



IMPACT OF INTERNSHIP ON SMALL AND MEDIUM-SIZED ENTERPRISES

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Abstract. Internship programs are increasingly recognized as strategic tools for enhancing organizational performance and addressing skill gaps in Small and Medium-Sized Enterprises (SMEs). This research explores the multifaceted impacts of internships on SMEs, including productivity, innovation, and employee retention. The study employs a mixed-methods approach, integrating quantitative data from SME performance metrics and qualitative insights from interviews with SME managers and interns. Results indicate that structured internship programs positively influence SME growth and competitiveness while offering potential challenges that require mitigation.

Keywords: internship programs, SMEs, organizational performance, skill development, innovation.

AMALIYOTNING KICHIK VA O'RTA KORXONALARGA TA'SIRI

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Annotatsiya. Amaliyot dasturlari kichik va o'rta korxonalarda (KO'B) tashkiliy samaradorlikni oshirish va malakalardagi kamchiliklarni bartaraf etish uchun strategik vositalar sifatida tobora ko'proq e'tirof etilmoqda. Ushbu tadqiqot stajirovkaning kichik va o'rta korxonalariga ko'p qirrali ta'sirini o'rganadi, shu jumladan samaradorlik, innovatsiyalar va xodimlarni ushlab turish. Tadqiqotda KO'B samaradorligi ko'rsatkichlaridan miqdoriy ma'lumotlar va KO'B menejerlari va stajyorlar bilan bo'lgan intervyulardan olingan sifatli tushunchalarni birlashtirgan aralash usullardan foydalaniladi. Natijalar shuni ko'rsatadiki, tuzilgan stajirovka dasturlari KO'B o'sishi va raqobatbardoshligiga ijobiy ta'sir ko'rsatadi, shu bilan birga yumshatishni talab qiladigan potensial muammolarni taklif qiladi.

Kalit so'zlar: amaliyot dasturlari, KO'B, tashkilot faoliyati, malaka oshirish, innovatsiyalar.

ВЛИЯНИЕ СТАЖИРОВОК НА МАЛЫЕ И СРЕДНИЕ ПРЕДПРИЯТИЯ

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Аннотация. Программы стажировок все чаще признаются стратегическими инструментами для повышения организационной эффективности и устранения пробелов в навыках в малых и средних предприятиях (МСП). В этом исследовании изучается многогранное влияние стажировок на МСП, включая производительность, инновации и удержание сотрудников. В исследовании используется подход смешанных методов, объединяющий количественные данные из показателей эффективности МСП и качественные выводы из интервью с менеджерами и стажерами МСП. Результаты показывают, что структурированные программы стажировок положительно влияют на рост и конкурентоспособность МСП, предлагая при этом потенциальные проблемы, которые требуют смягчения.

Ключевые слова: программы стажировок, МСП, организационная эффективность, развитие навыков, инновации.

Introduction.

Small and Medium-Sized Enterprises (SMEs) are critical drivers of economic growth, innovation, and employment worldwide. They account for a significant proportion of businesses and job creation, yet face persistent challenges such as limited access to skilled labor, financial constraints, and difficulties in scaling operations. Addressing these challenges is crucial for the sustained growth of SMEs, especially in highly competitive and dynamic markets.

Internship programs have gained traction as a solution to these issues, allowing SMEs to bridge skill gaps and introduce fresh perspectives into their operations. For interns, these programs offer hands-on experience, facilitating their transition from academic to professional environments. Despite these potential benefits, the extent to which internships influence SME performance remains underexplored, particularly in the context of innovation, productivity, and talent acquisition. This study seeks to fill this gap by analyzing the direct and indirect impacts of internships on SMEs.

Research Questions:

How do internship programs impact productivity in SMEs?

What role do internships play in fostering innovation within SMEs?

How do SMEs perceive the long-term benefits of internship programs?

Literature review.

An internship provides the best of both worlds: the student attains hands-on experience and the organization secures temporary access to an enthusiastic, entry-level employee. Consequently, interns who are able to “hit the ground running” are highly valued by their intern employers, as this capability can alleviate the costs associated with training and oversight typically expended on other new hires (Lee Anderson, 1988). This study aims to offer an alternative strategy for small businesses to keep college interns interested, motivated, and seeking new opportunities as they transition from college to a professional business career. One of the core competencies aspiring interns should acquire centers on seeking out and obtaining an effective mentor in their area of study. Often, the best potential mentor within a sponsoring organization may not have the time or expertise to cultivate an intern, leaving the intern with a sub-optimal match. To address this inefficiency, career counseling centers could utilize the feedback to identify which specific professionals at an organization might make

effective mentors for a given student's interests and strengths. By matching students with these mentors, career services personnel would increase the likelihood that internship participants receive the training and direction they require to excel at a sponsoring organization. Moreover, both the students and their intern employers show a keen interest in maintaining the internship alliance as a full-time employment opportunity upon graduation. It was discovered that interns who achieved a strong mentor relationship were more likely to be hired as full-time employees than the interns who did not have a powerful relationship with their mentor.

Interview research has been conducted between June – July 2018 in Turkey with three different sectors of 16 SMEs both of which are successful and unsuccessful to investigate the obstacles to the business environment and the development of SMEs, the problems emerging in the competitive environment, the institutional and governmental factors and the learned behaviors of the sectoral actors by 16 SME owners. The interviews have been conducted in Avclar, Yenibosna, İkitelli and Başakşehir regarding jewelry, textile and electricity sector, due to the geographical closeness and high density of the sectors. The snowball sampling method has been used in the selection of businesses. The semi-structured interviews has been prepared conducting 20 question and 30-40 minutes of was been generally completed and the answers of the participants were be written under the questions.

Internship programs have been extensively studied as mechanisms for addressing workforce challenges in SMEs. According to Smith and Johnson (2022), internships allow SMEs to benefit from cost-effective labor while equipping interns with practical skills. They highlight that SMEs leveraging internship programs often experience increased innovation, as interns bring diverse perspectives and new approaches to problem-solving. Similarly, Brown and Davis (2021) underscore the dual advantage of internships for SMEs and interns, noting that structured programs can serve as pipelines for future talent while addressing short-term labor needs.

Thompson and Lee (2023) emphasize the role of internships in fostering innovation. Their study on technology-driven SMEs shows that integrating interns into project teams results in a 20% improvement in process efficiency due to the adoption of innovative practices proposed by interns. Additionally, the World Bank (2020) identifies internships as a critical strategy for enhancing SME competitiveness, particularly in emerging markets, where resource constraints limit access to skilled labor.

However, challenges associated with internships also emerge in the literature. For instance, Brown and Davis (2021) note that SMEs often struggle to allocate resources for intern training, which can undermine the program's effectiveness. Addressing these challenges requires structured onboarding processes and strong partnerships with educational institutions to ensure alignment between academic and organizational goals.

Moreover, Utkirov (2024) highlights the role of total quality management in improving organizational performance in higher education, drawing parallels to internship programs in SMEs where systematic quality processes enhance outcomes. In a separate study, Utkirov (2024) explores the impact of artificial intelligence on improving efficiency and quality, suggesting that similar technological applications could benefit SMEs by streamlining intern training and mentorship processes.

These studies collectively underscore the transformative potential of internships for SMEs, provided that implementation challenges are adequately addressed through strategic planning and resource allocation.

Methods

Research Design A mixed-methods approach was adopted to provide a comprehensive understanding of the impact of internships on SMEs. Quantitative data were collected through surveys and performance metrics, while qualitative insights were gathered via semi-structured interviews.

Sample The study involved 50 SMEs from various sectors, including manufacturing, services, and technology. Additionally, 100 interns and 30 SME managers participated in the research.

Data Collection

Surveys were conducted among SME managers and interns to assess productivity changes and perceived benefits of internships.

Key performance indicators (KPIs), such as project completion rates and revenue growth, were analyzed before and after implementing internship programs.

Data Analysis Quantitative data were analyzed using statistical tools, including regression analysis, to identify correlations between internships and SME performance. Qualitative data were analyzed thematically to uncover recurring patterns and insights.

Results

The study was conducted in Uzbekistan and involved 50 SMEs across various sectors, including manufacturing, services, and technology. Additionally, 100 interns and 30 SME managers participated in the research.

Table 1.

The distribution of SMEs and participants

Sector	Number of SMEs	Number of Interns	Number of SME Managers
Manufacturing	20	40	12
Services	15	30	10
Technology	15	30	8
Total	50	100	30

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Table 2.

Surveys participants

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Table 3.

The survey distribution and response rates

Group	Surveyed	Responded	Response Rate (%)
SME Managers	30	27	90%
Interns	100	92	92%
Total	130	119	91.5%

Key performance indicators (KPIs), such as project completion rates, revenue growth, and task efficiency, were analyzed for six months before and after implementing internship programs.

Table 4.

Key performance indicators (KPIs)

Performance Metric	Measurement Approach	Result
Project Completion Rate	Percentage of projects completed on time	Improved by 15% after internship programs
Revenue Growth	Monthly revenue data from accounting systems	Increased by 16% in six months
Task Efficiency	Average time to complete routine tasks	Reduced by 12%
Customer Satisfaction	Survey of client feedback on deliverables	Increased satisfaction ratings (4.1 to 4.6)

Quantitative data was analyzed using regression analysis to identify correlations between internships and business performance. Results indicated that internship presence accounted for 38% of the variance in project completion rates ($R^2 = 0.38, p < 0.05$) and 42% of the variance in revenue growth ($R^2 = 0.42, p < 0.01$).

Detailed case studies supported these findings. For example, a manufacturing SME observed an efficiency increase after interns streamlined task scheduling and implemented inventory tracking systems, reducing task completion times by 12%.

Table 5

Survey results

Indicator	Pre-Internship	Post-Internship	Percentage Change
Average Project Completion Rate (%)	65%	80%	+15%
Revenue Growth (USD/month)	\$50,000	\$58,000	+16%
Employee Retention Rate (%)	70%	85%	+21%

Survey results revealed that 78% of SME managers observed improved productivity after integrating interns into their workforce. Performance metrics, as shown in the table, indicated a 15% increase in project completion rates and a 16% growth in monthly revenue within six months of introducing internships.

Interviews highlighted that interns often bring fresh perspectives and innovative ideas to SMEs. For example, 60% of managers reported successful implementation of intern-proposed improvements in business processes, such as adopting digital tools or streamlining workflows.

Approximately 45% of interns were offered permanent positions, reflecting the program’s role as a talent pipeline. Managers also noted a 21% improvement in employee retention rates, which they attributed to the seamless integration of interns into their organizational culture.

Despite the benefits, SMEs faced challenges such as allocating resources for intern training and managing expectations. Common issues included the need for supervisors to dedicate time to mentorship and occasional mismatches between intern capabilities and SME needs. However, these challenges were mitigated through structured onboarding and mentorship programs.

To create an effective internship program, SMEs should consider the following steps:

Clearly outline what the internship program aims to achieve, such as improving productivity, addressing skill gaps, or fostering innovation.

Develop a well-defined structure that includes detailed roles, responsibilities, and learning objectives for interns.

Partner with universities or vocational schools to source talent and align academic goals with organizational needs.

Allocate resources for onboarding, training, and mentoring interns to maximize their contributions and learning outcomes.

Continuously assess the program's impact on business performance and make necessary adjustments to improve its effectiveness.

Discussion

Internship programs serve as a dual-purpose strategy for SMEs, addressing immediate labor shortages and fostering long-term growth. Enhanced productivity and innovation are key outcomes, aligning with existing literature on the benefits of experiential learning. The findings suggest that structured programs with clear objectives and proper mentorship yield the highest returns.

Implications for SMEs SMEs should view internships as strategic investments rather than short-term labor solutions. Policymakers can support this by offering incentives such as tax benefits and training grants to SMEs engaging in internships. Furthermore, SMEs can enhance the effectiveness of these programs by collaborating with educational institutions to design relevant and impactful internships.

Limitations and Future Research

This study is limited to a sample of 50 SMEs, which may not fully capture sectoral variations. Future research could explore the impact of internships on specific industries or compare outcomes across different organizational sizes. Additionally, longitudinal studies could provide deeper insights into the long-term benefits of internships.

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