

Internships and Small Business: A fruitful Union? A Conceptual Approach

Daniel Degrauel
California State University, Northridge

Despite the popularity of internships among firms and educational institutions, our understanding of how they could help small businesses strategies and operational aspects remains insufficient. This paper argues that the specific attributes and needs of small businesses maximize the potential positive effects of internships on their performance, beyond the classic recipes and good practices founded in the “successful internships” literature. This paper explores these attributes and needs, identifies where and how internships can provide significant benefits to small businesses, and suggests a path for future research based on two theoretical directions: firm strategy and the resource-based view, and managerial cognition.

INTRODUCTION

Internships are very popular among students, firms, and educational institutions. But is that only because they provide firms with an efficient labor force at a fraction of the market cost? Do firms extract full potential from internships? If not, how can they increase the positive outcomes from the interns they employ? If internships turn out to produce a “win-win” game, why do internships not generate more research and efforts from academia and the corporate world to fully exploit it? Why is it still sometimes considered as a low-value tool by the corporate world, or as an additional formality or administrative assignment by students (Gault, Leach & Duey, 2010; D’Abate et.al., 2009; Campbell-Clark, 2003; Gault, Redington & Schlager, 2000)?

The consensus seems strong in the literature which affirms that internships generate positive effects for all the players involved in this activity, interns, educational institutions, host organizations, and the larger environment.

Teaching an internship class in a large university, my interest was sparked by these questions, and by the fact that most of the literature relates to internships in large firms or focuses on specific industries.

The central objective of this paper is to explore the potential for internships to be a powerful strategic tool in small business settings. It explores the conceptual side of the reunion of internships and small businesses, which aims at demonstrating the potential of internships to bring valuable strategic positive outcomes for the host organization, which can dramatically influence its performance.

Why a focus on small businesses? Because the characteristics that they exhibit, that we review in the section about small business, make them perfect candidates regarding this positive strategic influence of internships.

How can one demonstrate the existence of such a strategic potential? Two perspectives are mobilized to do so: 1) strategy and its resource-based view (RBV), and 2) the cognitive approach.

In a first section of this article, I provide a brief review of literature related to internships and, in a second section I do the same for small business. In the third section then I suggest a fruitful union between the two. In the fourth section, I show how one can implement research to demonstrate this potential, including conceptual and empirical aspects, and the final part develops potential implications for small business and other players.

INTERNSHIPS: WHAT DO WE KNOW?

Definition of Internship

An internship is probably the best known element of the larger category of “experiential learning”, defined as a “structured, student-centered, integrated curriculum-based educational experience utilizing practical applications and active involvement that extends beyond the traditional classroom setting” (Beard, 2007, p.208). It encompasses student research, practical field experience, clinical experience, and cooperative education as well.

Internships, as a part time experience, exhibit four characteristics: 1) a defined period of time, 2) the possible existence of compensation from the host firm, 3) oversight by a faculty coordinator and a corporate counterpart, and 4) awarded credit (Gault et.al., 2000). Internships offer the opportunity to apply theoretical knowledge to real corporate settings (Narayanan, Olk & Fukami, 2010).

Outcomes of Internships

The internship literature studying the various aspects of internship outcomes recognizes its positive effects for all the players in the system. Internship appears to bear a “win-win” game situation, where everyone involved experiences a positive return, even if some costs are associated with it (Planko, 1996; Knouse et.al. 1999; Cook et.al. 2004). Several studies, attempting to assess internship’s value find the existence of a strong positive impact for three categories of players: 1) students, 2) educational institutions, and 3) the host firms (Verney et.al. 2009; Harris & Zhao, 2004; Ryan et.al., 1996).

The first category is the most populated in the literature, especially in the education literature to prove the existence of positive changes that internships generate in students’ learning and experience. The overall picture appears as a positive learning experience that counts in students’ personal development, and in their professional career construction.

Let us briefly go over these three categories of benefits.

Outcomes for Students

Students get generally much from their internship. The literature describes many different outcomes at different levels and in various fields. We can synthesize them by the following categories, described below:

- Technical learning. Students learn the skills and acquire the relevant knowledge to the field, as well as the context and environment of their future profession. This experience helps them to bridge the gap between academic knowledge and the corporate world (Verney et.al., 2009; Beard, 2007).
- Non-technical learning. Through their internship, students gain skills such as leadership and management, communication, self-discipline, time management, social and human relations skills, job acquisition skills, and problem solving (Verney et.al., 2009; Beard, 2007; Cook et.al. 2004; Gault et.al., 2000; Knouse et.al. 1999).
- Critical thinking. Ryan et al. (1996, p.357) state that “internship is in practice considered as an experience which brings learning and enables learners to gain the maximum benefit opportunity to reflect on this experience, in the light of the individuals’ current knowledge and experience”.

Wasonga and Murphy (2006, p.154-155) explain that “internship is based on the belief that immersion in a professional setting is critical for learning. Some knowledge not available in classroom, such as the contextualized understanding of concepts, the awareness of biases and experiential gaps, orientation

toward action, and critical reflection can be acquired through an internship experience, because it comes from subjective insights, intuition, and experienced personnel”.

In other words, tacit knowledge can be extracted from the internship, with a technical dimension and a more complex cognitive dimension with schemata, mental models, beliefs, and perceptions.

The internalization of this tacit knowledge takes place according to three modalities: 1) metaphor and analogies, 2) sharing individual personal knowledge, and 3) ambiguity and redundancy.

Reflective thinking appears to be a critical aspect of the non-technical outcomes of internships (McCormick, 1993).

Reflection is defined by Raelin (2001, p.11) as the action of:

“periodically stepping back to ponder the meaning to self and others in one’s immediate environment about what has recently transpired. It illuminates what has been experienced by self and others, and constitutes the ability to uncover and make explicit what one has planned, observed, or achieved in practice. It privileges the process of inquiry leading to an understanding of experience”.

Reflection is thought by cognitive psychologists to contribute as much learning as the experience itself, if the learner is an active observer (Raelin, 2001, p.20).

Advantages in career and job. Finally, students get some more “objective” benefits from their internship: they have the opportunity to demonstrate their competences to the host firm, and a large majority of student interns is offered a job at the end of the internship. Internships allow them to acquire a more in-depth knowledge of the firm and to assess their fit with it as a potential full-time employee (Beard, 2007; Rothman, 2007). Students generally enjoy greater job satisfaction and benefit from superior entry-level salaries than those students who did not intern (Verney et.al., 2009; Anonymous, 2007).

Outcomes for Universities and Faculty Members

For universities and faculty members, internships lead to positive outcomes as well.

Some noticeable end results lie in the possibility for the university to market itself through the quality of its internship program within its overall curriculum offer, and to attract high-caliber students (Verney et.al., 2009; Gault et.al., 2000). Internships program contribute to build strong corporate networks among firms and education institutions, facilitating fundraising for universities which may also benefit from a very positive reputation inside the community (Gault et.al., 2000).

Internships could also boost faculty members’ enthusiasm, stimulate new research, and help them to better connect theory with practice. This stronger link between academia and the corporate world improves university teaching, and constitutes a permanent up-date of the content, and a more realistic approach to the learning experience (Harris & Zhao, 2004).

Outcomes for Host Firms

The literature points out a couple of positive outcomes for host organizations. First, internships provide a powerful, reliable, and inexpensive recruiting tool. Many firms use the internship to “test-run” potential employees, assessing the quality of their interns and their fit with their organization and culture before hiring them. Employees who started out as interns are more loyal to the organization, cost less to hire, and cost less to train –reducing the hiring costs to a fraction of the normal recruiting cost- (Verney et.al., 2009; Gault et.al., 2000; Planko, 1996). Before hiring, interns provide the firm with inexpensive, qualified, and effective labor (Verney et.al., 2009).

Beyond these payoffs, internships can be a way to build stronger links with universities, to develop guest speakers’ opportunities, to strengthen the organization’s presence on campus, and to advertise the firm (Anonymous, 2007; Harris & Zhao, 2004; Planko, 1996). Additionally, internships programs are an excellent opportunity to demonstrate firms’ involvement in the community (Beard, 2007).

What are some attributes exhibited by small businesses, the internships’ host organizations in our study?

SMALL BUSINESS AS “INTERNSHIP HOST ORGANIZATIONS”

Definition

Above is a capsule summary of the literature on internships. Now I turn to the literature on small business. Small businesses are ones that are small enough that their owners/managers not only can control them, they can also know them intimately. The owners/managers act relatively freely when conducting their business, without any corporate governance system beyond their own self-imposed constraints. This definition limits the scope of our study to organizations roughly in the range of 1 to 50 employees.

First I describe some attributes of small business that are interesting with regards to our topic.

Small Business Attributes

Four families of attributes are noticeable: 1) strategy, 2) skills and capabilities, 3) managerial style, and 4) cognitive psychological elements.

Small firms' strategy is primarily defined relative to immediate rivals, focuses on few markets and products, and often perceives the industry environment as a perfect competitive market. Small firms react to perceived opportunities in small niches, rarely separating the design of strategy from its implementation, and focusing mostly on operational activities. They tend to extract their strategic options in an opportunistic and almost random way, relying upon customers' feedback to develop strategy, and depending on a few strategic options. Usually no cushion exists to absorb bad decisions, which is one reason that the rate of failure is on average ten times the rate of larger companies (Beaver & Jennings, 2000; 2005; Birley & Norbun, 1985). The entrepreneur/owner plays such a central role that, according to Birley and Norbun (1985, p.86), this individual “holds the firm in the palm of his/her hand”. However, most studies show the weakness of strategic management and planning activities in small firms (Woods & Joyce, 2003; Wasilczuk, 2000; Sexton & Van Auten, 1982). In fact, we still lack knowledge about how strategic management and growth take place in practice in small business (Woods & Joyce, 2003; Beaver & Jennings, 2000). In the world of small business, the very concept of performance is usually internally defined and measured, and depends on the owner's expectations and perceptions, thus making it elusive (Beaver & Jennings, 2005; 2000; Woods & Joyce, 2003).

In his study of the development of small firms, Cooper (1981, p.42) shows that small firms have weak capabilities, which reflect the unbalanced experience of the entrepreneur. For example, small businesses have limited financial and human resources, and almost no reputation. They seldom use detailed and formal reporting and control systems (Birley & Norbun, 1985).

The literature offers long lists of skills and capabilities that usually need to be reinforced in small businesses (Beaver & Jennings, 2005, 2000, and 1995; Wasilczuk, 2000; Birley & Norbun, 1985; Sexton & Van Auten, 1982). More importantly, small firms lack a critical type of capability that supersedes all the others -“managerial capability”- (Beaver & Jennings, 2005, 2000). Newbert's study of technologically intensive industries shows that access to these skills and capabilities in shortage is critical since they drive market performance (Newbert, 2008, p.14).

Because management in small firms focuses on fast returns and quick implementation of strategy, it is characterized by flexibility, adaptation, and reactive postures (Beaver & Jennings, 2005; 2000; Wasilczuk, 2000). Owners of small business that survive are continuously adjusting their firms' resources to the needs of the markets (Beaver & Jennings, 2005). Small firms rely on a simple structure with a small hierarchy, informal relationships, on a loose division of labor, and on little in the way of infrastructure support entities (Beaver & Jennings, 2005; Woods & Joyce, 2003). All this allows speedier communication, closer connections with the market and operational activities, and fewer ties to existing procedures (Newton, 2001), but at the same time it magnifies the dominance of the owner. Overall, small business management differs significantly from the large firms' management: it is less visible, because strategic management is practiced instinctively and informally, and because it is strongly influenced by the entrepreneur's personality, experience and skills (Beaver & Jennings, 2000).

The literature about small business shows the importance of cognitive and psychological mechanisms for its behavior and outcomes. Foss et al. (2008), focusing on the subjectivist perspective, emphasize the

role of the entrepreneur as the decision-maker and the mental mechanisms that lead to decision and behavior. Kor et al. (2007) affirm that entrepreneurship takes place through subjective processes of discovery, learning, and creativity. Entrepreneurs' experiences play a strong role in the formation of beliefs and their judgmental activity across three levels: firm-specific experience, team-specific experience, and industry-specific experience. Covin & Slevin (1991) suggest a conceptual model of entrepreneurship that blends external, internal, and strategic variables to explain "entrepreneurial posture". Owners/entrepreneur's beliefs and cognition are generated through a complex process that mobilize different variables, among which their past experience, observation patterns, mental theorizing processes, and socialization (Felin & Zenger, 2009). Entrepreneurs strongly articulate their business activity around entrepreneurial cognition, based on beliefs, and non-classic heuristics and methods, which are not always linear and fact-based (Alvarez & Busenitz, 2001, p.758-759). They often perceive problems as exogenous to their firm and expect an immediate solution; entrepreneurs, not prone to receive advice, seek it at the last minute and generally when it is too late, and often consider any attempt to changing their management style as interference in their business (Wasilczuk, 2000, p.90). Worse, they generally know less than they think (Keats & Bracker, 1988).

Before analyzing the potential role of internships in small business, the key points of the small business attributes (as defined as the beginning), deserved to be reminded: 1) a specific strategic positioning and strategic mode, characterized by the centrality of the owner, 2) important capabilities and skills in shortage, which negatively impact performance and future development, 3) a managerial mode driven by the owner's preferences and, 4) the criticality of the owner's psychological and cognitive variables in the firm's behavior and success.

INTERNSHIPS IN SMALL BUSINESS: A FRUITFUL UNION?

Method

To analyze the potential positive impact of internships in small business settings, one can: 1) examine the literature to extract "connecting areas" where the existence of a strategic enrichment for small organizations can be reasonably assumed, and 2) empirically observe and verify the existence of such positive enrichment in small firms using internships.

This section attempts to extract the connecting areas from a conceptual point of view, and the following section on research presents a possible research design to empirically explore the reality of the central claim.

"Strategic enrichment" for small business covers any improvement related to the classic strategic variables -such as technology, structure, product - market combinations, culture, human resources, strategy, etc.-, generated directly or indirectly by internships.

What Do Small Businesses Need?

An analysis of the literature (beyond the scope of that paper) leads to a set of needs that must be satisfied as requirements for success in small business (Runayan, Huddleston & Swinney, 2007; Menefee & Parnell, 2007; Alvarez & Busenitz, 2001; Newton, 2001; Yu, 2001; Beaver & Jennings, 2000; Greenbank, 2002; Wasilczuk, 2000; Steiner & Solem, 1988; Chaganty, 1987; O'Neil & Duker, 1986; Birley & Norbun, 1985, Khan & Rocha, 1982).

As briefly touched upon in the description of their attributes, small businesses need knowledge in the different functions and activities where they lack skills and capabilities; as critical examples, the ability to plan and strategize, as well as global managerial skills to optimize their available human resources have to be strongly reinforced. Indirect strategic characteristics which impact performance must be achieved, such as product quality, specialization in products and markets, flexibility, innovation, and competitive advantage development. Specific intangible assets such as reputation, social capital, and organizational structure contribute to success and often suffer from a lack of consideration and action. Finally, because of the centrality of the owner/entrepreneur in all aspects of the firm, psychological and cognitive aspects must be taken in consideration, for example to make sure that the owner makes decisions through safe and

sound processes, evaluates the environment and the firm's strategy appropriately, and uses adequate heuristics and founded beliefs.

The “Connecting Areas”: Where Small Firms and Internships Can Enrich

We now focus on the ways to satisfy these requirements thanks to internships.

The literature generally starts the list of benefits by the “recruiting tool effect”: firms can hire valuable future employees at a lower cost than through the classic recruitment channels, and can test them first in a work situation. Beyond that, the impact of internships, as a tool to bring in talented, motivated, and valuable resources and capabilities, whose small business are strongly lacking, is well documented. Interns bring state-of-the art knowledge in technical and administrative fields, and can also develop analyses, procedures, and tools that significantly improve the functioning and performance of their organization. Zahra et al. (2006, p.941) notice that small businesses' needs for capabilities are evolving. Several events are likely to trigger their development, which is grounded on trial-and-error, improvisation and imitation, as well as on filling major gaps in the firm's capability portfolio. Internships can contribute to this capabilities development and evolution.

The benefits of the novelty that interns bring in as well as a “fresh” vision of the world are strongly advocated in the literature. For example, strategy and organization remain two weak areas in small firms' management. Interns can contribute to a multi-level diagnosis of organization and strategy; they can suggest solutions for improvement, start their implementation, and facilitate change management. In short, interns can develop remedies for existing problems or contribute to the improvement of the firm. In a later growth stage, small firms are characterized by a change in the founder's role, with more decentralization and a “professionalization” of managerial processes and operational procedures, associated with a risk of “losing touch” from operations. Again, internships can alert the owner about the necessary changes and help to their implementation.

Interns are generally young, dynamic, and willing to prove themselves, giving their host organization their energy and dynamism to help. The scope of their intervention could be probably larger than the scope of interventions ordinarily seen in small firms. At a higher level of complexity, interns can help the owner to understand the firm's competitive advantages, and to develop them. The absence of such a process often appears as the major obstacle for small firms' development. In small business, strategy is “about beliefs about how a firm can be successful and the desirability of strategy as a practice” (Woods & Joyce, 2003, p.182). Because of the centrality of owners and the importance of their psychological aspects, internship offer chances to understand and clarify the beliefs and assumptions of owners, and challenge them positively, helping owners in their reflection. Interns can play a role of “sounding board” or mirror for this activity, relating to concepts and beliefs, but also to methods and practices.

Some factors are likely to positively connect internship and small businesses; for these factors, internships appear as a potential valuable asset to fulfill some needs and fit well with small business critical attributes:

- overcoming the lack of resources, in terms of time, of available human resources and associated skills,
- overcoming the lack of critical capabilities (management of people, development of business, strategizing, and adaptation and change),
- fighting the “groupthink risk”, through a fresh external vision and the absence of taboo for questioning the firm's strategy and practices,
- fighting the risk of failure posed by the structure of the product-market portfolio, decision-making processes, and resources, by providing relevant diagnosis and questioning of managerial and strategic practices,
- providing valuable improvements in many areas, especially strategy, change management, and forecasting.

However, some students consider internship to be an administrative formality or just one more assignment similar to the others; they don't hold it in the esteem it deserves in terms of devoted resources, of efforts from firms, and of research in academia. This question, however interesting, cannot be explored in the proposed study. This situation may be explained by a difficulty to measure the real outcomes of internship, a lack of interest, and the important variability of context (supervisors, quality, and university coordinator).

PROPOSAL FOR RESEARCH ON INTERNSHIPS' IMPACT

In the following proposed research, I postulate that internships have the potential to be a strategic asset for the small firm, and to gain the more central position they deserve regarding the way firms, students, and education institutions look at them. If this assumption is confirmed, the study will provide ways to improve small business use of internship, and therefore, their competitive position. Although the research considers the small firms point of view, the educational institution which holds an important role in the success of internship could also benefit from the study's findings.

Before looking at the design of this research, I develop the two directions of exploration that cover a large scope of concerns, and serve as the basis of exploration. These two directions are respectively the strategic approach/resource-based view, and the managerial cognitive approach.

Two Conceptual Frameworks: Strategy-RBV and Managerial Cognition

Although strategy appears central for performance, we do not know much about how small firms grow and build their strategies. The strategic approach considers the firm as an integrated entity and analyzes some of its external and internal attributes to determine their impact on performance.

Within that large envelope, the resource-based view (RBV) is key to understanding the small firm capability portfolio and its fit with its external strategy (combination products and markets) (Schreyorgg & Kuesch-Eberl, 2007; Habbershon & Williams, 1999; Teece, Pisano, and Shuen, 1997; Barney, 1991; Wernerfelt, 1984). The resource-based view (RBV) claims that competitive advantage is not only generated by a better positioning in the business environment, but also and mainly by the internal aspects of the organization; under certain circumstances, the possession of certain capabilities leads to competitive advantage and to superior performance (Collis & Montgomery, 1995; Barney, 1991). Collis (1994) suggests three interesting categories of capabilities, that may help to circumvent the abundance of definitions: 1) capabilities that reflect an ability to perform basic functions of a firm better than its rivals, 2) capabilities that allow a dynamic improvement of the activities, and 3) "metaphysical capabilities", or complex strategic insights that enable an organization to recognize the intrinsic value of other resources or to develop strategy before its competitors. The concept of capability, initially defined as the "ability of an organization to achieve an objective", was more recently complemented by the notion of dynamic capabilities. Teece, Pisano, and Shuen (1997, p.516) define dynamic capabilities as a firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments built on the concept of competences. They identified three classes of factors that help determine dynamic capabilities: 1) managerial and organizational processes, routines, or patterns of current practice and learning, 2) asset position, or a firm's specific endowments of assets, such as technology, intellectual property, complementary assets, customer base, and the external relations with suppliers and complementors, and 3) paths, or the strategic alternatives available to the firm.

The interesting aspect of this perspective lies in its explicit emphasis on internal phenomena that are shaping capabilities, especially the influence of cultural factors, the learning phenomenon, and the managerial actions of competence reconfiguration and deployment. Despite the brevity of this explanation about the RBV, its interest appears for the purpose of that study: it offers the possibility to look down inside the internal functioning of the organization, and to analyze precise sets of routines and dynamic capabilities, at a micro level, and their impact on performance. The owners' actions are captured as well, recognizing their centrality and power.

The managerial cognitive approach focuses on what takes place within managers' minds, in other words the mental mechanisms that lead to the development of beliefs and the generation of behaviors. Gavetti and Levinthal (2000, p.113) define cognition as a "forward-looking form of intelligence that is premised on an actor's beliefs about the linkage between the choice of action and the subsequent impact of those actions on outcomes. Such beliefs derive from the actors' mental models of the world".

The fundamental idea behind the managerial cognition field is to consider the manager as a "key actor who invents or creates a bounded field of decision possibilities which is then navigated in the process of choice" and to reject the conception of a manager "simple computing device" (Hitt & Tyler, 1991, p.331-332). The cognitive perspective relies upon the following central statement: "it is invaluable to understand entrepreneurs and their role in the entrepreneurial process, because everything we say, think, or do as human beings is influenced by mental processes, by mental mechanisms through which we acquire information, store it, transform it, and use it to accomplish myriads of tasks" (Baron, 2004, p.223). In other words, the impact of the entrepreneur on the behavior and success of the firm is so central that it deserves a specific perspective, using the tools of the managerial cognition field (Schneider & Angelmar, 1999; Shrivastava & Mitroff, 1984).

This focus fits particularly well with a business setting where generally one individual regroups all the mental processes and decisions leading to the firm's behavior. Kor et al. (2007) explain performance as a combination of entrepreneurs-managers' beliefs, organizational capabilities, and resource deployment activities. Convincing evidence shows that managers' perceptions are not fully and always accurate (Winter, 2003), leading to the risk of misrepresentations and biases, described in the literature, such as managerial beliefs and classic decision-making biases (illusion of control, overconfidence, and recency effect) (Amit & Schoemaker, 1993). Viva-Lopez (2005) notes that managers fulfill a key role towards dynamic capabilities and routines in terms of integration and reconfiguration; the importance of the role of managers in the realization of asset potential is confirmed by several studies (Sirmon et al., 2008, Day & Wensley, 1988). In fact, analyzing the mental mechanisms appears crucial for the central claim, because it covers a critical area of potential weaknesses of small business, and connects with the RBV as well.

Many approaches are possible to demonstrate the value of internships as a strategic tool in small business. These two approaches cover a large scope of variables, which help to extract several explanations in an exploratory perspective. They are together compatible and strongly connected, magnifying their explanatory power. From the review of literature, the RBV and the cognitive approach focus on "sensitive" issues for our purpose, becoming an excellent "hammer for the nail we must hang on the wall".

How can one study the connection between internships and small business improvement?

Research Design

The research claim to demonstrate can be stated as follows: small businesses experience potential positive and negative outcomes from internships that rank at the strategic level for these firms. Overall, the dominating positive consequences elevate internships at the level of a valuable strategic device, -one that can be used more extensively and with more profit in practice.

This central question requires that one first identifies the connections between small business performance improvement (considered in a broad meaning) and internships and, secondly, to empirically verify it in the field.

A two stage-research design would be appropriate to satisfy these two requirements.

Stage 1

Stage 1 encompasses a better understanding of the connecting areas between small business performance and use of internships, though an in-depth analysis of a couple of small firms in a single industry. A new round of conceptual analysis takes place first to complement and reinforce the existing knowledge about these connecting areas. Then, this stage aims at confirming the reality of the identified connecting areas in these firms, and to discover other ones missed in the literature. The collected

information can lead to the reframing of the findings from the literature, in the light of the owners' perceptions and beliefs. Other players are also interviewed to increase the richness of data (educational institutions, interns, and internship "brokers", such as firms that connect students or providers of internship-related services). Stage 1 generates many possible positive (and negative) outcomes of internships from several players' points of view.

Data collection: mostly through qualitative information through interviews of different players who provide their interpretation.

Data analysis: this analysis uses content analysis and aims at the generation of the richest possible vision on that topic, without any statistical or representativeness considerations. A model is built to visualize the relationships between variables. The researcher tries to understand how the owners (and other players) perceive internships' outcomes, and how they decide, imagine, remember, think, and decide about them.

Stage 2

Stage 2, enriched from stage 1, compares two sets of small firms: one set that employs interns, and one that does not, allowing the understanding of the differences and outcomes of the use of their interns. These firms are chosen in the same industry and in a manner to minimize the differences generated by other factors, such as size, activities, owner's profile, market, etc...

Data collection: it requires a broader scope of research methods because of the nature of information, not only qualitative, but also quantitative. Strategy and RBV analysis are performed, as well as the understanding of owners' cognition, beliefs, and mental mechanisms that may influence their vision of internships. Therefore, each type of analysis requires specific data.

Data analysis: the collection phase leads to a large amount of different materials for each firm that must be compared. More "objective data" about strategy and RBV can be compared directly, to extract any variation possibly explained by internships, whereas the subjective data of beliefs and perceptions are explored through content analysis techniques.

A difficulty of that exercise is the strong mediating role of the owner, with all the possible biases well described in the literature. The researcher accesses the reality of internships through the medium of the owner, because this individual is the only one who knows the "nuts and bolts" of the internships' outcomes on the firm. Therefore, understanding the phenomenon obliges to an insight within the owner's mental dimension. This mental dimension appears as a "mandatory gate" but also as a "regular" variable of the system, because beliefs and perception are usual drivers of managerial decisions.

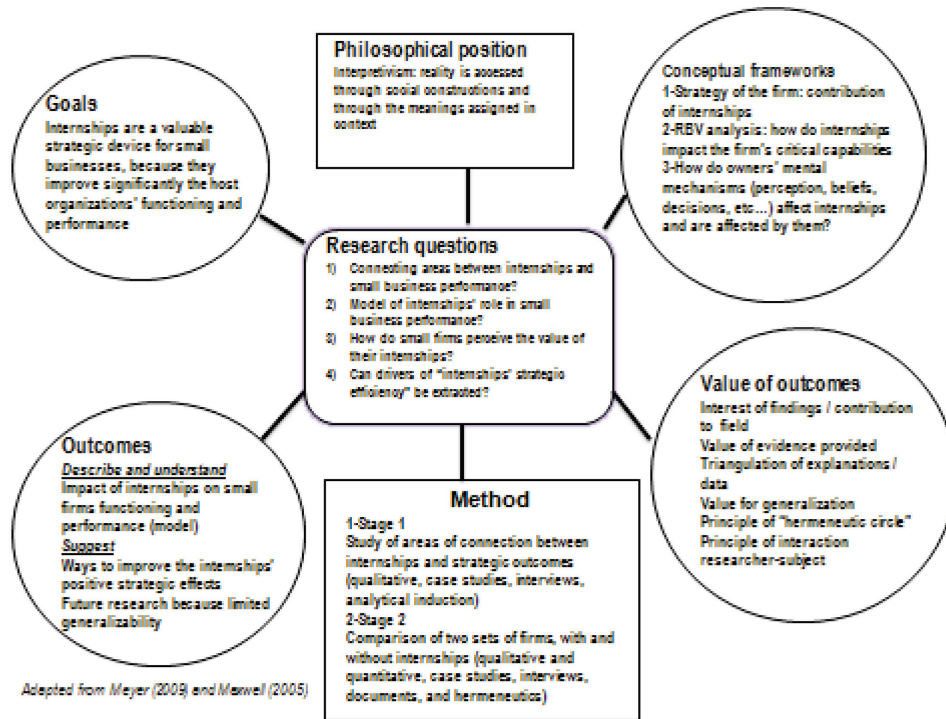
Family-businesses enter into the study scope, but they possess specific attributes, that one can think that the "tribe effect" may magnify some of the characteristics of the small business in general (Nicholson, 2008).

Figure 1 illustrates the research design, and examines seven important aspects (Meyer, 2009; Maxwell, 2005): the philosophical position, the goals, the conceptual frameworks, the research questions, the outcomes, their value and quality, and the method. It presents in a formalized way the design of research, even if some aspects must still be refined.

The validity of that research is an important aspect and must be addressed. Validity is defined as the "correctness or credibility of a description, conclusion, explanation, interpretation, or other sort of account" (Maxwell, 2005, p.106). To ensure a satisfying level of validity, two elements are critical: the search for a researcher's bias, and reactivity. A way to achieve that is to look for evidence that could challenge conclusions or potentially threaten chosen explanation. Maxwell (2005) suggests some actions that can be undertaken for that study:

- ensure the richness of data (through in-depth interviews),
- obtain respondents' validations (part of the protocol of data collection),
- search for discrepant evidence (part of the protocol of data analysis),
- triangulate individuals, methods, and settings (through the collection of data from different players, in different firms, and using several types of data).

**FIGURE 1
RESEARCH DESIGN**



Some questions and challenges remain:

1. How can the researcher overcome the difficulty of exploring the mental mechanisms of entrepreneurs who have concerns regarding this type of approach?
2. The success of internships in general is mediated by the quality of the “management” of internships, well documented in the literature which provides lists of recommendations to “get the most of your internship”. The researcher must integrate that variable in the model and measure it.
3. The generalizability is limited but not impossible, considering some elements that may be invariant across firms.

An immediate challenge lies in the interest and willingness of owners to cooperate in that research; the researcher must convince them of that interest. Maybe entrepreneurs are not interested in internships for good reasons (in their perception), and the exercise will not lead to an extension of the practice. It is likely that small firms do not use internship for many reasons.

EDUCATIONAL AND MANAGERIAL IMPLICATIONS

The demonstration of the value of internships in the context of small business has implications for several players within the “internship industry.” In general, showing the value of a managerial tool focuses attention on that tool, encourages firms to use it on a larger scale, to improve its use, and generates increased business around that device for its suppliers, the associated consultants, and more generally, for the related “brokers”.

How does this general rule unfold for our topic?

If internships are not fully exploited by small business despite a strong potential to generate positive strategic outcomes, an effort must take place to develop that use, in quantitative and qualitative terms.

Developing the use of internships from a quantitative point of view implies convincing those small firms that do not use interns that they would benefit from doing so, and increasing the number of interns in small firms which already have one.

More importantly, qualitative improvements in the way internships are implemented would guarantee increased benefits: assuming that the study demonstrates areas of connections with strategy and the way to develop positive outcomes, we will have valuable recommendations and directions for development of the use of internships. They should be advertising in one way towards small firms, and accompanied with support for implementation. These directions of development could relate to the fit between the intern and the firm and his/her selection, to the nature of tasks the intern takes in charge, to the interconnections of the tasks if several interns work for the firm, to the role of the outside ‘brokers’ in the industry, etc...

All the players in the internship industry would be concerned.

First of all, small firms are the main recipient of these positive outcomes, and should be receptive to them, and follow the guidelines suggested for development. Owners’ role is central and their willingness to listen and to act determines the success of the endeavor. Owners and managers have a critical impact in the very benefits they can gather from their internships: the literature already provides classic recommendations for successful internships that must be checked on to ensure their implementation.

Educational institutions should consider the impact on their internships programs and adapt them to the “new potentialities”, enlarging the scope of the preparation, providing students with more consulting-oriented skills, accompanying them in a stronger manner along their internships, providing interns with better skills to handle owners’ personalities and mental mechanisms, as well as knowledge in strategy, entrepreneurship, and the RBV. Education institutions are a key player which has a dominant effect on internships’ “content”.

Organisms sponsored or operated by state agencies whose role is to help small business in general should be involved to accompany the shift: they can relay the message of “increased benefits from internships” toward their members or customers, and facilitate the development of internships from a logistic standpoint, and explore and clarify internships’ legal aspects. They should help to train small firms to maximize the benefits of successful internships. Financing research and experimentation should be a priority to enhance improvements. One could imagine that, at the state or local levels the organization of internships could be seen in novel ways to capture stronger positive effects, such as training of interns to be trainers of interns, and internal programs to manage interns. These novel ways constitute an area for further research, in the same track as this present study.

Students are not passive recipients of their internship, but have to ensure its fit with the host organization and with their expectations and career objectives; they should be convinced of what they can bring to the firm and work closely with the owner to decide about an ambitious but achievable contribution. Students can contribute to small firms’ improvement and should not hesitate to go beyond a technical narrow role to provide a larger diagnosis/contribution, with the agreement of the owner.

Finally, brokers in that industry may see a potential increase in their market, and adapt their mission to this new potential, conducting to changes in the industry and probably a better support for small business.

CONCLUSION

The central idea of the interest of internship as a “strategic device” for small business was triggered by the experience of teaching an internship class, and by studying characteristics of small businesses and their difficulties.

It led to this early stage of research that aims at showing the strategic potentialities of internships for small businesses. Small business management and performance can significantly benefit from an improved use of internships: the paper points out to “connecting areas” where one can show conceptually internships’ potential for small business. Beyond this conceptual approach, based on two main frameworks (strategy/RBV, and managerial mental and cognitive mechanisms), the value of internships must be empirically verified as described in the research section.

I am convinced that the quantitative and qualitative development of internships is only at its start. Acknowledging the global aspect of internships and the involvement of many players in the internship industry, more research is required and system effects are to be expected in that endeavor.

REFERENCES

Alvarez, S.A. & Busenitz, L.W. (2001). The entrepreneurship of Resource-based theory. *Journal of Management*, 27, (6), 755-777.

Ames, M.D. (1986). How to design a college student internship program that works. *Production and Inventory Management*, 2nd Quarter, 113-119.

Amit, R. & Schoemaker, P. (1993). Strategic assets and organizational rent. *Strategic Management Journal*, 14, (1), 33-47.

Andersson, S. & Tell, J. (2009). The relationship between the manager and growth in small firms. *Journal of Small Business and Enterprise Development*, 16, (4), 586-600.

Anonymous (2007). How to make the most of your firm's internship program? *Accounting Office Management & Administration Report*, 7, (5), 1-5.

Anonymous (2009). Quick study: Internships' intangible benefits, *PR News*, 65, (16).

Barney, J.B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17, (1), 99-121.

Baron, R.A., (2004). The cognitive perspective: a valuable tool for answering entrepreneurship's basic "why" questions. *Journal of Business Venturing*, 19, (2), 221-239.

Beard, D.F. (2007). Assessment of internship experiences and accounting core competencies. *Accounting Education: an International Journal*, 16, (2), 207-221.

Beaver, G. & Jennings, P. (2005). Competitive advantage and entrepreneurial power. The dark side of entrepreneurship. *Journal of Small Business and Enterprise Development*, 12, (1), 9-25.

Beaver, G. & Jennings, P. (2000). Editorial review: small business, entrepreneurship and enterprise development. *Strategic Change*, 9, (7), 397-405.

Beaver, G. & Jennings, P. (1995). Picking winners: the art of identifying successful small firms. *International Review of Strategic Management*, 6, (14), 91-106.

Birley, S. & Norbun, D. (1985). Small vs. large companies: the entrepreneurial conundrum, *Journal of Business Strategy*, 6, (1), 81-88.

Brindley, C. & Ritchie, R. (2000). Undergraduates and small and medium-sized enterprises: opportunities for a symbiotic partnership? *Education + Training*, 42, (8/9), 509-528.

Burpitt, W. (2004). Knowledge-based resources and organizational capabilities: a study of new entry. *The Journal of Applied Management and Entrepreneurship*, 9, (2), 67-83.

Campbell Clark, S. (2003). Enhancing the educational value of business internships. *Journal of Management Education*, 27, (4), 472-485.

Carson, L., & Fisher, K. (2006). Raising the bar on criticality: students' critical reflection in an internship program. *Journal of Management Education*, 30, (5), 700-724.

Changanti, R. (1987). Small business strategies in different industry growth environments, *Journal of Small Business Management*, 25, (3), 61-70.

Collis, D.J. (1994). Research note: how valuable are organizational capabilities? *Strategic Management Journal*, 15, (Special), 143-153.

Collis, D.J. & Montgomery, C.A. (1995). Competing on resources: strategy in the 1990s. *Harvard Business Review*, 73, (4), 118-129.

Cook, S.J., Parker, R. S., & Pettijohn, C.E. (2004). The perceptions of interns: a longitudinal case study. *Journal of Education for Business*, 79, (3), 179-186.

Cooper, A.C. (1981). Strategic management, new ventures, and small businesses. *Long Range Planning*, 14, (5), 39-46.

Covin, J.G. & Slevin, D.P. (1991). A conceptual model of entrepreneurship as firm behavior. *Entrepreneurship Theory and Practice*, 16, (1), 7-27.

Craig, H.K. (2009). Be more productive: get an intern. *Contractor*, February, 34.

Cunningham, W.G. & Sherman, W.H. (2008). Effective internships: building bridges between education and practice. *The Educational Forum*, 72, (4), 308-320.

Curtis, S. & Lucas, R. (2001). A coincidence of needs? Employers and full-time students. *Employee Relations*, 23, (1), 38-46.

D'Abate, C.P., Youndt, M.A. & Wenzel, K.E. (2009). Making the most of an internship: an empirical study of internship satisfaction. *Academy of Management Learning & Education*, 8, (4), 527-541.

Davig, W. (1986). Business strategies in smaller manufacturing firms. *Journal of Small Business Management*, 24, (1), 38-48.

Day, G.S. & Wensley, R. (1988). Assessing advantage: a framework for diagnosing competitive superiority. *Journal of Marketing*, 52, (2), 1-20.

Farinelli, J.L. & Mann, P. (1994). How to get the most value from your internship program? *Public Relations Quarterly*, 39, (3), 36-40.

Felin, T. & Zenger, T.R., (2009). Entrepreneurs as theorists: on the origins of collective beliefs and novel strategies. *Strategic Entrepreneurship Journal*, 3, (2), 127-146.

Foncault, P. (2002). Viewpoint: Linking schools to businesses. *The Clearing House*, 73, (3), 3.

Fuller, A. & Urwin, L. (2004). Young people as teachers and learners in the workplace: challenging the novice-expert dichotomy. *International Journal of Training and Development*, 8, (1), 32-44.

- Foss, N.J., Klein, P.G., Kor, Y.Y. & Mahoney, J.T. (2008). Entrepreneurship, subjectivism, and the resource-based view: toward a synthesis. *Strategic Entrepreneurship Journal*, 2, (1), 73-94.
- Gault, J., Leach, E. & Duey, M. (2010). Effects of business internships on job marketability: the employer's perspective. *Education + Training*, 52, (1), 76-88.
- Gault, J., Redington, J. & Schlager, T. (2000). Undergraduate business internship and career success: are they related? *Journal of Marketing Education*, 22, (1), 45-54.
- Gavetti, G. & Levinthal, D. (2000). Looking forward and looking backward: cognitive and experiential research. *Administrative Science Quarterly*, 45, (1), 113-137.
- Greenbank, P. (2002). Undergraduate work experience: an alternative approach using micro-businesses. *Education + Training*, 44, (6), 261-272.
- Habbershon, T.G. & Williams, M.L. (1999). A resource-based framework for assembling the strategic advantages of family firms. *Family Business Review*, 12, (1), 1-25.
- Harris, K.J. & Zhao, J. (2004). Industry internships: feedback from faculty and industry executives. *International Journal of Contemporary Hospitality Management*, 16, (7), 429-436.
- Hitt, M.A. & Tyler, B.B. (1991). Strategic decision models: integrating different perspectives. *Strategic Management Journal*, 12, (5), 327-351.
- Hornaday, R.W. & Weatley, W.J. (1986). Managerial characteristics and the financial performance of small business. *Journal of Small Business Management*, 24, (2), 1-8.
- Hurst, J.L. & Good, L.K. (2010). A 20-year evolution of internships: implications for retail interns employers and educators, *The International Review of Retail Distribution and Consumer Research*, 20, (1), 175-187.
- Jennings, P. & Beaver, G. (1997). The performance and competitive advantage of small firms: a management perspective. *International Small Business Journal*, 15, (2), 63-80.
- Keats, B.W. & Bracker, J.S. (1988). Toward a theory of small firm performance: a conceptual model. *American Journal of Small Business*, 12, (4), 41-60.
- Khan, R. & Rocha, J.R. (1982). Recurring managerial problems in small businesses. *American Journal of Small Business*, 7, (1), 50-60.
- Knemeyer, A.M. & Murphy, P.R. (2002). Logistics internships: employer and student perspectives. *International Journal of Physical Distribution & Logistics Management*, 32, (1/2), 135-154.
- Knouse, S.B. & Fontenot, G. (2008). Benefits of the business college internship: a research review. *Journal of Employment Counseling*, 45, (2), 61-68.
- Knouse, S.B., Tanner, J.R. & Harris, E.W. (1999). The relation of college internships, college performance, and subsequent job opportunity. *Journal of Employment Counseling*, 36, (1), 35-44.

Kor, Y.Y., Mahoney, J.T. & Michael, S.C., (2007). Resources, capabilities, and entrepreneurial perceptions. *Journal of Management Studies*, 44, (7), 1187-1212.

Lantos, G.P. (1994). Faculty internships: a means to bridge the academician-practitioner gap. *The Journal of Product and Brand Management*, 3, (4), 15-32.

Maxwell, J.A. (2005). *Qualitative research design, an interactive approach*. London: Sage.

McCormick, D.W. (1993). Critical thinking, experiential learning, and internships. *Journal of Management Education*, 17, (2), 260-262.

Menefee, M.L. & Parnell, J.A. (2007). Factors associated with success and failure among firms in high technology environments. *The Journal of Applied Management and Entrepreneurship*, 12, (4), 60-75.

McMillan, I.C. (1975). Strategy and flexibility in the smaller business. *Long Range Planning*, 8, (3), 62-65.

Meyer, M.D. (2009). *Qualitative research in business and management*. Thousand Oaks: Sage.

Mihail, D.M. (2006). Internships at Greek universities: an exploratory study. *Journal of Workplace Learning*, 18, (1/2), 28-33.

Miller, D. (1987). Strategy making and structure: analysis and implications for performance. *Academy of Management Journal*, 30, (1), 7-34.

Miller, D. & Toulouse, J.M. (1986). Chief executive personality and corporate strategy and structure in small firms. *Management Science*, 32, (11), 1389-1411.

Narayanan, V.K., Olk, Paul M. & Fukami, C. (2010). Determinants of internship effectiveness: an exploratory model. *Academy of Management Learning and Education*, 9, (1), 61-81.

Neumann, B.R. & Banghart, S. (2001). Industry-university "consulternships": an implementation guide. *The International Journal of Educational Management*, 15, (1), 7.

New, J.R. (1984). Strategies for introducing changes in small business. *American Journal of Small Business*, 8, (4), 28-42.

Newbert, S.L. (2008). Value, rareness, performance, and competitive advantage: a conceptual level investigation of the resource-based view of the firm. *Strategic Management Journal*, 29, (7), 745-768.

Newton, K. (2001). *Management skills for small business*. Report for Small Business Policy Branch, Industry Canada, Cruise, March, 30, 1-55.

Nicholson, N. (2008). Evolutionary psychology and family business: a new synthesis for theory, research, and practice. *Family Business Review*, 21, (1), 103-118.

O'Neil, H.M. & Drucker, J. (1986). Survival and failure in small business. *Journal of Small Business Management*, 24, (1), 30-39.

Planko, D. (1996). Power internships. *Management Review*, 85, (12), 31-34.

- Raelin, J.A. (2001). Public reflection on the basis of learning. *Management Learning*, 32, (1), 11-31.
- Rothman, M. (2007). Lessons learned: advice to employers from interns. *Journal of Education for Business*, 82, (3), 140-144.
- Runyan, R.C., Huddleston, P. & Swinney, J.L. (2007). A resource-based view of the small firm: using a qualitative approach to uncover small firm resources. *Qualitative Research Market: An International Journal*, 10, (4), 390-404.
- Ryan, G. & Krapels, R.H. (1997). Organizations and internships. *Business Communication Quarterly*, 60, (4), 126-131.
- Ryan, G., Toohey, S. & Hughes, C. (1996). The purpose, value and structure of the practicum in higher education: a literature review. *Higher Education*, 31, (3), 355-378.
- Schneider, S.C. & Angelmar, R. (1999), Cognition in organizational analysis: who's minding the store? *Organization Studies*, 14, (3), 347-374.
- Scholtz, R.W., Steiner, R. & Hansmann, R. (2004). Role of internship in higher education in environment sciences. *Journal of Research in Science*, 41, (1), 24-48.
- Schreyorgg, G. & Kuesch-Eberl, M. (2007). How dynamic can organizational capabilities be? Toward a dual process of capability dynamization. *Strategic Management Journal*, 28, (9), 913-933.
- Sexton, D.L. & Van Auken, P.M. (1982). Prevalence of strategic planning in small business. *Journal of Small Business Management*, 20, (3), 20-28.
- Shrivastava, P. & Mitroff, I. (1984). Enhancing organizational research utilization: the role of decision-makers' assumptions. *Academy of Management Review*, 9, (1), 18-27.
- Sirmon, D., Gove, S. & Hitt, M.A. (2008). Resource management in dyadic competitive rivalry: the effects of resource bundling and deployment. *Academy of Management Journal*, 51, (5), 919-935.
- Steiner, M.P. & Solem, O. (1988). Factors for success in small manufacturing firms, *Journal of Small Business Management*, 26, (1), 51-59.
- Strock, N. (1991). Reaching for the stars: companies reap numerous rewards by hiring recent college grads, interns. *Agri Marketing*, 29, (4), 100-103.
- Teece, D.J., Pisano, G. & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18, (7), 509-533.
- Verney, T.P., Holoviak, S.J. & Winter, A.S. (2009). Enhancing the reliability of internship evaluations. *Journal of Applied Business and Economics*, 9, (1), 22-34.
- Vivas Lopez, S. (2005). Competitive advantage and strategy formulation. The key role of dynamic capabilities. *Management Decision*, 43, (5/6), 661-670.
- Wasilzcuk, J. (2000). Advantageous competence of owner/managers to grow the firm in Poland: empirical evidence. *Journal of Small Business Management*, 38, (2), 88-96.

Wasonga, T.A. & Murphy, J.F. (2006). Learning from tacit knowledge: the impact of the internship. *International Journal of Educational Management*, 20, (2), 163-173.

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5, (2), 171-180.
Winter, S.G. (2003). Understanding dynamic capabilities. *Strategic Management Journal*, 24, (10), 991-995.

Woods, A. & Joyce, P. (2003). Owners-managers and the practice of strategic management, *International Small Business Journal*, 21, (2), 181-197.

Yu, T.F.L. (2001). Towards a capabilities perspective of the small firm. *International Journal of Management Reviews*, 3, (3), 185-197.

Zahra, A.Z., Sapienza, H.J. & Davidsson, P. (2006). Entrepreneurship and dynamic capabilities: a review, model, and research agenda. *Journal of Management Studies*, 43, (4), 39.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.