

10 Best Practices for Business Student Internships

By Kurt F. Reding, CMA, CPA, CIA, and
David O'Bryan, CMA, CPA, CFE

Many organizations understand the value of a successful business student internship program and have achieved success with their programs. The ideas we share in this article, which include quotes from former interns and business leaders who hire and work with them, will help organizations that want to create new internship programs or improve existing ones.

Between the two of us, we have 14 years of experience working with interns and sponsoring organizations. We first present a set of internship best practices that organizations can use as a framework for developing high-quality internship programs and then discuss the benefits each party will directly and indirectly derive by being involved in such a program. Let's begin.

Best Practices

The 10 internship best practices in Table 1 are based primarily on feedback from a select group of business students who participated in excellent internship programs at a variety of prominent businesses and government organizations. A second key source of input is a group of organizations known for sponsoring outstanding internship programs.

Not every organization will find it appropriate or feasible to adopt every best practice, but considering them will help any organization construct a successful internship program. The first two best practices pertain to the overall program, while the remaining eight address issues that arise after a company has selected interns.

1. Define the Purpose of the Internship Program

It makes sense that organizations will have different reasons for establishing programs. But an organization should thoughtfully and strategically define the principal purpose of its internship program before it establishes one. A clearly defined purpose against which the organization can assess its performance is critical to achieve and sustain success.

“A best practice is treating the internship program as a strategic part of your business, meaning you have to build and maintain it in a way that creates a competitive advantage,” Richard Dinkel, controller and chief accounting officer for Koch Industries, Inc., says. “The recruiting process has become very competitive, and if you’re not investing significantly, innovating, and continuously improving your program like you would with other strategic parts of your business, you’ll quickly lose ground.”

Organizations establish internship programs for different purposes. Some, such as Koch Industries, Inc., use their internships to attract and retain permanent employees, so they view internships as opportunities to conduct “extended interviews” of the student interns before extending offers for permanent employment.

Other companies establish internship programs to obtain temporary help on special one-time projects or recurring year-to-year activities rather than hire permanent employees. According to Michael Head, retired vice president and managing director of corporate audit at TD Ameritrade, “TD Ameritrade’s corporate audit function has developed an internship program that primarily serves as a way to obtain temporary resources and help to complete the annual audit plan.”

Still other organizations hire interns for more altruistic

Table 1: Business Student Internship Best Practices

1. Define the purpose of the internship program.
2. Compensate interns fairly.
3. Communicate with incoming interns.
4. Invite incoming interns to an orientation event.
5. Mentor the interns before, during, and after their internships.
6. Implement a structured first-day protocol.
7. Provide a variety of meaningful work experiences.
8. Choose internship supervisors carefully.
9. Offer networking opportunities.
10. Implement a structured conclusion.

reasons. They view internship programs as a type of community service and have no specific need for permanent or temporary employees—they simply want to provide good students with relevant work experience.

2. Compensate Interns Fairly

Companies should give interns responsibilities comparable to those of entry-level staff personnel and compensate them accordingly. Occasionally, government or not-for-profit entities will have justification for offering unpaid internships, but this should be the exception, not the norm.

When companies pay a competitive wage, they’re more likely to hold interns accountable for doing meaningful work. In contrast, when an organization doesn’t pay its interns, the perceived stature of the internship program suffers, and the program’s quality may diminish. Since the interns aren’t being paid, the organization may put less effort into providing worthwhile internship experiences.

A company must also consider opportunity costs that students incur when they decide to complete internships. For example, many interns forgo income they otherwise would be earning from part-time jobs, and, more importantly, students often complete internships when they otherwise would be taking classes. In some cases, an internship could delay a student’s graduation.

3. Communicate with Incoming Interns

After students accept internship offers, the organization should establish and maintain open lines of communication with them. A designated person should contact each intern to extend a formal welcome, provide basic information, and answer any questions. Communication

should include general information about the organization and more specific cultural information, such as ethical standards, professional expectations, and appropriate attire. If the internship requires relocation, the company should inform the intern about the community and housing options available.

A formal written employment contract should clarify the internship's terms and conditions. It should articulate, for example, the specific start and end dates, compensation, and a preliminary work schedule. The company should identify travel dates, if any, to the extent they're known.

4. Invite Incoming Interns to an Orientation Event

An onsite orientation event for incoming interns will familiarize them with the organization. Unlike an office visit, which may have been part of the screening process, the orientation event allows interns to experience the company culture, meet key employees in their work units, and observe employees with roles similar to those they'll be assuming. The event lets the interns experience some of the things they have been hearing about. This experience will help establish realistic job expectations among the interns and reduce the anxiety they may be feeling.

5. Mentor the Interns

Highly rated employees should mentor student interns before, during, and after their internships. Assigning the mentoring role to someone other than the intern's supervisor is preferable because interns often want to discuss matters that don't pertain directly to the work they're performing or work-related matters that would be awkward to discuss with their supervisors.

The best mentors tend to be relatively inexperienced employees (those in their first or second year) because they still remember what it feels like to be new to the organization. In addition, the interns will feel more comfortable seeking advice and assistance from someone with whom they can identify more closely. Mentors should meet face-to-face with the interns prior to the first day of employment, if possible, and meet regularly with them over the course of their internships. If an intern becomes a permanent employee, mentors should continue to correspond with them.

6. Implement a Structured First-Day Protocol

The company should plan and structure the interns'

activities on the first day. These activities typically include meeting key staff members, completing human resources paperwork, receiving formal job training, and gathering general information about office procedures. Each intern's responsibilities should be delineated clearly on the first day of work.

The interns' workspaces should be ready to use and typically include a computer, telephone, nameplate, business cards, and office supplies. These items convey that the organization views the interns as valued team members and sets the tone that they'll have the rights and responsibilities of other team members.

7. Provide a Variety of Meaningful Work Experiences

One of the most common complaints from students who report dissatisfaction with their internship experiences is that they spent too much time either doing nothing or doing menial tasks that contributed little to their learning experience. Students who have taken the initiative to pursue an internship are generally highly motivated and become frustrated if not challenged.

"Hiring a student to just sit and observe does not provide the student with the kinds of experiences that will help them long term, and it does not provide the student with guidance as to the path they should seek in their career," says Sarah Sisseck, former intern with an international manufacturing company, a prominent privately held business, and a large public accounting firm.

According to Jennifer Shewmake, former intern with a prominent privately held business and a large public accounting firm, "The single most important best practice for establishing and sustaining a high-quality internship program is to treat interns as entry-level employees, not interns. For example, interns should be expected to complete tasks that would be expected of full-time employees."

Jonathan Wiltse, former intern with a major telecommunications company and a federal government entity, echoes these sentiments: "Internship sponsors should provide interns with meaningful, challenging work that adds value to the organizations."

Some programs rotate interns into new positions every few weeks. Interns who rotate from one department to another can gain a variety of experiences by working on different types of assignments.

Learning should be pervasive throughout the internship, and some of the best learning opportunities occur outside the routine work environment. Examples include

meeting with key executives, shadowing employees in different departments, and touring key areas of the organization, such as operational units, executive suites, or production facilities. Interns might also participate in professional development activities the company offers other employees.

8. Choose Internship Supervisors Carefully

The company should choose internship supervisors carefully. Ideally, they'll have been involved in the internship planning process and are excited about the program.

Supervisors have several critical roles, including scheduler and coach. As schedulers, they keep the interns busy doing meaningful tasks that benefit the organization. To do this successfully, the supervisors should carefully plan what the interns will do prior to their arrival and then review these assignments with them before they begin work. As coaches, the supervisors should ensure the students understand and concur with the internship objectives and should help them establish the personal goals they want to attain from their internship experiences.

Supervisors also need to help interns transition from school to the professional workplace. In some cases, this may be the first time students are truly challenged, are expected to do the right things the right way the first time, or receive constructive criticism. Skilled coaches will motivate interns to meet these new and higher expectations and achieve more than they may have thought possible. Proficient coaches also will provide clear instructions, review interns' work, and provide meaningful feedback in a timely manner.

9. Offer Networking Opportunities

If an organization employs a group of interns simultaneously, it should provide opportunities for them to network, share their experiences, and learn about other areas of the organization. When interns undertake community service projects, it promotes camaraderie and conveys to them the importance the organization places on honoring its commitment to the community. Other examples of networking events include picnics and attendance at sporting or cultural events. A social networking forum on the Internet or the organization's intranet may help supplement face-to-face activities.

10. Implement a Structured Conclusion

Each internship should have a structured conclusion. The

organization may require interns to prepare a written report or make a formal presentation describing their internship experiences. Competitive team presentations offer the interns a final opportunity to work together and learn from each other. The company should invite faculty, administrators, and placement office personnel from the interns' universities to participate in these activities. This gives representatives of the organization an opportunity to share information about the organization and its internship program with the visiting university representatives. The visitors will gather information about the organization and its internship program that they can pass on to future internship candidates.

"It is very important that relationships between the sponsoring organization and universities from which it hires interns are established and maintained," Stephen McBride, senior vice president and general auditor for the Federal Reserve Bank of Kansas City, notes. "This allows the parties involved to match students with the organizations with whom they fit best, an important component in sustaining high-quality internship programs."

The company should conduct an exit interview that includes the supervisor's overall performance appraisal. According to Sisseck, the employer should establish a structure for reviewing a student's performance. "After the internship, the student should have a good sense of where their strengths and weaknesses lie as they relate to their profession," she says. "The employer should plan ahead to have a structured review at the end of the internship, whether or not long-term employment is available at the organization, so that the student can then grow personally and professionally."

If a company has decided to extend a permanent job offer to an intern, the intern should learn of the opportunity at this time, and if it decides not to, the reasons should be clear. If the decision about a permanent job offer is pending, the intern should learn of the decision time frame.

Some universities offer course credit for completing internships and assign course grades when the internships conclude. The internship advisors from these universities may use internship outcomes as key grading criteria, including reports, presentations, and the performance evaluations completed by the interns' supervisors. To strengthen the working relationships with the universities and ensure the students' academic progress isn't delayed, internship supervisors should submit the required documents to faculty advisors quickly.

Regardless of the outcome, the mentor and supervisor should stay in contact with the intern after the internship is complete. When an organization wants to hire interns on a permanent basis, it will have to entice them because they'll likely have other opportunities. Interns who don't receive offers of permanent employment will return to campus and discuss their internship experiences with other students, so it's important that these students be left with a positive impression of the organization. Sustaining an effective internship program requires an ongoing commitment, and maintaining professional relationships with former interns fosters future success.

Benefits of Business Student Internship Programs

The primary beneficiaries of internship programs are the organizations sponsoring the internships and the interns. Important secondary beneficiaries include the interns' universities and the business community as a whole.

Benefits to the Sponsoring Organization

The benefits to the sponsoring organization will depend largely on the purpose of the program. Organizations with programs connected to their hiring processes attract outstanding students and make improved hiring decisions by ensuring there's an appropriate fit among the person, role, and organization. The following quotes show feedback from internship sponsors and former interns.

"We view the internship program as the primary means of originating talent for the organization. Most of our employees, including the leaders of our businesses, came to us right off campus. By engaging students early in the process and really getting to know each other through the relationships built through the internship program, the benefit is finding the right people that truly fit within the culture of the company, enabling them to be most successful on a long-term basis."

—Richard Dinkel, controller and chief accounting officer,
Koch Industries, Inc.

"The Federal Reserve Bank of Kansas City frequently hires recent graduates for entry-level positions. The business student internship program provides the Bank an opportunity to assess a student's skills and competencies in a professional work environment prior to full-time employment to determine whether the job is a good fit

for both the individual and the Bank."

—Stephen McBride, senior VP
and general auditor, Federal
Reserve Bank of Kansas City

"Interns have the advantage of knowing whether the full-time positions offered them meet

their interests, which in turn fosters commitment to the organizations if the interns accept the positions. Moreover, interns who accept full-time positions with organizations for which they completed internships often provide positive feedback about the organizations to other students, which helps the organizations recruit future interns."

—Jonathan Wiltse, former business student intern
with a major telecommunications company
and a federal government entity

Organizations that sponsor internships designed to obtain temporary help benefit by obtaining the services they need at a reasonable cost. In the case of TD Ameritrade's corporate audit function, "Interns provide a cost-effective way to secure 'flex' resources to complete required audits and projects," Michael Head says.

The benefits to organizations that sponsor internships for altruistic reasons include the positive effects that contributions to the education of aspiring business professionals have on their corporate image and the goodwill such contributions garner from universities, communities, and organizational stakeholders. In turn, all internship sponsors benefit greatly from the energy, optimism, and creativity bright students infuse into their organizations.

Benefits to Business Student Interns

The primary benefits that students reap from their internship experiences are valuable work experiences that complement their classroom learning and practical insights about potential career opportunities. After completing their internships, students tend to find their classes more meaningful because they better understand the real-world implications of the concepts. Here is more valuable feedback from former interns and internship sponsors.

"I was able to use knowledge I gained in school in real-world settings. I became familiar with the industries and businesses I worked in and acquired insights regarding the responsibilities I would have as a full-time employee. I learned how to evaluate my performance as an employee and was able to capitalize on the lessons I learned. The

practical knowledge I obtained enhanced my understanding of the concepts I studied in subsequent courses.”

—Jennifer Shewmake, former business student intern with a prominent privately held business and a large public accounting firm

“I was able to determine whether the role and organization would be an appropriate fit for me after the internship. I gained practical real-world experiences and overcame challenges, which made my first full-time position easier to manage. I had an advantage over other new hires, which ultimately allowed me to get promoted faster.”

—Jonathan Wiltse

“Having the opportunity to see day-to-day operations and work in my chosen profession provided me several ‘I’ve seen that before’ moments that I have drawn upon since in my career. Nothing in a college experience can replace hands-on experience.”

—Sarah Sisseck, former intern with an international manufacturing company, a prominent privately held business, and a large public accounting firm

“At TD Ameritrade, corporate audit interns serve as staff auditors. They gain real-world, practical audit experience that will help them better assess full-time employment opportunities.”

—Michael Head, retired VP and managing director of corporate audit, TD Ameritrade

Another significant benefit to students who complete internships designed as “extended interviews” is that they know going into their internships that outstanding performance may lead to permanent employment opportunities. A secondary benefit, which is important to some students, is that they experience no pressure to work for the sponsoring organizations on a permanent basis.

Benefits to Universities and the Business Community

Universities benefit when their best and brightest business students have opportunities to complete excellent internships because such opportunities are extremely attractive to top-tier high school students aspiring to become business leaders and will thus generate more interest in the university’s programs. Business program sponsors also receive valuable feedback regarding the academic preparation of their students, which the university can then use to strengthen their curricula. The ultimate beneficiary of the internship “pipeline” that connects top-notch students with outstanding business organizations is the business community as a whole.

Making a Difference

Organizations can reap great rewards from investing wisely in internship programs. They can use these 10 best practices to maximize the returns they realize from creating new internship programs or to improve the ones they have in place. High-quality programs enable bright students to gain practical knowledge and skills that universities can’t provide and thus contribute greatly to the professional development of future business leaders. **SF**

Kurt F. Reding, CMA, CPA, CIA, Ph.D., is a clinical assistant professor of accounting and the Grant Thornton Faculty Fellow in the School of Accountancy at Wichita State University. He is also a member of IMA’s Wichita Chapter. You can reach him at (316) 978-6255 or kurt.reding@wichita.edu.

David O’Bryan, CMA, CPA, CFE, Ph.D., is a professor of accounting in the Department of Accounting and Computer Information Systems at Pittsburg State University (Kansas) and a member of IMA’s Joplin Tri-State Chapter. You can reach him at (620) 235-4566 or dobryan@pittstate.edu.

Experience in the Field

Between them, the two authors have 14 years of formal experience working with interns and sponsoring organizations. From 1999 to 2005, Kurt Reding coordinated the internship program for the Department of Accounting at Pittsburg State University. Since 2005, David O’Bryan has coordinated the internship program for what is now the Department of Accounting and Computer Information Systems at Pittsburg State University.

Reding and O’Bryan have worked directly with more than 200 Pitt State student interns and dozens of sponsoring organizations. The interns included not only accounting majors (the largest percentage), but also those majoring in other business disciplines and a few nonbusiness majors. The sponsoring organizations included publicly and privately owned companies, public accounting firms, and government and nonprofit entities.

Reding currently works informally with students and business organizations involved in the accounting internship program at Wichita State University, while O’Bryan continues to coordinate the internship program at Pittsburg State.