The Effect of Internship Program on Student Work Readiness through Soft Skills as an Intervening Variable

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Abstract. This study was conducted to identify the relationship between the internship program and students' work readiness by involving soft skills as an intervening variable. This study deployed a quantitative method. The population in this study was the 2020 students of Islamic Business Management of Universitas Islam Negeri (UIN) Raden Mas Said Surakarta. Samples were collected using an accidental sampling technique and distributed questionnaires for data collection. The analytical method used is Structural Equation Modeling (SEM). Results show that the internship program through soft skills has a significant influence on students' work readiness. Limitations of this study were a small sample size and limited variables (the internship program and soft skills). The results of this study will help students understand the factors of internship programs and soft skills on work readiness so that they are able to prepare themselves for the world of work.

Keywords: Soft Skill, Internship, Work Readiness.

1 Introduction

Competition in the job market is getting tighter, so students must prepare themselves in various ways to be better prepared to compete at work when they graduate from educational institutions. In addition, along with technology development, many companies are restructuring with mass layoffs and focusing their resources on artificial intelligence (AI), thus shifting the role of humans and ultimately hurting unemployment. This is a concern for students as they face the future career world. Therefore, skilled, qualified, and work-ready human resources must be formed to meet the rapidly growing industrial era. One of the strategies to develop human resources is through education. Educational institutions can improve work readiness because the purpose of educational institutions is to produce high-quality and competent employment candidates [1].

However, the current phenomenon is that there are still many human resources in Indonesia who do not have the skills and competencies that can meet the needs of the labor market. This is aligned with [2] research, which says that there is still a gap between the human resources

produced by educational institutions and those needed by industry. Furthermore, the number of unemployed graduates at the higher education level is still quite large. Many new graduates are openly unemployed, namely the labor force who have not or are not working, which can be referred to as the phenomenon of educated unemployment. Figure 1 is the number of open unemployed university graduates from 2018 - 2022 based on data taken from bps.go.id.
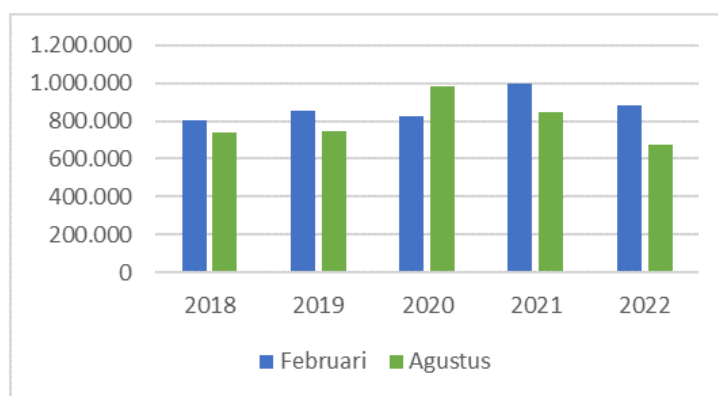

Fig. 1. Unemployment rate of university graduates

According to the results of the August 2022 survey by the Central Agency of Statistics or Badan Pusat Statistik (BPS), the rate of unemployment for university graduates is still quite high at 673,485 people. This shows the increasing competition in finding a job, as the labor market requires workers with adequate knowledge, skills, and experience. However, having technical knowledge and skills alone is not enough to succeed in today's workforce. Soft skills such as communication skills, leadership, adaptability, and collaboration are also very supportive to entering the workforce. Therefore, universities need to prepare students to compete when entering the world of work after they graduate, namely, preparing strong, resilient, and skilled human resources [3].

[4] stated that work readiness is a selection criterion that is believed to be an indication of the potential of graduates to provide long-term job performance and career development. Work readiness for students is the main key to ensuring success in entering the work world. An effort to improve students' work readiness is to implement an internship program. The internship is a superior college program established to meet the skills needed and help them become better prepared for work. The internship program gives students practical experience of the world of work, which allows them to apply the theoretical knowledge they learn on campus and develop the soft skills needed in their daily work. In addition, students who take part in the internship program can learn and adapt to the work environment to develop the skills, experience, and relationships needed to find a job.

The experiential learning theory from Kolb describes the learning process where knowledge is created by experience [5]. The internship program is a kind of experience-based learning that helps students improve their knowledge and skills so that they are better prepared to enter the future career world. By participating in an internship, students can get concrete experience, reflect on their observations, conceptualize abstract ideas, and actively practice the knowledge they gain, which are the four stages of Kolb's learning cycle [5]. The learning outcomes related to internships can be reviewed in five dimensions: professional knowledge, professional skills,

changing attitudes and behaviors toward learning, building networks with professionals, and forming career paths[6].

According to [7] and [8], apprenticeship experience affects work readiness because the more work experience apprentices get during industrial apprenticeship practices, the more ready they are to work. However, there are inconsistencies in previous research findings regarding the internship programs' effect on the students' work readiness. Some studies show a strong and positive relationship between internship programs and work readiness. One of them is in the research of [9], according to which there is a significant positive effect of internship experience on student work readiness. They will be more confident in entering the workforce by participating in internship practices. Meanwhile, [10] concluded that there is no significant direct influence of internship experience on work readiness. These inconsistencies indicate the need for further research to clarify the relationships and identify the factors that have the most influence on students' work readiness.

Soft skills play an important role in supporting one's career and success, especially when it comes to interacting in society. Soft skills reflect individual identity, interpersonal relationships, and the ability to manage the social environment, especially in a professional context. Companies look for these skills when hiring college graduates [11]. High achievement, good interaction, and high professionalism are the qualities expected from employees in the future. Through good soft skills, human resources who are ready to compete in the work will be formed. Soft skills have five dimensions: skills in communication, information technology skills, numerical skills, studying skills, problem-solving skills, and teamwork [12]. This study uses the SHC developed by [12] to measure soft skills by applying the SHC performance assessment indicators in the Soft Skills section.

According to [13], work readiness is also influenced by soft skills, such as how a person interacts with others and their personality, as well as adaptability, leadership, problem-solving, teamwork, training forums, and decision-making communication, all of which affect employability. This is the same as the research of [14], who found that students who have a good mastery of soft skills will be able to improve their work readiness. However, not many studies have investigated the intervening role of soft skills in the relationship between internship programs and the readiness of student work. This study was conducted to fill the gap by assessing the influence of internship programs on work readiness which is mediated by soft skills in business management students.

Work readiness is defined as a context that shows the balance between physical and psychological readiness as well as the maturity of a person's knowledge, skills, and behavior to prepare them to carry out work activities with particular targets that have been determined [15]. It aligns with the research of [10], which explains that work readiness is the state of a person who has the knowledge and maturity to accept work opportunities with full responsibility and is ready for the challenges of a world of competitive and quality work. For fresh graduates, work readiness is an indicative selection criterion of their potential, especially for long-term career growth and job performance [4]. Graduates who do not have sufficient work readiness will potentially turn over easily because they are not psychologically ready[16]. This study uses a work readiness scale developed by [16], which has four dimensions: resilience, maturity, motivation, and interpersonal skills.

This study examines three variables: internship program (X), job readiness (Y), and soft skills (Z). By using these three variables, the following hypotheses were formulated:

H1: Internship programs have a direct effect on soft skill

The internship program variable affects soft skills [17]. This shows that with the internship program, students can apply all the theories that have been learned and help them understand in real world of work practice to improve their soft skills. This research wants to determine the role of the internship program in influencing soft skills.

H2: Internship programs have a direct effect on work readiness

Findings of the study conducted by [18], there are effects of internship programs on work readiness. It can also be said that students who take part in an internship program with a longer duration can improve their quality and self-confidence so that they can help face competition in the career world. It is also supported by the findings of [19] that an internship program has a major influence on improving students' readiness at work. The purpose of this research is to find out how the internship program influences work readiness.

H3: Soft skills have a direct effect on work readiness

In a study conducted by [19], it was found that soft skills affect work readiness significantly. It can be said that, the greater the level of student soft skills, the greater the student's work readiness. It is supported by the findings of a study conducted by [20], where soft skills have the highest role in increasing students' work readiness. So, in this research, researchers want to know the role of soft skills in influencing student work readiness.

H4: Internship programs affect work readiness through soft skills

In previous research, there have been findings that show the mediating role of soft skills in the effect of industrial work practice on work readiness [21]. Through internships, students' soft skills will increase, so they will feel more prepared to face the world of work. This study wanted to identify the role of soft skills in mediating the internship program's influence on student work readiness.

2 Method

This study deployed a quantitative approach to determine the influence of the internship program on student work readiness, with soft skills as an intervening variable. The quantitative approach can be used to examine causal relationships with data collection using research instruments [22]. The data used in this study were obtained by distributing questionnaires consisting of 67 statements obtained through a literature review on internship programs, soft skills, and work readiness. The data analysis used was the structural equation method (SEM), and the processing tool was partial least squares (PLS) using SmartPLS 3.

This study's population was active undergraduate students of the 2020 Islamic Business Management students of UIN Raden Mas Said Surakarta, totaling 374 people. To determine the sample size using the Slovin formula, researchers used an e value of 10% because the population has the same characteristics. If the population is more than 100 people, then the sample size can be taken as 10-15% or 20–25% of the total population [23]. This study used a sample of 79 respondents. The technique of sampling used was non-probability sampling, which is accidental sampling. Table 1 presents operational definitions in detail along with research indicators which are used as a guide for measuring research variables.

Table 1. Operational Definitions and Research Indicators

Variable	Definitions	Indicators
Internship Program	Internships are experiential learning outside the classroom that serve as on-the-job training for a variety of professions [24].	1. Professional Knowledge 2. Professional skills 3. Attitude changes and behaviors toward learning 4. Building networks with professionals 5. Forming career paths
Soft Skill	Soft skills are a talent and a collection of personality traits that can provide a synergistic effect, providing the right contribution to the individual and the effectiveness of professionalism [11].	1. Skills in communication 2. Information technology skills 3. Numerical skills 4. Learning skills 5. Problem-solving skills and teamwork
Work Readiness	Work readiness is defined as a context that shows the balance between physical and psychological readiness as well as the maturity of a person's knowledge, skills, and behavior to prepare them for work in carrying out work activities following the targets that have been determined [15].	1. Resilience 2. Maturity 3. Motivation 4. Interpersonal skills

3 Results and Discussion

The results of the analysis show that of the 79 respondents obtained, the majority are women. The classification of respondents is shown in Table 2.

Table 2. Classification of Respondents

Classification	Frequency	Percentage (%)
Gender		
Female	66	83,5
Male	13	16,5
Duration of internship		
One month	71	89,9
Two month	3	3,8
Three month	5	6,3

3.1 Evaluation of the Outer Model

The three criteria in the outer model evaluation consist of convergent validity, discriminate validity, composite reliability, and average variance extracted (AVE). The indicator criteria for each construct meet convergent validity if the loading factor is above 0.70 and the average variance inflation factor (AVE) value must be greater than 0.5 [25]. However, loading factors with values ≥ 0.40 and < 0.70 can be considered to be retained if convergent validity has been

met [25]. Based on the results of testing outer loadings, several indicator items do not meet the criteria out of a total of 67 indicators. So, action is taken to remove the 29 indicators to get variables that match the construct reliability criteria. The outer loading that was removed included the Internship Program variable, namely indicators IP9, IP10, IP11, IP12, and IP13. Furthermore, the soft skill variable is indicated by indicators SS1, SS2, SS3, SS4, SS5, SS9, and SS20. And in the Work Readiness variable, namely indicators WR2, WR3, WR4, WR6, WR7, WR8, WR10, WR11, WR12, WR14, WR15, WR16, WR19, WR20, WR21, WR23 and WR24. Thus the remaining 38 final indicators forming the constructs of the Internship Program, Soft Skills, and Work Readiness variables are categorized as valid. Furthermore, Figure 2 shows an image that has eliminated indicators along with the value of the outer loadings test of each indicator.
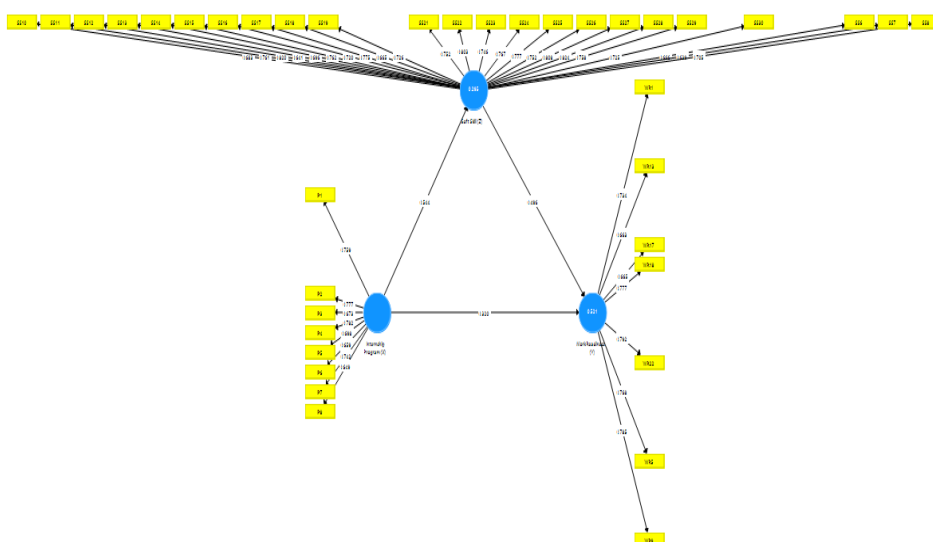

Fig. 2. Outer Model

In addition, convergent validity can be seen from the average variance inflation factor (AVE) value. It must be greater than 0.5 [25]. Sufficient discriminant validity for a model is achieved if the AVE root for each construct is greater than the correlation between constructs and other constructs in the model [26]. Furthermore, the reliability of a construct with reflective indicators can be seen from the composite reliability value, which must be higher than 0.70 [27].

Table 3. Construct reliability, discriminant validity, composite reliability, dan AVE

Variable	Internship Program (X)	Soft Skill (Z)	Work Readiness (Y)	AVE	$\sqrt{AVE}$	Composite Reliability
Internship Program (X)	1	0,544	0,589	0.517	0,719	0.895
Soft Skill (Z)	0,544	1	0,670	0.547	0,740	0.965
Work Readiness (Y)	0,589	0,670	1	0.551	0,742	0.895

Based on this output, the AVE value for each of the constructs is internship program = 0.517, soft skills = 0.547, and work readiness = 0.551. The three constructs already have a value ≥

0.50, meaning that they are categorized as valid. Furthermore, from the results of the discriminant validity analysis, it can be seen that the correlation value of the internship program to soft skills is 0.544, and the correlation between the internship program and work readiness is 0.589, which is smaller than the AVE square root value of the latent variable internship program of 0.719. Likewise, for the latent variables of soft skills and work readiness, the correlation value between latent variables is smaller than the AVE square root value for the respective latent variables. This means that the three constructs are categorized as valid. From the table, it is also known that data related to the value of composite reliability shows that all of these variables have a score of more than 0.70, so it can be said that all variables are said to be reliable.

3.2 Evaluation of the Inner Model

Inner model testing is an analysis showing the relationship among variables in the research model. The inner model test is carried out based on the coefficient of determination (R square) and p-values.

Table 4. R Square Test Result

Variable	Adjusted R Square
Soft Skill (Z)	0.286
Work Readiness (Y)	0.508

The results of the R square test presented in Table 4 show that the soft skills variable has a value of 0.286. So it can be said that 28.6% of the soft skills variable is affected by the apprenticeship program variable, and the other is influenced by variables outside the research model, which means that the soft skills model is included in the "weak" category. Furthermore, the variable of work readiness has a value of 0.508 in other words, 50.8% of the variable of work readiness is affected by the internship program and soft skills variables, and the rest is influenced by variables outside the model, which means that the work readiness model is in the "moderate" category. The criteria for concluding data analysis are carried out by comparing the error rate in this study with the p-values. The error rate in this study is 5% or equal to 0.05.

Table 5. Hypothesis Test Results

Hypothesis	Variable	T Statistic	P Values	Summary
H1	Internship Program (X) -> Soft Skill (Z)	7.274	0.000	Accepted
H2	Internship Program (X) -> Work Readiness (Y)	3.392	0.001	Accepted
H3	Soft Skill (Z) -> Work Readiness (Y)	4.724	0.000	Accepted
H4	Internship Program (X) -> Soft Skill (Z) -> Work Readiness (Y)	3.903	0.000	Accepted

The criteria for an accepted hypothesis are sig p-values <0.05 [27]. The results of hypothesis testing show all p-values and T-statistic values in the hypothesis meet the accepted criteria. The internship program has a significant and positive effect on soft skills, as indicated by a significant value of 0.000, which is smaller than the 5% alpha level. This shows that the internship program had a positive and significant effect on the development of the soft skills of Islamic Business Management students of UIN Raden Mas Said Surakarta in the class of 2020. These results support previous literature, which says that internship programs can improve student competencies and skills. With the internship program, students can improve their soft skills during the implementation of the internship by applying all the theories they have learned

and understanding their practice in the real world of work [17]. Therefore, students must take advantage of opportunities during internships to improve their soft skills for their future careers.

The analysis results show that the internship program has a significant positive effect on work readiness, as indicated by a significant value of 0.001, which is smaller than the 5% alpha level. It shows that the internship program has a significant effect on the work readiness of Islamic Business Management students of UIN Raden Mas Said Surakarta in the class of 2020. The previous research supports this result, as they stated that the internship program has a major influence on increasing student work readiness[19]. Students who take part in an internship program with a longer duration can improve their abilities and skills so that they can prepare for competition in the career world.

Furthermore, work readiness is significantly affected by soft skills, as indicated by a significant value of 0.000, which is smaller than the 5% alpha level. This shows that student work readiness is positively and significantly affected by soft skills. The results are in line with previous research, which states that soft skills have a significant role in improving student work readiness [20]. It means that students who have adequate soft skills are better prepared to face challenges at work.

According to the results of the analysis conducted, it can also be seen that there is an indirect effect of soft skills on the internship program, which is indicated by a significance value of 0.000 (smaller than the 5% alpha level). So, it can be concluded that the soft skill variable is a mediating or intervening variable. In other words, the soft skill variable can play a good role in mediating the influence between the internship program and work readiness variables. This indicates that the internship program contributes to students' work readiness by improving soft skills. The result is in line with previous findings that show the mediating role of soft skills in the influence of industrial work practices on work readiness [21]. By carrying out internships, students' soft skills will increase, so they will feel more prepared to face the work world. Following David Kolb's Experiential Learning Theory, which states that knowledge is created through experience [5]. Internships are experiential learning that helps students to improve their knowledge and skills. With adequate knowledge and skills, students will be better prepared to enter the world of work.

4 Limitations and Conclusion

This study has several limitations in sample size, variables, and convergent validity. The sample size is not large enough, allowing the results of this study not to represent the student population as a whole. This study is limited by the variables of the internship program and soft skills. The use of other variables may provide more comprehensive results. Furthermore, the limitation of this study is that many indicators have an outer loading value below 0.6, which causes weak convergent validity, so many indicators must be removed to achieve convergent validity.
In addition, it can be concluded that the internship program significantly positively influences soft skills and student work readiness. Soft skills are an essential mediator in this relationship, suggesting that soft skills development can improve students' work readiness. The limitations of this study indicate the need for further research with larger samples and various factors affecting the students' work readiness. The practical implication of this study is the need to improve internship programs focusing on developing students' soft skills to enhance their work readiness further.

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