ORGANIZATIONAL Dynamics

Going global in small steps:
E-internships in SMEs

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Employment relationships are undergoing rapid change as organizational, industrial and technological change influences how, when, and with whom we work. Virtual work, teleworkers, international freelancers, outsourcing of research and development all represent developments that would not have been possible prior to the onset of the Internet and sophisticated social interaction and media software. Virtual workers may be employed on a long-term or permanent basis for an organization. Their employment as virtual workers is often preceded by regular employment within the same organization. Many virtual workers are also experts in their field who are sought after for their expertise and skills.

As job forms have evolved, so have the forms of internships. Virtual or e-internships represent learning experiences that are often fully computer-mediated, with supervisors, interns and their colleagues in different locations. We prefer the term 'e-internship' in line with e-recruiting, e-mentoring and e-HRM. E-interns, in common with some virtual workers, are likely to work on temporary and project-based activities. Both types of workers are also unlikely to work in close proximity or face-to-face with their immediate supervisors and colleagues. In both virtual work and e-internships, all interactions are facilitated by—but also heavily dependent on—technology, software, and good communication skills of all individuals involved. They also offer greater autonomy for the worker although building relationships and developing trust with colleagues can be more challenging.

The similarities often end there. In contrast to virtual workers, e-interns may not be as skilled or experienced. In addition, they may not be paid. Nevertheless, e-internships offer many advantages. Recent trends and press reports provide an important insight into why these e-internships are increasing in both numbers and popularity. Following this, we discuss a number of themes that emerged in a series of interviews conducted with e-interns and host organizations in relation to evidence from the academic literature and popular press.

FOCUS OF THIS PAPER

The overall goal of this paper is to discuss how the increasing adoption of e-internships within SMEs is linked to developments in e-HRM, technology and global as well as competitive talent needs. The discussion utilizes different sources of information. We reflect on the emergence of these e-internship based on evidence obtained from SMEs, global talent management, facilitators of global and virtual team performance as well as predictors of innovation and knowledge management. This discussion is combined with information we collected from interviews with 19 experts in the field. The experts included former interns, experts on internships (including organizational representatives who developed and ran internship schemes, consultants, academic staff and advisors with experience in supporting interns). The organizations in the study ran e-internship schemes located in several countries, including the USA, India, Ireland, Romania, the UK and Australia. About half (7 out of 13) of the organizations recruited in their own countries as well as abroad, while the other half focused on recruiting interns only from their own country.

All but two of the representatives came from SMEs with up to 49 employees, including for-profit and not-for-profit (education and non-governmental) organizations. This is significant in that SMEs have the most to gain and face the largest challenges to compete for talent, compared to larger and multi-national organizations. SMEs in the non-financial sector account for almost 66.8% of total employment in Europe according to the 2014 annual report on European SMEs produced by the European Commission. Similarly, small private businesses with less than 20 workers employed 17.9% of

employees in the USA according to the Small Business & Entrepreneurship Council.

The paper is organized as follows. First, we explore and demonstrate the popularity of e-internships by examining statistics and features particular to this type of internship. In the next section, we explain how these e-internships are facilitated by developments in e-HRM and technology. In the third section, we explore how specific organizational and HR practices contribute to selection and knowledge management in these e-internships. The fourth section considers the potential benefits that result from selection and knowledge management in terms of diversity, intellectual as well as social capital. The fifth section considers how these benefits may facilitate strategic development and change, particularly within organizations that need to reinvent themselves or explore new markets. The sixth and final section considers the challenges that arise, particularly in terms of the investments required relating to HR practices, technology, supervision and resources.

STATISTICS AND TRENDS

Virtual or e-internships have been around for over ten years. The organizations seeking e-interns include any number of industrial, non-governmental and virtual businesses. From libraries to museums, educational institutions, or consultancies, multi-national organizations and customer service providers, internship providers come in all shapes and forms. According to a 2011—2012 study conducted with more than 7,300 respondents by Internships.com, a third of employers advertising on the sites hire e-interns, an increase of 20% from one year to the next, with more than 8,000 listings for virtual internships. In addition, 71% of students indicated that they would be willing to consider taking up a virtual internship. According to CEO Rishabh Gupta from LetsIntern.com in India, his company has seen an increasing number of virtual internships over the last 2 years. The numbers of virtual internships increased by 60% over the course of 12 months (November 2013 to October 2014). By October 2014, virtual internships already made up 15% of almost 13,000 internships advertised via LetsIntern.com. Based on the trends of the past few years, the numbers of virtual internships are likely to increase further in the foreseeable future. In particular e-internships in countries such as India are rising fast. The number of e-internships is increasing and their popularity is spreading across more countries with each year, as technology and office applications increasingly facilitate the virtual office and interactive collaborations.

Not only are e-internships frequently discussed on blogs and in the press, professional organizations and institutions are getting involved in the debate as well. Many educational institutions reference the guidelines by the National Association of Colleges and Employers (NACE), U.S. Department of Labor in the USA, or seek information about how to make virtual internships rewarding from websites such as the European Association for International Education (or other national institutions providing legislative information). More and more internship sites also emerge which provide guidance on, as well as information and vacancies about, virtual internships, with internship sites emerging in many countries and languages, but particularly in the USA and India.

Attractiveness of E-internships

The popularity of these internships is due to several circumstances, as outlined by press reports and our interviewees. First, many students find such internships easier to combine with their studies. This is a finding observed across many different programs and countries. Related to the first reason, e-internships represent a financially affordable alternative to traditional internships that do not require long-distance travel or relocation. This is especially beneficial in large countries with young and motivated but rural populations and with a large number of graduates such as India. Financial concerns, especially with rising tuition fees and debt, often make such e-internships more attractive for the candidates, especially when they face potential unemployment even after successfully graduating college. Concerns about overheads, office space, insurance and technological provisions in many online, small and medium-sized organizations (SMEs) further increase the popularity of e-internships.

Third, many organizations realize that e-internships allow them to access talent pools across the world. Many businesses suffer from skill shortages, particularly in terms of creative new talent or talent that is multi-lingual. Several press reports from prominent news outlets such as *Wall Street Journal* in the USA, the *Times* and *The Guardian* in the UK have outlined the benefit of e-internships for accessing talent. The more specific the intern requirements, the greater the likelihood that an e-internship may help provide the organization with the candidates with the required skills. A variety of government institutions in different countries have implemented e-internships, in recognition of this fact. Not surprisingly, SMEs and online businesses are increasingly utilizing this option to access and compete for talent. With many more SMEs than large organizations, graduates actually have better chances of getting internships with SMEs in their chosen field than with larger organizations.

Coming a close fourth, the intern of the future is not just a high school or undergraduate student. Interns may be seeking to change careers, whilst at the same time not wanting to move from their current location. They may bring many skills from previous job experiences in different domains that employers are unlikely to find locally via traditional internships. Fifth, e-internships are often popular options for virtual businesses and small and medium-sized companies, as well as non-governmental organizations. Being able to offer e-internships is often more feasible than traditional internships when the business is very small, run in a family home, or geographically distant from the most likely candidates for such internships. At the same time, the greater dispersion of potential talent may support creativity and innovation when different e-interns come together to brainstorm solutions for local issues.

However, the popularity of e-internships is not necessarily mirrored by enthusiasm amongst academics and career professionals, many of whom believe that more hands-on internships are preferable. The main criticism is that the e-internships do not provide the same access to support and opportunities that traditional internships do. In addition, e-interns may not experience corporate culture, etiquette, and learn about professional expectations. However, this may be counterbalanced with greater accountability as well as competition for internship positions with desirable employers. The