

# The Influence of Competitive Remuneration, Comprehensive Training Program and Organizational Brand Factors on Students' Internship Placement Selection

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## Abstract

This research is aiming to have an unconventional and valid reason for choices towards the placement; by accessing factors that influence students choosing their internship placement. The study focuses on hospitality students due to concerns over the huge turnover of students from the hotel industry. All the factors listed in this study were evaluated by comparing the findings and discussions from previous researches. Correspondingly, it was found that among the three variables; competitive remuneration, comprehensive training program, and organizational brand; the main factor that influences the students' choice is the competitive remuneration. The result is based on the findings of other researches as support to uphold the statements.

**Keywords:** Internship placement, Remuneration, Organizational Brand, Students, Training Program

## Introduction

The internship program is a vital experience for hospitality students all over the world (Tse, 2010). Many public and private universities have implemented internship programs as part of their syllabus in undergraduate degree with the primary intention of enhancing students' soft skills and knowledge while providing exposure on the real working environment (Narayanan *et al.*, 2010). This is crucial to ensure that students understand their tasks upon entering the industry. At the same time, students may exploit the opportunity to gain future employment by impressing the host company (Ming-Shan & Tsai, 2011). The benefits of an internship program extend not just to students but universities and the industry as well. Philosophy (2015) highlighted that fresh graduates would only productively do their work when they undergo their internship programme. It can boost their confidence level, socialness, and maturity after experiencing the internship programme. The accelerated

growth of internship programs indeed brings a big influence on students especially with regards to pursue their career in the industry related to their study program. By involving themselves in the internship program, students will automatically choose their career wisely (Omar & Rajoo, 2016). For the average range of internship program, it is normally between four (4) to six (6) months (Chang & Chu, 2009).

However, despite many benefits acquired during their internship period, the majority of hospitality students were still reluctant to enter the industry (Zahari et al., 2010). The same finding was reported in a study by Robinson, Ruhanen and Breakey (2015), which indicated that hospitality students tend to avoid careers in the hospitality industry and even if they choose to work in the field, fresh graduates barely stay for a long period. Ultimately, this scenario contributes to high turnover issues worldwide (Dhevabanchaichai & Wattanacharoensil, 2017). The issue is further compounded by the fact that the industry offers lower salary as compared to other industries while having long working hours, negative industry image experiences and over-expectations of the industry (Ilban & Kasli, 2013; Chen & Chen, 2011).

Retaining hospitality graduates is important as they possess the right knowledge, skill, and information that are essential to the industry (Stansbie, Nash & Chang, 2016). Since internship programs are part of universities curriculum, providing remarkable value on such programs may boost students' loyalty to the industry/field of study. This can be done if students have the right organizations for their internship placement. The recent trend had witness universities giving students the privilege to choose their internship placement (Omar et al., 2016). Consequently, students now have the freedom to select the organization that best serve their interest but on the other hand, they face difficulties in determining the best placement as there are numerous offers from different organizations. Obtaining the right place for an internship has a significant meaning to the students as it might affect their post-graduation decision to either stay or leave the industry. A limited empirical study had been done to examine values affecting students' decisions in choosing their final internship placement (Fong et al., 2014). Given this, an in-depth understanding of the factors influencing their students' internship placement is necessary to shed some light on factors relevant to the issue.

## **Literature Review**

### ***Factors influencing students to choose their internship placement***

Educators and industry need to ensure that fresh graduates get the best experience by having a comfortable and happy work environment as well as job satisfaction for them to stay in the industry (Tse, 2010). Students, on the other hand, need to do a lot of researches regarding the places where they plan to go for their internship program as it is similar to choosing their first job. Several factors are influencing a student's decision for internship placement had been discussed in the literature. This includes allowances (Beggs, Ross & Goodwin, 2008), the working environment (Datta & Jha, 2015) and organization distance with accommodation. Another study (Fong et al., 2014) also looked into competitive remuneration, comprehensive training program and organizational brand which were chosen to be the basis of this study.

### ***Competitive Remuneration***

Remuneration can be in the form of monetary and non-monetary that will be given to employees/trainees for delivery of service (Maicibi, 2005). Monetary-based type of remuneration includes basic salary, wages, health insurance, pension schemes, transport payments, overtime payments, and responsibility payments. Employees will automatically feel motivated to work with the promise of monetary and non-monetary rewards (Bergiel et al., 2009). It is obvious that the satisfaction of the job will be achieved when individuals receive proper remuneration. Money, in particular, is of high importance as it is a necessity to maintain a reasonable quality of life. An organization that pays their trainees will be able to produce credible workers as the money will motivate them to seek knowledge and boost their willingness to perform multiple tasks effectively and efficiently. Additionally, they will also be driven to portray the best image of their organization (Datta et al., 2015). It is sensible to say that proper monetary rewards can attract more internship placement requests and eventually yield a higher number of long-term employees for an organization. Everyone should know that money is instrumental in so many ways even though there is a statement saying that money is not everything especially when you have worked very hard to gain that money (Chen et al., 2011).

### ***Comprehensive Training Program***

A successful internship program relies on how well the training is organized by the organizations (Dhevabanchaichai et al., 2017). It includes providing a systematic approach, recognition from the organization, information about hotels' organization and allowances to the students. It is important to have a complete training program as it is one of the most crucial criteria for students when deciding their placements. This statement is proven in the research by Fong et al. (2014) in which those who choose a comprehensive training program to be grouped under a learning enthusiast group. Students in general, seek to gain knowledge and choose an internship program for the sake of learning. The statement above can be supported by Dhevabanchaichai et al. (2017), where they found students' expectation before going for the internship are only within two aspects, and one of it is about the knowledge and experience gained throughout the program. They emphasize more details in which they explain, (1) students are expecting to learn new skills, getting the real-working experiences, and adapting themselves to the hotels' environment. Hospitality industry also should rebuild the training program and enhance the image of the scope of the job to attract intern students.

### ***Organizational Brand***

Branding of the organization is vital since it could influence and affect the performance of the organization (Kim & Park, 2013). Martin, Herrero, and Garcia (2018) claimed, traditionally the organizational brand of the company is managed by the department of marketing and public relations (PR). Marketing and PR are responsible for enhancing the brand of the organization by developing a distinctive image of the organization, upgrading the communication values and handling any issues that arise. A brand image is at an advantage when the organization itself has a positive reputation and well recognized (Martin et al., 2018; Kang & James, 2004). They will not only gain a competitive advantage (Calvin, 2017) but also could attract more recruitment of interns and employees.

### ***Internship Placement***

The dilemma in choosing the right internship placement is a common issue among students. As an internship in the industry is considered a mandatory academic requirement (Luu, 2010), universities and final year students face the same predicament almost every semester. Shadowing (2008) stated that students should choose their internship placement carefully so that they could achieve their target and goals. In addition to students' goals or interest, recommendation and suggestions from lecturers also contribute to students' decision in choosing their internship placement. Some students believe that the placement decision should be made by other responsible parties such as faculty or university (Philosophy, 2015).

### **Methodology**

This subtopic elaborates on the research methodology used to acquire factual evidence on the factors influencing students' choice for internship program placement. This paper is structured as an argumentative paper that is based on extensive literature reviews to provide a quality and impactful research through in-depth analysis from readily available data resources. The analysis included all previous qualitative and quantitative relevant studies extensively searched through online databases such as Ezaccess, Emerald Premium, and Google Scholars.

### **Findings**

From reviewing the past studies, it appears that an internship program is crucial to students' curriculum development and foster students' enhancement. Finding the right internship placement may significantly influence students to stay in their field of study and hotel industry, which is a consensus by many researchers. Decisions regarding placement typically revolve around three factors; competitive remuneration, comprehensive training program, and organization brand. Luu (2010) stated that the allowances given by organizations to students could boost their motivation to go for their practical. As money is one of the necessities in life, postgraduate students will be more attracted towards organizations that could provide them monetary rewards in exchange for completing tasks assigned during their training period. However, most organizations skimp on allowances for trainees, as they believe that they are just students seeking experience with minimal contribution to the betterment of the company. As stated in the Fair Labor Standards Act (FLSA), unpaid trainees should not object to the lack of allowances as the purpose of the internship is to acquire knowledge and experience in the real working environment.

The second factor is a comprehensive training program organized by the hotel itself. 5-star hotels such as Starwood Brand Hotels chain and Shangri-La Hotels & Resorts to provide specific programmes for their trainees. It portrays that the management of the hotel is determined to have quality employees as they regard the trainees to be as talented as the actual employees. As the students are given only a few months to complete their internship programs, it is highly desirable if organizations could provide a well-structured program for their trainees so that the internship period will be fully utilized and beneficial for the trainees, universities as well as the industry. Teamwork activities, managerial skills, communication skills, and creativity should be taken into consideration by every organization that hires interns to produce outstanding fresh graduates (Lee & Chao, 2013).

Lastly, a popular and well establish organizational brand will also contribute to students' personal pride (Cable & Turban, 2003). Hence, the perception of a hotel brand will affect students' decision towards the organization hosting the internship program. Collaboration between hotels could help the hotel itself to promote their brand by exchanging the great ideas between each other. Increases the number of customers and shareholders as well as investors, change the culture of work into the better one and high sales revenue, as well as profitability, are the other right sides of collaboration. A good collaboration will lead to a better reputation of a particular hotel or other organization. With the current technological trend, social media is the primary medium chosen by students to assist their internship decision. Therefore, the creativity and effort of hotels in promoting their brand or services through social media such as Facebook, Twitter, Instagram, and LinkedIn will influence the selection of internship placement.

On the other hand, educators and industry practitioners should assess students who are about to commence their internship to understand the strength and weakness of an intern, as educators may evaluate interns' satisfaction level with the internship employer based on the selection criteria. This is because this article indirectly found the positive as well as the negative perception of the practical learning program. Most trainees expect that their practical learning program could enlighten them in choosing the best career in the industry, develop their leadership skills and expand their network. They also hope that the experience will help them better understand how an organization operates, polish their problem-solving skill and allow them to be involved in different facets of the organization with the hope of being better equipped for their post-graduation careers. The management of the hotel should also provide better employees' welfare and non-monetary remuneration to ensure that the trainees are satisfied with their practical learning program and gain the best experience before they enter into working world. In return, a better student-employer fit can be achieved, which may solidify their intention to work in the industry and potentially with the same employer after graduation. This will automatically help the hospitality industry to produce better products from hospitality and fresh tourism graduates. The Ritz-Carlton Hotel is an excellent example of an organization that provides a paid internship program alongside on-the-job training program complete with the introduction of the culture and values of the organization.

It is also crucial for the organization to allow their trainees to play essential roles in contributing their ideas and energy to the success of the organization (Karunaratne & Niroshani, 2015). Moreover, future internship program should be more meaningful and beneficial to every stakeholder involved by delivering suitable and exciting task, delegate the work to raise their responsibility and provide great internship programs (Stansbie et al., 2016). Subsequently, organizations will have early opportunity to recruit new competent employees by giving the best training and supervision to their trainees. In some cases, outstanding trainees received an offer for employment even before the end of their internship. The responsibilities, targets, and missions for interns should be included in the agreement so that the phrase of "gateway to the real world" when it comes to the internship is justified (Ahmad, Rashid & Mohd Shariff, 2014).

## Conclusion

In this article, internship programs can be the reflection to the level of services that the hotel gives to their internal customers specifically interns or trainees. Establishing a well-developed internship program means hoteliers are committed to another level of service to internal customers. Management needs to ensure that they achieve zero defect of 100% perfect service to each internal customer each day when it comes to internship program handling issues. Hotel needs to ensure that they deliver the internship program to as just as perfect as it is promoted and promised.

## Suggestions for Future Research

While most existing studies are interested in students' perspective on internship (Fong et al., 2014), future research may extend the literature of internship by investigating employers' perspectives on the outcomes associated with internship like the additional workload involved. Future studies may attempt to empirically tested and extend the variables used in this study so that the reliability and validity of the findings in this study can be assessed.

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