

TO BE AN ACCOUNTANT - HOW ACCOUNTING STUDENT CHOOSE THEIR CAREER

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Abstract

The aims of this study are to analyze the development of professional training, parental influence and accounting student perceptions in student future career choice as a public accountant. The population of this study consists of final students, majoring in accounting in private universities in North Sumatera, Indonesia and quota sampling method was used in this research. The result of this study is the professional training did not significantly influence the students' career option as a public accountant. Synchronously, training professionals, parental influence and accounting student perceptions about the public accountant law significantly affect the selection of a career as a public accountant.

Keywords: professional training, parental influences, perception

JEL Classification: G29, G41, M41

Introduction

The public accounting profession in Indonesia has developed in line with the development of various types of companies. However, the number of public accountants is not balanced with the existing population. According to data from the Indonesian Accountants Association (IAI), the availability of a number of professional accountants in Indonesia has not been enough for the world of work. Thus, becoming a public accountant should become one of the main professional choice for students majoring in accounting because there are at least 226,000 organizations in Indonesia that require accountant services.

However, many accounting graduates do not choose the public accounting profession because the processes and requirements are considered very long and tedious. The specification of a public accountant must be as follows, a person who has a minimum bachelor level or equivalent with both accounting and non-accounting majors, and pass the Public Accountant Professional Education or Public Accountant Certification test. To get a practice license, one must have a *Certified Public Accountant* (CPA) from the Indonesian Institute of Certified Public Accountants (IAPI) and have 1000 hours of work experience (500 hours as team leader) at the Public Accountants Office (www.iaiglobal.or.id).

The public accountant is someone who has obtained permission from the Minister of Finance of the Republic of Indonesia to provide many financial services as insurance services which include auditing services on historical financial information, review services on historical financial information and services other assurance. The number of Indonesian public accountants is still very small if compared with the existing Indonesian productive population. The number is also very far behind if compared to some ASEAN countries. According to IAI, the number of

public accountants in Indonesia was only 998 out of a total population of 234 million people in 2018. Singapore, with a population of around 5 million, has 15,120 public accountants. Philippines, with a population of 88 million, has 15,020 public accountants. Malaysia, with a population of 25 million, has 2,460 public accountants and Thailand has 6,070 public accountants out of a 66 million total population.

In 2018, The Indonesian Institute of Certified Public Accountants (IAPI) said there are 1,159 active public accountants with practice licenses. Compared to 2014 data, the number of public accountants in Indonesia only increased by 217 people. This is actually a great opportunity for accounting majors students to pursue a career in this profession. Market considerations for this career opportunities are widely open because the need of public accountant is increasing every year along with the development of various types of companies, this growth is not yet accompanied by the increase of the number of public accountants. In 2015 the *Asean Economic Community* (AEC) made this job market open that allows foreign public accountants (Avianti, 2015). This open market makes competition in accountant career more competitive.

For profit or non-profit organizations, financial statements are very important to measure the performance of an entity. The entity has to report its financial position as a part of its transparency and accountability. Reliable financial reporting is an absolute necessity for the company's *stakeholders*. In this case, the position of a public accountant has a vital role in his function as an independent examiner to give an opinion about the financial statement that entities have made. In connection with this, public accountants need to be maintained their competencies, existence and professionalism quality to meet the needs and trust of the community. Many white scholar crimes that include accounting scandals is not a new story in the business world. The result of the scandals is the loss of public and government positiveness in accountant profession. The accountant profession is in line with other professions such as prosecutors, judges, police, and so on that are professional. In the view of students and the community, this profession is often considered to be blasphemous because of frequent misdeeds which go contrary to the professional code of ethics.

There are many factors influencing accounting students in career selection as public accountants as financial rewards, professional training, professional recognition, work environment, social values, labor market considerations and personality (Zeff, 2003, Byrne & Willis, 2007; Alhadar, 2013). To become an accountant, one' should pass many job training, not only formal education but also the field practice with adequate working hours. Another factor that influences students career choices is their parent's influence. Parents widely take part in students career option because parents can influence their children to behave as well as they suppose to a this affect the students to choose their future career as an accountant (Wilson, 2014; Berliana, 2017). The law performance of public accountant in Indonesia has a vital role in students career selection because the legal framework is essential for every student that wants to be a public accountant (Nainggolan, 2013).

Literature review

This research use motivation theory as a grand theory because motivation is a process that explains the intensity, direction and perseverance of an individual to achieve his goals. Intensity is related to how actively someone tries to follow their dream, as if the case of a public accountant. However, high intensity will not produce satisfactory work performance unless the effort is linked to one's future value. The quality and intensity of efforts must be in line so the future value can be achieved (Byrne & Willis, 2007; Robbins, 2014).

The theory of hope expressed by Victor H. Vroom in 1964 stated that hope is the strength that motivates a person to work actively in doing his job depends on the reciprocal relationship between what is wanted and needed from the results of the work. When someone wants something, and there is a way to achieve it, she or he will try to get it with the maximum effort. In choosing a career as a public accountant, students will generally be motivated to spend all efforts such as extra trainings to support their decision because they believe the efforts will assemble a

good achievement and appreciation in the work environment (Byrne & Willis, 2007; Nainggolan, 2013; Robbins, 2014).

The last theory used in this research is the expectancy theory that focuses on the effort-performance relationship, the probability perceived by the individual who issued a certain amount of effort that will drive performance. This theory also focuses on the performance-reward relationship, to what extent the individual believes that performing at a certain level will drive the desired *output* and the personal-goal-relationship relationships, the extent to which organizational rewards meet the individual's personal goals or needs and the potential attractiveness of those rewards to the individual (Purba, 2012; Robbins, 2014; Ambari, 2017).

Public Accountant Profession

The accountant profession is specific all fields of work that use expertise in accounting, such as public accountant; internal accountants that are working in industrial or financial or commercial companies; accountants that are working in government and accountants who work as educators. The public accountant represents an accountant who has a permit from the Minister of Finance in Indonesia to provide public accounting services. Provisions regarding public accountant services in Indonesia are regulated in the Law of the Republic of Indonesia Number 5 of 2011 concerning Public Accountants and Regulation of the Minister of Finance Number 443/KMK.01/2011 concerning the Establishment of the Institute of Public Accountants as the Professional Association of Indonesian Public Accountants. Public accountant, as part of the accounting profession, has a very strategic role in the business world. Public accountants have the authority to express opinions on clients (entities) financial statements, especially the public entities (Martani, 2015; Mustofa, 2015).

Factors That Influence Career Selection as a Public Accountant

Professional training represents all things related to increasing one's expertise in the career undertaken. Professional training is essential before someone enters the workforce. This means that in choosing a profession, not only aims to seek financial rewards, but there is also a desire to pursue achievements and develop themselves. Some indicators in professional training are, before work training, attending training outside the institution, following the institution's regular training and variations in work experience. Accounting students who choose to become public accountants, need professional job training because to become a public accountant requires specific experience. Students need to improve their professional abilities and gain varied work experience. Especially for students who want to become public accountants, professional training must be accomplished, and it is important to improve their expertise in working as an auditor. The formal education in university can not fulfil all the requirements, that is why this professional training became an important part of the career selection.

A child's career can be influenced by parents because parents are children's role models and their main examples in life. All parents want a bright future for their children, therefore there are many parents who play a significant role in making the career decisions of their children. In this context, it can be seen the major influence that parents can have on their children's career choices, as they can cause the youth to follow the same path in their careers or they can influence them towards certain professions.

Perception represents the process which individuals manage and interpret their sense impressions in order to give meaning to their environment. However, what someone perceives can be different from the reality (Robbins, 2014). The Finance Minister of Republik Indonesia Law Number 5 in 2011 regulates public accountants, how to use its profession and ethics.

The hypothesis in this research are:

H₁ : Professional training influences students' careers as public accountants.

H₂ : *Parental Influence* influences students' careers as public accountants.

H₃ : Students' perceptions regarding the Law on Public Accountants affect the career of students as public accountants.

H₄: Professional training, *parental influence* and perceptions of accounting students regarding the Law on public accountants simultaneously affect the career of students as public accountants.

Research methodology

This research is a descriptive quantitative research. The primary data was taken in various undergraduate students of North Sumatera-Indonesia University. The population of this research consists in all undergraduate students in North Sumatera-Indonesia University that has taken auditing courses and consists of 897 students. The authors focused the research on students, because they are expected to have adequate knowledge about the accounting profession, especially about the public accounting profession. According to the quota sampling that was used in this study, the sample consisted of 278 students.

This research used multiple linear regression models:

$$CS = a + b_1PT + b_2PI + b_3SP + \epsilon$$

Where,

CS : Career selection as a public accountant

PT : Professional Training

PI : Parental Influence

SP : Accounting students' perceptions regarding the Public Accounting Law

a : Constants

b₁-b₃ : Regression coefficients

ε : Error

Research results

This research has passed the validity and reliability test before met all the multiple regression analysis assumptions such as normality test, multicollinearity test and heteroskedasticity test. Based on the statistical result, the model research of this study is:

$$CS = 9.62 + 0.11 PT + 0.13 PI + 0.36 SP + \epsilon$$

From the table below, we can conclude that the professional training partially does not affect the student career selection as a public accountant, so the first hypothesis (H₁) is rejected. The Parental influence and student perception regarding the public accountant law partially affect the student career selection as a public accountant. The second (H₂) and the third hypothesis (H₃) in this research are accepted. Simultaneously, we can conclude that the professional training, parental influence and student perceptions regarding the public accountant law significantly influence the students career selection as a public accountant.

Variable	B	T _{count}	T _{table}	Sig.	Result
Constant (a)	9.62	5.64	1.97	0.000	-
Professional Training (PT)	0.11	1.64	1.97	0.103	Rejected
Parental Influence (PI)	0.13	3.82	1.97	0.000	Accepted
Student Perception regarding the public accountant law (SP)	0.36	6.19	1.97	0.000	Accepted
F _{count} = 28.80 F _{table} = 2.64 Sig. = 0.000					

Discussion

The results of this research indicate that professional training is not one of the considerations for accounting students in choosing a career as a public accountant. Accounting students assume that professional training actually has to be get when they enter the fieldwork. Students assume that for novice public accountants, professional training is not really needed because it can be obtained directly from their daily work and they can start in from the bottom part as a junior accountant in a public accountant office. The students think that they will get all the professional training if needed and their office will give the training to improve the accounting staff ability. Professional training before work is also not required according to students because for junior accountant, they can ask the senior staff in the office who already have experience.

The results of this study are in line with the research conducted by Berliana (2017), Rahmawati (2014), Sulistiani and Prastiwi (2012) that showed professional training does not determine accounting students to pursue a career as public accountants, to become professional public accountants do not need training before working but can be obtained when we immediately practice in the field in doing work. However, it is different from Alhadar, (2013), Kurniawati, (2016) and Suyono (2014) researches which get the result that professional training influences career selection as a public accountant because to conduct audit work well, it is not enough just to attend formal education but must attend training before working as a public accountant.

The parental influence is partially affecting the student decision in career selection as a public accountant. We can say that based on this study that there are similarities in the opinion of children with parents regarding career selection as a public accountant. Parental influence is one component that explains that a child's behavior is influenced by someone who is considered important in their life, in this research, their parents. Many students said that in determining the career they want to apply, they will get advice and information input from their parents. Parents tend to provide references about jobs or career that are suitable to the children major in college and see the success of others who have chosen that career. The accounting students agree that their parents' views are very important in providing information for they can choose their career. The results of this study are consistent with previous research which proves that *parental influence* has an impact on career selection as a public accountant (Kurniawati, 2016; Lukman, 2016; Berliana, 2017; Putra, 2017).

The student perception regarding the public accountant law partially affects the students to choose their career as a public accountant. Many of the students said that it is very hard to become a public accountant because they have to meet many rules to get a Certified Public Accountant (CPA). Once in force right his Public Accountant Law No. 5 of 2011 make the profession more attractive, because of the existence of the Act makes the position, rights and obligations of the Public Accountants increasingly clear and respectable in the eyes of the public. The implementation of the Act has a positive impact, gives expectations for good things to happen in the future and encourages the interest of career accounting students to become public accountants. The results of this study are consistent with what was done by Wibowo (2012), Nainggolan (2013), Astuti (2014), Maryani and Rudiana (2014) and Putra (2017) who showed students perceptions about the public accountants rules or law and the effect of a positive impact on career selection as a public accountant.

Conclusions and Recommendations

For this research, we can conclude that professional training has no partial effect on career selection as a public accountant. This means a low perception of accounting students on professional training lead to lower the student wishes to become a certified public accountant. Parental Influence partially impacts career selection as a public accountant. In this study, parental influence has a positive relationship with career selection as a public accountant. Parents tend to expect their children to get a great career in the future. Accounting student perceptions regarding the public accountants law partially influence career selection as a public accountant. This

indicates that the perception of the students in North Sumatera towards the public accountants act is high, so their chances of a career in this field are also high.

Recommendation for Future Research

The next research is expected to be able to add other independent variables that can influence career selection as a public accountant such as financial rewards, gender, social values, work environment, personality, and other variables. The next research can develop more widely sample to get a generalized output of the study. A meeting between parents and universities needs to be held to socialize great career opportunities in this field, so parents can encourage and motivate their children to pursue a career as public accountants and can increase the number of public accountants in Indonesia. For academics, curriculum uniformity needs to be held by giving the concentration of auditing subjects earlier to students.

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