

# Community-University Partnerships in University Internship Programs in Indonesia: What Can We Learn from Universities with International Curricula?

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## Abstract

*As Indonesian higher education strives to achieve educational excellence, universities with international curricula have become a focus of improvement efforts. Many of these university efforts involve business schools forming partnerships built around internships. Yet, as this focus on internship partnerships becomes more pronounced, many questions have begun to be raised about whether this is an effective route for linking theory and practice. Viewed from a service-learning perspective (Duru 2008), internship programs may appear appropriate in helping students to translate classroom theories into information that is useful in the practical environment of business. But from the perspective of business schools, do such internship partnerships appear equally useful? This paper uses business frameworks—in particular the business school's concern with the role of human resources in organizations—to build an analysis of the effectiveness of internship partnership programs in Indonesian universities with international curricula.*

In Indonesia, the emergence of universities emphasizing international curricula is a growing educational trend. Such universities offer international programs that meet international educational standards but do so with a local touch, thus offering an appealing alternative for parents who might otherwise feel the need to send their children overseas for advanced studies. At these universities, students are exposed to international theory and practice while at the same time being prepared for the job market at home in Indonesia.

These universities are seen as providing an educational advantage because they expose students to global matters. Their great appeal is also a result of the fact that they generally offer a rich variety of majors, exceptional facilities and state-of-the-art infrastructure, and their courses are taught by lecturers with overseas experiences or by those who have been educated in foreign countries. Perhaps their most attractive feature is that courses are taught in English or other languages with wide international use. The use of English as the medium of communication in classrooms, for example, is designed to open up opportunities for their graduates. Students achieve increased proficiency, not only as a result of carrying out simple informal conversations but also as a consequence of engaging in discussions, presentations, and debates. Graduates of

such universities are expected to be conversant with English in ways that their fellow students who graduate from local universities are not.

International curricula universities are often regarded as having other distinct advantages, including the important one of offering students the potential to receive international degrees from the host universities overseas. Because of certain agreements, students have the opportunity to receive international certificates by fulfilling relatively minimal additional requirements beyond the Indonesian degree. Consider business schools, for example. The only available business degree from local Indonesian universities is a locally recognized degree with the title of *Sarjana Ekonomi* ("SE"). If a student pursues business studies in a university with international standards, on the other hand, the student will receive a local degree of SE and will also have the opportunity to receive an international degree upon completing certain additional requirements from the host university (e.g., comprehensive tests, and/or taking-up additional classes in the host universities in another country). The double-degree program is seen as a great advantage in that it provides added opportunities for students to obtain a better education, international titles, and secure stronger future career paths.

The benefits described previously are just a few of the features in the internationally-standardized universities that are increasingly differentiating these universities within the crowded field of the Indonesian educational systems. And because international standards universities are increasingly looked to as sites of educational excellence in Indonesia, their strategies for employing community-university partnerships are particularly important to consider. As a window on these partnerships, this paper considers the emerging practice at internationally-standardized universities of creating partnership internship programs for business students. The paper examines these internships, not from the external perspective of service learning, but by using the very language, frameworks, and terminology that internationalized-standardized business schools in Indonesia use in their analysis of practices in the business world. By adopting such an approach, this paper will suggest ways in which business school professors themselves are likely to respond to and evaluate this new approach in Indonesia to achieving educational excellence.

## **The Business School Approach to Partnership Internships**

A distinguishing feature of Indonesian universities with international standards is the availability of internship programs. These are commonly not seen at local universities. At many of Indonesia's Colleges of Business Administration, or commonly known as the Faculty of Economics, for example, internship programs have become an essential part of the curriculum and are now a requirement for graduation. These internships are expected to enlarge students' practical knowledge of what is expected in the workplace, and the goal of these programs is to assist students in understanding the real business environment. For the College of Business Administration, the internship program has

become crucial in part because of the lack of business laboratories on campus that would allow for the study of business issues. The internship becomes the place where students are provided with real-life scenarios of business management (e.g., planning, organizing, directing, and controlling), marketing and sales efforts (e.g., consumer behaviors, marketing mixes, and promotional mixes), accounting (e.g., forecasting and auditing), and finance (e.g., project financing, banking, and investments). In the classroom, these are merely discussed in the abstract. Classroom discussions transfer information from the lecturers to students but concrete exercises rarely take place that focus on the dynamic atmosphere of the real business world. In class, students typically hear and listen to the lecturers' explanation, experience, and stories, but they do not see actual business scenarios played out. The internship program is intended to address this. The internship has the potential to assist students in experiencing first-hand the application of knowledge acquired during classroom discussions.

Within the framework of business, consider some of the ways that the packaged materials in the classroom do not fully capture the give and take of the workplace. In classrooms, management appears simple and straightforward. For example, if one wants to set up an organization, he or she must think about purpose of organization (usually "to earn profits"), formulate a vision (usually "to be the best"), and generate a mission statements (usually "to provide the best quality of products and services"). All of this must occur prior to planning business locations, production processes, machinery, equipment, financing sources, and human resources (Jones 2007).

In class, these issues are often presented as uncomplicated. In real organizations, on the other hand, the outcome is far from predictable. Management planning and formulating investment choices are not as simple as they seem. Given the current world's economic slump, formulations of action plans are, undoubtedly, complex. Incorrect planning, and inappropriate assumptions on projections, may plunge a business into chaos. The same is true for investment. It is often said that to be successful, an organization must pay a great deal of attention to investment diversifications. That is, an organization should have invested carefully in property, plants, equipment, stocks, bonds, and mutual funds, in addition to keeping savings accounts at the local banks. These issues are endlessly discussed in classrooms. Nevertheless, in real business contexts the weighing of these investment choices is far more troublesome. Internship programs are aimed at providing hands-on experience to tackle real business issues in real organizations. Unlike their local counterpart institutions, universities with international curricula encourage students to directly engage in internship programs.

#### Using Business Language to Frame Discussions of Partnership Internships

If faculty of business schools in Indonesia and elsewhere are to be convinced that partnership internships are essential within business curricula, then they will need to be able to evaluate them within the frameworks and terminology of business, and this kind of experience will need to be seen as increasing the strength of business school education in business terms. And if we want business schools to be involved in the community-university partnership dialogue, then we need to introduce ways of

analyzing student experience in terms that are agreeable to business schools. In the next section, we take on this challenge by introducing relevant business language and then using those categories to frame data collection on the possible impacts of partnership internships. As we shall see, this shifts the nature of the dialogue about partnerships, about service learning, and about engagement.

## **A Brief Primer on the Language of Business as Relevant to Internships**

In the past, business organizations focused on tangible, liquid assets (i.e., on the kinds of assets that could be turned into cash within a relatively short term). Today, more organizations are focusing on building long-term, intangible assets as a part of the firm's strategy in winning the market. The word "intangible" refers to the inability to be defined or determined with certainty. Thus, "intangible assets" refer to the undefined, undetermined, or nonphysical objects with potential to generate future profits (Anantadjaya 2009a, 2009b). "Human resources," are one aspect of intangible assets (Anantadjaya 2009a, 2009b) that is increasingly seen as playing a crucial role in ensuring firm's viability.

The phrase "intangible assets" is often used interchangeably with other business terms, such as knowledge assets and intellectual capital. The term "intangible assets" is widely used in the field of accounting, whereas the term "knowledge assets" is commonly applied in economics, and the term "intellectual capital" is often used in managerial and legal practices (Anantadjaya 2009a, 2009b). Intangible assets are often divided into four different forms (Anantadjaya 2009a, 2009b; Edvinsson and Malone 1997); Human Capital, or referred to herein as HC, concerns skills, talents, capabilities, and expertise to perform any types of activities in any organizations. Structural Capital, or referred to herein as SC, concerns systems, procedures, policies, and rules in any organizations, which allow the effective utilization of HC in creating the organization-wide information systems and managerial competences. SC also includes shared vision and mission, availability of qualified leaders at all levels to mobilize the organizations toward strategies, alignment of goals, and incentives with the strategy at all organizational level, and the sharing of knowledge and staff assets with strategic potential. Customer Capital, or referred to herein as CC, makes up of customer relationships in any organizations, which allow the effective utilization of HC in creating the necessary customers-own-version of SC, in the form of a database to establish the customer relationship management, while recognizing to whom products and services are sold. This can take various forms, such as a complete database to establish customer relationship management, customer research, web sites, and e-commerce, for example. Partner Capital, referred to herein as PC, consists of other individuals and/or other institutions with whom a particular organization has established cooperative agreements. It is often assumed that organizations should have

strategic partners in dealing with operational activities while maintaining cutting-edge position in the marketplaces (Noe et al. 2006).

Increasingly, these competencies of human resources are regarded as crucial to the success of firms. When any of the components of intangible assets is lacking, organizational competitiveness is likely to be diminished. Hence, the components of intangible assets must be in place if the ultimate value creation for firms is to be supported. According to Anantadjaya (2009a, 2009b), there are four components, which make-up the firm's intangible assets, whereas Kaplan and Norton (2004) indicate three components. Strengthening the components of intangible assets is likely to provide significant boosts for the organizational performance. This suggests that human resources will direct the future success of companies (Cardy and Selvarajan 2006; Colombo and Grilli 2005; Kaplan and Norton 2004; Morrison, 1996). An increased level of employees' skills is of major importance in many economic activities (Dailey 2006). The more firms try to enhance the quality of their human resources, the more successful the firms are likely to become.

## **Using These Categories to Reflect on and Evaluate Internships**

What do the language and perspectives of businesses outlined previously suggest about how we should go about gauging the effectiveness of internship programs of universities with international curricula? In essence, the analysis indicates that human resources are crucial in organizational performance and in creating a firm's value. With this in mind, we need to examine internship partnership programs in terms of whether they are done so as to elevate human resources. Do internship programs at universities with international curriculums operate with sufficiently high effectiveness that they can be expected to enhance human resources in organizations? To explore a possible answer to this question we used a human resources/business framework to gather data directly from a sample of students to assess whether these internship programs are likely to increase human resources. We gathered these data as a further way to consider internships within the language and perspectives of business schools.

In previous work, students from several representative universities with international curricula were selected through conveniently-clustered sampling method. Questionnaires were distributed to 200 students at universities with international curriculums in Jakarta. A total of 46 responses were unusable due to incomplete responses. A total of 154 completed responses were used, which indicated a response rate of 77 percent in this study. Variables important to human resource development were examined such as whether there were chances to apply theories, whether job/task rotation occurred during internship period, whether supervisors/coaches were available, whether students participated in problem solving and in four management key roles of planning, organizing, directing, and controlling process. Data were gathered from students as well as supervisors/coaches.

The responses were revealing. The results (detailed statistical analysis is available at ETC & Foundation, Bandung, Indonesia) showed that variables with higher levels of impact included "better understanding," "chances of applying theories into practices," "chances of job rotation," "participation in problem solving," "participation in planning," "participation in controlling," and "final evaluations from supervisors." For students, these variables influenced the perceived overall level of effectiveness of internship programs. Thus, students who had opportunities to apply theories to practice were more likely to see the internships as helpful. Other dimensions students saw as influencing the effectiveness of internship programs included "chances of applying theories into practices," "chances of job rotation," "participation in problem solving," and "participation in planning."

It is interesting to note that some variables did not influence the level of effectiveness of internship programs. The variable "better understanding" failed to influence perceptions of the level of effectiveness of internship programs, with students generally not reporting that they had arrived at a much better understanding following the internship period. Indeed, while students may have experienced certain tasks, those tasks may not necessarily have been those that would lead to an increased level of understanding. For example, variables such as "participation in planning," "participation in organizing," "participation in directing," and "participation in controlling" failed to reach significance, suggesting that students may not have participated in tasks of this sort and thus may not have been exposed in the internships to the complex tasks of middle to top management.

It also appears that perceptions of internship outcomes held by students and their internship supervisors were not always the same. Significant differences were found between students' perceptions of overall effectiveness of internship programs and the final evaluations they received from supervisors. The term "overall effectiveness of internship programs for students" refers to the satisfaction level with internship programs from the students' perspectives. The statistical analysis, again available at ETC & Foundation, indicated that the students themselves had a relatively high evaluation of internships, especially when they had the chances to apply theories, learn various aspects of the job, be involved in problem solving and carry out organizational planning. Final evaluation from supervisors refers to the perceived overall performance of the students during the period of internships. Here the findings indicated that supervisors paid special attention to the attitudes and abilities of each student in having the potential to perform certain tasks. If the supervisors found that the student showed ability in performing certain tasks, he or she was graded satisfactory. If the students did not have skills on those tasks, supervisors often tried to move the students to different tasks. It was not always possible within the short period of the internship, however, to find an appropriate fit. Under those circumstances, students might not end up performing satisfactorily and might receive a final evaluation that was less than satisfactory.

In addition, partnership internship programs may have created additional burdens for students as well as for their supervisors. Students may have found that they have to perform tasks that were not directly related to what they have expected prior to the

internship period. For supervisors, internships may have led to a much longer lead time in performing routine tasks, given the necessities to patiently teach and inform students on how to execute tasks. Students may believe that they are ready for practical training and on-the-job training, whereas supervisors may doubt the readiness of the students. Because universities require positive evaluations from supervisors so students can earn the prescribed credits and grades for the internship period (Affif 2007; Noe et al. 2006), the supervisors may be placed in a difficult dilemma in wanting to accurately evaluate the student but not undermine the student's prospects or the partnership.

## **What Do We Conclude About Internships and Partnerships?**

With regards to the actual partnership between universities and firms for internship programs, academicians and business professionals often claim that such partnerships between universities and firms are indeed taking place. Though it was expected that true partnerships would occur between Indonesian universities and firms, too often this did not seem to be the case. For students, internship programs may have been seen as little more than a position offering wages or other benefits. For firms, internships may not entail monetary benefits, yet firms may have set a certain level of qualifications for potential candidates before they are accepted as interns. These different expectations may hamper the effectiveness of internship programs that are intended to serve several goals that include building human capital, providing opportunities for business students, and building partnerships between universities and firms.

One might put these points in terms of "supply" flexibilities. In terms of "supply" flexibilities of firms (Mendonca-Tachizawa and Gimenez 2005): the "supplies" of firms that are willing to "employ" interns in any particular period are widely variable in various industries. Hotels seem to readily accept interns to work in various departments. Firms that are engaged in consumer goods production or marketing are also readily prepared to be involved in internships. This boosts up students' flexibilities as well in choosing places of engagement for their internships. Vice versa is also true. Firms have vast choices of candidates among which to choose. Undoubtedly, the best candidates will win the internships and they will be accepted as the apprentices. Thus, supply flexibilities are relatively apparent in this instance.

Hence, it is safe to conclude that partnerships between universities and firms even with relatively sound flexibilities for places of engagement (from the students' perspectives) or candidates (from the firms' perspectives), are seen by students and supervisors as only somewhat effective.

It is evident that only some variables impact the effectiveness of internship programs, both for students and supervisors. The influencing factors include opportunities to apply theory into practices, opportunities for job rotation, and participation in problem solving. These results provide preliminary suggestions for how to boost the effectiveness of internship programs.

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