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## Undergraduate Internship Attachment in Accounting: The Interns Perspective

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### Abstract

Increasingly, internship has become an essential component of the undergraduate programme. It provides students with a smooth transition from the on-campus environment to the working environment. It is often viewed as a 'win-win' situation for both the intern and the intern's employers. Students are able to learn about the profession and gain practical experience while simultaneously being able to reflect on what they have learned in the classroom. Employers benefit from internships as interns are sources of future employees. This paper examines whether the expected benefits of internship, as perceived by interns before going for their internship, are actually achieved.

**Keywords:** Internship, Interns, Intern's employers, Gap, Accounting

### 1. Introduction

Most higher learning institutions in this country offer internships for their undergraduate students to provide a smooth transition from the academic world to the working environment. Internships have taken on an increasingly important role in business education over the past decade (Tackett *et al.*, 2001). Internships provide many advantages to students ranging from gaining experience and obtaining career-related direction to networking (Lubbers, 2007/8). Institutions offering internship programmes benefit through increased cooperation and rapport with the industry (English and Koeppen, 1993). Employers also benefit from these programmes, as internships can provide them with inexpensive help, new ideas and potential future employees (Rothman, 2007; Cannon and Arnold, 1998). Therefore, internships benefit students, institutions and employers (Cook *et al.*, 2004; Lam and Ching, 2007).

This paper is organized as follows; the first section provides the review of relevant literature on internship, followed by a discussion on the research methodology adopted in this study. The remaining sections report the findings and conclusion of the study.

### 2. Literature Review

Furco (1996) defines internship as engaging students in service activities primarily for the purpose of providing them with hands-on experience that enhances their learning or understanding of issues relevant to a particular area of study.

According to Lam and Ching (2007) internship can assist students to bridge the gap between the academic learning process and the practical reality. McMahon and Quinn (1995) note that internship is considered as 'supervised work experiences' where students are closely supervised during their internship attachment.

Prior research highlights various issues on internship attachments, including the importance of relevant practical experience for students (Mounce *et al.*, 2004); effects of internship predictors on the successful field of experience (Beard and Morton, 1999); the importance of practical experience towards recruiting decisions of accounting employers (Pasewark *et al.*, 2001); study on accounting internships and subsequent academic performance (English and Koeppen, 1993) and benefits and limitations of internships (Hyman-Parker, 1998).

The study aims to examine the perceptions of interns on various issues before and after their internship attachments to identify whether any gap exists in their perception. Issues are focused on what interns have learnt; the process by which they learnt; the effect of what has been learnt on their expectations of their future profession; and choices of their future career.

The internship programme contributes significantly and positively towards enhancing the knowledge base and motivational level of students (Beard, 1998). According to her, this experience can make subsequent study more meaningful and is useful to develop students professionally before entering the workplace. In 2007, the International Federation of Accountants (IFAC) issued the International Education Practice Statements (IEPS) 3: Practical Experience Requirements – Initial Professional Development for Professional Accountants, which stresses the importance of integrating formal education and practical experience in enabling graduates to develop their professional knowledge and professional skills. According to Beard (1998) this integration process may be achieved through an internship attachment. Burnett (2003) reports a finding of a study conducted to initiate changes in accounting education, which states that the best outside classroom learning activities are through an internship attachment. Findings of various studies have provided support for this suggestion (see for example: Mihail, 2006; Hall *et al.*, 1995; Bernstein, 1976; Hursch and Borzak 1979; Eyler 1992).

The rationale in offering the internship attachment as part of the academic programme is that students benefit from these internship experiences and exposure. Benefits include improvements in career-related direction (Lubbers, 2001; Beard and Morton, 1999), gaining practical experience (Lubbers, 2001), improved marketability of graduates (Swift and Kent, 1999; Hyman-Parker, 1998), job expectations (Knouse *et al.*, 1999), interpersonal skills (Beard and Morton, 1999), leadership (Cook *et al.*, 2004) and understanding of the business applications of classroom learning (Cook *et al.*, 2004; Hyman-Parker, 1998).

Hite and Bellizi (1986) found that the most commonly agreed benefit of internship attachments for students is in providing a valuable learning experience that complements their coursework. Students have described internship attachment as a bridge between the theory of the classroom and the world of practice (Nevett, 1985). Internship programmes are perceived as a valuable way to acquire broad competencies where the practical knowledge obtained supports and complements the theoretical studies learned in the classrooms (Mihail, 2006). Empirical research in cognitive psychology has established that prior experiences are able to enhance the performance in fairly complex learning and problem solving tasks (Britton and Tesser, 1982). Ricks *et al.*, (1989) argue that when individuals apply their work experience to a subsequent learning environment they can better analyze and question the theory, thus, serving as a learning condition that fosters and sustains the work and school environments. Both students and employers strongly agree that experience and exposure to the real job setting obtained from the internship programme are more valuable than additional coursework i.e. case studies and guest speakers in classes (Hall *et al.*, 1995). Internship attachments are also found to successfully enhance students' performance in accounting and auditing courses as well as in their overall GPA performance (English and Koeppen, 1993; Knechel and Snowball, 1987).

The internship experience is argued to be beneficial in socialising the student through training, teamwork assignments, meetings with clients or employees, and various events hosted by the organization they are attached to during their internship (Lubbers, 2007/8). It was found that graduates with practical experience report positive changes in feelings of personal and social efficacy (Bernstein, 1976) and show a greater sense of responsibility and career development (Hursch and Borzak 1979; Eyler 1992). Mihail (2006) noted that interns have successfully developed their personal skills, particularly relating to information technology, time management, communication skills, teamwork, specialist knowledge and ability to prioritize tasks.

Internship is perceived as the most effective strategy for the employment opportunity (Callanan and Benzing, 2004; Brooks *et al.*, 1995; Knouse *et al.*, 1999; Taylor, 1998 and Scott, 1992). Practical experience and exposure gained during the internship programme are found to be helpful in improving career decision making (Brooks *et al.*, 1995; Taylor, 1998). Internship is the best way for students to explore the suitability of a particular job (Scott, 1992). According to Cannon and Arnold (1998), internship may pave the way for permanent employment upon graduation as well as providing an in-depth understanding of actual business practice. It was found that business school graduates that have gone through an internship attachment tend to secure their first jobs faster than graduates without internship experience (Knouse *et al.*,

1999). Further, business graduates with internship experience are likely to get conspicuously higher starting pay and report greater job satisfaction compared to their non-internship counterparts (Gault *et al.*, 2000).

Various researches investigate the expectations of students and employers towards the internship programme. Tackett *et al.* (2001) mention four specific areas, namely, ethics, oral and written communication skills, office conduct and technical skills where interns and employers have conflicting perceptions. Students hope to receive monetary rewards and be treated as regular employees. However, employers are not willing to treat interns as regular employees and, thus, normally assign duties that are more appropriate for college students (Hall *et al.*, 1995). Employers are warned not to treat interns as part-time employees as this will result in an unsatisfactory internship and will most likely damage the relationship between the employer and the universities (Tackett *et al.*, 2001).

Universities should be responsible to ensure that internships are meaningful learning experiences for their students (Tackett *et al.*, 2001). According to them, this may be accomplished by careful examination of feedback from employers and interns; and is followed by the modification of the internship programme accordingly.

### 3. Research Methodology

The current study has been undertaken to examine intern's perceptions on the selected issues relating to the internship attachment, before and after the internship attachment. For that purpose, seven page questionnaires were distributed to accounting students who have completed their internship attachment at one of the public universities.

The questionnaire was designed based on the assessment prepared by the faculty and needs to be completed by each supervisor at the attachment place. The assessment contains a list of questions that encompass all aspects of the curriculum covered by the Bachelor of Accounting programme offered by the faculty. The questionnaire was piloted among the accounting final year students in the faculty. Accordingly, ten sets of questionnaire were distributed. The researcher received nine responses with comments on the wording, sequencing of questions, and whether the questions made sense and were relevant to the research objective. After taking into consideration all the comments and notes given by those who responded, the questionnaire was subsequently amended.

The modified version of the questionnaire is divided into four sections, namely, Section A: Demographic profile of students; Section B: Students' perception before going for the internship attachment; Section C: Students' opinion after the internship attachment; and Section D: Other related issues. Once gathered, the data was tested for normality and reliability. The results of the normality test indicate that all items are reasonably normally distributed.

### 4. Results and Discussions

A total of 243 students were involved in the internship attachment for the academic session of 2007/2008. However, only 156 questionnaires were returned, representing a response rate of 64.20%. A demographic profile for the interns is captured in Table 1. The majority of the interns are female and more than half are Chinese. The majority of the interns did their internship attachment in accounting/auditing firms. In terms of location, 68.6 % of interns chose to do their internship in Kuala Lumpur/Selangor.

The paired sample *t*-test is used to measure the gap in the interns' perceptions of what can be achieved from the internship attachment before they go for their attachment and what is actually achieved from their attachment after they have completed the attachment. The results are presented in Table 2.

Generally, we may conclude that they have not achieved what they expect to benefit from their attachment. Comparing the two mean values obtained for items under the two situations (i.e. before and after) it reveals that eighteen of the mean values for items under the situation "before" are higher than those mean values for the same items under the situation labelled as "after". The result shows that there are gaps between what is expected to be achieved from the internship attachment and what is actually achieved by the interns. This finding is similar with the finding in Lam and Ching's (2007) study, which indicated that student's expectations before and after the internship were unmet. The two items that interns perceived as being achieved were item 8 (i.e. enhancing knowledge in the public sector accounting) and item 20 (i.e. providing the necessary information and experience in choosing the right career path upon graduation). For these two items the mean values in the column "after" are higher, indicating that interns have achieved their expectation, however, the *t* values for these two items are not significant. For item 8, this finding partly supports the result of English and Koeppen (1993) and Knechel and Snowball (1987), which suggests that internship is able to improve the academic performance of interns. While in the case of item 20, internship successfully improved the interns' career direction, as suggested by Beard and Morton (1999) and Gault *et al.* (2000). However, Cook *et al.* (2004) and Lam and Ching (2007) found that interns do not perceive the internship experience as an important element regarding career choice for students.

The gaps are found to be significant for items 2; 5; 14 and 16. Students do not benefit from the internship attachment in obtaining the relevant knowledge and practical experience to assist them to better adapt to their future working environment. This might indicate that students are not being treated as regular employees and, thus, are not being given appropriate or specific tasks to expose them to a proper job setting and experience. As highlighted by Lam and Ching

(2007) intern students are normally treated as floating members to make up for those employees who are on leave. Auditing is always perceived to be a “dry” subject. This perception may possibly lead the interns to put the high expectation on the internship attachment in enhancing their knowledge in external auditing in particular. This finding contrasts with the results obtained by Knechel and Snowball (1987) who found that the internship has successfully enhanced the interns’ understanding in auditing. In general, it may be concluded that the internship experience does not help the interns to improve their technical skills, except in public sector accounting. It is also found that the attachment failed to improve interns’ interpersonal skills as reflected in the higher mean values in the column ‘before’ for item 14. This finding contrasts with Beard and Morton (1999) and Lam and Ching’s (2007) studies that found the internship programme successfully improved the soft skills of interns. The interns also felt that they are not getting appropriate exposure to the latest technology used in the workplace they are attached to. Again, this finding contrasts with the results found by Gault *et al.* (2000) where interns responded that they have experienced greater exposure to a variety of new business specific software applications. The majority of the interns were attached to relatively small audit firms that still maintain manual recording and auditing processes. Most of these firms are only exposed to the usage of automated working papers instead of automated audit software. Thus, possibly giving rise to such a result.

Students have been asked who they think should be responsible to arrange their internship placement. The majority felt that the faculty should work together with them for the placement, thus supporting the finding of previous studies, which concluded that a successful internship programme requires the faculty’s involvement (Tackett *et al.*, 2001; Maskooki *et al.*, 1998). The majority of interns think that the most appropriate internship period should be six months. Mihail (2006) also found in his study that most of the interns preferred to have internship periods ranging from six to nine months instead of three months. This indicated that interns are willing to have a longer internship period and believe that they can learn more within a six month period.

## 5. Conclusion

In general, we may conclude that the interns perceive the internship attachment as not able to give them the expected benefits. However, the internship is regarded as successfully providing guidance to them in choosing their career path as well as in enhancing their knowledge of public sector accounting. The interns generally felt that the present internship period of ten to twelve weeks is not sufficient for them to learn and gain the expected knowledge from the attachment. This factor may possibly contribute towards the gaps in their perception as described in the preceding section. The same feedback is noted from employers when members of the faculty visited the interns at their place of attachment. Further study needs to be conducted to find out the reasons for these gaps.

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Table 1. Demographic Profiles for BACC Students

	<b>Frequency</b>	<b>%</b>
<b><i>Gender</i></b>		
Male	32	20.5
Female	124	79.5
<b><i>Ethnicity</i></b>		
Malay	37	23.7
Chinese	112	71.8
Indian	6	3.8
Others	1	0.6
<b><i>Academic Qualifications</i></b>		
STPM	41	26.3
Diploma	103	66.0
Matriculation	12	7.7
<b><i>Institutions of Placement</i></b>		
Accounting/Auditing Firm	127	81.4
Trading Companies	4	2.6
Financial Companies	3	1.9
Others	22	14.1
<b><i>Location</i></b>		
Kuala Lumpur/Selangor	107	68.6
Others	49	31.4
<b><i>Years of study</i></b>		
Third year	9	5.8
Final year	146	93.6
<b><i>Duration of Internship</i></b>		
10 Weeks	151	96.8
12 Weeks	5	3.2
<b>Total Interns: 156</b>		

Table 2. Perception of Interns Before and After the Internship Attachment

No		Mean (Before)	Mean (After)	Std. Dev	t value (sig. p<0.05)
1	<i>The internship experience is able/had prepared me to be a better employee in the future.</i>	5.72	5.58	0.902	0.064
2	<i>The internship experience provides/has provided me with the relevant knowledge and practical experience to assist me in adapting myself to my future working environment.</i>	5.83	5.63	0.757	0.001
3	The internship experience will help/helped me to relate the theories learned in the classroom to the work environment.	5.21	5.19	0.926	0.796
4	The internship experience will help/helped me to enhance knowledge in internal auditing.	4.51	4.36	1.433	0.182
5	<i>The internship experience will help/helped me to enhance knowledge in external auditing.</i>	5.29	5.12	1.050	0.048
6	The internship experiences will help/helped me to enhance knowledge in financial accounting and reporting.	5.17	5.14	1.044	0.702
7	The internship experiences will help/helped me to enhance knowledge in management accounting.	4.31	4.19	1.308	0.269
8	The internship experiences will help/helped me to enhance knowledge in public sector accounting.	3.49	3.58	1.285	0.419
9	The internship experiences will help/helped me to enhance knowledge in tax accounting.	4.82	4.76	1.307	0.538
10	The internship experiences will help/helped me to enhance my ability to prepare financial statements.	5.09	5.03	0.961	0.403
11	The internship experiences will help/helped me to have better understanding in interpreting and evaluating financial statements.	5.29	5.23	0.840	0.342
12	The internship experiences will help/helped me to develop my problem solving skill.	5.31	5.27	0.849	0.572
13	The internship experiences will help/helped me to develop my communication skill.	5.57	5.54	0.860	0.709
14	<i>The internship experiences will help/helped me to develop my interpersonal skill.</i>	5.80	5.52	0.849	0.000
15	The internship experiences will help/helped me to improve my personal confidence and self-esteem.	5.49	5.38	0.950	0.131
16	<i>The internship experience is able/had given me the exposure to the latest technology adopted in the work place.</i>	5.15	4.88	1.252	0.007
17	The internship attachment is able to/had given me the opportunity to build up rapport and networking with people in the industry and business arena.	5.09	5.07	0.926	0.796
18	The internship attachment is able to/had given me the opportunity to earn some money.	4.90	4.74	1.100	0.060
19	The internship attachment will provide/had provided me with the necessary job experience that can improve my chances to get a good job upon graduation.	5.55	5.52	0.953	0.675
20	The internship attachment will provide/had provided me with the necessary information and experiences to choose the right career path upon graduation.	5.50	5.61	0.926	0.120