

The Economic Benefit Of Internship Program For Economics and Business Students

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Abstrak

Tujuan dari penelitian ini adalah untuk mengidentifikasi keuntungan finansial yang ditawarkan oleh program magang bagi mahasiswa Fakultas Ekonomi dan Bisnis, terutama dengan kaitannya dengan peningkatan pendapatan selama masa studi dan dampaknya terhadap ekspektasi gaji setelah lulus. Studi ini dilakukan dengan pendekatan kualitatif dan studi kasus. Data dikumpulkan melalui wawancara menyeluruh dengan tiga siswa yang mengikuti program magang di lembaga keuangan, yaitu Otoritas Jasa Keuangan (OJK) dan Bank Syariah Indonesia (BSI). Hasil penelitian menunjukkan bahwa setiap responden mengalami peningkatan pendapatan selama magang, yang membantu mereka membiayai pendidikan mereka. Selain itu, dua dari tiga responden menyatakan bahwa pengalaman magang meningkatkan ekspektasi gaji mereka setelah mereka lulus. Temuan ini menunjukkan bahwa institusi pendidikan harus membantu siswa mendapatkan pengalaman kerja yang relevan. Jadi, program magang tidak hanya meningkatkan kemampuan siswa dan mempersiapkan mereka untuk bekerja, tetapi juga memberikan keuntungan finansial nyata selama studi mereka dan membantu mereka memilih jalan karier mereka di masa depan.

Kata Kunci: Bisnis, Ekonomi, Mahasiswa Program Magang.

Abstract

The purpose of this research is to identify the financial benefits offered by internship programs for students of the Faculty of Economics and Business, particularly in relation to the increase in income during their studies and its impact on salary expectations after graduation. This study was conducted using a qualitative approach and case study. Data were collected through in-depth interviews with three students who participated in internship programs at financial institutions, namely the Financial Services Authority (OJK) and Bank Syariah Indonesia (BSI). The research results show that each respondent experienced an increase in income during the internship, which helped them finance their education. Additionally, two out of three respondents stated that the internship experience increased their salary expectations after graduation. These findings indicate that educational institutions should help students gain relevant work experience. So, internship programs not only enhance students' skills and prepare them for work, but also provide real financial benefits during their studies and help them choose their career paths in the future.

Keywords: Business, Economics, Internship Program, Students

INTRODUCTION

The demand for labor is presently diminishing owing to a scarcity of employment options. Consequently, the majority of companies exhibit a great level of selectivity regarding applicants, often necessitating the most significant talents and experience (Brucker et al., 2021; Kwok, 2022). Furthermore, it acts as a cautionary note for job searchers to augment their skills. Mgaiwa (2021) argues that the competition arising from the disparity between available employment opportunities and the influx of graduates entering the labor market requires students to enhance their academic qualifications to improve their abilities and augment their employability and competitiveness. Consequently, the internship program seeks to enhance their competencies. The internship program is a crucial component that enables students to acquire further experience in work environments post-graduation. Comprehensive studies demonstrate that internship experience enhances students' employability, and those with such experiences generally secure higher salaries

(Bolli et al., 2021; Chen & Gan, 2021). These students are recognized for securing employment offers more rapidly than their peers, demonstrating enhanced professional readiness, and showcasing outstanding critical thinking abilities (Gault et al., 2000).

Khin and Ho (2019) The research findings demonstrated that internship programs significantly enhance students' skills. Moreover, throughout the apprenticeship, they cultivated an understanding of their strengths. They comprehended the distinctions between academic and professional environments and the techniques for efficient communication with others. They sought to acquire substantial experience beyond the classroom. They are now prepared to enter the professional domain. Thus, the preceding discussion highlights the benefits and improvements students can adopt to boost their professional effectiveness after graduation. Nonetheless, there is an absence of thorough discussion concerning income production during internships. The compensated internship program substantially enhances their financial remuneration. Nevertheless, this inquiry presents the subsequent inquiries.

1. Does the internship program augment money generation throughout university studies?
2. Does the internship program assist students in establishing wage expectations post-graduation?

An internship is a program that enhances the capability of the students. Jawabri (2017) mentioned that internships may possess varying definitions contingent upon the interpretations of diverse academics. Nonetheless, internship activities, regardless of the discipline, confer distinct advantages. Interning in a company primarily provides students with a beneficial and pragmatic learning environment, enabling them to engage with the real world. Lord et al. (2011) Articulated that an internship immerses students in the identical variables encountered by a full-time job in a professional setting. The problems encountered during employment shape the satisfaction experience, which is influenced by the intern's skill regarding the assigned assignment. A task for which the intern may be overqualified could yield high competence yet low satisfaction. Waqar (2024) Internships provide students with practical, real-world experience that enriches their academic education. This exposure allows them to understand workplace dynamics and apply theoretical knowledge professionally. Furthermore, research demonstrates that students who engage in internships are more likely to receive work offers post-graduation compared to those without such experience.

Internships enable students to explore diverse career paths within their field of study. They can discern their competencies and preferences, enabling informed job choices. Internships cultivate soft skills and interpersonal competences, such as professionalism, cultural sensitivity, time management, and honesty, which are sometimes lacking in traditional higher education curricula (Holyoak, 2013; Shoenfelt et al., 2013). Accounting interns say that interpersonal skills were the foremost expertise gained throughout their internship. Employers recognized integrity and professionalism as the requisite skills. Furthermore, the opportunity to acquire skills and experience through internships bolsters self-efficacy, influencing entrepreneurial aspirations (Shoenfelt et al., 2013, p. 2). Interns are allocated greater responsibility and granted the authority to take ownership of their assignments.

METHOD

This study utilized a qualitative approach methodology to investigate the economic advantages of internship programs for students in economics and business. The qualitative approach is a study methodology employed to comprehend the meanings, perspectives, experiences, and interpretations of individuals or groups concerning a social phenomena or reality. Qualitative research prioritises context, process, and depth of knowledge over the quantity or generalisability of data. Data is typically gathered by comprehensive interviews, observations, and

document analysis (Lim ,2025). This method was used to provide a more thorough response on income generation during students' internship programs. This research design was a case study, as the researcher investigated the specific advantages of the internship program. The researcher and the interview guide served as the instruments employed in this study. The interview guide had seven items aimed at evaluating the economic advantages of an internship program for students in economics and business. The tool can focus on multiple dimensions, such as financial advantages, skill enhancement, employment opportunities, and long-term career effects. The research will utilize primary data to obtain unique responses from each participant. The researcher is permitted to submit follow-up questions during the semi-structured interview. An extensive interview was undertaken to obtain a comprehensive response from the interviewees. The researcher employed the Indonesian language as the primary focus in the interview to gain a profound understanding of the setting without impediments. The interview lasted approximately 10 minutes. The researcher employed purposeful sampling to obtain in-depth insights from individuals possessing specialized skills or experience relevant to the subject under investigation. The interview involved the creation of a series of questions or metrics that assess the program's perceived and actual results. The research focused on students enrolled in the internship program at the Faculty of Economics and Business.

The researcher conducted a descriptive analysis to thoroughly examine the findings. Descriptive analysis is a method of data research that enables the depiction, illustration, or summarization of data points to reveal patterns that satisfy the data's criteria (Kim et al., 2017). It is often considered the essential kind of data analysis, establishing a foundation for advanced statistical investigation by revealing patterns and connections within historical data. The primary aim of descriptive analysis is to provide a clear description of complex datasets, clarifying data structures and emphasizing key information. This analytical approach is crucial for decision-making as it facilitates the understanding of historical events within a particular context (Baba & Hakam, 2012).

RESEARCH FINDING

The researcher intends to elucidate the findings of the interview in this section. The initiative commences with augmenting student earnings during their university tenure and the anticipated remuneration post-graduation. The table illustrates the findings from the interview.

Table 1. The table below shows the results of three respondents.

Respondent	Internship Income	Expectation of Future Income
1	Yes	Yes
2	Yes	Yes
3	Yes	No

All three respondents affirmed that their internship activities enhanced their income while attending university. It signifies a shared acknowledgment of the financial benefits associated with engaging in an internship program during their educational pursuits. Two respondents engaged in an internship program at the Otoritas Jasa Keuangan (OJK), a state agency, while another interviewee undertook an internship at Bank Syariah Indonesia, the largest Islamic bank in Indonesia. Respondents 1 and 2 participated in the OJK Yogyakarta internship program, receiving monthly stipends between Rp. 1,000,000 and Rp. 1,800,000, whereas the minimum salary, according to Badan Pusat Statistik (BPS) in Yogyakarta for 2024, ranges from Rp. 2,300,000 to Rp. 2,500,000. Respondent 3, participating in an internship program at BSI Jakarta, received a daily remuneration of Rp. 50,000, although the minimum pay level in Jakarta for 2024 is Rp. 5,600,000.

Additionally, two respondents indicated that generating income throughout university

contributed to the development of clearer and more reasonable salary expectations post-graduation, but one respondent had an opposing viewpoint. This disparity suggests that while practical work experience can affect income expectations, it may not uniformly align with every student's perspective or circumstances in the future. Upon completion of the internship program, the interviewees believe that they should have received higher compensation owing to the experience acquired during the program. Conversely, numerous positions necessitate that candidates possess knowledge and expertise in their field prior to engaging in practical work. Consequently, an increase in opportunities correlates with a greater acceptance rate.

Discussion

The data offers substantial insights into the dual impacts of income-generating activities undertaken by students during their academic period. Firstly, there is clear evidence that such activities can boost financial independence among students, since all respondents agreed on its contribution to income improvement. Secondly, while the majority recognized that this experience influences post-graduation salary expectations, one respondent contested this, underscoring variability in results. This diversity may stem from differences in the labor undertaken, the relevance of the position to future career aspirations, or individual differences in students' estimates of potential income. Furthermore, these findings align with the existing study. Margaryan (2022) Instrumental variable regression estimations imply that job experience gained through student internships in corporations increases salaries by around 6% in the short to medium term. In addition to providing direct economic benefits, the results of this research also indicate that internship programs can serve as a signal to the labor market regarding the readiness and quality of students. Two out of three respondents felt that work experience during internships increased their expectations for future income. This is in line with Spence's signaling theory (1973), which states that information regarding work experience or practical skills can serve as an indicator of a prospective employee's productivity value to the company (Zhao & Lyu, 2023).

However, one respondent did not feel an increase in salary expectations, indicating a difference in perception and expectations that may be influenced by the internship location, compensation value, or the direct relevance between the internship field and the student's long-term career interests. This emphasizes that the impact of internship programs on income projections is not homogeneous, but rather influenced by various contextual factors, including perceptions of work value, career orientation, and even the financial literacy level of students (Huang & Chen, 2023). This finding also underscores the importance of integrating the academic world and industry in designing internship programs. When internship programs are designed not only as practical learning tools but also as means to shape realistic career and income expectations, their benefits will be more pronounced. As stated by Cheong et al. (2014) and reinforced by recent research by Lu & Wen (2023), the quality of internship experiences highly depends on the extent to which educational institutions and industries can collaborate to provide structured, meaningful, and long-term professional development-oriented experiences. Furthermore, from the perspective of expectancy theory (Vroom, 1964), it can be said that students who receive financial compensation during internships will have higher motivation in performing their roles, as they see a direct relationship between the effort exerted and the results obtained (instrumentality), as well as the value of those results in supporting their living needs or future plans (valence). Research by Kim et al. (2023) shows that clear financial incentives during internships contribute to increased motivation, job satisfaction, and overall career readiness among students. Overall, this research emphasizes that the benefits of internship programs are not only technical or skill-based but also impact the economic and psychological aspects of students. Thus, the results of this study reinforce

the urgency of higher education policies that not only encourage student involvement in the workforce but also provide structural support to ensure that these experiences have a maximum impact on career readiness and the economic well-being of students.

CONCLUSION

This study investigated the advantages of revenue-generating activities for university students during their academic pursuits. It highlighted their ability to enhance earnings during enrollment and influence post-graduation wage anticipations. The results indicated that all participants agreed on the importance of these activities in improving financial stability during their academic endeavors. However, there is variability in the impact of these events on salary expectations, since one respondent reported no significant effect. The findings suggested that while student employment offers immediate cash benefits, its influence on long-term career opportunities may depend on factors such as job relevance and individual perspectives.

SUGGESTION

Based on the results of this study, it is recommended that higher education institutions build a stronger support system to connect students with relevant internship opportunities, strategically integrate internship programs into the curriculum, and provide career guidance to align students' salary expectations with the realities of the job market. On the other hand, the industrial world is also expected to provide meaningful internship experiences through clear learning pathways and compensation transparency. Additionally, future research needs to involve more participants with a mixed-methods approach to gain a broader and deeper understanding of the economic benefits of internship programs for students.

Brief Summary

Highlighting the complex outcomes of income-generating opportunities in university lays the groundwork for further exploration into improving these experiences for students' academic and professional trajectories.

Theoretical Contribution

This study improves understanding of students' income generation while university and their economic expectations post-graduation. It enhances the notion of human capital development by providing actual evidence that supports the enhancement of students' economic potential during their university education. Additionally, it analyzes the expectancy theory of motivation, suggesting that while employment during academic endeavors may enhance short-term goals and financial benefits, its influence on long-term wage transparency expectations may be inconsistent. The results suggested that student employment may partially aid the transition from education to employment by preparing students for post-graduation challenges; however, further research is necessary to examine the factors that influence this relationship.

Managerial Implication

1. University Support Systems: Institutions may establish programs to connect students with substantial part-time career opportunities, particularly in fields pertinent to their academic subjects. It ensures not only money benefits but also improved preparedness for their careers.
2. Professional Counseling: Institutions ought to facilitate the alignment of students' employment experiences with their prospective career goals. It can enhance students'

understanding of how their current efforts impact their career trajectories and income expectations.

3. Employer Practices: Organizations hiring students for part-time positions or internships should prioritize the creation of transparent pathways for skill development and career advancement. It involves delivering performance feedback, elucidating potential career pathways, and fostering reasonable salary anticipations.

Limitations and Directions of Future Research

This study has several shortcomings that warrant consideration. The sample size is restricted to three respondents, constraining the generalizability of the results. Future research should employ larger and more diverse samples to ensure wider applicability. Secondly, the study relies on self-reported data, which may be susceptible to biases, including the overestimation or underestimate of the impacts of student employment. Employing mixed-method approaches, including quantitative surveys and in-depth interviews, may enhance the rigor of future research. Future investigations may yield significant advancements in this field. This study investigated the impact of revenue-generating activities on students' anticipated pay after graduation, highlighting their ability to enhance income while enrollment and influence salary expectations thereafter. The results indicated that all participants agreed on the importance of these activities in improving financial stability during their academic endeavors. However, there is variability in the impact of these events on salary expectations, since one respondent reported no significant effect. The findings suggested that while student employment offers immediate cash benefits, its effect on long-term career opportunities may be affected by factors including job relevance and individual perspectives. This study has several shortcomings that warrant consideration. The sample size is restricted to three respondents, constraining the generalizability of the results. Future studies should utilize larger and more diverse populations to ensure greater applicability. Secondly, the study relies on self-reported data, which may be prone to biases, including the overestimation or underestimate of the impacts of student employment. Employing mixed-method approaches, including quantitative surveys and in-depth interviews, may enhance the rigor of future research.

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