

CHOOSING A CAREER IN PUBLIC ACCOUNTING: DO JOB MARKET PROSPECTS MATTER MORE THAN FINANCIAL REWARDS?

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Abstract

This study examines the role of financial rewards and labour market considerations on career choices to become public accountants. Data comes from questionnaires distributed to 121 respondents. The sampling technique used the total sampling method, focusing on responses from all active students of the Accounting Study Programme at one of the Universities in West Sumatra. For hypothesis testing, this study uses Structural Equation Modeling (SEM-PLS). The results showed that financial rewards have no effect on career choice to become a public accountant. Conversely, labour market considerations affect the career choice of becoming a public accountant. Career prospects, as well as labour demand in the public accounting industry, are the main considerations in career selection but financial factors, such as starting salary or additional incentives, are not the main considerations in the decision to become a public accountant.

Keywords: Financial Rewards, Labour Market, Accounting Student Career, Public Accountant, Career Selection

Introduction

Career refers to all the experiences and activities that have been carried out in the course of life to achieve goals and dreams. At this time, especially in the field of accounting where almost all companies or types of businesses require financial management. However, not all undergraduate (S1) accounting graduates succeed in getting a job. In general, accounting students who have completed their undergraduate education have several career options. First, they can choose to work as employees in companies or government agencies after graduation. Second, they have the option to continue their education to the master's level. The third option is to pursue a career as a public accountant.

At this time, especially in the field of accounting where almost all companies or types of businesses require financial management. However, not all undergraduate (S1) accounting graduates succeed in getting a job. In general, accounting students who have completed their undergraduate education have several career options. First, they can choose to work as employees in companies or government agencies after graduation. Second, they have the option to continue their education to the master's level. The third option is to pursue a career as a public accountant

In the current era of globalisation, every country, including Indonesia, is required to present financial statements with a high level of accountability and transparency, which is the responsibility of a Public Accountant. Therefore, the development of the Public Accountant profession should ideally be in line with the growth in the number of companies in Indonesia that require their services. However, in reality, the growth in the number of Public Accountants in Indonesia each year does not experience a significant increase (Lumingkewas *et al.*, 2019). Based on data from the Indonesian Institute of Accountants (IAI), the overall number of accountants registered in Indonesia is 40,000 accountants, and in the data from the Financial Profession Development Centre (PPPK), the number of public accountants registered until July

2024 is 1,564 public accountants from the total population of Indonesia which is more than 281 million. The data shows that in Indonesia, the number of public accountants is still relatively low when compared to the number of accounting graduates who reach more than 35,000 people each year. This indicates that the interest of accounting graduates to pursue a career as a public accountant is still lacking.

The low interest of graduates in a career as a public accountant needs to be explored further while there are several factors that encourage someone to choose a career such as financial rewards. Financial rewards are rewards or rewards given to employees fairly and properly, either directly or indirectly, for the sacrifices these employees have made towards achieving organisational / company goals (Ongadi & Juma, 2020). The higher the financial reward, the greater the attractiveness of the job. Public accountants may audit two or three companies at a time. In addition, the size of the organisation being audited affects the amount of financial reward or income paid. The public accounting profession is seen as one of the professions with a high level of income. Therefore, it should be a consideration for accounting students in choosing a career as a public accountant (Jatmiko *et al.*, 2019). The difference in results from previous research is also the motivation for this study, some results state that financial rewards affect career choice to become a public accountant (Laksmi & Al Hafis, 2019; Marsintauli *et al.*, 2022; Ongadi & Juma, 2020; Sutapa *et al.*, 2023). Meanwhile, other studies state that financial rewards have no effect on career choices to become public accountants (Rerung & Ashedica pseudo, 2021).

Even though the finances obtained are high but the labour market is small, it will also be a consideration for someone to choose the desired career, labour market considerations are also a factor that needs to be considered in choosing a future career. Labour market considerations are something that a person considers in determining and choosing a job. Jobs with a wider job market will be more attractive than jobs with a limited job market. The public accounting profession provides a broad job market, as more and more companies in Indonesia require audit services for financial statements, while the number of public accountants available is still limited (Safitri, 2022). Based on this, it should be a consideration for accounting students in choosing a career as a public accountant (Jatmiko *et al.*, 2019).

Previous research states that labour market considerations affect career choice to become a public accountant (Laksmi & Al Hafis, 2019; Marsintauli *et al.*, 2022). Meanwhile, other studies state that labour market considerations have no effect on career choices to become public accountants (Saputra & Febriyanto, 2022; Sutapa *et al.*, 2023). This research was chosen because of the lack of desire of students to choose a career as a public accountant, especially Accounting Students of Mahaputra Muhammad Yamin University. Many accounting graduates prefer professions outside the field of public accountants, this indicates a potential problem.

The public accounting profession is considered one of the professions with a high level of pay (Laksmi & Al Hafis, 2019). If the financial rewards given are high, the desire for a career as a public accountant will also increase. Accounting students believe that by choosing a career as a public accountant they will get a fast salary increase and also bonuses. Therefore, the career choice of accounting students is determined by the expectation of whether the career can fulfil expectations financially (Marsintauli *et al.*, 2022). This observation is consistent with previous research which shows that financial rewards affect career choice to become a public accountant (Laksmi & Al Hafis, 2019; Marsintauli *et al.*, 2022; Ongadi & Juma, 2020; Sutapa *et al.*, 2023). Based on this evidence, the hypotheses can be proposed in this study are
H₁: Financial rewards affect career choice to become a public accountant.

Labour market considerations relate to access to future employment opportunities, where the ease of a career in a broad labour market is certainly an attraction for students. The wider the job market, the greater the desire for someone to enter a field of work. Public

accounting is a profession that provides a broad job market, due to the increasing number of companies in Indonesia that require audit services in their financial statements. (Laksmi & Al Hafis, 2019). Pengamatan ini konsisten dengan penelitian sebelumnya yang menunjukkan bahwa pertimbangan pasar kerja mempunyai pengaruh terhadap pemilihan karir menjadi akuntan publik (Laksmi & Al Hafis, 2019; Marsintauli et al., 2022). As such, the hypothesis can be formulated as.

H₂: Labour market considerations affect career choices to become public accountants.

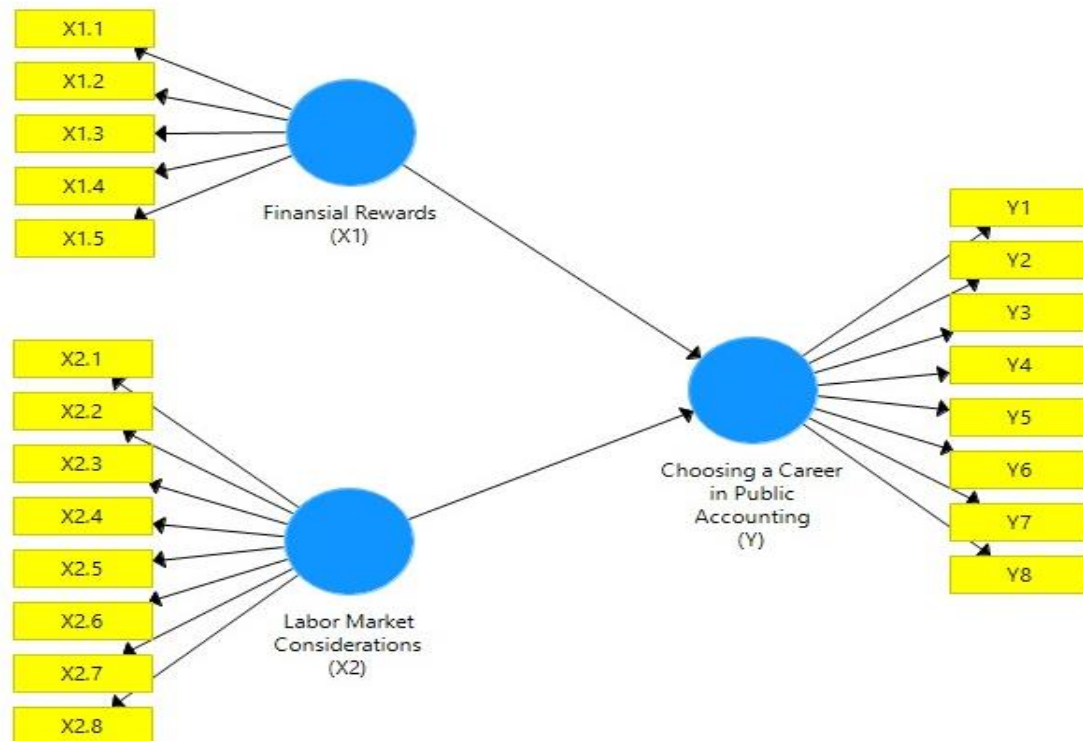


Figure 1. Research Model

Research Method

This research is a quantitative study that uses primary data collected from respondents through questionnaires distributed to respondents online through Google Forms. This study uses the total sampling method, with the research respondents being active students of the Accounting Study Programme at Mahaputra Muhammad Yamin University. The questionnaire was distributed to respondents online via Google Forms.

The variables in this study were measured using instruments adapted from previous research with each variable measured using a Likert scale of 1-5, with number 1 for “strongly disagree” and number 5 for “strongly agree” (Table 1). Data processing and analysis techniques in this study used the Structural Equation Modeling (SEM) method by utilising Partial Least Square (PLS).

Table 1. Definition of The Research Variables

Variable	Description
Dependent Variable	

Choosing a Career in Public Accounting (Y)	Career selection as a public accountant refers to the process of individuals making decisions to follow the accounting profession that focuses on providing audit services, financial consultancy, and tax reporting for the general public or external parties (Hasim <i>et al.</i> , 2020).
Independent Variable	
Financial Rewards (X1)	A financial reward is a reward or incentive provided to employees fairly and properly, either directly or indirectly, for the sacrifices they have made to help the organisation/company achieve its goals (Samuel & Abdulkarim, 2019)
Labor Market Considerations (X2)	Labour market considerations are part of the career selection process, helping individuals choose jobs that align with their interests and talents, resulting in a fulfilling career (Hofer <i>et al.</i> , 2020).

The rationale for using PLS-SEM in relation to the study aims is the nature of viewpoint, in addition to its capacity to deal with smaller samples (Bayonne *et al.*, 2020; Becker *et al.*, 2022). The methodology is separated into two stages: measurement model assessment (outer model) and structural model assessment (inner model) (Haji-othman *et al.*, 2024). The measurement model assesses validity and reliability to verify that the research tool accurately measures the given concept. It evaluates indicators based on convergent validity, discriminant validity, composite reliability, and Cronbach's Alpha. The structural model (inner model) evaluates latent variable associations using significance levels and R-Square values, which show the model's predictive potential. The R-Square values, with thresholds of 0.75, 0.50, and 0.25, distinguish the model as strong, medium, or weak. Furthermore, model fit is assessed using measurements such as the Normal Fit Index (NFI) and Standardised Root Mean Square Residual (SMRS), which guarantee that the model and data are consistent. Q-squared, also known as predictive relevance, gives more proof that the model can provide accurate projections.

Results and Discussion

This research had 121 participants. The outer model outlines the link between each indicator and the latent variable, demonstrating the research instrument's construct validity and reliability. The goal is to guarantee that the research instrument accurately and on a regular basis examines the target idea. Furthermore, this exam assesses how frequently respondents answer the survey questions. Convergent validity evaluates the similarity of measurement indications within a construct. SmartPLS 3.0 looks at the factor loading of each indicator, which must be larger than 0.70, as well as the Average Variance Extracted (AVE), which must be greater than 0.50. This study demonstrates that all indicators meet the needed standards, with factor loadings larger than 0.70 and AVE values greater than 0.50, suggesting that.

Table 2. Respondent Demographic Data

Information	Description	Number	Percentage (%)
Gender	Number of Respondents	121	100%

Class Year	Male	21	17,4%
	Female	100	82,6%
	Number of Respondents	121	100%
	2019	1	0,9%
	2020	9	7,4%
	2021	28	23,1%
	2022	31	25,6%
	2023	35	28.9%
	2024	17	14,1%

Source: Data Processed, 2025

Table 2 shows that 121 questionnaires could be processed, accounting for 92.4% of the 131 questionnaires given, and offers a statistical breakdown of the respondents' demographics, including factors like as gender and year of student. Respondent characteristics were explored based on student gender and class year to capture heterogeneity and offer a clear picture of the respondents' profile and relevance to the study aims. Female respondents dominated this survey, accounting for 101 students (82.6%). The remaining male replies totaled 21 students (17.4%). According to the 2019-2021 student population, the number of female students outnumbers male students, indicating that more women than men pick the Accounting Study Programme at Mahaputra Muhammad Yamin University. Furthermore, respondents to this research questionnaire were from the following class years: 2019, 2020, 2021, 2022, 2023, and 2024. Accounting students were admitted in 2023, totaling 35 students. However, compared to previous years, the number of Accounting Study Programme students in 2024 has reduced to 17. According to [Hair et al., \(2014\)](#), signs for convergent validity tests may be detected in two metrics: outer loading and Average Variance Extracted (AVE) values, as shown in **Table 3**

Table 3. Outer Loading

Variabel Laten	Kode	Indikator	Outer Loadin g	AVE
Financial Rewards	X1.1	I believe the public accounting profession may deliver great financial rewards / beginning salary.	0,826	0,672
	X1.2	I believe the public accounting profession has the potential to deliver financial rewards/salary rises.	0,829	
	X1.3	I believe the public accounting profession provides pension funds.	0,788	
	X1.4	I believe the public accounting profession delivers year-end bonuses.	0,836	
Labor Market Considerations	X2.1	I believe the accounting profession has a long working duration.	0,726	0,588
	X2.2	I believe that accountants tend to avoid the possibility of termination of work.	0,700	
	X2.3	I believe that the accounting profession provides strong job stability in the future.	0,792	

	X2.4	I believe the availability of accountant employment is still pretty wide open.	0,710	
	X2.5	I believe that pursuing a career as an accountant gives better job prospects.	0,834	
	X2.6	In my perspective, an accountant at work may double up on other responsibilities and be flexible.	0,773	
	X2.7	I believe that working as an accountant can give prospects for growth in other sectors.	0,805	
	X2.8	In my opinion, selecting a job as an accountant provides a fantastic chance of promotion.	0,783	
Choosing a Career in Public Accounting	Y1	I am interested in becoming an accountant because I have a basic accounting that has been obtained in lectures.	0,773	0,676
	Y2	I am interested in becoming an accountant because I am a student of the Accounting Study Programme.	0,768	
	Y3	I am interested in a career as an accountant because it is in accordance with my own desires.	0,838	
	Y6	I am interested in becoming an accountant because the accounting profession is a promising field of profession/ work.	0,869	
	Y7	I am interested in becoming the accountant because the accountant profession has good career prospects.	0,869	
	Y8	I am interested in becoming an accountant because I aspire to be a professional accountant.	0,811	

Source: Processed Data, 2025

The correlation between the item/instrument score and the construct score (loading factor) is used to determine the measurement model's convergent validity, with each instrument's loading factor value above 0.70. The initial data analysis indicates that X1.5 (0.699), an invalid indicator in the financial reward variable, should be removed from the model due to a loading factor value of <0.7. Other indicators, including X1.1, X1.2, X1.3, and X1.4, are valid due to loading factor values greater than 0.70. Two indicators Y4 (0.670) and Y5 (0.517) in the Career Selection to Become a Public Accountant variable are invalid and must be removed from the model. Other indicators (Y1, Y2, Y3, Y6, Y7, and Y8) are valid and have loading factor values greater than 0.7. Thus, indicators with incorrect loading factor values must be deleted in order to satisfy the needed convergent validity of > 0.70, resulting in the second step of loading factor data processing.

Discriminant validity assures that indicators of various concepts do not exhibit substantial connections. This is evaluated using cross-loading factor analysis, which establishes if a concept has sufficient discriminant validity by comparing the cross-loading values of its indicators to the cross-loading values of other constructs. In general, discriminant validity is deemed satisfactory when the cross-loading value for each variable exceeds 0.70. The

cross-loading values for all variables in this study surpass 0.70, demonstrating that the indicators utilized accurately represent their respective constructs. Cronbach's alpha and composite reliability showed that this study had a strong construct dependability. The composite reliability exceeds 0.60, indicating internal consistency. Similarly, the Cronbach's alpha value exceeds 0.60, indicating that all indicators are reliable and effective (Table 4).

Table 4. Cronbach's Alpha and Composite Reliability

	Composite Reliability	Cronbach's Alpha
Financial Rewards (X1)	0,891	0,839
Labor Market Considerations (X2)	0,919	0,900
Choosing a Career in Public Accounting (Y)	0,926	0,904

Source: Processed Data, 2025

The hypothesis testing findings reported in Table 5 reveal that financial rewards have no influence on the decision to become a public accountant. However, job market concerns influence the decision to become a public accountant. Table 5 demonstrates that regulating financial rewards has little influence on profession choices for public accountants. This conclusion is consistent with previous study (Chasanah et al., 2021; Nurhalisa & Yuniarta, 2020; Rerung & Ashedica pseudo, 2021). In addition, the results of this study are consistent with previous research which shows that labour market considerations affect career choices to become public accountants (Laksmi & Al Hafis, 2019; Marsintauli et al., 2022). Table 5 demonstrates that the first hypothesis (H1) in this study is not accepted due to a t-statistic value of $1.085 < 1.96$ and a significance level of $0.278 > 0.05$. As a result, financial awards have little impact on career selection to become a public accountant. The second hypothesis (H2) is supported based on the direct effect data, which show a t-statistic value of $6.003 > 1.96$ and a significance level of $0.000 < 0.05$. As a result, labor market considerations influence career selection to become a public accountant.

Table 5. Hypothesis Results

Hypothesis	Original Sample (O)	t-statistic	p-values	Conclusion
Direct effect				
Financial Rewards → Choosing a Career in Public Accounting	0,124	1,085	0,278	No Effect
Labor Market Considerations → Choosing a Career in Public Accounting	0,650	6,003	0,000	Effect

Source: Processed Data, 2025

In PLS, R-Square is used to evaluate the structural model, with 0.75 indicating strong, 0.50 indicating moderate, and 0.25 indicating weak

predictive power. The R-Square value shows that Financial Rewards and Labour Market Considerations are 54.5% of the career choice to become a public accountant, and 45.5% is influenced by other characteristics Professional Training, and Social Values. NFI (0.781) and SRMR (0.081) indicate an acceptable fit. The Q-Square value of 0.348 (>0.00) suggests that the model accurately predicts observed outcomes (Table 6).

Table 6. R-square and Q-square

Variabel	R-square	Q-square
Choosing a Career in Public Accounting	0,545	0,348

Source: Processed Data, 2025

According to the findings, financial incentives have no substantial impact on public accounting job choices. Although this job pays well, accounting graduates from Mahaputra Muhammad Yamin University should examine alternative accounting careers that offer similar pay. This is because accounting students believe that in order to meet their fundamental requirements, all humans must seek a high-paying profession (Berung & Ashedica pseudo, 2021).

Accounting students' interest in becoming public accountants is influenced by labour market factors. Students are increasingly concerned with employment availability and ease of access to job openings. The services of a public accountant will be in more demand as more firms are founded, resulting in more work prospects. Jobs that are easily accessible to kids will be in high demand. This study's results are consistent with earlier findings (Laksmi & Al Hafis, 2019; Marsintauli et al., 2022).

Conclusion

The findings of this study show that financial rewards have little influence on individual decisions to pursue a profession as a public accountant, however labor market concerns do. This result suggests that potential public accountants prioritize employment availability, career opportunities, and professional stability over financial pay. The insignificance of financial incentives may be attributed to the idea that the public accounting profession provides long-term advantages, such as significant professional experience and certification chances that can boost labor market competitiveness. In contrast, the considerable influence of labor market factors reveals that people select this profession because of the attractive work opportunities and high labor demand.

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