

Internship Experience and Social Environment in Encouraging HR Readiness to Enter The Labor Market: Evidence From College Graduate

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ABSTRACT

Purpose: Employment plays a pivotal role in driving social and economic development, particularly in Gorontalo Province, which faces significant challenges in integrating university graduates into the labor market. This study focuses on analyzing the influence of internship experiences and social environment on the job readiness of graduates from Universitas Negeri Gorontalo who graduated between 2021 and 2023.

Design/Methodology/Approach: This study employed a quantitative method with multiple regression analysis techniques. It involved 1,618 respondents who were graduates of Universitas Negeri Gorontalo from the 2021–2023 period.

Findings: The findings indicate that while internship experiences have proven effective in providing relevant practical skills, the role of social networks, such as family and community support, has a more significant influence on graduates' readiness to enter the workforce. The study recommends that universities enhance the quality of internship programs through strategic partnerships with various industries, particularly those experiencing growth. Additionally, strengthening professional social networks for graduates is essential to support their transition into the labor market. Moving forward, further research is encouraged to explore other factors influencing job readiness, enabling more comprehensive and impactful solutions to be developed.

Keywords: *Internship Experience; Social Environment; Job Readiness*

INTRODUCTION

Employment is a fundamental aspect of social and economic development in a region. In Gorontalo Province, workforce management challenges are a critical issue in achieving sustainable development. As part of Indonesia, the province faces specific challenges, such as a low Employment Development Index that

affects the competitiveness of its workforce (Gusman, 2020; Amankwaa, 2021). In this context, it is essential to examine how factors such as internship experiences and the social environment influence the job readiness of university graduates entering the labor market.

In 2023, the working-age population in Gorontalo Province reached 920,273 people, with 70.78% (651,425 individuals) classified as part of the labor force. Of this number, 96.94% (631,521 individuals) were employed, while the Open Unemployment Rate (OUR) increased to 3.06% from 2.58% in 2022. This indicates challenges in labor absorption in Gorontalo that must be addressed to promote sustainable economic development (BPS Gorontalo Province, 2024).

The sectors that absorbed the most labor in Gorontalo during the 2019–2023 period were agriculture, forestry, and fisheries (BPS Gorontalo Province, 2024). This sector remains the mainstay, despite growth in sectors such as manufacturing, trade, transportation, and accommodation, which demonstrate promising economic diversification (Chongvilaivan, 2012; Schultz, 1975). According to data from the Central Bureau of Statistics of Gorontalo Province, the majority of workers in agriculture have low educational attainment, predominantly at the elementary school level (BPS Gorontalo Province, 2024). This highlights limitations in the quality of the workforce in the primary sector, affecting productivity and competitiveness (Card & Krueger, 1992).

The secondary and tertiary sectors present different challenges. Although the mining and manufacturing sectors employ workers with higher education levels than agriculture, the dominance of workers with low educational attainment remains an obstacle to advancing these sectors (Autor, 2019). Meanwhile, more modern tertiary sectors, such as services, transportation, and trade, employ workers with medium to high education levels, although the proportion of low-educated workers remains significant (Machin, 2011).

In the context of human resource management (HRM), labor is a crucial component of economic and social development in a region, including in Gorontalo Province. HRM emphasizes the importance of effectively managing human resources to achieve organizational goals, which, on a macro scale, translates to regional development objectives. This aligns with the human capital investment theory proposed by Becker (1993), which posits that investment in education and training is key to improving labor productivity. From an HRM perspective, education and practical experiences, such as internships, are integral to developing job-ready human resources that meet the needs of the labor market in Gorontalo.

Becker (1993) argues that investments in human capital should yield economic returns. However, in reality, many graduates struggle to find jobs that match their qualifications. In this regard, the role of

universities in producing job-ready graduates is critical. Job readiness encompasses various aspects, such as physical and mental maturity, as well as sufficient practical experience in the workplace (Yorke, 2006).

Internship programs under Indonesia's "Merdeka Belajar Kampus Merdeka" (MBKM) initiative are considered one solution to improve graduates' readiness to face a competitive labor market. This program is designed to provide flexibility and autonomy in learning, allowing students to gain hands-on experience in the workplace (DeFillippi & Arthur, 1994). Through internships, students can apply theoretical knowledge and skills acquired during their studies in real-world situations, helping bridge the gap between education and employment (Cappelli, 2012).

Internships serve as a tangible example of HRM practices at the higher education level. Modern HRM emphasizes competency development through training, continuous learning, and skills enhancement relevant to the job, all of which are encompassed in the concept of human resource development. Internship experiences are expected to equip students with practical skills that support their job readiness, reducing the gap between classroom theory and practical workplace demands. This underscores the importance of experiential learning in HRM, focusing on developing competencies aligned with labor market needs. Gault, Leach, and Duey (2019) stated that internships help bridge the gap between academic theory and professional practice, enhancing graduates' competitiveness in the labor market.

In addition to internships, the social environment significantly influences graduates' job readiness. HRM also recognizes the impact of social environments on individual performance and job readiness. Granovetter (1973), in his theory of "The Strength of Weak Ties," highlights how social connections, both professional networks and informal ties, can influence individuals' access to job opportunities. In the context of Gorontalo Province, a supportive social environment can accelerate the transition from education to employment through networks that facilitate job access (Putnam, 2000).

Table 1. Percentage of Time Required by Graduates to Secure Employment

Time Taken to Secure Employment	Percentage
Less than 6 months after graduation or before graduation	32%
More than 6 months after graduation	68%

Source: Tracer Study PKM UNG, processed (2024)

Nevertheless, significant challenges remain in ensuring that university graduates, particularly in Gorontalo Province, can quickly integrate into the labor market. Data indicates that 68% of graduates require more than six months to secure employment after graduation,

and only 5% venture into entrepreneurship (PKM UNG, 2023). This suggests a low absorption rate of university graduates, attributed to a lack of job readiness aligned with market demands (Bridgstock, 2009).

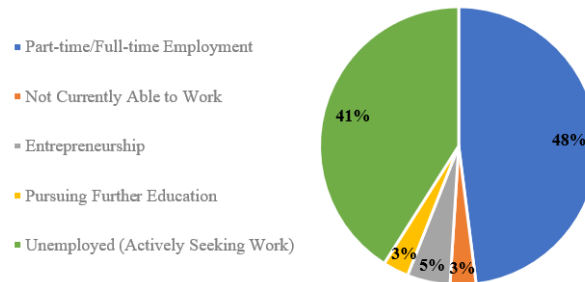


Figure 1. Distribution of Graduates by Type of Employment
Source: Tracer Study PKM UNG, processed (2024)

Alumni tracking data indicates that the majority of graduates (48%) are already employed either part-time or full-time, demonstrating that nearly half of the graduates have successfully entered the workforce. However, 41% of graduates are currently unable to work, which could be attributed to various factors such as irrelevant qualifications or a lack of work experience. Additionally, 5% of graduates have chosen to become entrepreneurs, while 3% have pursued further education, and another 3% are still seeking employment.

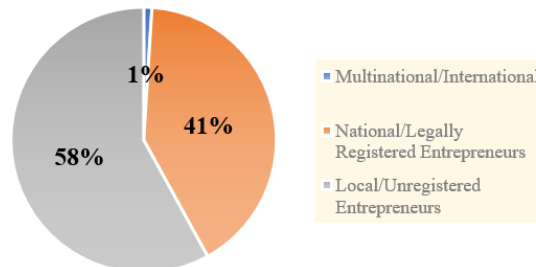


Figure 2. Distribution of Graduates Based on Job Location Status
Source: Tracer Study PKM UNG, processed (2024)

Data also shows that the majority of graduates (58%) work in the local sector or as entrepreneurs without legal entities, indicating that many graduates opt for informal sector jobs or establish their businesses locally. Meanwhile, 41% of graduates work in national companies or as entrepreneurs with legal entities, and only 1% have secured employment in multinational or international sectors.

This data suggests that while most graduates successfully enter the workforce, either as employees or entrepreneurs, many remain confined to local or informal sectors. The small number of graduates working in multinational or international sectors reflects limited access to global networks or international qualifications. Additionally, the significant portion of graduates who have yet to secure employment highlights challenges in the transition from education to the workforce, necessitating interventions such as

internship experiences to enhance graduate skills and the development of professional social networks.

Therefore, this study aims to explore how internship experiences and social environments influence the employability of university students and graduates, with a focus on Gorontalo Province as a case study. The findings of this research are expected to provide valuable contributions to employment and higher education policies, helping to prepare a more competitive human resource pool ready to face the challenges of the labor market.

METHODS

This study employs a quantitative approach aimed at analyzing the factors influencing the job readiness of graduates from Gorontalo State University. The research involves a total of 1,618 respondents who graduated from Gorontalo State University during the graduation period from 2021 to 2023. The collected data is processed using multiple linear regression analysis, which allows for testing both the simultaneous and partial effects of several independent variables on the dependent variable. The findings of this study are expected to provide empirical insights that can serve as a basis for the university to design policies for improving the quality of education and developing graduates' competencies to better compete in the job market.

RESULTS

Overview of Employment Conditions

The following table presents the percentage of the working population by industry sector during the 2019-2023 period. The sector with the highest labor absorption in Gorontalo Province is the agricultural sector. However, over the past five years, the percentage of workers employed in this sector has shown a decline. On the other hand, the manufacturing and trade sectors have experienced slight growth. This indicates a diversification of the economic structure, suggesting that employment is no longer heavily dependent on the agricultural sector.

Table 2. Percentage Distribution of Workforce by Industry Sector

Sector	2019	2020	2021	2022	2023
Agriculture, Forestry, and Fisheries	31.1	30.04	33.26	33.36	29.79
Wholesale and Retail Trade; Transportation and Warehousing; Accommodation and Food Service Activities	29.43	29.86	27.86	27.86	30.18
Information and Communication; Real Estate; Other Service Industries	23.51	23.87	21.7	21.7	21.77

Manufacturing; Mining; Quarrying; and Other Industrial Activities	10.29	11.09	12.21	12.21	13.32
Construction	5.67	5.14	4.96	4.96	4.94

Source: BPS Gorontalo Province, processed (2024)

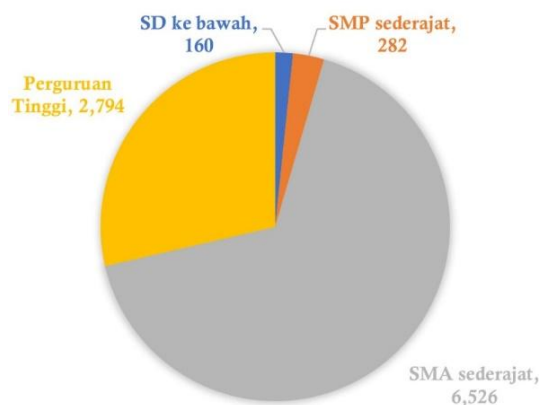
The majority of workers in the primary and secondary sectors (agriculture, forestry, and fisheries; mining and quarrying; manufacturing; electricity and gas supply; water supply; waste management, recycling; construction) are predominantly elementary school graduates. The tertiary sector, on the other hand, is dominated by workers with a high school education or higher. However, the number of workers with an elementary school education still exceeds those with a university degree.



Source: BPS Gorontalo Province, processed (2024)

Figure 3. Number of Employed Population by Education Level in the Primary, Secondary, and Tertiary Sectors

The number of job seekers with a higher education degree relatively dominates after high school graduates compared to other education levels. Given the high number of job seekers among university graduates, compared to the low employment placement rate, this indicates a mismatch between the skills of job seekers and the available job vacancies. The low placement of workers, especially among job seekers with higher education, suggests a gap in skill matching.



Source: BPS Gorontalo Province, processed (2024)

Figure 4. Number of Job Seekers by Education Level

Reliability Test

A reliability test is conducted to determine the consistency of the items in the questionnaire. If the Cronbach's alpha value is greater than 0.60, it can be considered reliable.

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Criteria	Information
Internship Experience	0,936	0,60	Reliable
Social Experience	0,905	0,60	Reliable
Job Readiness	0,917	0,60	Reliable

Source: Data processed (2024)

Based on the results of the Cronbach's Alpha test above, it can be seen that all variables (X1, X2, Y) are declared reliable as they have a Cronbach's Alpha coefficient greater than 0.6.

Partial Hypothesis Testing

The t-test is used to determine the partial effect of each independent variable on the dependent variable by comparing the t-calculated value with the t-table value. If the t-calculated value is greater than the t-table value, it can be concluded that the independent variable significantly influences the dependent variable.

Table 4. Partial Test Results (t-test)

Variable	Coefficients	T-count	T-table	Sig.
X1	0,188	5,240	1.961	0,000
X2	0,277	4,923		0,000
Y	13,124	5,245		0,000

Source: Data processed (2024)

Based on the significance values from the SPSS output above, the t-calculated value is greater than the t-table value with a significance level of 0.000, leading to the acceptance of H_a . This means that the internship experience variable (X1) and the social environment variable (X2) each have a partial effect on the job readiness variable (Y).

Simultaneous Hypothesis Testing

The F-test is used to determine the simultaneous effect of independent variables on the dependent variable. If the F-calculated value is greater than the F-table value, it can be concluded that the independent variables significantly influence the dependent variable simultaneously.

Table 5. Simultaneous Test Results (F-test)

Coefficient	F-count	F-table	Sig.
2744.862	38.870	3.001	0,000

Source: Data processed (2024)

Based on the significance value above, where the significance value (0.000) is less than 0.05, the hypothesis is accepted. This indicates that the internship experience variable (X1) and the social environment variable (X2) simultaneously influence the job readiness variable (Y).

Multiple Linear Regression Model

Multiple linear regression analysis is used to predict the value of the dependent variable and determine the direction and magnitude of the influence of independent variables on the dependent variable.

Table 6. Multiple Linear Regression Test Results

Model	Coefficients	
	Unstandardized Coefficients	
	B	Std. Error
(Constant)	13.124	2.502
Internship Experience	0.188	0.036
Social Environment	0.277	0.056

a. Dependent Variable: Job Readiness

Source: Data processed (2024)

Based on the coefficients table above, the multiple linear regression model can be formulated as follows:

$$\hat{Y} = 13,124 + 0,188X_1 + 0,277X_2 + e$$

Based on the regression equation obtained, the meaning and interpretation of the regression coefficients for each variable—internship experience, social environment, and job readiness—are as follows:

1. The constant value of 13.124 indicates a positive regression coefficient, meaning that if both internship experience and social environment are held constant or at zero, job readiness will be valued at 13.124.
2. The regression coefficient for the internship experience variable is positive at 0.188, indicating that for every 1% increase in internship experience, job readiness will increase by 0.188, assuming other variables remain unchanged.

- The regression coefficient for the social environment variable is positive at 0.277, meaning that for every 1% increase in the social environment variable, job readiness will increase by 0.277, assuming other variables remain unchanged.

Coefficient of Determination Test (R²)

The R-square value in regression equations tends to increase as more independent variables are added. Multiple linear regression analysis uses the adjusted R² value, while simple regression analysis uses R² (Nihayah, 2019).

Table 7. Coefficient of Determination (R²) Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.443 ^a	.196	.191	5.94203

a. Predictors: (Constant), Internship Experience, Social Environment

Source: Data processed (2024)

Based on the table above, the coefficient of determination (R²) is 0.196 or 19.6%. This indicates that the internship experience variable (X1) and the social environment variable (X2) simultaneously influence the job readiness variable (Y) by 19.6%.

DISCUSSION

The Influence of Internship Experience on Job Readiness

Hypothesis testing results indicate that internship experience has a positive influence on job readiness. This means that the more internship experience a person has, the better their job readiness. However, its contribution to graduates' job readiness is relatively small, indicating that internship experience is not the sole key factor in job readiness in Gorontalo Province.

Theoretically, internship experience represents a form of experiential learning that bridges formal education with practical work experience. Learning is not merely cognitive but also involves practical experience that fosters the development of practical skills. In the context of internships, participants have the opportunity to learn directly in a real work environment, allowing them to develop both technical skills (hard skills) and interpersonal skills (soft skills) such as communication, time management, teamwork, and the ability to adapt to work pressures.

Empirically, numerous studies have shown that internship experience often brings benefits to job readiness. Students with internship experience are more likely to secure jobs more quickly after

graduation and receive higher salaries compared to those without such experience. However, the impact of internships on job readiness is not always consistent across all regions, as many local factors influence the effectiveness of internships in preparing graduates for the workforce.

In Gorontalo Province, although there is evidence that internship experience positively affects job readiness, the regression coefficient value of 0.188 indicates that the impact is not very significant. This may be because internship programs provided by higher education institutions in Gorontalo are no longer fully aligned with the current needs of local industries. This misalignment is especially apparent as the regional economy transitions from the agricultural sector to the processing and trade industries, leading to a gap between the skills obtained during internships and the skills required in the job market.

Moreover, the duration of internships is often considered too short (2-4 months). Short internships or those limited to administrative tasks do not contribute significantly to equipping participants with the necessary skills to succeed in the workforce. Many institutions still view internships merely as an opportunity to assign basic tasks rather than as a chance to train potential workers with complex work skills. Furthermore, the limited number of industries in Gorontalo has resulted in internships being predominantly conducted in local government institutions. Consequently, many university graduates, despite having completed internships, return to the job market without acquiring the skills truly needed by employers, exacerbating the issue of skills mismatch.

The Influence of Social Environment on Job Readiness

The regression coefficient of 0.277 indicates that the social environment has a greater influence on job readiness compared to the internship experience. The social environment here includes support networks from family, friends, communities, and professional networks. In the context of Gorontalo, strong social networks facilitate easier access to information about job opportunities, references, and moral support essential in the job search process. This influence is more significant than internship experience, highlighting the crucial role of social support and networking in helping job seekers secure employment, particularly in a labor market that may not be formally structured.

In the professional world, social networks often serve as channels for obtaining job references, vacancy information, or direct recommendations from individuals holding positions within specific companies or organizations. A strong social environment thus becomes a source of emotional, moral, and material support, enhancing job readiness and job search success. Referring to

Granovetter's (1973) theory of The Strength of Weak Ties, professional acquaintances or contacts often prove more effective in providing job information than close family networks. This is because professional networks tend to have access to information not available within a person's immediate social circle. This theory underscores the importance of a broad and diverse social environment in improving job readiness and access to employment opportunities.

The theory also explains why the contribution of the social environment to job readiness among university graduates in Gorontalo remains limited. In regions like Gorontalo, the labor market structure is still largely informal, meaning that many jobs are secured through personal references, family connections, or community ties rather than formal job market mechanisms such as job portals or employment agencies.

Moreover, Gorontalo society tends to be communal, where family relationships and community ties remain primary sources for accessing job opportunities. Recommendations from family, relatives, or senior figures hold significant weight, as employers often trust referrals from individuals they know or those with reputable standing. This indicates that the job market in Gorontalo still heavily relies on informal relationships, which may not have a significant impact on overall job readiness among graduates.

The Influence of Internship Experience and Social Environment on Job Readiness

Although both variables have an influence, the determination value of 19.6% indicates that their simultaneous impact on job readiness is relatively low. This suggests the presence of other significant factors contributing to job readiness. Job readiness results from a combination of various elements, such as technical skills, formal education, vocational training, practical experience, and psychosocial factors, including personal motivation, self-confidence, and access to job opportunities.

Internship experience alone is not sufficient to shape job readiness. The quality and relevance of internship programs with market demands must also be considered. Empirically, the findings suggest that while internship experience and social support are important, they do not always guarantee job readiness or job placement.

In Gorontalo Province, there is a phenomenon where many university graduates still struggle to enter the labor market despite holding higher academic qualifications. This is evident from the significant number of job seekers with tertiary education levels, indicating that higher education alone is not enough to ensure successful job market integration.

CONCLUSION

Conclusion Based on the Analysis Results:

1. Internship experience influences graduates' job readiness, but its contribution remains relatively limited. Although internships provide practical skills and an understanding of the working world, internship experience is not the sole determinant of job readiness. In Gorontalo Province, the quality and relevance of internship programs need to be improved to better align with local industry needs. Local governments and higher education institutions should collaborate with local industries to enhance the quality and relevance of internship programs, standardize internships, extend the duration, and focus on skills required by the job market. Given the transformation of the economy toward the industrial sector, internship placements should allocate more focus to industries that are emerging in Gorontalo. From the industry's perspective, internships should provide valuable experiences for participants, not just observation, but practical experiences that are relevant to their future career paths.
2. The social environment, such as support from family, friends, and the community, has a slightly larger influence on job readiness compared to internship experience. This suggests that in Gorontalo, social networks play a vital role in access to job information, referrals, and support during job searching. However, due to the less structured nature of the local labor market, a phenomenon known as "the strength of weak ties" occurs. To counterbalance the communal social networks that only contribute to the emergence of weak ties, it is essential to build programs that strengthen professional networks and career support among job seekers, such as organizing job fairs, improving access to professional mentors, and providing training to build broader networks.
3. Although both internship experience and the social environment have a positive influence, the determination value of 19.6% indicates that these two variables explain only a small portion of job readiness. This suggests that other factors, such as technical skills, formal education, vocational training, personal motivation, and government policies, also play significant roles in job readiness but were not included in the research model.

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