Turning small business interns into applicants: 
The mediating role of perceived justice

Hao Zhao *

Lally School of Management and Technology, Rensselaer Polytechnic Institute, 110 8th Street, Troy, NY 12180, United States

ABSTRACT

Internship is a relatively low-risk approach for entrepreneurs to attract and select prospective employees. But what factors can influence interns' intentions to join small businesses? Based on the model of action phases, realistic job preview theory, and organizational justice theory, I hypothesize that interns' post-internship intentions to join can be predicted by their pre-internship job-seeking goal and their during-internship involvement with the host organization. Perceived organizational justice is hypothesized to mediate the relationship between involvement and post-internship intentions to join. Temporally lagged data from 104 small business interns support most hypotheses. In addition, compared to a group of 175 corporate interns, small business interns are more likely to change their minds after the internship, and justice perception has a stronger effect on their post-internship intentions to join.

1. Executive summary

This cross-disciplinary study examines the recruitment function of small businesses from the applicants' perspective. Entrepreneurs are often not well prepared for the urgent need to staff their growing businesses, and they are relatively disadvantaged in competing with large companies in the talent market. Internship is a relatively safe and low-risk approach for entrepreneurs to attract and select prospective employees (Lahm and Heriot, 2009; Williamson et al., 2002). But interns are not yet committed, and entrepreneurs need to understand what factors will persuade them to join.

On the basis of model of action phases (e.g., Brandstätter et al., 2003; Gollwitzer, 1990, 2012; Gollwitzer and Brandstätter, 1997), I hypothesize that small business interns' pre-internship job-seeking goal (goal intention) can predict their post-internship intentions to join the organization (implementation intention). Furthermore, consistent with realistic job preview theory (Popovich and Wanous, 1982), interns' involvement in the organization is hypothesized to facilitate their learning about the job and help increase their intentions to join the organization. In their preview of the job, organizational justice (Greenberg and Lind, 2000; Sweeney and McFarlin, 1993) is hypothesized to play a central role and mediate the relationship between involvement and intention to join.

To show the uniqueness of small businesses, I further hypothesize cross-group differences for the above effects. Because interns are less familiar with small businesses (Williamson et al., 2002) and may rely more on the internship experience to preview the fit, the direct effect of the pre-internship goal on intention to join is hypothesized to be weaker among small business interns than among corporate interns, and the direct effect of involvement is hypothesized to be stronger. Also, due to their higher visibility in the organization and overlapping responsibilities with permanent employees, small business interns are more likely to interpret the lack of involvement as intentional and unfair, and are less likely to join.


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Temporally lagged data of three time points were collected from 104 entrepreneurship interns, and the results support the direct and indirect effects of involvement on interns’ intentions to join, but fail to support the direct effect of pre-internship goal. Multigroup structural equation modeling analysis shows when compared to a group of 175 corporate interns, small business interns are less likely to stick to their original goals, and justice perception plays a stronger role in their intentions to join.

This study contributes to the emerging literature at the intersection of human resource management and entrepreneurship. It helps entrepreneurs to understand prospective applicants to small businesses. This study shows that students who choose to intern in small businesses are hesitant about working permanently. Encouraging interns’ involvement and participation at work will help them realistically understand the nature of the job and increase their intentions to join. Entrepreneurs do not need to exclude interns from key business operations worrying they may become competitors later. Doing so will lead to interns’ frustration and departure, causing a self-fulfilling prophecy. The effect of small business interns’ justice perception on intentions to join is larger than that of corporate interns, suggesting the former group’s decisions are more contingent on organizational justice. It is important for entrepreneurs to be unbiased and treat permanent workers (e.g., family employees) and interns equally when it comes to job assignment, resource allocation, and performance appraisal.

2. Introduction

Entrepreneurship literature examines many challenges entrepreneurs face in the new venture startup process, such as opportunity recognition, innovation, marketing, and funding. However, when asked for their biggest business-related problem, entrepreneurs agree on a seemingly surprising answer: staffing (Alonso and O’Neill, 2009; Liebtag, 1986; Muson, 2001). Entrepreneurial firms’ rapid growth in sales and financial turnover often put them in urgent need of recruiting talented employees, a task for which they are often not prepared (Katz et al., 2000; Leung, 2003).

Traditional recruitment and selection practices, however, are often of little use to small firm managers (Taylor, 2006; Williamson and Robinson, 2008), largely due to the fact that complex job analysis and formal solicitation and evaluation of all job candidates are not likely to happen in entrepreneurial firms, which are characterized by informality and time urgency (Barber et al., 1999). In addition, smaller firms are disadvantaged in the labor market when competing with large corporations for talent, due to a lack of legitimacy, job security, and clear career paths for prospective employees (Cardon and Tarique, 2008; Williamson et al., 2002). So, entrepreneurs must be innovative in identifying and attracting the right talent for their growing businesses (McEvoy, 1984).

The goal of this paper is to examine how interns can be encouraged to become permanent employees in small businesses. Internships are a relatively low-risk approach for entrepreneurs to expand their social ties and attract prospective employees to join (Williamson et al., 2002). Despite the growing popularity of entrepreneurship internship programs in the United States and abroad in the past decade (Katz, 2007; Solomon et al., 2002), insufficient attention has been given to the recruitment-related effectiveness of such programs (Lahm and Heriot, 2009).

This paper aims to make the following contributions to the emerging literature at the intersection of entrepreneurship and human resource management. First, previous research usually studies small business recruitment from organizations’ perspective, and “has often only focused on describing the types of practices used by small firms to hire employees” (Williamson and Robinson, 2008). I take applicants’ perspective and investigate how their internship experiences affect their intentions to join. Second, many studies in this area did not have a strong theoretical framework or a rigorous design. Building on model of action phases (Brandstätter et al., 2003; Gollwitzer, 1990, 2012), realistic job preview theory (Popovich and Wanous, 1982), and organizational justice theory (Sweeney and McFarlin, 1993), I propose the theoretical mediating mechanism for the expected effect of internship experience, and test it using temporally lagged data collected at three time points. Third, I compare interns in small businesses to those in larger businesses using multigroup structural equation modeling, and explore how small business internships are unique from corporate internships.

Fig. 1 graphically shows the hypothesized effects. Hypothesis 1 has four components. Interns’ pre-internship job-seeking goal is anticipated to affect post-internship intention to join the organization (indicated by intention to apply and intention to accept job offers). Interns’ involvement with the organization is also hypothesized to affect their intention to join, and such effect is partially mediated by perceived organizational justice (indicated by procedural justice and distributive justice). Hypothesis 2, not shown in the figure, is a cross-group comparison of Hypothesis 1 effects between small business interns and corporate interns.

![Fig. 1. Hypothesized model.](image-url)
For small business interns, the direct effect of job-seeking goal on intention to join is hypothesized to be weaker, while the direct and indirect effects of involvement on intention to join are hypothesized to be stronger.

3. Small business internship

Internship is the "structured and career relevant work experiences obtained by students prior to graduation from an academic program" (Taylor, 1988, p. 393). Internship is not only an important pedagogical instrument but also a managed transition process to professional careers (Sides and Mrvica, 2007). After reviewing existing literature, Narayanan et al. (2010) concluded that "most research on internships focuses on student learning as the major outcome" (p. 62), although there are a few notable exceptions (e.g., D'Abate, 2010; Resick et al., 2007; Taylor, 1988) that examined internship's effects on students' job search outcomes and career successes.

Existing literature on small business internship in particular is scattered. Moser (2005) compared 28 students who had participated in the Kauffman Foundation entrepreneurship internship program to 26 students who took an entrepreneurship course but had no internship experience. Interns were more likely to finish their degrees. Lahm and Heriot (2009) noted students often mistakenly expect to find internship jobs with very specific, preconceived roles, which rarely exist in entrepreneurial firms. They suggest educators coach students to identify a need in entrepreneurial firms and take the initiative to fill it. Masurel and Nijkamp (2011) argued that student internship is an effective tool to bridge universities and small and medium sized enterprises. Internship, as a form of enactive mastery experience, is speculated to enhance students' self-efficacy to become entrepreneurs (Segal et al., 2007; Walmsley and Thomas, 2007). Although seminal, those studies are mostly descriptive and sometimes anecdotal in nature without a rigorous research design to substantiate the claimed relationships. Also, to date little effort has been made to empirically investigate how internship can help personnel recruitment for small businesses.

College interns are relatively well-educated, motivated, and low-cost, making them an ideal pool of candidates for permanent positions in small businesses (McEvoy, 1984). With the endorsement and referral from colleges, entrepreneurship internship programs gain the needed visibility and legitimacy in attracting qualified students to work in small businesses (Williamson et al., 2002). More importantly, internships do not require long-term employment commitment on employers' part, thus entrepreneurs can use internships as an excellent "try-before-you-buy" method of staffing (Lahm and Heriot, 2009), and assess their competencies, work ethics, and fit in a relatively longer probation period (McEvoy, 1984). Unlike large firms that can afford job rotation or extensive training, entrepreneurial firms have limited resources, thus hiring the wrong people, even at the entry level, may be catastrophic. Not surprisingly, Deshpande and Golhar (1994) found that smaller firms are more likely than larger firms to use job tryouts to select employees.

For interns, internships provide a good opportunity to follow an entrepreneur and learn essential skills in starting and running new businesses. Students who choose to take internships in small businesses have shown some interest in working in such organizations, but they have not yet made a commitment. Interns also use the internship as an observation period, to see whether they like the entrepreneur, the colleagues, and the business. Their experiences in the internship will have a significant impact on whether they decide to join the host organization.

4. Job-seeking goal and intention to join

The model of action phases (e.g., Brandstätter et al., 2003; Gollwitzer, 1990, 2012; Gollwitzer and Brandstätter, 1997) postulates the following temporal sequence of action phases: goal development, planning the implementation of chosen goals, acting on these goals, and evaluating the outcome and its consequences. In these phases, two antecedents of action are important: goal intentions and implementation intentions. In the first phase, people deliberate the desirability and feasibility of their needs and decide which wishes to pursue by transforming their wishes to goal intention, which has a structure of "I intend to achieve X!" whereby "X" represents an outcome to which people are committed. The goal intention is preliminary and needs to be implemented through cognitive planning. So in the second phase, people will develop the implementation intention, which has a structure of "I intend to perform goal-directed behavior Y if when I encounter situation Z" (Gollwitzer and Brandstätter, 1997). Implementation intention is sometimes referred to as the "behavioral intention" (Gollwitzer, 1990, p. 57) because it is conceptually adjacent to action and a meta-analysis documented its significant relationship with goal achievement (Gollwitzer and Sheeran, 2006). The formation of goal intentions precedes and justifies the formation of implementation intentions, while the latter promotes and supplements the former (Gollwitzer, 1990, p. 61). The relationship between goal intentions and lagged implementation intentions is also empirically supported (e.g., Brandstätter et al., 2003).

A college student's job search is usually a long and deliberative process, which may start years before graduation with résumé-building activities such as internships. A student's self-selection into a small business internship shows his or her short-term interest and commitment in working in the small business. At this point, interns may have also considered the feasibility and desirability in working there beyond the internship, and formed a general goal intention of whether "I intend to get a job in this organization". According to the model of action phases, this goal intention is preliminary, and is very likely to be followed by subsequent action-oriented implementation intentions such as "I intend to apply when I am close to graduation" or "I intend to accept if they offer me a job". Thus, I expect interns' pre-internship goal to get a job from the host organization will be related with subsequent implementation intention to join the organization.

H1a. Small business interns' pre-internship job seeking goal is positively related to their post-internship intention to join the organization.
5. Internship as a realistic job preview

Earlier work of the model of action phases assumed that once goal intention is formed, “no deliberation of the pros and cons relative to the chosen goal is expected to occur; rather, the individual is assumed to explore efficient implementation of the chosen goal” (Gollwitzer, 1990, p. 62). In other words, the conscious evaluation of the goal’s value will not occur until after the consequences of the completed action are known. Such an assumption is certainly questionable in reality, where the time lag between goal intention and action can be so long that “during this period applicants gain new information and may reevaluate their intentions” (Carless, 2003, p. 346). Recently, scholars (e.g., Gollwitzer, 2012) acknowledged that after the formation of goal intentions, individuals may continue to process desirability- and feasibility-related information, although they tend to favor pros over cons. Furthermore, decision makers may withdraw from pursuing the original goal if they have evidence to believe it is a failing course of action (Henderson et al., 2007). Thus, a second source of influence on implementation intentions is new information obtained during the implementation planning phase, and such information would be especially useful if decision makers can perform a “rehearsal” in a real situation and preview the consequences of the planned action.

Internships can serve as a realistic job preview (Cable et al., 2000). Realistic job preview is a powerful persuasion process through which new recruits’ expectations, attitudes, and behaviors are influenced (Popovich and Wanous, 1982). Although interns may have many needs (e.g., location preference) that can affect their job decision, according to the model of action phases, such needs are antecedents of goal intentions, and by including job-seeking goal in the model, such distal effects are collectively controlled. So, the only “new information” that can affect their implementation intentions is the internship experience. Internships often last several weeks or months, and through their frequent day-to-day interactions with the entrepreneur, performing real tasks, and participating in workplace decision-making, interns can preview the job, the colleagues, and the organizational culture as if they have joined the organization. Interns’ involvement with their organizations, in this paper, is defined as interns’ experience that they are allowed to fully participate in organizational life. The firsthand knowledge obtained from interns’ job involvement will be richer and more accurate than second-hand information such as recruitment brochures or company websites (Cable et al., 2000), thus enhancing interns’ confidence to join. Involvement does not only allow interns to gather information, it also provides job autonomy, opportunity to grow, and sense of achievement. Such positive aspects of the job will be appealing to applicants, further increasing the attractiveness of the organization.

The extent an intern can get involved in the organization may vary. Rothman (2007) found nearly 50% interns hope for more challenging projects, structure, feedback, communication, exposure to the business, and opportunities to shadow their bosses. Because interns have a temporary status and very little work experience, some entrepreneurs may be unwilling to coach interns or effectively involve interns in their core businesses. Entrepreneurs may deny interns access to certain facilities (e.g., computers and databases) or social events with clients, or discourage their participation in certain work activities (e.g., business meetings). Interns can be assigned chores of trivial value such as making copies and running errands, and sometimes they are completely ignored and left idling (Green, 1997). If interns are alienated, they are unable to realistically preview the job or feel belonged here. They may remain hesitant or become reluctant to stay (Kanungo, 1982), despite their original goal in doing so.

H1b. Small business interns’ during-internship involvement with their organization is positively related to their post-internship intentions to join the organization.

6. Perceived justice

During their internships, interns can preview many aspects of the job and the organization such as coworker relationship and group norm. What organizational characteristics would be essential in influencing interns’ decision to stay? Organization literature suggests that perceptions of justice “play central roles” in explaining employees’ intentions to quit (Dailey and Kirk, 1992, p. 314). Organizational justice theory (Greenberg and Lind, 2000; Sweeney and McFarlin, 1993) examines people’s perception of fairness in organizations. Two of the most widely adopted dimensions of organizational justice are distributive justice and procedural justice (Alexander and Ruderman, 1987; Gilliland, 1994; Sweeney and McFarlin, 1993), although some additional justice dimensions were later proposed. Greenberg and Lind (2000) defined distributive justice as “the fairness of the way outcomes are distributed” and procedural justice as “the fairness of the procedures used to determine those distributions” (p. 77). A meta-analysis shows that both procedural justice (corrected r = .46) and distributive justice (corrected r = .50) are significantly related to employee withdrawal from the organization (Colquitt et al., 2001).

Research has shown employees’ involvement in organizational life increases their perception of justice. For example, Kanfer et al. (1987) found opportunity to participate in work evaluation enhanced employees’ perception of procedural fairness. Similarly, Martin et al. (1995) reported that members of an employee involvement program perceived higher level of organizational justice and hold more positive attitudes toward the management. If small business interns are allowed to actively participate in organizational life, they will have better opportunities to interact with permanent workers on a relatively equal basis, to collect job-related information and make informed decisions, and to voice and defend themselves in business meetings. All those activities tend to improve interns’ social status and increase justice perception.

H1c. Small business interns’ involvement with their organization is positively related to their post-internship justice perception.

Organizational justice is important to job candidates as well, because it affects their future economic and social exchange outcomes with their employing organization (Aryee et al., 2004). Fair organizational treatment perceived by candidates can
reinforce their expectations that they will be fairly treated throughout their tenure if hired. It is thus not a surprise that candidates' perceived distributive and procedural justices of the selection process affect candidates' offer acceptance intentions (Hausknecht et al., 2004). Most job candidates, however, being outsiders of the organization, can only infer organizational justice from the selection process such as interview experience (Brooks et al., 1995). Such inference may not be accurate due to recruiters' image building efforts (Gatewood et al., 1993). Interns' justice perceptions are not limited to selection practices per se because they work in the organization on a daily basis and can observe a wider range of managerial practices (e.g., pay and workload), and such direct experiences will make the justice perception salient when interns are about to make a job decision.

**H1d.** Small business interns' post-internship justice perception is positively related to their post-internship intentions to join.

### 7. Small business interns vs. corporate interns

Human resource management researchers tend to study large, well-resourced businesses with formal human resource department and policies, which is unfortunate because small businesses employ half of the U.S. non-farm private sector workforce (U.S. Small Business Administration, 2007). I compare small business interns to corporate interns to illustrate the uniqueness of small businesses.

As discussed earlier, individuals are likely to question their original goal and adjust their implementation intentions if their experiences from a realistic preview of the action fail to meet their initial expectations. What do applicants expect from working in large businesses and small businesses? Large established businesses are attractive to applicants due to their higher salaries, more generous benefits package, better job securities, and clearer job roles (Barber et al., 1999; Evans and Leighton, 1989; Heneman and Berkley, 1999; Hornsby and Kuratko, 1990). Small businesses are often associated with interesting jobs with autonomy, self-control, and opportunities for fast advancement, and attract applicants who expect such job attributes (Ingham, 1970).

How accurate are such expectations? Williamson et al. (2002) argued that a major difference between small business employers and large business employers in the labor market is applicants' familiarities with them. College students are generally more familiar with larger businesses, because larger businesses get more exposure in the textbooks, their recent financial and HR performances are available from public channels such as SEC reports and business magazines, and they employ more people some of whom may be connected to candidates and share their perspectives. Candidates' expectations of high pay and job security from a specific large business may, for example, be based on recently published survey results, so in some sense, corporate interns' pre-internship goal to get a job from the host organization is an informed decision and would be a relatively stable predictor of their future implementation intentions.

In contrast, job candidates are usually much less familiar with small businesses (Williamson et al., 2002). Thus, according to the logic of Popovich and Wanous (1982), to persuade interns to join, entrepreneurs will benefit from encouraging them to get involved and realistically "feel" the job. Before internships, students may have to rely on some stereotypes of this category of businesses to form expectations and set goals. Turban and Keon (1993) found applicants with higher self-esteem are more attracted to small businesses and decentralized organizations, probably because they expect more opportunities to exercise their creativity, implement promising ideas, and shoulder responsibilities. Such stereotypes are not necessarily true and interns need confirm their expectations in the internship. If entrepreneurs delegate authorities to interns and encourage their participation in the business operations, interns' expectations are supported and they would be eager to join. However, they will be disappointed if entrepreneurs strictly confine or disengage interns from important business operations. Thus, small business interns are more likely to be influenced by job preview process and show more elasticity from their original goal than corporate interns.

**H2a.** The positive effect of interns’ job-seeking goal on their intentions to join is stronger among corporate interns than among small business interns.

**H2b.** The positive effect of involvement on interns’ intentions to join is stronger among small business interns than among corporate interns.

The impact of involvement on perceived justice may also vary for businesses of different sizes. For any negative outcome, employees may attribute the cause either internally to the management or externally to some influences that are beyond the management's control (Weiner, 1974). Corporate interns are more likely to attribute the lack of involvement and the long observation period to the complicated organizational structure and job design (external attribution). Such external attribution will be especially likely when other interns or entry-level workers in the organization face the same situation. In contrast, in small businesses each employee constitutes "a larger percentage of the workforce" (Deshpande and Golhar, 1994, p. 50) and is more visible before management. Small business employees “perform multiple roles with unclear boundaries regarding the respective job role responsibilities” (Heneman and Berkley, 1999, pp. 53–54) and often cover other's work if needed. In small businesses there are so many unclaimed tasks (Lahm and Heriot, 2009) and crises (Katz et al., 2000) that even interns should have enough work to do. If an intern is restricted or disengaged, he or she is more likely to believe it is intentional and thus more likely to attribute it to the unfairness of the management (internal attribution).

**H2c.** The positive effect of involvement on justice perception is stronger among small business interns than among corporate interns.
Organizational justice is more important to small business interns when they consider which organization to join. Small firms often use long term incentives such as promises of profit sharing and stock option to attract and motivate employees (Deshpande and Gollhar, 1994, p. 54; Hornsby and Kuratko, 1990, p. 14). If an entrepreneur, who usually possesses unbalanced power in the organization, appears unfair, employees’ anticipated rewards may never materialize. When employees are not satisfied with the organization due to injustice, they may react in different ways, such as voicing their concerns, resisting passively, waiting with the hope that the problem will be solved later, or leaving the organization (Farrell, 1983). Employees’ decision to leave is contingent on the likelihood of amelioration (Aquino et al., 1997). Corporate interns can attribute injustice to a specific supervisor and decide to join anyway with the hope that someday another supervisor or higher level authority will take actions to restore the justice. But in smaller firms entrepreneurs usually work directly with employees, and are often seen as the causes, instead of the cures, of unfairness. It seems hopeless for an entry-level employee to wait or fight. In support of this view, Kickul (2001) reported that unfulfilled organizational promises on autonomy and growth (intrinsic factors) and on rewards and opportunities (extrinsic factors) are predictive of employees’ intention to leave ($r = .41$ and $.45$ respectively) among small business employees, and the effect sizes seemed to be larger than results ($r = .38$ and $.16$ respectively) from another sample reported in Kickul et al. (2002) which included employees from larger firms. So, small business interns are less likely to join when perceiving organizational injustice.

H2d. The positive effect of justice perception on intention to join is stronger among small business interns than among corporate interns.

8. Methods

8.1. Procedures and sample

This study employed a temporally lagged design, and interns were requested to complete web surveys at three time points: pre-internship (T1), 2 weeks into the internship (T2), and 1 week after the internship was completed (T3). Participation was voluntary. Interns who finished three web surveys were rewarded with $10. I recruited T1 subjects by posting a recruitment ad on the electronic announcement board of a large public, urban university in the US once every 2 weeks from February to June to reach potential summer interns. Qualified T1 subjects were students who had received an internship offer but had not started their internships. Survey links and invitations were sent to interns’ email addresses at T2 and T3, and a reminder email was sent if no response was received in 3 days after invitation.

Of the 481 respondents who provided valid T1 data, 124 classified their host organizations as small entrepreneurial firms, and were included in this study as small business interns. Among these interns, 117 provided valid T2 data and 104 provided T3 data, and the T1-to-T3 retention rate was about 84% for small business interns. Of the T1 sample, 262 interns who classified their host organizations as mid to large businesses at T1 were used as corporate interns, among whom 201 provided valid T2 data and 175 provided valid T3 data. The T1-to-T3 retention rate was about 67%. A one-way multivariate analysis of variance showed no significant differences between T1 interns included in the analyses and those who dropped out in terms of gender, age, time until graduation, or job-seeking goal. Interns working at other types of organizations (e.g., government agencies, non-profit organizations, and universities) are not selected as comparison groups because these organizations have different missions and governance structures, which will affect their HR practices (even after the organizational size is controlled; Boyne et al., 1999) and thus confound the comparison results.

To assess whether interns’ judgments of firm size can reflect actual firm size, I checked the numbers of employees of 81 companies whose interns provided their company email accounts to receive survey links. I was able to retrieve the needed number-of-employee information from 52 employers from their websites or by emails or phone calls to the contact person listed on the websites. The average number of employees was 21.05 for 19 intern-reported small businesses (ranging from 2 to 65), and 3779.70 for 33 intern-reported mid to large businesses (ranging from 110 to 59,000). There was no overlap, and the large cross-group difference in firm size suggests that interns’ judgments are meaningful.

Small business interns and corporate interns were not statistically different in many aspects: they were about 21 years old on average, approximately 9 months before graduation, and their internships lasted about 4 months. Nearly 95% of them were pursuing a bachelor’s degree, and about half were majoring in science or engineering. There appeared to be more males among small business interns (79%) than among corporate interns (56%). Although it is possible that males are more interested in working in small businesses, the gender difference is a relatively distal antecedent of intention to join, and its effect is controlled by the inclusion of T1 job-seeking goal in the model.

8.2. Measures

The Appendix lists the items of all measures used in this study.

8.2.1. Involvement

Interns were asked at T2 to rate the extent to which their organizations involved them in work and social activities. The scale was newly developed because existing job involvement scales measure employees’ psychological identification with one’s job (see Brown and Leigh, 1996) and are not appropriate for this study. After analyzing written stories from eight college students
with past internship experiences, I wrote six items and invited two experienced business faculty members to evaluate their face validities. Based on their feedback, one item was rewritten. The scale was then administered in a pilot study to a separate sample of 147 college students with previous internship experiences. Five items loaded on the intended factor in an exploratory factor analysis (EFA) performed with items from procedural justice, distributive justice, and job-seeking goal. The sixth item had a loading coefficient lower than .4 on the factor and was deleted. The finalized five-item scale was based on a 7-point Likert scale (1=strongly disagree, and 7=strongly agree). A sample item is “There are some equipment or facilities available to all permanent workers but not to me” (reverse scored). Questions were also asked concerning whether interns worked in a separate work location or function, whether they were expected at business meetings, whether permanent workers refuse their presence, and whether they were invited to social events. The Cronbach’s alphas were .82 and .83 for small business interns and corporate interns respectively in the full study.

8.2.2. Perceived procedural and distributive justice

Justice perceptions were measured at T3 with the procedural justice subscale and distributive justice subscale of Sweeney and McFarlin (1993). Respondents rated perceived justices on a 7-point Likert scale (1 = very unfair, and 7 = very fair). The procedural justice subscale has four items and a sample item is “How fair or unfair were the procedures used in this organization to communicate performance feedback?” The Cronbach’s alphas were .96 and .86 for small business interns and corporate interns respectively. The distributive justice subscale has five items and an example item is “How fair or unfair was your work load?” The Cronbach’s alphas were .88 and .82 for small business interns and corporate interns respectively.

8.2.3. Intention to apply and intention to accept offer

They are both used as indicators of the latent factor of intention to join. Intention to apply was measured with three items adapted from Turban and Keon (1993). Interns were asked at T3 to indicate their intentions to apply to the host organization, using a 7-point Likert scale (1 = extremely unlikely to 7 = extremely likely). A sample item is “Will you make active attempts to join this organization when you graduate?” The Cronbach’s alphas were .96 and .86 for small business interns and corporate interns respectively. Three items were adapted from Ployhart and Ryan (1998) to measure interns’ intention to accept job offers from the organization at T3 on the same 7-point Likert scale. A sample item is “Are you going to stay here as a permanent employee if this organization invites you to do so?” The Cronbach’s alphas were .94 and .83 for small business interns and corporate interns respectively.

Although actual application and offer acceptance behaviors are more desirable outcomes than intentions, interns usually return to school upon completion of internship and do not make immediate job decisions. Resick et al. (2007) reported that interns’ intention to accept an offer is significantly related to actual offer acceptance. To further validate the intentional measures in this study, approximately 1 year after most T1 data were collected, I emailed 85 graduated interns and asked whether they had actually applied to the organization, whether the organization had extended an offer, and, if so, whether they had accepted the offer. I received valid response from 26 former interns and the correlation between application intention at T3 and actual application was .75. The correlation between intention to accept offer and actual offer acceptance was .70. This suggests that interns’ intentions are meaningful outcomes for this study.

8.2.4. Job-seeking goal

At T1 (before students started their internship), I evaluated their goal about obtaining a job offer from the organization. This scale has three items on a 7-point Likert-scale (1 = not accurate at all, and 7 = extremely accurate), and a sample item is “My primary goal of this internship is to secure a permanent job offer from the host organization”. It was a new scale developed through the procedures introduced earlier, and tested in the pilot study. All three items loaded to the intended factor in the EFA and the Cronbach’s alpha was .75 in the pilot study. In the full study, the Cronbach’s alphas were .73 and .80 for small business interns and corporate interns respectively.

9. Analyses and results

Inter-correlations, means, standard deviations and internal reliabilities of study variables for each group are presented in Table 1.

Hypothesis 1 was tested using single-group structural equation modeling (SEM), which is superior to Baron and Kenny’s (1986) regression approach (Jacobucci et al., 2007), and has become a widely used technique in micro- (MacCallum and Austin, 2000) and macro-level (Shook et al., 2004) management studies. Hypothesis 2 was tested using multigroup SEM, which provides more efficient parameter estimations than testing the two single-group models separately (Byrne, 2009).

9.1. Single-group measurement model

Anderson and Gerbing (1988) recommended testing the measurement model before testing the structural model. Before testing Hypothesis 1, I conducted a confirmatory factor analysis (CFA) using AMOS 7 (Arbuckle, 2006) to assess the measurement model consisting of the observed indicators of job-seeking goal, involvement, perceived justice, and intention to join. I replaced missing values with linear trend estimations at point. In order to optimize sample size relative to the parameter estimates (Bollen, 1989), I followed previous practice (e.g., Major et al., 2006; Zhao et al., 2005) to use parceled items as indicators of latent factors. I
measured latent variables job-seeking goal and involvement with their scale scores. As suggested by Hayduk (1987), I fixed the measurement weights to be 1 and the error variance was fixed to (1-reliability) multiplied by variance of the variable. I used two indicators, procedural justice and distributive justice, to measure perceived justice, and two indicators, intention to apply and intention to accept offer, to measure interns’ intention to join. To provide a metric for the latent factors, the first measurement weight for these latent factors was fixed to 1. No correlation among error terms was allowed. Fit indices for all models are based on the maximum likelihood method.

There is no universally accepted cutoff value for fit indices, but by conventional standards a model is generally deemed as acceptable if Goodness-of-Fit Index (GFI) and Normed Fit Index (NFI) are above .90, Comparative Fit Index (CFI) is above .95, and Standardized Root Mean Squared Residual (SRMR) is less than .08 (Byrne, 1998; Hu and Bentler, 1999; Kenny, 2010). The 4-factor model proved to be a good fit to the data ($\chi^2 = 16.98$, $df = 5$, $p < .01$; GFI = .95; NFI = .94; CFI = .95; SRMR = .04), and the measurement weights were all statistically significant ($p < .01$), verifying the expected relationships between indicators and constructs.

### 9.2. Single-group SEM

Next, I used AMOS 7 to perform a single group SEM on the small business interns to test Hypothesis 1. The two exogenous factors, involvement and job-seeking goal, were allowed to correlate. The hypothesized model turned out to have an acceptable fit ($\chi^2 = 16.98$, $df = 6$, $p < .01$; GFI = .95; NFI = .93; CFI = .96; SRMR = .04). As Bollen (1989) suggested, I also tested three alternative models: a full-mediation model in which the path from involvement to intention to join is set to zero ($\chi^2 = 23.36$, $df = 7$, $p < .01$; GFI = .95; NFI = .94; CFI = .95; SRMR = .04), a non-mediated model in which the path from perceived justice to intention to join is set to zero ($\chi^2 = 35.12$, $df = 7$, $p < .01$; GFI = .91; NFI = .87; CFI = .89; SRMR = .17), and a saturated model in which I added a path from job-seeking goal to perceived justice ($\chi^2 = 16.98$, $df = 5$, $p < .01$; GFI = .95; NFI = .94; CFI = .95; SRMR = .04). Tests of Chi-square changes show that the hypothesized model is superior to full-mediation and non-mediated models, and better than the saturated model because of one additional degree of freedom. So the hypothesized model is accepted.

The standardized path coefficients are shown in Fig. 2. Three of the four path coefficients in the hypothesized model are statistically significant. Involvement has a positive, direct effect supporting Hypothesis 1b ($\gamma = .30$, $p < .01$). It also has a significant effect on perceived justice ($\gamma = .23$, $p < .05$), which is positively related to intentions to join ($\beta = .52$, $p < .01$). Thus, Hypotheses 1c and 1d are supported. Job-seeking goal at T1, however, is not significantly related to on interns’ intention to join ($\gamma = .01$, n.s.), so Hypothesis 1a is not supported.

### Table 1

Correlations, means, and standard deviations of study variables.

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>Reliability</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>Mean</th>
<th>SD</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Job-seeking goal T1</td>
<td>5.71</td>
<td>1.17</td>
<td>.73</td>
<td>-</td>
<td>.22*</td>
<td>.10</td>
<td>.15</td>
<td>.35**</td>
<td>.44**</td>
<td>5.34</td>
<td>1.13</td>
<td>.80</td>
</tr>
<tr>
<td>2. Involvement T2</td>
<td>5.12</td>
<td>.98</td>
<td>.82</td>
<td>.01</td>
<td>-.38**</td>
<td>.39**</td>
<td>.57**</td>
<td>.41**</td>
<td>4.87</td>
<td>1.35</td>
<td>.83</td>
<td></td>
</tr>
<tr>
<td>3. Procedural justice T3</td>
<td>5.21</td>
<td>.84</td>
<td>.85</td>
<td>.11</td>
<td>-.44**</td>
<td>-.86</td>
<td>.40**</td>
<td>.21**</td>
<td>4.96</td>
<td>1.06</td>
<td>.85</td>
<td></td>
</tr>
<tr>
<td>4. Distributive justice T3</td>
<td>5.08</td>
<td>.91</td>
<td>.88</td>
<td>.04</td>
<td>.27**</td>
<td>.77**</td>
<td>-.38**</td>
<td>.22**</td>
<td>4.96</td>
<td>1.05</td>
<td>.82</td>
<td></td>
</tr>
<tr>
<td>5. Intention to apply T3</td>
<td>5.45</td>
<td>1.24</td>
<td>.96</td>
<td>.15</td>
<td>.51**</td>
<td>.46**</td>
<td>.49**</td>
<td>-.74**</td>
<td>5.29</td>
<td>1.28</td>
<td>.86</td>
<td></td>
</tr>
<tr>
<td>6. Intention to accept offer T3</td>
<td>5.42</td>
<td>1.21</td>
<td>.94</td>
<td>.05</td>
<td>.38*</td>
<td>.42*</td>
<td>.54**</td>
<td>.76**</td>
<td>5.07</td>
<td>1.12</td>
<td>.83</td>
<td></td>
</tr>
</tbody>
</table>

Note. Means, SDs, and correlations below the diagonal are for small business interns groups, and those above are for corporate interns group. * $p < .05$. ** $p < .01$.
9.3. Multigroup measurement invariance

Multigroup analysis has not been commonly used in the entrepreneurship field, and interested readers can read Monsen and Boss (2009) where this technique was introduced in detail.

To guarantee that multigroup analyses are meaningful, before testing Hypothesis 2, I performed a multigroup CFA on the measurement model to test whether small business interns and corporate interns perceived the measurement items in a systematically different manner. Of the five forms of measurement invariance defined by Steenkamp and Baumgartner (1998; i.e., configurational, metric, scalar, factor variance, and error invariance), only the first two forms are the required conditions if the purpose of the study is to compare the cross-group structural effects (p. 82), which is the case of Hypothesis 2. Configurational invariance refers to different groups exhibiting a similar latent factor structure, and it is established if the unconstrained measurement model fits the data well in all groups, all salient measurement item-to-factor weight are significant, and the correlations among factors are below unity (to show discriminant validity between factors). Metric invariance implies that the individual measurement items load similarly on the latent factors across groups. It was tested by constraining the measurement weights to be equal across groups.

The multigroup CFA results showed a good fit for the unconstrained model ($\chi^2 = 36.81, df = 26, p < .01; \text{GFI} = .96; \text{NFI} = .95; \text{CFI} = .96; \text{SRMR} = .05$). Because all salient weights were significant at the .01 level, and the correlations among factors were all well below 1 (varying from .13 to .59), configurational invariance was established. The model in which measurement weights were set equal across groups also had a good fit ($\chi^2 = 39.71, df = 30, p < .01; \text{GFI} = .95; \text{NFI} = .95; \text{CFI} = .96; \text{SRMR} = .06$), confirming the measurement invariance. In sum, the two groups of interns have similar understanding of the measurement items and factors, and it is appropriate to conduct multigroup SEM analysis.

9.4. Multigroup SEM

The multigroup SEM process of determining invariance of parameters across groups involves the testing of a series of increasingly restrictive models. An unconstrained model is tested first, and the measurement weights (i.e., item-to-construct paths) are then constrained to be equal across groups (M1) and tested so that it can be compared to the unconstrained model. Next, structural weights (i.e., paths between constructs; M2), structural variance (M3), and structural residuals (M4) are constrained in turn, and each model is tested. Finally, measurement residuals are constrained (M5), making the whole model completely equivalent across groups. Among those models, M2 is the most important for testing Hypothesis 2 because it addresses whether the hypothesized structural paths are equivalent across groups (Byrne, 2009).

Table 2 shows the model comparison results. The unconstrained model has an acceptable fit ($\chi^2 = 36.92, df = 12, p < .01; \text{GFI} = .96; \text{NFI} = .95; \text{CFI} = .96; \text{SRMR} = .04$). Chi-square difference tests show that M2 to M5 have worse fit indices than the unconstrained model. M1’s fit indices are virtually the same as the unconstrained model, and it is more parsimonious with two measurement weights freed, making it superior to the unconstrained model. M1 is then chosen as the best fitting model. The rejection of M2 means that structural weights should not have been set equal and some cross-group differences exist. The

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$ (df)</th>
<th>$\Delta\chi^2$ (df)</th>
<th>GFI</th>
<th>CFI</th>
<th>NFI</th>
<th>SRMR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic comparison</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unconstrained</td>
<td>36.92**(12)</td>
<td>–</td>
<td>.96</td>
<td>.96</td>
<td>.95</td>
<td>.04</td>
</tr>
<tr>
<td>M1</td>
<td>40.00**(14)</td>
<td>3.08(2)</td>
<td>.95</td>
<td>.96</td>
<td>.95</td>
<td>.06</td>
</tr>
<tr>
<td>M2</td>
<td>52.00**(18)</td>
<td>15.08(6)</td>
<td>.94</td>
<td>.95</td>
<td>.93</td>
<td>.11</td>
</tr>
<tr>
<td>M3</td>
<td>53.38**(21)</td>
<td>16.46(9)</td>
<td>.94</td>
<td>.96</td>
<td>.93</td>
<td>.10</td>
</tr>
<tr>
<td>M4</td>
<td>123.42**(23)</td>
<td>86.50(11)</td>
<td>.90</td>
<td>.86</td>
<td>.84</td>
<td>.15</td>
</tr>
<tr>
<td>M5</td>
<td>140.12**(27)</td>
<td>103.20(15)</td>
<td>.87</td>
<td>.84</td>
<td>.81</td>
<td>.15</td>
</tr>
<tr>
<td>Manual pinpoint</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M1</td>
<td>40.00**(14)</td>
<td>–</td>
<td>.95</td>
<td>.96</td>
<td>.95</td>
<td>.06</td>
</tr>
<tr>
<td>M1-a</td>
<td>45.97**(15)</td>
<td>5.97*(1)</td>
<td>.96</td>
<td>.96</td>
<td>.94</td>
<td>.08</td>
</tr>
<tr>
<td>M1-b</td>
<td>40.06**(15)</td>
<td>.06(1)</td>
<td>.95</td>
<td>.97</td>
<td>.95</td>
<td>.05</td>
</tr>
<tr>
<td>M1-c</td>
<td>43.01**(15)</td>
<td>3.01(1)</td>
<td>.95</td>
<td>.96</td>
<td>.94</td>
<td>.07</td>
</tr>
<tr>
<td>M1-d</td>
<td>44.46**(15)</td>
<td>4.46*(1)</td>
<td>.95</td>
<td>.96</td>
<td>.94</td>
<td>.10</td>
</tr>
</tbody>
</table>

Notes. $\chi^2$ = Chi-square; df = degrees of freedom; GFI = Goodness-of-Fit Index; CFI = Comparative Fit Index; NFI = Normed Fit Index; SRMR = Standardized Root Mean Squared Residual. ** $p < .01$. * $p < .05$.
acceptance of M1 suggests that the measures operate equivalently for small and large businesses, confirming the measurement invariance tested earlier.

The standardized estimates of M1' structural weights are presented graphically in Fig. 3. Job-seeking goal has no effect on small business interns' intention to join. Involvement has a direct effect of .32 on small business interns' intention to join, and an indirect effect of .12 through perceived justice. For corporate interns, all path coefficients are significant. Job-seeking goal has a direct effect of .35 on corporate interns' intention to join. Involvement has a direct effect of .31 on corporate interns' intention to join, and an indirect effect of .10 through justice perception.

The automatic multigroup comparisons conducted by AMOS can only provide an omnibus test regarding invariance across groups. To find the exact structural weight on which the cross group difference originates, starting from the best fitting model M1, I employed the manual pinpoint technique (Byrne, 2001) to constrain one path of interest at a time and compare it to M1. There are four hypothesized structural paths, so I tested four models, constraining across groups the paths from job-seeking goal to intention to join (M1-a), from involvement to justice (M1-b), from justice to intention to join (M1-c), and from involvement to intention to join (M1-d), respectively. The chi-square change tests show that M1-a ($\Delta \chi^2 = 5.97, \Delta df = 1, p < .05$) and M1-d ($\Delta \chi^2 = 4.46, \Delta df = 1, p < .05$) are different from M1, suggesting the corresponding paths should not have been set equal. Hypotheses 2a and 2d are thus supported. Consistent with Hypothesis 2a, the relationship between job-seeking goal and intention to join is positive and significant among corporate interns but not significant among small business interns. In other words, while corporate interns' pre-internship goal can predict their intentions to join later, small business interns often change their minds after taking a realistic preview of the job. M1-d shows that the positive relationship between perceived justice and intentions to join is stronger among small business interns than among corporate interns. M1-b and M1c are not different from M1, suggesting that the corresponding paths are essentially equivalent across groups. Hypotheses 2b and 2c are not supported.

10. Discussion

This paper is an answer to the on-going call for scientific examinations at the intersection of human resource management and entrepreneurship (e.g., Baron, 2003; Barrett and Mayson, 2006, 2008; Katz et al., 2000). In this paper I investigated how internships, a relatively low-cost approach, can help attract potential candidates to join small businesses. It has a number of important theoretical implications.

First, using temporally lagged data, I find the relationship between T1 job-seeking goal and T3 intention to join is not significant for small business interns. This counterintuitive effect is probably due to the presence of T2 realistic job preview. Interns work on a daily basis and perform real tasks as if they have formally joined the host organization. They can realistically evaluate the fit between
themselves and the small businesses, and will reconsider the value of their job-seeking goal when they have a negative experience. In this sense, this study provides empirical support from a field setting to a more flexible model of action phases in which decision makers continue to process new information regarding the desirability and feasibility of the goal after the deliberative stage, and adjust their goals and actions when necessary (Gollwitzer, 2012; Henderson et al., 2007). Gollwitzer (2012) indicated that individuals show more biases in this stage than in the deliberative stage, such as favoring pros over cons and processing goal-relevant stimuli selectively. It is thus possible that small business interns filter some negative information to defend the original goal, and they change the goal only when they receive information that is dramatically inconsistent with their expectations. The weak relationship between job-seeking goal and intentions to join in this study suggests that at least some small business interns are “shocked” by their internship experiences and their expectations are not met. Future studies can examine met expectation as a moderator for the relationship between realistic job preview and subsequent implementation intentions to join. The effect of realistic job preview may be larger when applicants’ expectations are confirmed, and the implementation intention formed after such a realistic preview may be a stronger predictor of actual actions.

Second, this study reported a positive direct effect of involvement on intention to join even when interns’ initial job-seeking goals are controlled, thus confirming the proposed value of realistic job preview as a persuasive recruitment method (Popovich and Wanous, 1982). For small business interns, getting actively involved in the organization does not only provide a channel to know the organization, it may also be a desirable job design that has attracted them to work in small businesses. In their job preview and evaluation, organizational justice turns out to play a central role. Interns’ involvement in the organization affects their perception of organizational justice, which in turn has significant effects ($r = .42$ and $.54$ respectively for perceived procedural justice and distributive justice) on offer acceptance intentions. Such effect sizes seem larger than the meta-analyzed effects of justice of selection procedures on offer acceptance intentions ($r = .28$ and $.26$ respectively for procedural justice and distributive justice; Hausknecht et al., 2004, p. 657). Interns obtain much broader and realistic information regarding organizational justice (e.g., pay and workload) than outside applicants who can only infer organizational justice from their experiences with recruiters. It appears that the more informed applicants are, the more likely their job decisions are driven by their justice perception.

There are some interesting results from comparing internship experiences in small and large firms. I found that while small business interns are likely to change their minds after actually working there, corporate interns’ pre-internship job seeking intentions are predictive of their post-internship intentions to join as hypothesized. A theory that is supported among large businesses may not be applicable to small businesses. It supports the view that small businesses and large businesses attract different pools of candidates (Cardon and Tarique, 2008) and they consist of “separate labor markets” (Barber et al., 1999). It is thus necessary for researchers to examine the unique challenges that small businesses face when recruiting talents. Small business interns show more elasticity from their original goals: some interns developed stronger intention to join after the internship while others tend to withdraw. It is possible that the prospective applicants to small businesses are relatively undecided in their career interests, have wrong expectations for the job, or have been professionally and mentally underprepared to work in small businesses (Lahm and Heriot, 2009). Scholars have studied entrepreneurs’ careers (e.g., Kaplan and Katz, 2008; Patzelt and Shepherd, 2011; Zhao et al., 2005), but additional research on small business employees’ career goals, career paths, and role transitions is needed to help understand entrepreneurial firms’ expansion and growth.

Another cross-group difference is that the effect of small business interns’ justice perception on intention to join is larger than that of corporate interns. It seems the former group is more sensitive to organizational injustice when deciding whether to join or withdraw. One explanation is the anticipated amelioration (Aquino et al., 1997). Corporate interns can afford some extent of injustice, probably because they can view it as a single incident and remain hopeful in the intervention from the top management. Injustice in small businesses, however, is usually attributed to entrepreneurs and changes are not likely, making withdrawal the only viable option for small business applicants. Another possible explanation is that other valued rewards offered by larger businesses, such as better organizational reputation and job security, may ‘compensate’ or alleviate injustice’s negative effects on applicants’ job choice, but applicants of small business cannot count on these rewards. Future studies can empirically test both assumptions.

This study also provides significant practical implications for entrepreneurs who need to staff their growing firms. First, internship can serve as a necessary preview period for both interns and entrepreneurs so that informed employment decisions can be made. Some small business interns become more enthusiastic in working there after the experience but others are no longer interested. This differentiation may actually be advantageous to small businesses, because finding the right people is more important than the number of applications itself. After all, working in small businesses, which often require long hours and dealing with uncertainties, may not be as exciting as some interns had imagined. It is beneficial that after this realistic job preview some realize the lack of fit between themselves and small businesses. Watson (1995) estimated that internship programs can save an average of $15,000 per new hire at the entry level by avoiding hiring the wrong people, which is equivalent to about $22,000 in 2011 after inflation adjustment. This informed decision will help entrepreneurs save money and avoid bigger employee-related troubles down the road such as low motivation, poor performance, and unplanned turnover.

Second, small business interns are very sensitive to organizational justice, and they are unlikely to join if they perceive injustice during their internship. Many small businesses are family-owned businesses or at least have family members working in the firm in the initial stage (Dyer and Handler, 1994), and some family members may feel entitled to claim rewards and privileges regardless of merit. It is important for entrepreneurs to be unbiased and treat family members and outside new hires equally when it comes to job assignment, compensation, and performance appraisal. Justice is the key to attract and keep competent employees, and to sustain the organizational system beyond the horizons of the current actors toward further shareholders, future employees, and future-generation family members.
Lastly, the two unsupported cross-group hypotheses are also thought-provoking. Involvement’s positive effects on interns’ intention to join are about the same in magnitude for small business interns and corporate interns, suggesting that interns react positively to opportunities to get involved and contribute, whether the business is large or small. Employers of all sizes interested in hiring thus need to carefully design their internship programs so that interns can be effectively engaged. Although not statistically significant, involvement seems to have a larger effect on perceived justice among corporate interns than among small business interns, which is contrary to my expectation. Corporate interns appear to be sensitive to the lack of involvement, but their reaction is largely cognitive (by reporting it as unfair) and the negative cognitive judgments do not necessarily result in plans to take immediate actions like withdrawal from the application process. Future research may study whether job candidates’ negative first impression will hurt larger business in the long term (e.g., through lower organizational commitment and performance if hired).

10.1. Limitations and future research

The current study has several limitations that highlight opportunities for future research efforts. First, this study used interns’ subjective perceptions to define small businesses and it made a categorical comparison between small business interns and corporate interns. In the future, researchers can collect more objective financial data from an alternative source (e.g., archives or entrepreneurs), and use firm size as a continuous variable to study how staffing practices evolve as firms grow.

Second, some constructs not measured in this study may be useful in explaining additional variance. For example, interns may differ in their abilities to learn and interpret important organizational characteristics even when they are involved to the same extent. Future studies can measure the actual knowledge gained from this realistic job preview, and test its mediating role on interns’ job decision. Likewise, interns may have different levels of job-related expectations, and they will not take a job, if after the realistic preview, they find the job fails to provide what they expected (e.g., pay). In this sense, the met expectation may play a moderating role, such that they are more likely to join when the preview confirms their expectations.

Third, college interns may be hired to fill entry-level positions and future studies can explore how entrepreneurs attract more experienced candidates for senior, executive-level positions. In that direction, there have been some preliminary discussions regarding how new members are added to the top management team (e.g., Clarysse and Moray, 2004; Forbes et al., 2006), but additional work is needed. Candidates with seasoned technical and managerial experience in relevant industries are highly valuable assets to entrepreneurial firms that are relatively new and inexperienced, but they may be in a different labor market from applicants at entry level positions. Studying recruitment and motivation of senior level employees would complement intern-based findings from this study toward an improved understanding of the unique staffing challenge in entrepreneurial firms.

Some interns may like fast advancement within the entrepreneurial firm, but others may want to grow independently. Thus, a fourth interesting venue for future research is to examine whether the internship experience is related to interns’ intentions to establish their own businesses right after the internship or a few years after they join the small business. It may partially explain the dropouts of some small business interns. A recent survey shows that 38% of young people aged 18–24 have interest in starting their own businesses some day (Kauffmann Foundation, 2010), thus it is possible some college students use internships as an authentic experience of the career to build entrepreneurial self-efficacy (Lucas et al., 2009). Future studies on the recruitment effectiveness of small businesses need to control job candidates’ startup goal. The possible emergence of a potential competitor does not necessarily mean entrepreneurs should reject interns or restrict interns’ involvement with the organization or their knowledge of the business operations, because it is always possible that at any time in the organizational lifecycle, some partners or long-time employees may want to start their own business. Restricting employees’ access to information and resources may greatly hinder their performance and lead to frustration and departure, causing a self-fulfilling prophecy. Entrepreneurs can consider legal, organizational, or technical alternatives that may help limit the emergence of competition and reduce associated damages more effectively, such as a non-compete agreement with time and geographic restrictions, patent protection, a well-designed long-term compensation package, or acquiring other competitive advantage that cannot be easily replicated. Weisul et al. (2010) reported that Google’s current and former employees helped the emergence of a new generation of startups in the Silicon Valley, without compromising Google’s competitive advantages. Furthermore, new ventures started by former employees can supplement entrepreneurial activities in the focal company (Koster, 2006). Thus, with proper controls, employees can help entrepreneurs and the economy both inside and outside the existing firm.

10.2. Conclusion

Entrepreneurs are often celebrated as heroes who depart from the crowd, but creating and managing a new venture are never a lonely game. In fact, entrepreneurs eagerly need to recruit additional human input to staff their growing businesses, a task for which they are often not prepared. Internship is a valuable and safe recruitment tool for entrepreneurs to identify prospective employees of good quality, and it provides opportunities for interns to realistically preview the job and the organization. Allowing and encouraging interns’ involvement in the firm will increase their justice perception and intention to join. This study contributes to the emerging literature on entrepreneurial firms’ recruitment function. Scientific studies at the intersection between human resource management and entrepreneurship, however, are still at an infancy stage, with many interesting questions to be answered in the future.
## Appendix A

### Questionnaire measures.

<table>
<thead>
<tr>
<th>Construct (time)</th>
<th>Measure item</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Job-seeking goal (T1)</strong></td>
<td>My primary goal for this internship is to …</td>
</tr>
<tr>
<td></td>
<td>1. Secure a permanent job offer from the host organization.</td>
</tr>
<tr>
<td></td>
<td>2. Demonstrate myself in hope for employment in this host organization.</td>
</tr>
<tr>
<td></td>
<td>3. Get to know someone in this organization that may offer me a job in the future.</td>
</tr>
<tr>
<td></td>
<td>4. Convince the host organization of my employability.</td>
</tr>
<tr>
<td></td>
<td>5. There are some equipment or facilities available to all permanent workers but not to me. (R)</td>
</tr>
<tr>
<td><strong>Involvement (T2)</strong></td>
<td>I work in separate work functions or locations where there are very few permanent workers. (R)</td>
</tr>
<tr>
<td></td>
<td>1. Permanent employees tend to keep me out of their domains. (R)</td>
</tr>
<tr>
<td></td>
<td>2. I am NOT required to attend business meetings. (R)</td>
</tr>
<tr>
<td></td>
<td>3. I am usually NOT invited to social activities planned by the organization. (R)</td>
</tr>
<tr>
<td><strong>Distributive justice (T3)</strong></td>
<td>How fair or unfair was your work load?</td>
</tr>
<tr>
<td></td>
<td>1. How fair or unfair was your work schedule?</td>
</tr>
<tr>
<td></td>
<td>2. How fair or unfair was your level of pay?</td>
</tr>
<tr>
<td></td>
<td>3. How fair or unfair was your work load?</td>
</tr>
<tr>
<td></td>
<td>4. How fair or unfair was your job responsibility?</td>
</tr>
<tr>
<td></td>
<td>5. How fair or unfair was the overall rewards you received here?</td>
</tr>
<tr>
<td><strong>Procedural justice (T3)</strong></td>
<td>How fair or unfair were the procedures used in the organization to determine pay raise?</td>
</tr>
<tr>
<td></td>
<td>1. How fair or unfair were the procedures used in this organization to determine promotions?</td>
</tr>
<tr>
<td></td>
<td>2. How fair or unfair were the procedures used in this organization to evaluate performance?</td>
</tr>
<tr>
<td></td>
<td>3. How fair or unfair were the procedures used in this organization to determine pay raise?</td>
</tr>
<tr>
<td></td>
<td>4. How fair or unfair were the procedures used to communicate performance feedback?</td>
</tr>
<tr>
<td><strong>Intention to apply (T3)</strong></td>
<td>How likely …</td>
</tr>
<tr>
<td></td>
<td>1. Are you going to apply for a permanent job in this organization?</td>
</tr>
<tr>
<td></td>
<td>2. Will you make active attempts to join this organization when you graduate?</td>
</tr>
<tr>
<td></td>
<td>3. Will you submit an application to this company for a full-time job?</td>
</tr>
<tr>
<td><strong>Intention to accept offer (T3)</strong></td>
<td>How likely …</td>
</tr>
<tr>
<td></td>
<td>1. Are you going to accept a permanent job offer from this organization?</td>
</tr>
<tr>
<td></td>
<td>2. Are you going to refuse a full-time job offer from this organization? (R)</td>
</tr>
<tr>
<td></td>
<td>3. Are you going to stay here as a permanent employee if this organization invites you to do so?</td>
</tr>
</tbody>
</table>

R = Reverse coded item.

### References
