



FACTORS THAT INFLUENCE THE CAREER CHOICE OF ACCOUNTING STUDENTS AT UNIVERSITY OF MUHAMMADIYAH SUMATERA UTARA

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Abstract

The purpose of this study is to analyze the factors that influence accounting students to choose careers as public accountants and non public accountants. Factors that influence career selection are measured by financial reward variables, professional training, professional recognition, social values, work environment and market considerations. Respondents in this study were 239 respondents. The sampling technique used in this study was accidental sampling. Data collection is done by questionnaire. The test method of the data used is the Logistic Regression analysis and hypothesis testing. The results show partially that financial reward variables, professional recognition and market considerations have an influence on career choice as a public accountant or non public accountant, but professional training variables, social values and work environment results of the analysis show that these variables have no influence on career choice for public accountants or non public accountants.

Keywords: *Career Selection, Financial Awards, Professional Training, Professional Recognition, Social Values, Social Environment and Market Considerations*



A. Introduction

Education is the key to the success of a country to produce quality human resources. The rapid development of the business world provides diverse employment opportunities for the workforce. One of the classifications in the workforce is economics graduates, especially graduates from accounting departments, both public and private.

Accounting students as prospective accounting graduates need clear career planning to be competitive in the job market. According to Rahayu, et al (2003) If it can be known the career of accounting students, accounting education can plan a curriculum that is in accordance with the demands of the world of work. So that if students have completed their education or graduated, students are expected to more easily adjust their abilities to the demands of the job. If the accounting profession in the future will face an increasingly difficult challenge, then preparedness regarding professionalism is absolutely necessary to support this professionalism.

Bachelor of accounting has at least three alternative steps that can be taken. First, after completing economics education majoring in accounting, an accounting scholar can work immediately. Second, continuing the education of the accounting profession to become a public accountant, and third, continuing the S2 academic education. These three alternative steps can be used as one of the career choices for accounting students. The types of professions in the field of accounting include public accountants and non public accountants consisting of corporate accountants and accountant educators and government accountants.

Each student has a different career choice according to their wishes and expectations and certainly has considerations or factors that influence in determining the career to be chosen. What is the background for choosing a career and what students expect from their choice is an important question in career selection. According to Yendrawati (2007) In choosing a career to be followed, accounting students have various considerations to choose what career they will pursue. The factors that



influence it consist of financial awards, professional training, professional recognition, social values, work environment and market considerations. Financial rewards are how much reciprocity a person will get when working or in this case work.

Financial awards will make someone choose a career. This is consistent with research from Ardianto (2014) in the results of his research showing that financial rewards have a significant effect on the career choice of accounting students. Professional training is a preparation and training that must be done before starting a career that will make someone more capable in carrying out his career. In line with this, research from Suyono (2014) also shows that professional training influences career choices as a public accountant. This means that choosing a profession is not only aimed at seeking financial rewards, but also there is a desire to achieve and develop themselves.

Professional recognition includes matters relating to recognition of achievement (Rahayu, et al., 2003). So they have the spirit to always improve their performance. This instrument is used to request the opinions of students regarding recognition of achievements in their chosen careers (Yendrawati, 2007).

Social values are how a person is viewed by the community, in this case if we associate in the research we will see how the community views when choosing a career. Research from Utami (2016) also shows that social values will be a consideration for someone in choosing a career. According to Sari (2013) the work environment is something that is related to the nature of work, the level of competition and the amount of work pressure. This work environment is also a factor that is considered in the selection of student careers. "(Carpenter and Strawser, 1970). A safe and pleasant work environment can improve accountants' achievements. The work environment is related to the type of work and the environment in which it works (Yendrawati, 2007).

Job market considerations are also a relevant factor in career selection. Guaranteed or not easy work to terminate employee employment will be chosen by many students. Students usually choose



jobs based on the job opening information they get. So that work that is easily accessible to students is usually in great demand by students. Research conducted by Carpenter and Strawser (1970) found that labor market considerations were ranked highest among the factors that influence the choice of student professions, Felton (1994) added that labor market considerations were considered by students in choosing the profession of Public Accountants and non-Public Accountants.

Research conducted by Nadhifah (2015) with intrinsic research work variables, financial rewards, work environment, professional recognition, training and results personality shows only intrinsic variables and influential market considerations. While the research conducted by Marini (2017) shows both the variable financial rewards, professional training, professional recognition, social values, work environment and market considerations all influence the choice of career as public and non-public accountants.

Research conducted by Nadhifah (2015) with intrinsic research on work variables, financial rewards, work environments, professional recognition, training and results of personality shows only intrinsic variables and influential market considerations. While research conducted by Marini (2017) shows both the variable financial rewards, professional training, professional recognition, social values, work environment and market considerations for public and non-public career accountants.

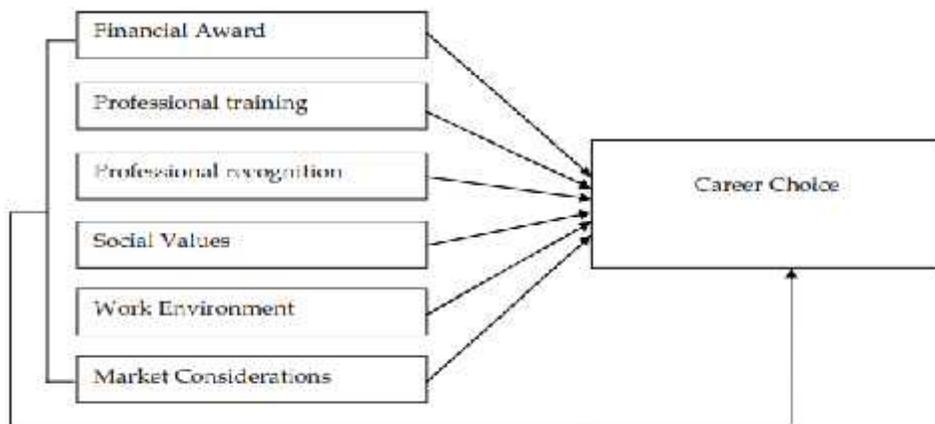
Based on description above, it underlies this research to analyze the impact of the Financial Award, Professional training, Professional recognition, Social Values, Work Environment and Market Considerations their implications to the career choice.

Hypotheses for this research are developed as below:

1. Financial Award influences career choice in accounting students at Muhammadiyah University in North Sumatra.
2. Professional training has no effect on career choice in accounting students at the Muhammadiyah University of North Sumatra.



3. Professional recognition influences career choice in accounting students at the Muhammadiyah University of North Sumatra.
4. Social Values have no effect on career choice in accounting students at the Muhammadiyah University of North Sumatra.
5. Work Environment does not affect the career choice in accounting students at the Muhammadiyah University of North Sumatra.
6. Market Considerations affect career choice in accounting students at the Muhammadiyah University of North Sumatra.
7. Financial Awards, Professional Training, Professional Recognition, Social Values, Work Environment, and Market Considerations have an effect on jointly on career choice in accounting students at the Muhammadiyah University of North Sumatra.



Picture 1. Conceptual Framework

B. Method

This research approach uses associative which aims to determine the effect or relationship between two or more variables. Where data is processed



using statistics (SPSS). This research was conducted at the Muhammadiyah University of North Sumatra having its address at Jln. Kapten Muchtar Basri No.3, Medan. The time of the study is from October to March 2019.

The population in this study is the FEB UMSU eighth semester accounting study program. The reason for choosing the population because the last year students are considered to have an attitude towards career selection The research sample was 239 students with the sampling technique using accidental sampling.

Operational definitions of variables in this study are: a) Financial awards, which are included in financial awards are high initial salary, pension fund, faster salary increase, overtime pay, b) Professional training includes training before starting work, professional training, training routine work and work experience, c) professional recognition is analyzed with four indicators, which are more opportunities to develop, there is recognition if achievement, requires many ways to improve, and requires certain skills to achieve success, d) Social values related to people's views on the social values of a chosen career. Social values are measured by six indicators, which are more likely to provide opportunities for social activities, more opportunities to interact with others, more opportunities to run hobbies, more attention to individual behavior, more prestigious work than other careers, and more opportunities to work with experts in other fields, e) The work environment is a work atmosphere that includes the nature of work (routine, attractive and often overtime), the level of competition between employees and work pressure is a factor of the work environment, f) Labor market considerations include job security and availability of jobs or ease of access to job vacancies.

While the data collection techniques in this study used questionnaires and documentation. To test the instrument, validity and reliability are tested. After the questionnaire fulfills the validity and reliability testing, then logistic regression testing is carried out.

Some statistical tests are used to measure the feasibility of regression, namely: (1) by looking at -2 Likelihood Log, (2) coefficient of determination (Cox & Snell R Square and Nagelkerke R Square), (3) assessing chi-square for the whole model (Hosmer and Lemeshow Test).



C. Research Finding

Data Analysis Results

Descriptive Characteristics of Respondents Descriptive analysis is used to describe the characteristics of respondents analyzed in this study including gender information and career choices of accountants chosen by respondents. Information about respondents can be explained as follows:

Table 1 Respondent Demographics Based on Gender

Gender	Total	Percentage
Female	59	6,5%
Male	0	3,5%

Based on the table above, it can be seen that the sex of the most respondents was female 159 respondents or 66.5%. While for respondents who were male sex as many as 80 respondents or 33.5%.

Table 2 Respondents' Age Demographics

Age	Total	Percentage
≤ 21 Years Old	3	0,09%
> 21 Years Old	16	90,3%

Based on the Table it can be seen that respondents who have age ≤21 years are the least respondents with 23 respondents or 0.09% while those who have age ≥ 21 years have respondents as many as 216% or 90.3% respondents.

Results of Analysis and Discussion

After testing the validity and reliability and proven that this research is valid and reliable, then it is continued by testing the



hypotheses. The hypothesis test used in this study is the logistic regression test. The following are the results of logistic regression testing:

Table 3 Logistic Regression Results

Variable	Significant value	Information
Financial Award	.012	Influential
Professional training	.165	Not Influential
Professional recognition	.030	Influential
Social Values	.929	Not Influential
Work Environment	.377	Not Influential
Market Considerations	.022	Influential
<i>-2 log likelihood block 0</i>	314.520	
<i>-2 log likelihood block 1</i>	299.777	
<i>Hosmer and Lemeshow's Goodness of Fit Test</i>	0,147	
<i>Cox & Snell R Square</i>	0.601	
<i>Negelkerke R Square</i>	0.802	

Fit Model Test Assess the fit model by looking at the value of -2 log Likelihood if the value of -LLL in block 0 is greater than the value of -2LL block 1 then the hypothesized model describes the input data or model fit. Based on table 3 it is known that the value of -2LL in the first table in block 0 is 314,520 while the table below is the value of -2LL which is in block 1 worth 299,777. thus a decrease in the value of -2LL of 14,743 means that the model of six predictors is a good model.



Model Feasibility Test

The feasibility of the model is assessed by using the values of Hosmer and Lemeshow's Goodness of Fit Test which tests the null hypothesis that empirical data is suitable or in accordance with the model which means there is no difference between the model and the data so that it can be said to be fit. Based on the data in table 3, it is known that the value of Hosmer and Lemeshow's Goodness of Fit Test is 0.147 (>0.05), so the regression model is said to mean that the independent variable is able to explain the variables affecting the choice of career of public accountants and non-public accountants.

Coefficient of Determination

The determination coefficient uses the Nagelkerke R Square value which is a test conducted to find out how much the independent variable is able to explain and influence the dependent variable.

Based on table 3, it can be seen that the value of Nagelkerke R Square is 0.802 which means the value is close to number 1 so the model is considered good of fit. This means that the percentage of independent variables can explain or influence the dependent variable

D. Discussion

1. Effect of Financial Awards on Career Selection of Accounting Students

Financial award logistic regression test results influence the choice of careers as public accountants and non-public accountants. This shows that students aim at choosing a career expecting economic stability to feel security in terms of their economy and to what extent the rewards in an institution meet the individual goals or needs. Financial awards are generally a person's main goal in a career. No exception for accounting students in choosing a career considering the financial rewards that will be obtained when choosing a career. Students assume financial rewards will provide satisfaction in a career so that it becomes an important factor for choosing a career.

The results of this study are consistent with the results of research



conducted by Lara Absara Aprilyan (2011) and Suyono (2014) which states that financial rewards affect the selection of public and non-public accounting careers in accounting students.

2. Effect of Professional Training on Career Selection of Accounting Students

The results of the professional training logistic regression test did not affect the choice of career as a public accountant and non-public accountant.

This is because students consider the career implications that will be undertaken or not much different from the knowledge or abilities that have been obtained during the lecture bench. Students assume the accounting science that has been obtained is enough to become the basis for them to have a career. Therefore they do not focus on professional training in choosing a career. So that professional training is not a factor that needs to be considered in choosing a career. It's possible that students want jobs that are fast and easy to get.

The results of this study are in line with the research conducted by Pasaribu and Kusumawardhani (2013) which states that professional training does not affect career choice.

3. Effect of Professional Recognition on Career Selection of Accounting Students

Professional logistic recognition regression test results influence the choice of careers as public accountants and non-public accountants. This can be explained that accounting students have the view that professional recognition is one of the factors that need to be considered in choosing a career. Although in reality they still want to find the experience that they want, when they have found a job that matches their interests and abilities they will explore themselves to develop, improve their performance and become professionals so as to achieve an achievement and get an award where they work.

Thus professional recognition is the main factor to consider in a



career as a public accountant or non-public accountant. This means that choosing a profession is not only aimed at seeking financial expectations, but also there is a desire for recognition of achievement and self-development. Furthermore, students at the final level assume that the public accounting profession recognizes achievement more and gives greater opportunities to develop than the corporate accounting profession.

The results of this study are in line with the research conducted by Suyono (2014) which states that professional recognition influences student interest in a career as a public accountant and non-public accountant.

4. Effect of Social Values on Career Selection of Accounting Students

The results of the logistic regression test of social values do not affect the choice of careers as public accountants and non-public accountants.

It can be explained that students do not consider social values in choosing a career. This is because students in a career, not because of prestige in society but choose a career in accordance with what they are interested in. In addition, they focus more on a career by increasing the performance or work they will pursue. So that they assume social values are not something that needs to be considered. Social values relate to one's abilities in society or one's values seen from the perspective of the people in their environment.

These results are supported by the study of Nadhifah (2015) and Ardiani Ika et al (2013) who obtained the results of the variable social values that did not influence career choice.

5. The Effect of Work Environment on the Career Selection of Accounting Students

The logistical regression results of the work environment do not affect the choice of careers as public accountants and non-public accountants.



It is suspected that each profession has a different work environment, depending on the work relationship or working conditions that will be faced as accountants. Every field of work has a different environment as an example of public accountants. Public accountants are non-routine work because they are more attractive than non-public accountants. In addition, public accountants are jobs that are not easily resolved because the public accounting profession has many challenges and pressures in its work so that the work takes a little longer to resolve. While the work educator accountant faces many students with regular schedules and lighter challenges from other accountants.

Therefore, the work environment is not a factor that needs to be considered in choosing a career. This result is in line with the research of Merdekawati and Ardiani (2011) which states that the work environment does not affect career choice.

6. Effects of Market Considerations on Career Selection of Accounting Students

Market consideration logistic regression test results affect the choice of career as a public accountant and non-public accountant. It can be explained that jobs that have a broader job market are more desirable than jobs with small labor markets. This is because there are more opportunities for development from work and rewards. Job market considerations can be a reason or factor for someone in determining his career. Thus, labor market considerations are factors that can affect accounting students to determine their careers. Every individual must want to have a sense of security in their work environment. One sense of security that is meant is having a job that has a long time frame. Jobs that have long periods of time avoid layoffs and dismissals. So that they can develop and actualize themselves without feeling worried about dismissal and layoffs.

These results are in line with Sari's research results (2013) Rahayu et al (2003) that the consideration of the labor market influences the choice of career as a public accountant.



E. Conclusion

Based on the results of the study, conclusions can be taken as follows:

1. Financial Award influences career choice in accounting students at Muhammadiyah University in North Sumatra.
2. Professional training has no effect on career choice in accounting students at the Muhammadiyah University of North Sumatra.
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