, and as a result they remain marginal to academic programs (Migliore 1990). Marketing educators have similarly devoted little research effort to studying what can be done to enhance the career placement of marketing majors (Kelley and Gaedeke 1990). The current research is intended to remedy this knowledge gap by being the first study to investigate empirically and quantify the effects of internships on career outcomes. The research is intended to help build on the small but emerging base of literature concerned with helping educators to better prepare their students for careers after graduation.

FIELD EXPERIENCE LITERATURE

The idea of colleges and businesses joining forces to enhance the professional education experience is nothing new. College-endorsed employment programs have been recorded as early as 1906 at the University of Cincinnati's Cooperative Education Program (Thiel and Hartley 1997). However, scientific research involving these experiential

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learning programs has appeared in the literature only somewhat more recently. This review begins with a brief discussion of terminology used to describe off-campus work experience programs.

A review of the field experience literature and an online search of college catalogs indicate that three terms are commonly used to describe higher-education programs involving learning through employment in industry. These three programs are referred to by the terms *cooperative extension*, *cooperative education*, and *internship*. Cooperative extension programs refer to state-sponsored agricultural work experiences and are therefore not included in this study. Cooperative education and internship are the two university labels most often used to describe field experience opportunities for business students. Cooperative education originated to enable students in professional programs to finance their education (Thiel and Hartley 1997). "Co-op" students generally alternate periods of full-time employment with periods of full-time academic study. Co-op students are therefore able to interview for positions at organizations located some distance from the university. An online search of university business course catalogs indicated that co-op programs are heavily concentrated in engineering and other manufacturing-oriented and technical fields. Internships, on the other hand, generally refer to part-time field experiences and encompass a wider variety of academic disciplines and organizational settings. Internships are usually undertaken while concurrently enrolled in other academic courses and appear to be modeled on the field of education, where practice teaching is a requirement for certification (Thiel and Hartley 1997). DiLorenzo-Aiss and Mathisen (1996) described a typical internship program as being characterized by four criteria: (1) a specified number of work hours, (2) the work may be paid or unpaid, (3) credit is awarded, and (4) oversight is provided by a faculty coordinator or other university representative and a corporate counterpart. An online review of college course catalogs indicated that the distinctions between cooperative education and internships are more a matter of degree rather than a matter of kind. While both positions require professional employment, co-op students tend to work full-time, while interns usually work part-time. Compensation is usually required for co-ops but may be optional for some intern programs. Academic supervision appears to be provided in both cooperative education and internship programs. However, whether provided at the college or department level, the closeness of the academic supervision appears to be somewhat less for co-ops than for interns. Given these often subtle distinctions between co-op and intern programs, it is not surprising that universities sometimes use the terms interchangeably. Therefore, while the current study focuses on internship experiences exclusively, the research results are relevant for the co-op experience. The review continues with a discussion of the intern assessment literature.

Assessing Intern Program Efficacy

Despite nearly 100 years of offering credit for field internships, existing higher-education assessment research has focused primarily on the effects of formal classroom instruction (e.g., Hunt, Chonko, and Wood 1986). In an early issue of the *Journal of Marketing Education*, English and Lewison (1979) stated that "the benefits that accrue to students, professors, and the business community from internships are substantial, and have been identified in studies by several authors" (p. 46). The authors remark, however, that despite an impressive list of benefits to all concerned, internships are highly undervalued and undersupported since they simply did not seem to fit into the "academic ballgame" (English and Lewison 1979, p. 47). Their review of the experiential literature indicated that the existing field experience research consisted mostly of essay pieces and a few empirical investigations. When scientific assessment had been attempted, it was often limited to students' expectations or perceptions of learning (Eyler 1992). For example, Hite and Bellizzi (1986) surveyed 441 undergraduate marketing students (41 interns and 400 noninterns) regarding their expectations of an internship in marketing. Based on the students' agreement or disagreement with 24 expectation statements, the authors concluded that contact with professionals enabled interns to better crystallize their job interests and abilities. They also found that internships provided a more valuable learning experience than case courses or listening to a series of guest lecturers in class. These findings corroborated earlier student expectation research, which found that interns believed they would be somewhat better prepared to begin their careers than those with formal classroom training only. For example, students with internship experience reported positive changes in feelings of personal and social efficacy (Bernstein 1976) and a greater sense of responsibility and career development (Eyler 1992; Hursch and Borzak 1979; Williams 1990). In terms of professional development, students perceived that internships provided them with increased business contacts, better knowledge of the job market (Groves et al. 1977), and greater job satisfaction (Bales 1979). Concerning perceived effects on student learning, internships have been described as a bridge between the theory of the classroom and the world of practice (Nevett 1985) and motivation for increased learning, such as the pursuit of graduate study (Tyler 1971).

While these earlier findings provide important insights into the effects of internships, they are based on students' pre-graduation expectations, rather than actual postgraduation career outcomes. Therefore, whether or not interns are better prepared for entry-level jobs and enjoy greater early career success than noninterns remains an untested assumption. With so few internship studies in the literature, it is not surprising that some basic and very important questions regarding career outcomes have yet to be addressed. For example, do internships better prepare students for entry into the workforce? If so, to what degree, and in which skill areas are

interns better prepared? Do former interns fare better in the entry-level job market (e.g., more job offers, greater compensation, less time to find jobs)? Rigorous scientific investigation of these and other questions relating internships to career success is virtually nonexistent. The current study remedies this gap in the experiential learning literature by examining the effects of field internships on the early career success of undergraduate business majors. The study focuses on how the internship experience contributes to early career success by developing career-related skills. Individual traits, including personality-related factors—such as motivation, enthusiasm, initiative, ambition, and adaptability/flexibility—are excluded from the study. While these traits have been ranked or rated as highly desirable by employers in a variety of industries (e.g., Ducoffe and Ducoffe 1990; Kim, Ghosh, and Meng 1993; Scott and Frontczak 1996), institutions can do little to develop these factors in students (Floyd and Gordon 1998). Moreover, concentrating on career skill development is supported by Deckinger et al. (1990), who found university faculty more willing to support efforts that focused on factors that may be influenced by higher education. The authors concluded that while teachers and industry recruiters generally shared similar ideas of which factors were important, “academics tended to accentuate job-specific attributes, while the recruiters tended to take a broader global view” (Deckinger et al. 1990, p. 46). This review now turns to the existing research on career skill development.

Career Skill Preparation

Kelley and Gaedeke’s (1990) investigation of employers’ and students’ perceptions of the relevant importance among hiring criteria found six career preparation skills to be significant: oral communication, written communication, problem solving, analytical skills, computer applications, and leadership/teamwork skills. These six career skill areas also proved to be of significant importance in a later study of employer expectations from an ideal business education program perspective (Karakaya and Karakaya 1996). Karakaya and Karakaya also found a seventh significant skill area, information (e.g., searching, processing). Further review of the literature and experience interviews with intern employers, corporate recruiters, and university career development personnel produced another six skill areas for inclusion in the current study. These skills include creative thinking, job networking, relationship building, job interviewing, résumé writing, and proposal writing. The literature suggests that these skills might be grouped into four career skill categories.

Communication skills (oral presentations, proposal writing, and written communication) were found to be important in most studies of factors affecting employment (Floyd and Gordon 1998). In studies in which distinctions were made between written and oral communication, oral communication was found to be favored for both entry-level marketing positions (Gaedeke, Tootelain, and Schaeffer 1983; Kelley

and Gaedeke 1990) and general positions (Hafer and Hoth 1981).

Academic skills (analytical skills, computer applications, creative thinking, information search, and problem solving) are thinking and reasoning skills that have been found to be important across a range of disciplines (Floyd and Gordon 1998), with the degree of importance varying by industry. For example, Boatwright and Stamps’s (1988) survey of representatives of 70 companies recruiting business majors found that academic skills were less important to marketing recruiters than communications, leadership, and self-starter skills (e.g., ambition and motivation). Conversely, academic skills were found to be of paramount importance for entry-level hires into technical fields such as the computer industry.

Leadership skills (leadership/teamwork and relationship building) have been found to be of prime importance to marketing recruiters for consumer products organizations (Boatwright and Stamps 1988).

Job acquisition skills (résumé writing, job interviewing, and job networking) have their basis in written and oral communication and relationship building but are focused specifically on the attainment of employment and other aspects of career advancement.

To compare the relative benefit of each of the 13 career skills, an outcome measure is needed. The literature on career success provided the most appropriate metric and suggested drawing a distinction between external and internal measures of success.

Career Success

Hunt, Chonko, and Wood (1986) found that career success may be viewed in terms of extrinsic and intrinsic reward factors. They state that extrinsic success deals with rewards given to an individual, usually by a representative of the organization for a job well done. Examples of extrinsic success measures include salary and benefits and other forms of compensation. Intrinsic success, on the other hand, involves the rewards experienced by the professionals themselves. Hunt, Chonko, and Wood found that viable measures of intrinsic success included positive feelings of satisfaction with coworkers, supervisors, and the job overall.

Review Summary

The literature indicates a need for scientific investigation into the efficacy of internship programs. Existing studies suggest research into career skill preparation as the most logical avenue for assessing learning, which takes place in the employment setting. The review also indicates that measures of extrinsic and intrinsic success are appropriate for capturing the effects of any incremental learning attributed to the internship experience. The discussion now proceeds with the methodology employed to accomplish the research objectives.

METHODOLOGY

The literature review and expert interviews led to the selection of 13 skills in four categories for inclusion in the career skill preparation scale. Academic skills (5 items) include analytical skills, computer applications, creative thinking, information search, and problem solving. Communication skills (3 items) consist of oral presentation, proposal writing, and written communication. Interpersonal skills (2 items) include leadership/teamwork and relationship building. Finally, job acquisition skills (3 items) assess job interviewing, job networking, and résumé writing. The 13-item career skill preparation scale was tested for reliability. The resulting Chronbach's alpha coefficient of 0.8701 indicates a high degree of reliability.

Sampling and Data Collection

To explore the effects of internships on career skill preparation and success, a questionnaire was mailed to 446 recent business alumni of a midsized northeastern U.S. public university. The sample included 223 business major alumni who had graduated within the past 1 to 5 years and had participated in one or more undergraduate internships. An equal number of noninterns were selected for comparison. To control for factors that may influence career success other than the internship experience itself, intern and nonintern samples were matched on constructs similar to those employed by Hunt, Chonko, and Wood's (1986) study of the effects of formal education on career success. Matching criteria included age, years of work experience, cumulative grade point average (GPA), major area of study, and gender.

Several steps were taken to ensure maximum survey response. The survey was sent via first-class mail with a stamped return reply envelope enclosed. The questionnaire was limited to a single page printed on both sides and could easily be completed in less than 10 minutes. A supportive cover note from the dean of the School of Business was included and promised to publish the survey results in an upcoming edition of the quarterly alumni newsletter. Finally, a reminder postcard was sent 4 days after mailing the survey.

Measures and Statistical Analysis

The study was designed to determine if any significant relationship existed between participation in an undergraduate internship and entry-level career success. The constructs employed in the study included 13 career skills, GPA, major area of study, years of work experience, time to obtain first full-time job offer, starting and current salaries, and five measures of job satisfaction. Since some of the dependent variables are known to be correlated (e.g., starting salary and current salary, writing skills and résumé writing), multivariate analysis (MANOVA) was employed to provide a control for type I error associated with multiple ANOVAs (Hair et al. 1995). Intercorrelation was examined using Box's (1978) M,

while Hotelling's (1931) test and power analysis were used to determine if the between-group differences detected were statistically significant and of any importance. When significance was detected across independent groups, appropriate univariate statistics were used to determine which dependent variable(s) accounted for the difference (e.g., ANOVA, chi-square, and *t*-tests). A brief description of each construct follows.

Career Preparation

Respondents were asked to consider career training received at the university and to provide their level of agreement or disagreement with the phrase "prepared me exceptionally well" for each of the 13 skill areas. A 5-point scale was used (5 = *strongly agree* to 1 = *strongly disagree*). In a subsequent question, those respondents who had indicated participating in an internship were asked the same skills preparation questions again, only this time in relation to the preparation received through their internship experience. The order of the 13 skills was altered to deter respondents from simply copying their earlier university preparation ratings.

Career Success

The study employed constructs that assess both extrinsic and intrinsic dimensions of early career success (Hunt, Chonko, and Wood 1986). Extrinsic success was quantified using three external reward measures of early career success: time to obtain first full-time position, starting income, and current income. To measure time to obtain their first position, respondents were asked to indicate whether they received their first full-time job offer prior to graduation or, if not, to indicate the number of months after graduation. To assess financial reward, respondents were asked to provide both their initial and current salaries by checking one of nine income categories, ranging from less than \$20,000 to more than \$50,000. Intrinsic success was measured by asking respondents to indicate their level of satisfaction with their salary, benefits, coworkers, and supervisors. Finally, a measure of overall success was captured by respondent ratings of overall job satisfaction. All satisfaction responses were reported on a 5-point scale ranging from *very satisfied* (5) to *very unsatisfied* (1). Alpha coefficients were obtained, which indicated high reliability for each scale: 0.8001 for extrinsic success and 0.8195 for intrinsic success.

Experience

Recent graduates differing in work experience by 1 to 5 years were expected to be compensated differently due to annual raises, merit increases, increasing sales commissions, and promotions. Therefore, years of work experience is needed as a control variable (Hunt, Chonko, and Wood 1986). Experience was assessed by comparing undergraduate degree date with responses to time since graduation and the number of months to obtain their first full-time position.

Grade Point Average

To control for differences in early career success due to undergraduate academic performance, respondents were asked to indicate their final cumulative GPA. Responses ranged in quarter-point increments from > 2.00 to > 3.75 . The range coincided with the minimum GPA required to graduate (2.00), up through all levels of honors (cum laude, magna cum laude, and summa cum laude).

Major Area of Study

To assess any differences among early career success due to differences in primary area of study, business alumni were asked to specify their undergraduate major: accounting, economics, finance, marketing, or management. Although not provided within the university database, respondents were also able to indicate if they graduated with a double major.

Graduate Education

Although the study investigated the early career success of relatively recent graduates, respondents were asked to specify whether they were enrolled in or had completed an MBA, M.S. in business, or other graduate degree program. The lack of graduate education information in the alumni database precluded including this variable in the sample matching criteria.

ANALYSIS AND RESULTS

Survey Response

Of the 446 surveys mailed, 437 were deliverable. Of that number, 98 interns and 46 noninterns (144 total) completed the surveys for an effective response rate of 33%. This yield was much higher than the university's historical alumni survey response rate of 15% to 20% and equaled that of Kelley and Gaedeke's (1990) study of employer hiring criteria. The average respondent was 24.1 years of age, had worked 1.6 years, and had graduated with a 2.98 cumulative GPA. Seventy-eight (54.9%) of the 142 respondents were female, and 73 (51.4%) were marketing majors. While it may seem that the marketing major was overrepresented in the sample, the discipline accounted for 53% of all internships among the university's four business departments during the sample period. Of the 144 alumni responding, 10 were enrolled in graduate business programs, and 2 had earned a graduate degree (M.S. in business). No significant differences were found between groups regarding graduate education status. However, due to differences in extrinsic rewards associated with graduate degrees, the 2 interns who had earned the M.S. in business degree were eliminated from the sample. MANOVA and chi-square analysis comparing the remaining samples of 96 interns and 46 noninterns indicated no significant differences in distribution of the five key sample-matching criteria (age, experience, GPA, gender, and major).

The response rate and demographic comparison taken together indicate that representative and matched samples of recent business alumni interns and noninterns had been obtained. The results of the statistical analysis of career preparation and career success should therefore be generalizable to the population of intern and nonintern business alumni.

Career Preparation

MANOVA analysis indicated that the intern and nonintern alumni samples received equivalent university-delivered career preparation for all 13 skill areas evaluated. However, an analysis of the intern sample responses indicated a significant difference between university and internship preparation for 5 skill areas (see Table 1). Interns rated the internship as providing a higher level of career preparation in 2 of the 5 academic skills (computer applications and creative thinking), 2 of the 4 job acquisitions skills (job interviewing and job networking), and 1 of the 2 interpersonal skill areas assessed (relationship building). Interns rated the university as providing better preparation in one of the communication skills (oral presentation). Finally, interns reported no significant differences between the internship and university for the remaining 7 career preparation skills (analytical skills, information search, problem solving, résumé writing, leadership and teamwork, proposal writing, or written communication).

The exploratory nature of the research suggests that the career preparation differences are subject to a variety of interpretations. The internships may in fact have provided better preparation than the university in the 5 skill areas mentioned. On the other hand, perhaps the internship simply provided a more novel, timely, and contextually rich exposure to these career skills already learned at the university. For example, interns may have experienced greater exposure to a variety of new and business-specific software applications. Although many of the basic skills needed to use the application may have been learned earlier at the university, the intern respondent may feel that the business implementation of this basic computer knowledge to be more relevant. Intern alumni may be overlooking the fact that the specific applications are likely to soon become obsolete, while the basic computer skills taught at the university may continue to be relevant for the next generation of software. Alternatively, experiencing these five skill areas firsthand during the internship may be viewed as better training than learning them in a classroom setting. Similarly, the university might have been rated higher on oral presentation preparation, as the university likely required more oral presentations than did the internships. In any event, significant differences existed for career preparation in 6 of the 13 skill areas. The next step, therefore, was to determine if there were any significant differences between interns and noninterns on the outcome measures of career success.

TABLE 1
INTERNS' RATINGS OF CAREER SKILL PREPARATION (UNIVERSITY VS. INTERNSHIP)

Career Skills ^a (N = 96)	University Preparation	Internship Preparation	Paired t-Test	
			t	Significance (two-tailed)
Academic skills				
Analytical skills	3.905	4.032	1.255	.213
Computer applications	3.468	3.957	4.186	.000
Creative thinking	3.737	3.979	2.567	.012
Informational search	2.936	3.064	1.269	.208
Problem solving	3.968	4.074	1.043	.300
Job acquisition skills				
Job interviewing	3.305	3.674	2.984	.004
Job networking	2.875	3.427	3.478	.001
Résumé writing	3.453	3.568	-.926	.357
Interpersonal skills				
Leadership and teamwork	4.075	4.202	1.464	.147
Relationship building	3.895	4.274	3.767	.000
Communication skills				
Oral presentation	4.021	3.579	-3.855	.000
Proposal writing	3.032	3.190	1.432	.156
Written communication	3.823	3.700	-1.168	.246

NOTE: Ratings are for agreement with *prepared me exceptionally well* (mean rating: 5 = *strongly agree* to 1 = *strongly disagree*).

a. Cronbach's alpha coefficient of .8708 indicates highly reliable scale.

Extrinsic Career Success

Alumni with internship experience reported significantly higher levels of extrinsic success than their nonintern counterparts (see Table 2). Interns reported receiving greater entry-level compensation than noninterns, with starting salaries averaging \$2,240 (9.23%) higher than noninterns. This higher level of monetary compensation is consistent with the authors' expectations that graduates with direct industry experience would be more likely to receive offers at the upper end of the entry-level salary range. Salary information provided by employers, the university's Career Development Center, and the National Association of College Educators (NACE) indicated that the typical salary spread for undergraduate business students was about \$2,000 to \$3,000. Surprisingly, the spread between interns and noninterns continued to increase beyond the starting point, as current salaries averaged \$4,600 (16.9%) more for interns. The data suggest that higher current salaries may be the result of starting employment sooner. Interns' time to obtain first position was significantly shorter (1.98 months) than for noninterns (4.34 months). By starting work earlier, interns likely reached their periodic evaluations and salary reviews sooner. The reduced time to obtain employment may be explained by the perception that internships provide better preparation in job acquisition skills. Interns rated their experience higher than the university for both job interviewing and job networking (see Table 1). The reduced search time might also be explained by the fact that interns have direct industry experience. They therefore may know what they want and do not want in a position earlier in the process of finding a full-time job. Interns

with full-time job offers from their internship employers are able to leverage this fact when interviewing with other employers and thereby speed up the search process. In some instances, interns who accepted these offers were able to negotiate the inclusion of their internship time toward their first performance review and thereby obtained earlier salary increases. Responses to open-ended questions about current job titles and compensation components suggest that intern alumni in general earn higher current salaries as a result of earlier promotions and year-end bonuses. Finally, interns with field sales experience would also be expected to be farther along the commission-earning curve than new recruits without such prior training.

Further analysis revealed that for undergraduate business alumni, neither major area of study nor GPA was correlated with extrinsic success. There was also no correlation between success measures and gender. Tests for interactive effects involving GPA, major, gender, and other demographic factors also failed to produce any significant results. For alumni with equal years of experience, only internship participation resulted in a significant difference in extrinsic rewards. Moreover, the positive effects of internship participation on extrinsic rewards persist for the entire 4-year period studied. The next step in the analysis was to determine if internship participation influences any of the nonmonetary intrinsic measures of career success or overall job satisfaction.

Intrinsic Success

There were no significant differences between intern and nonintern alumni on satisfaction with coworkers and supervi-

TABLE 2
EFFECTS OF INTERNSHIP PARTICIPATION ON EXTRINSIC CAREER SUCCESS

Extrinsic Success Measure	Interns (N = 94)	Noninterns (N = 44)	Difference (N = 138)	Multivariate Test of Between-Subjects Effects		
				F	Significance	Power
Time to obtain first position (months)	1.98	4.34	2.36	4.083	.04	.509
Annual income						
Starting salary	\$26,490	\$24,250	\$2,240	3.995	.048	.510
Current salary	\$31,690	\$27,090	\$4,600	8.779	.004	.837

NOTE: Multivariate analysis of effects of internship participation on time to find first job, starting salary, and current salary. Hotelling's trace test of significance = .010; power = .800; coefficient alpha = .8001.

sors for either their first or current positions. That is, the degree of satisfaction with relations developed in the workplace did not vary according to participation in an internship program. The findings agree in part with Hunt, Chonko, and Wood (1986). Hunt's team found that graduates with MBA degrees reported significantly higher extrinsic success (income) but exhibited no differences from their non-MBA corporate counterparts on intrinsic success measures.

Overall Job Satisfaction

Intern alumni in the current study reported significantly higher levels of overall job satisfaction for both their first and current positions. Correlational analysis indicated that these higher levels of overall job satisfaction were related exclusively to satisfaction with extrinsic reward measures of salary and benefits.

IMPLICATIONS FOR EMPLOYERS AND THE UNIVERSITY

Internship programs provide significant benefits to students in terms of career preparation and income but also offer valuable advantages for participating business organizations and universities (Brightman 1989). Many companies recognize the importance of interns as a future source of employees with qualified experience (DiLorenzo-Aiss and Mathisen 1996). According to the Lindquist/Endicott Report from the Career Management Research Institute in Oakbrook, Illinois, 26% of all new hires in 1994 had internship experience. The figure was significantly higher than the 17% reported in 1993, with "every indication to believe that [the percentage] is increasing" (Pianko 1996, p. 31). One ardent corporate supporter of intern programs, Hewlett Packard, recruited a record 70% of its workforce in a single year from its pool of interns (Watson 1995). In addition to increasing their pool of qualified candidates, businesses have found that they can reduce their cost-per-hire by recruiting interns (Pianko 1996), saving as much as \$15,000 per person (Watson 1995). Moreover, internships provide organizations with a long-term strategy for maintaining a strong presence on campus during economic downturns and other periods of limited hiring. Perhaps

internship programs hold similar recruiting and financial opportunities for the university.

Some college relations managers have suggested that intern programs are a recruitment technique whose time has passed. However, ongoing surveys and focus group research with college students and recent graduates throughout the country indicate otherwise. When asked to identify the single most effective college recruiting strategy, placement directors, recent graduates, and current students resoundingly agreed that internships are best (Scott 1992, p. 59). Demographic data also provide strong support for continued use of internships as a university recruiting tool into the next millennium. According to the 1991 *Statistical Abstract of the United States* (U.S. Department of Commerce 1991), traditional college-age students (i.e., those ages 18-24) are projected to continue to decline at a rate of 17% between 1980 and the year 2000 (from 30.4 to 25.2 million). This dwindling number of prospects demands that universities increase their marketing efforts to attract prospective freshmen. Internship programs provide a value-added means of attracting high-caliber business students who desire a real-world experience as part of their education. At the university studied, three major area corporations in the hospitality, consumer food, and marketing research sectors award scholarships covering 100% of the university tuition for interns. A biopharmaceutical firm employing interns initiated a joint venture with the university to train student interns to assume positions in its product development division.

In addition to providing a means to showcase valuable real-world training awaiting prospective students, intern programs may also benefit the university by accelerating corporate fund-raising efforts. The penetration of interns into area businesses increases the number of personal connections with the university, thereby enhancing the potential to secure corporate funding for research and other university development initiatives. While the benefits for the institution appear to be many, intern programs are not without their pitfalls.

A primary goal of many universities is that its students receive a quality education and that the university be perceived in a positive light by the community it serves (Scott, Ray, and Warberg 1990). For some in academia, internship

programs not only detract from a student's academic pursuits but also diminish the university's self-image, which is essential to the university's funding. Some faculty and administrators feel that internships are nothing more than part-time jobs, with interns providing a source of cheap labor in return for an easy "A" (e.g., Etheridge 1987). Still others believe that intern programs lack sufficient quality control across departments, varying widely in terms of education, supervision, organization, and cost (Belanger and Tremblay 1983). While these negative perceptions may be unwarranted on many campuses, steps should be taken to ensure that perception does not become reality. Potentially detrimental factors are easily prevented or counteracted with carefully designed programs that have clear academic objectives, sufficient educational content, and commensurate standardized evaluation methods (Scott, Ray, and Warberg 1990). Moreover, proper integration and organization of program content and evaluation methods foster positive perceptions of the institution. The university is perceived as ensuring that the interests of all constituents are properly balanced (i.e., those of the students, the university, and the business community) (Rubin 1982). The current research suggests that the rewards afforded by internship programs are significant to all parties. Universities, therefore, must exert the necessary effort to ensure that only the most positive perceptions about intern programs exist.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

This study is the first to empirically investigate the effects of internships on the careers of undergraduate business students after they have entered the workforce. The sample was found to be representative of undergraduate business alumni on a number of predetermined demographic and career-related criteria. However, the sample was drawn from a single institution and therefore may not apply to all institutions of higher learning. For example, interns enrolled at nationally recognized (elite) universities may enjoy less of an advantage over their nonintern peers than their counterparts at less prestigious institutions. That is, the recognition that comes with attending a name school may overshadow the benefits of the internship. While the university in the current study has a good reputation in the region, it is classified as a value institution, and its students often report low tuition as a primary factor for enrolling. Career success may also vary with the prestige of the intern employer, and future research examining prestige as a mediating variable may prove fruitful.

To further broaden the scope of field experience research, a follow-up survey of area employers may assess any discontinuity between the companies' and interns' perceptions of the effects of internships on career skill preparation. Finally, future research may survey alumni beyond the first few years following graduation. As Hunt, Chonko, and Wood (1986) discovered, the extrinsic income benefits that initially

accrued to those with MBA degrees diminished over time and were nonexistent after 10 years. At what point do the career advantages of having participated in an internship dissipate?

CONCLUSION

A critical but often overlooked area of higher education is the career success of graduating seniors. This study concludes that experiential education plays a vital role in enhancing the preparation and success of undergraduates in the entry-level job market. Internships provide students (and faculty) with a means of bridging the gap between career expectations developed in the classroom and the reality of employment in the real world. The study provides empirical evidence to support earlier perception-based research suggesting that interns would be better prepared to enter the job market (Groves et al. 1977; Hite and Belizzi 1986) and would enjoy greater job satisfaction (Bales 1979). Business undergraduates with internship experience reported better preparation in job acquisition skills and obtained their initial employment positions more quickly than noninterns. Interns also reported earning higher salaries and experiencing higher levels of overall job satisfaction than their nonintern counterparts. Benefits also accrued to organizations that hire interns. Internship programs provide employers with a known pool of high-quality employees at a significant savings in recruitment costs. Finally, internship programs offer tremendous potential for improving the relationship between the university and the business community. Training and other business partnerships forged between universities and employers may serve as a catalyst for garnering new sources of external funding. Indeed, the benefits of internships are many, and marketing educators are uniquely suited to promoting the advantages of internships evidenced in this and other research to their students, university colleagues, and the business community. Internships provide a unique win-win-win opportunity for all three of these important constituents.

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