How Does Compensation Contribute to Students' Internship Decision-Making Steps in the Digital Economy Era?

International Conference on Emerging Challenges:

Smart Business and Digital Economy

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Abstract

Research purpose:
This study aims to identify the impact of financial and non-financial compensation towards decision making steps in internship and to identify the type of compensation that are considered most interesting among interns.

Research motivation:
Previous studies mostly show positive and significant impact on permanent employees. The study about compensation on intern still scarce. This study contributes to the theory and application of human resources management, by analyzing the impact on compensation towards decision making steps in internship and providing data of the most interesting compensation among interns.

Research design, approach, and method:
This quantitative research collected primary data source, by distributing online questionnaires. The number of respondents are determined using Slovin formula where the number of sample are obtained by dividing number of population to 1 + the number of population times level of confidence used in the research. The level of confidence in this research is 90%, the number is determined due to the limited amount of time and available resources at the time of research. Based on Slovin formula calculation, the amount of needed respondent are 100 samples. The respondents were intern from public and private universities in Jakarta that had and/or currently undergoing internship on 6th-8th semester in between year 2021-2023. The data is collected through online survey using Google Form in Likert scale measurement. Data analysis and hypothesis testing with help of SPSS (statistical product and service solution) version 26.

Main findings:
Financial compensation affected 28,2% on internship decision making steps. Meanwhile non-financial compensation affected 20,4%. The most interesting type of financial compensation are allowance, incentive, and flexible working time. While the most interesting non-financial compensation type are healthy work environment, learning opportunity, and feedback at work.

Practical/managerial implications:
Managers in organizations are expected to consider the most interesting compensation found in this study, to attract more qualified young talents who will contribute to the organization's future development.

Keywords: compensation, decision making steps, internship

1. INTRODUCTION

The competition in the job market is increasing every day. Digitalization and automation play a significant role in changing work efficiency and effectiveness. The development of information technology simplifies human tasks. However, at the same time, it may as well eliminate job opportunities. In response to these changes, prospective employees need to equip themselves with adequate knowledge and experience before starting their professional career. One activity undertaken for this purpose is internship.

According to Law No.13/2003 on Manpower (Indonesian Laws No.13 about Labour Laws), internship is defined as part

of the job training system aimed at mastering specific skills or expertise under professional workers supervision. By participating in an internship, students can develop both hard skills and soft skills that enhance their job performance. Due to numerous benefits offered by internship, universities are incorporating internship programs into their curricula.

When considering internship opportunities, there are several factors that serve as the basis for decision-making. One of these factors is compensation. Compensation can be categorized into two types: financial and non-financial (Stone, Cox, and Gavin, 2021). These two types are further divided. Financial compensation includes direct compensation in the form of cash, such as basic salary, incentives, and allowances, as well as indirect compensation in the form of benefits such as insurance, health benefits, flexible working hours, and vacations. Non-financial compensation is divided into two aspects: job-related aspects like interesting and challenging tasks, recognition, career advancement, and feedback; and environmental aspects like a positive HR practice, pleasant co-workers, a safe and healthy work environment, learning opportunities, open communication, and job security.

Compensation generally has a positive impact towards job satisfaction and employee performance. Fitria and Sawitri (2017) proved that rewards and incentives have a positive and significant effect on the job satisfaction of nurses in a hospital in Surakarta City. Similar findings were discovered by Agathanisa and Prasetio (2018), where compensation positively and significantly affected employee job satisfaction in a wholesale company in Samarinda. Rewards and incentives fall under the category of direct financial compensation according to the categorization by Stone, Cox, and Gavin (2021).

Meanwhile, Katidjan, Pawirosuharmanto, and Isnaryadi (2017) found that compensation alone does not make any significant impact on employee performance. However, simultaneous tests involving compensation, career development, and communication made a significant effect on employee performance. This is an interesting finding, as career development and communication fall under the category of non-financial compensation on environmental aspects, according to Stone, Cox, and Gavin (2021).

Gatot and Rahayu (2018) found that internship activities proven to influence career development motivation by 40,8%. Students who have undergone internships express that the internship experience has assisted them in building job readiness (Saputra, Kismadinata, and Jalinus, 2020). Job readiness encompasses role clarity, abilities, and motivation. Chan et al. (2020) discovered that work experience, performance, interpersonal skills, and social networks significantly impacted post-graduation job opportunities.

The study about compensation on intern still scarce. There has not been yet found any study that discusses the relationship between compensation towards satisfaction, performance, or decision-making of intern. At the same time, more companies are offering students internship opportunities. Moreover, there is still limited study detailing the most favoured compensation types by both permanent and intern. Therefore, this study aims to determine the influence of compensation on students' internship decision-making. The object of this study are undergraduate students in public and private universities in Jakarta who are currently and/or had undergone internships between 6th-8th semester during year 2021-2023. This time frame includes the period during and post Covid-19 pandemic, which created distinct priorities in seeking internship experience.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Compensation

Sedarmayanti (2017) in Riesso et al. (2021) defined compensation as everything an employee received in return for their work services. HR plays an important role in finding employees' interest as their work payment as well as company's expectation from their employees (Tan and Torrington, 1998). Both parties' expectations must be aligned to be fulfilled. Furthermore, Tan and Torrington (1998) divided employee individual needs into 3 (three) aspects, there are tangible reward such as cash and benefits; intangible reward such as work satisfaction, status, achievement, job security, and challenges; and a career path that provides feedbacks and learning opportunities.

Compensation is divided into 2 (two) types (Stone, Cox, and Gavin, 2021), there are:

1. Financial, further identified into direct compensation such as basic pay, incentive, and allowance; and indirect compensation in term of benefits such as healthcare benefit, pension wage, flexible working hour, and paid leave.
2. Non-Financial, further identified into 2 (two) aspects there are: job aspects, including interesting and challenging job, responsibility, recognition, advancement, and feedback; and environmental aspects including good HR policy and practice, competent supervision, pleasant co-workers, safe and healthy work environment, justice, learning opportunities, open communication, and career safety.

2.2 Internship Decision Making

Internship is an intra-classroom learning activity that has widely done by students. In Indonesia, internship is regulated under Minister of Manpower Regulation No. 6 of 2020 regarding the Implementation of Internships within the Country which internships are a part of job training system under the supervision of competent instructor to mastering skill or

expertise.

Ismail (2018) discovered internship benefits in soft skill and interpersonal skill development such as professionalism, culture sensitivity, time management, and integrity. The given responsibility also helps in building self-efficacy and confidence. Internship also increase post-grad employment as full time employee.

From various opportunities to consider in deciding internship job, students are expected to choose the most suitable alternative on their needs and desire. A good decision-making skill is needed because decision making is a prerequisite to take an action. Decision making is the process of systematically choosing the best alternative among several options to be pursued or as an effort to solve a problem (Pasolong, 2023). The chosen alternative must be the most beneficial to the decision maker. This process will help to identify and resolve the problem.

Bacon in Pasolong (2023) explains the stages in decision making as follows:
1. Formulating/identifying the problem, which is an effort in finding the root cause.
2. Collecting relevant information, which is recognizing contributing factors.
3. Seeking action alternatives, which is seeking possibilities regarding the problem.
4. Analysing alternatives, where each alternative is analysed using qualitative criteria.
5. Choosing the best alternative, based on priority scale.
6. Doing the decision and evaluating the result. The decision then transformed into action plan. Meanwhile, result evaluation is used to give feedback towards decision.

2.3 Hypothesis Development
Here are the hypothesis of this study.

H_{01}= Financial compensation does not have an impact on the internship job decision making of students in Jakarta.

H_{A1}= Financial compensation has an impact on the internship job decision making of students in Jakarta.

H_{02}= Non-financial compensation does not have an impact on the internship job decision making of students in Jakarta.

H_{A2}= Non-financial compensation has an impact on the internship job decision making of students in Jakarta.

3. METHODOLOGY

This is a quantitative study that mainly utilizes primary data source to obtain a depiction that closely represents the experiences of the respondents. Secondary sources from related previous studies are also conducted to learn existed findngs. Data collection was done through distribution of online questionnaire on Google Form platform, which consist of 25 statement items with Likert scale from 1-5. The degree of confidence used in this research is 90%, the number is determined due to the limited amount of time and available resources at the time of research. The number of respondents are derived from Slovin formula, adjusted to 90% of degree of confidence which then generate the number of 100 samples required. The respondents were intern from public and private universities in Jakarta that had and/or currently undergoing internship on 6th-8th semester in between year 2021-2023.

Data analysis (such as validity and reliability test, classical assumption test, multiple linear regression analysis, and cross-tabulation test) and hypothesis testing, with help of SPSS (statistical product and service solution) version 26 app. We further follow-up analyses to provide a contrast among intern based on gender (female/male) and university (public/private).

4. RESULTS AND DISCUSSION

4.1 Respondents Profile
The questionnaire featured 25 closed statements measured with likert scale from 1-5. According to 100 respondents, here are the characteristic descriptions.

Table 1. Respondents Gender Characteristic

Gender	Frequency	Percentage
Female	59	59%
Male	41	41%
Total	100	100%

According to Table 1, it is knowns that the respondent proportion who participated in this research are 59% female and 41% male.

Table 2. Respondents Education Institution

No	Edu Institution	Frequency	Percentage
1	Public Uni	31	31%
2	Private Uni	69	69%
	Total	100	100%

According to Table 2, it is knowing that 31% of respondents comes from public university while 69% comes from private university.

Table 3. Respondents University Location

No	Uni Location	Frequency	Percentage
1	Central Jakarta	40	40%
2	Southern Jakarta	19	19%
3	Western Jakarta	11	11%
4	Northern Jakarta	8	8%
5	Eastern Jakarta	22	22%
	Total	100	100%

According to table 3, it is known that 40% of the respondents comes from universities located in Central Jakarta, 22% from Eastern Jakarta, 19% from Southern Jakarta, 11% from Western Jakarta, and 8% from Northern Jakarta.

Table 4. Respondents Study Semester Characteristic

No	Study Semester	Frequency	Percentage
1	6	32	32%
2	8	45	45%
3	9 above	4	4%
4	Graduated in 2021	6	6%
5	Graduated in 2022	13	13%
	Total	100	100%

According to table 4, it is known that most of the respondents in this research are 45% currently on their 8th semester, followed by 32% on their 6th semester, graduated in 2022 as 13%, graduated in 2021 as 6%, and currently on semester 9 and above 4%.

Table 5. Internship Experience Characteristic

No	Experience	Frequency	Percentage
1	Yes	73	73%
2	Currently enrolled	27	27%
	Total	100	100%

According to table 5, it is known that the proportion of respondents who already experienced in attending internship are 73% and the currently enrolling are 27%.

4.2 Analysis

Table 6. Respondents Answer Description

No	Statement	Average Score
1	KFS1	4,08
2	KFS2	4,03
3	KFS3	3,59
4	KFS4	3,96
5	KFS5	3,30
6	KNF1	4,35
7	KNF2	3,94
8	KNF3	4,25
9	KNF4	4,42
10	KNF5	4,40
11	KNF6	4,63
12	KNF7	4,48
13	KNF8	4,43
14	KM1	4,30
15	KM2	4,37

16	KM3	4,14
17	KM4	3,47
18	KM5	3,86
19	KM6	4,11
20	KM7	4,13
21	KM8	3,54
22	KM9	3,79
23	KM10	4,20
24	KM11	4,06
25	KM12	4,12

Based on Table 6, there are three variables being studied: financial and non-financial compensation as independent variables, and the internship job decision-making stage as the dependent variable.

Overall, the average value for the financial compensation variable is 3.79. This number indicates that respondents tend to agree that financial compensation, including stipends, incentives, health benefits, flexible working hours, and paid leave entitlement, influences the internship job decision-making stage.

Moving on to the non-financial compensation variable, the average value is 4.36. This figure reflects respondents' agreement that the internship job decision-making stage is influenced by considerations related to non-financial compensation, such as engaging tasks, challenging work, feedback opportunities, pleasant colleagues, a healthy work environment, learning opportunities, and open communication.

For the internship job decision-making stage variable, the obtained average value is 4.01. This indicates that respondents agree with the necessity of undergoing an internship, seeking information about internships, analysing various options, making an internship choice, and conducting the internship based on the chosen option.

Respondents were also asked to specify the types of financial and non-financial compensation they are most interested in. The results can be seen in Table 7 for preferred types of financial compensation and Table 8 for non-financial compensation.

Table 7. Preference of Financial Compensation Type

No	Compensation Type	F	Percentage
1	Allowance	42	42%
2	Flexible Working Hour	20	20%
3	Incentive	19	19%
4	Health Benefit	7	7%
5	Transport Benefit	6	6%
6	Lunch Benefit	6	6%
	Total	100	100%

Around 42% of the respondents answered that the most preferred financial compensation is allowance. Next is 20% flexible working hours and 19% incentives. Health benefit scored 7%, while transport benefit and meal benefit were both scored 6%.

Table 8. Preference of Non-Financial Compensation Type

No	Compensation Type	F	Percentage
1	Healthy Work Environment	32	32%
2	Learning Opportunity	26	26%
3	Feedback	13	13%
4	Interesting Job	9	9%
5	Facility	9	9%
6	Challenging Job	5	5%
7	Recognition	4	4%
8	Open Communication	2	2%
	Total	100	100%

Around 32% of the respondents indicated that a healthy work environment is the most preferred non-financial compensation. Learning opportunities were favoured by 26% of the respondents. Obtaining feedback in their work received a score of 13%. These three types of non-financial compensations are the most favoured by the students.

Engaging tasks and facilities received scores of 9% each. In order, challenging work, recognition, and open communication received scores of 5%, 4%, and 2%.

The data was then subjected to various analyses. The first was a validity test. With a research significance level of 10% or 0.1, and considering the critical value (R table) for 100 respondents using the formula df = N-2 (100-2=98), the critical value was found to be 0.1654. For the Financial Compensation variable (X1), each statement item had a value greater than 0.1654. This indicates that the questionnaire used was valid. A similar situation was observed for the Non-Financial Compensation variable (X2) and the Internship Job Decision-Making stage variable.

The second test was the reliability test for the questionnaire. The results can be seen in the following Table 9.

Table 9. Reliability Test Result

Variable	Cronbach's Alpha Score	Description
KFS (X1)	0,743	Reliable
KNF (X2)	0,691	Reliable
KM (Y)	0,797	Reliable

In Table 9, the Cronbach's Alpha coefficient for the independent variable Financial Compensation is 0.743, and for the independent variable Non-Financial Compensation, it is 0.691. Both of them have Cronbach's Alpha values > 0.6, indicating reliability. Regarding the dependent variable Internship Decision, the Cronbach's Alpha coefficient is 0.797. This value is also > 0.6, indicating reliability.

The classical assumption test consists of four types: normality, multicollinearity, heteroskedasticity, and linearity. The first test is the normality test, which involves examining the residual histogram, P-Plot, and the Kolmogorov-Smirnov test. The histogram indicates that the data is not normally distributed. The P-Plot also indicates the data distribution is not normal.

The Kolmogorov-Smirnov test reveals a significance value of 0.001. This value does not meet the normality requirement as it is less than 0.05. It can be concluded that the collected data is not normally distributed. Since the data is not normally distributed, further analysis will require non-parametric statistical methods. It's important to note that due to the non-normal distribution of the residuals, the findings of this research cannot be extrapolated to the study population.

The second test is the multicollinearity test, which aims to determine whether there is correlation among two or more independent variables in the regression model. Multicollinearity can be detected by examining the values of Tolerance and Variance Inflation Factor (VIF). The Tolerance value for the independent variables of financial and non-financial compensation is 0.990. This value is greater than 0.1. Additionally, the VIF value is 1.010, which is less than 10. This indicates that there is no multicollinearity between the two independent variables.

Next is the heteroskedasticity test, which aims to determine if there is unequal variance of residuals within the linear regression model or among other observations. The Glejser test is used to conduct the heteroskedasticity test. The significance value for the independent variable of financial compensation is 0.287, and for non-financial compensation, it's 0.292. Both of these values are greater than 0.05. This indicates the absence of heteroskedasticity. In other words, this regression is homoscedastic.

Lastly, the linearity test is conducted to determine the linear nature of the relationship between the independent and dependent variables. The method used is the compare mean method. If the significance value is > 0.05, it indicates a linear relationship between the variables.

Table 10. Linearity Test

Variable	*Linearity Sig*	Description
KFS (X1)	0,096	Linear relation found
KNF (X2)	0,877	Linear relation found

In Table 10, the significance value for linearity in the independent variable of financial compensation is 0.096. Meanwhile, the significance value for linearity in the independent variable of non-financial compensation is 0.877. Both of these values are > 0.05, indicating that the independent variables of financial and non-financial compensation have a linear relationship with the dependent variable of the internship job decision-making stage.

The next test is the multiple linear regression analysis to determine the strength of the influence of both independent variables (Financial Compensation and Non-Financial Compensation) on the dependent variable (Internship Job Decision-Making Stage).

R-squared is the coefficient of determination that explains how much the independent data can explain the dependent data. Based on the questionnaire results, it is determined that the independent variables of Financial Compensation and Non-Financial Compensation can collectively explain the dependent variable of Internship Job Decision-Making Stage

by 0,133 or 13,3%.

"B" with a value of 23.963 represents the constant or the initial state when the internship job decision-making variable has not yet been influenced by the independent variables, which in this study are financial compensation and non-financial compensation. If there were no independent variables, then the dependent variable of the internship job decision-making stage would not change.

"Beta" provides information about how strong the independent variables influence the dependent variable. The Beta value for the independent variable Financial Compensation is 0.282. This indicates that for every one-unit increase on the questionnaire's scale, the independent variable Financial Compensation will influence the dependent variable Internship Job Decision-Making Stage by 0.282. Similarly, the Beta value for the independent variable Non-Financial Compensation is 0.204, meaning that for every one-unit increase on the questionnaire's scale, the independent variable Non-Financial Compensation will influence the dependent variable Internship Job Decision-Making Stage by 0.204.

After conducting multiple linear regression analysis, the values in the "β coefficient" column represent the coefficients in the regression equation, which can be expressed as follows: $Y = 23.963 + 0.510X1 + 0.414X2$
The information that can be interpreted from the equation is as follows:

- The coefficient of the constant is positive. This means that students will still undergo the internship job decision-making stage even without considering financial and non-financial compensation aspects.
- The coefficients for Financial Compensation and Non-Financial Compensation are positive. This serves as a measure of the level of importance of financial and non-financial compensation to students. The higher the values produced, the more important the financial and non-financial compensation is perceived. If financial and non-financial compensation are deemed more important, then it will have a greater influence on the students' Internship Job Decision-Making Stage.

The results of the hypothesis test can be summarized in Table 11 as follows.

Table 11. Hypothesis Test Result

Hypothesis	Statement	Description
H_{01}	Financial compensation does not have an impact on the internship job decision making of students in Jakarta	Rejected
H_{A1}	Financial compensation has an impact on the internship job decision making of students in Jakarta	Accepted
H_{02}	Non-financial compensation does not have an impact on the internship job decision making of students in Jakarta	Rejected
H_{A2}	Non-financial compensation has an impact on the internship job decision making of students in Jakarta	Accepted

Hypothesis H_{A1} and H_{A2}, which state that dinancial compensation and non-financial compensation have an impact on the internship job decision making of students in Jakarta, are proven to be accepted. Therefore, hypothesis H_{01} and H_{02} which state that financial compensation and non-financial compensation does not have an impact on the internship job decision making of students in Jakarta, are rejected.

The last test is cross-tabulation (crosstab) to determine the correlation between two variables, indicating the tendency patterns of respondent characteristics. The respondent characteristics under investigation are gender and educational institution concerning the preferred type of financial and non-financial compensation.
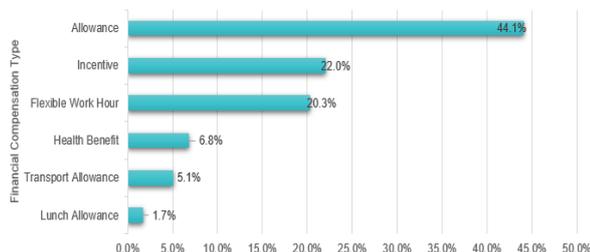

Fig. 1. Financial Compensation Preference on Female Respondents

Figure 1 illustrates the most preferred types on financial compensation among female respondents. The top three types are allowance at 44,1%, followed by incentives at 22,0%, and flexible working hours at 20,3%. On the other hand, health benefits have a score of 6,8%, transport allowance at 5,1%, and meal allowance at 1,7%.
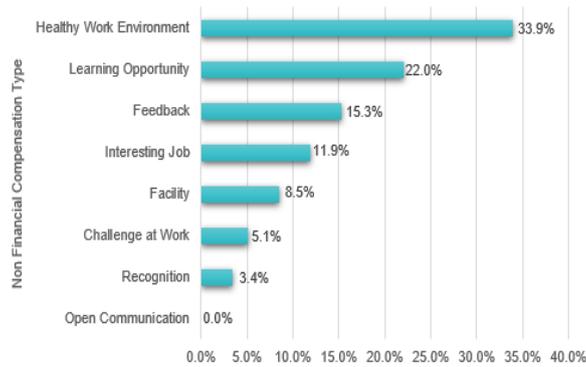
Fig. 2. Non-Financial Compensation Preference on Female Respondents

In Figure 2, it's evident that the most preferred type of non-financial compensation among female respondents is a Healthy Work Environment at 33,9%. The second preference is Learning Opportunities at 22,0%, followed by Feedback at 15,3%. Meanwhile, Open Communication as a type of non-financial compensation is the least preferred and wasn't selected at all.

From the diagrams above (Figure 1 and 2), it can be concluded that, according to female respondents, the most preferred types of financial compensation in sequence are Allowance, Incentives, and Flexible Working Hours. Meanwhile, the most preferred types of non-financial compensation are a Healthy Work Environment, Learning Opportunities, and Feedback in the job.

Next is the relationship between male respondents' characteristics and their preferences for types of compensation.
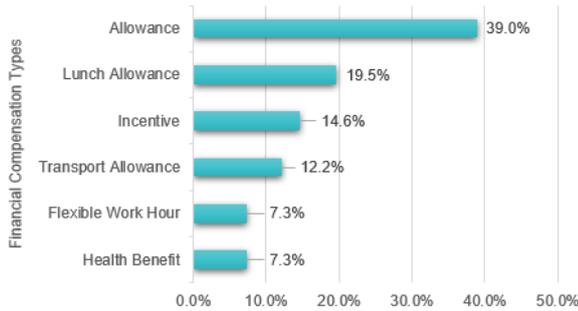
Fig. 3. Financial Compensation Preference on Male Respondents

Figure 3 shows the most preferred type of financial compensation among male respondents is allowance at 39,0%. This then followed by lunch allowance at 14,6% and incentives at 14,6%. Transport allowance is at 12,2%, while flexible work hour and health benefits each have a score of 7,3%.
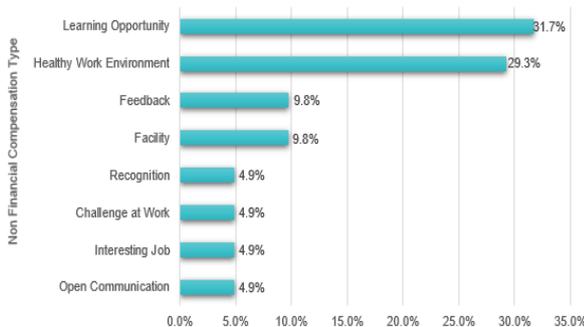
Fig. 4. Non-Financial Compensation Preference on Male Respondents

Meanwhile, the most preferred type of non-financial compensation among male respondents is Learning Opportunities at 31,7%. This is followed by a Healthy Work Environment at 29,3%, and the presence of Feedback and Facilities at 9,8% each. The least preferred types are Recognition, Job Challenges, Open Communication, and Interesting Work, each at 4,9%.

Based on Figure 3 and 4, it can be concluded that for male respondents, the most preferred tysps of financial compensation in sequence are Stipends, Meal Allowance, and Incentives. Meanwhile, the most preferred types of non-financial compensation are Learning Opportunities, a Healthy Work Environment, the presence of Feedback, and Facilities.

Overall, Stipends are the most preferred type of financial compensation for both female and male respondents, with percentages of 44,1% and 39,0% respectively. For female respondents, incentives and flexible working hours are the second and third priorities in their internship decision-making. Meanwhile, male respondents are more interested in meal allowances and incentives.

Furthermore, the same types of non-financial compensation, Healthy Work Environment, Learning Opportunities, and the presence of Feedback, are the most preferred by both female and male respondents.
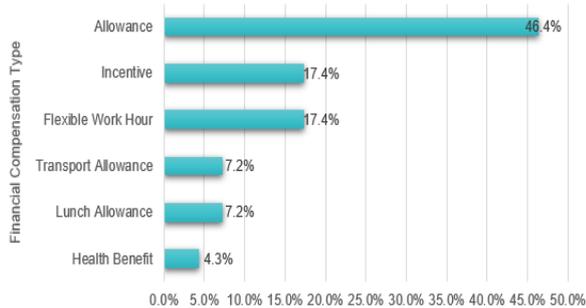
Fig. 5. Financial Compensation Preference on Respondents from Private Universities

Figure 5 shows the most preferred financial compensation among respondents from private universities. First is allowance at 46,4%, followed by incentives and flexible work hour each at 17,4%. Transport allowance and lunch allowance are each at 7,2%, while health benefit are at 4,3%.
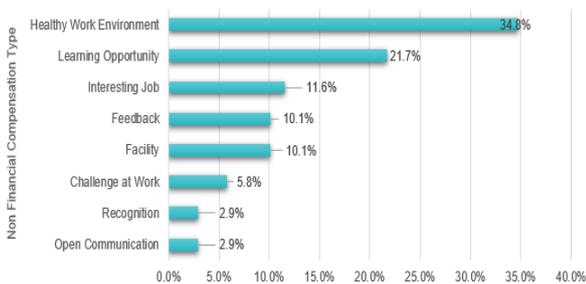
Fig. 6. Non-Financial Compensation Preference on Respondents from Private Universities

In Figure 6, the most preferred type of non-financial compensation among respondents from private universities is a Healthy Work Environment at 34,8%. This is followed by Learning Opportunities at 21,7% and Interesting Work at 11,6%. Feedback and facilities are at 10,1%, while Challenge at Work are at 6,9%. Lastly, Recognition and Open Communication have scores of 2,9% each.

Based on the above results, it can be concluded that respondents from private universities consider the most preferred types of financial compensation to be Allowance, Incentives, and Flexible Working Hours. Meanwhile, the most preferred types of non-financial compensation are a Healthy Work Environment, Learning Opportunities, and Interesting Job.

For the cross-tabulation between respondents' characteristics from Public Universities and their preferences for types of compensation, you can refer to Figures 7 and 8.
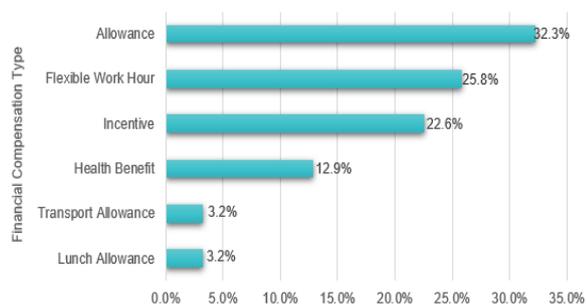

Fig. 7. Financial Compensation Preference on Respondents from Public Universities

Figure 7 shows the most preferred financial compensation among respondents public university. First is allowance at 32,3%, followed by flexible work hour at 25,8%, and incentives at 22,6%
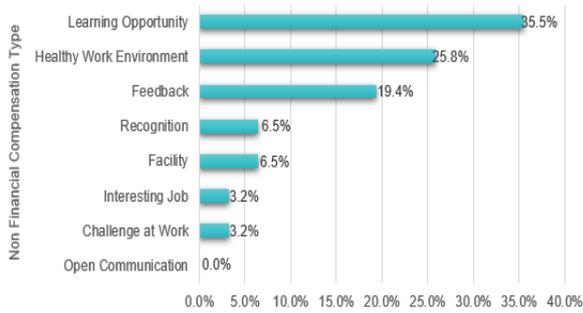
Fig. 8. Non-Financial Compensation Preference on Respondents from Public Universities

Figure 8 shows the most preferred non-financial compensation among respondents on public university. First is learning opportunity at 35,5%, followed by healthy work environment at 25,8%, and feedbacks at 19,4%.

Based on Figure 7 and Figure 8, it can be concluded that respondents from Public Universities (PTN) feel that the most preferred types of financial compensation are Stipends, Flexible Working Hours, and Incentives. Meanwhile, the most preferred types of non-financial compensation are Learning Opportunities, a Healthy Work Environment, and the presence of Feedback.

Overall, allowance as a form of financial compensation remain the most preferred type for respondents from both private and public universities. However, there are differences in the second and third priorities based on institutional characteristics. Respondents from private universities prioritize Incentives as their second choice, followed by Flexible Working Hours. On the other hand, respondents from public universities prioritize Flexible Working Hours as their second choice, followed by Incentives as their third choice.

In terms of non-financial compensation, the top priority varies based on the institution's characteristics, with a Healthy Work Environment being the highest priority for respondents from private universities, and Learning Opportunities being the highest priority for those from public universities. Following that, Interesting Work and the presence of Feedback are considered important.

Based on the above analysis, it can be concluded that both financial and non-financial compensation partially have a positive and significant influence on the decision-making process regarding internship positions. This means that if the offering of financial and non-financial compensation increases, the considerations in the decision-making process for internship positions will also increase. This aligns with hypotheses H_{A1} and H_{A2}, which are accepted, while H_{01} and H_{02} are rejected.

Specifically, most preferred compensation types regarding gender and education institution can be concluded on table below.

Table 12. Compensation Type Preference Based on Gender and Education Institution

Characteristic	Top 3 Preferred Financial Compensation	Top 3 Preferred Non-Financial Compensation
Female	Allowance, Incentives, Flexible Work Hour	Healthy Work Environment, Learning Opportunity, Feedbacks
Male	Allowance, Lunch Allowance, Incentives	Learning Opportunity, Healthy Work Environment, Feedbacks
Private Universities	Allowance, Incentives, Flexible Work Hour	Healthy Work Environment, Learning Opportunity, Interesting Job
Public Universities	Allowance, Flexible Work Hour, Incentives	Learning Opportunity, Healthy Work Environment, Feedbacks

4.3 Theoretical Implication

The results of this study indicate that there is an impact between compensation and the decision-making steps of intern. This result is aligned with the results of previous study which has found that compensation generally have an important role in employee satisfaction and performance. There are two variables of compensation, financial and non-financial compensation. The results show that both types of compensation have a positive and significant impact on the intern decision-making steps.

4.4 Practical/Managerial Implications

The research of this study show that respondents consider the type of financial compensation in the form Allowance to be the most important thing to influence the decision-making steps for intern. This is proven based on the characteristics of the respondents: gender and universities (public/private universities). Then, the most preferred type of non-financial compensation are Healthy Work Environment and Learning Opportunities.

There are 3 most preferred financial compensations, which are Allowance, Flexible Working Hours, and Incentives. Meanwhile, 3 most preferred non-financial compensations are Learning Opportunity, Healthy Work Environment, and Feedbacks. Managers in organizations are expected to consider the most interesting compensation above to attract more qualified young talents who will contribute to the organization's future development.

5. CONCLUSION

This research yielded that both financial compensation and non-financial compensation partially have a significant influence on the internship students' decision-making stages. Financial compensation has a 28,8% influence on the internship job decision-making stage, whereas non-financial compensation influences it by 20,4%.

Overall, the most favoured financial compensation types by students are Allowance, Flexible Working Hours, and Incentives. Meanwhile the most favoured non-financial compensation types are Learning Opportunities, Healthy Working Environment, and Feedback.

This research has several limitations. First is the limited amount of relevant literature to the research topic. Up until the completion of this study, there has not yet found references specifically addressing the influence of compensation on the decision-making stages of internship jobs. Subsequent studies are expected to explore other considerations in internship job decision-making, as well as conducting the research in other big cities in Indonesia such as Surabaya, Medan, and Bandung for wider representations on how the study resulting in other area.

6. ACKNOWLEDGMENTS

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