

# CHAPTER I

## INTRODUCTION

### 1.1 Background

The business world development indirectly provides diverse opportunities or employment opportunities for the entire workforce. In this case, the workforces are economics graduates, especially from accounting majors from private universities. In the development of the business world, it must always be supported by accounting education to produce graduates who are qualified and ready to compete in the world of work. Therefore, it is necessary to design relevant accounting education to the world of work for undergraduate accounting.

In the competition of entering the workforce, it is not only from the state universities but the private universities also compete in entering the workforce. In this study, researchers prefer private universities especially in Padang because of various problems. Firstly, the Ministry of Research, Technology and Higher Education of the Republic of Indonesia (DIKTI) assesses that: most of the higher education institutions in Indonesia do not meet the requirements of a university. In Java, it reaches 70% while outside Java it reaches 90%. Those who meet the minimum requirements for a university in Java reach 30%, while the private universities outside of Java are only worth 10% (Kartiwa, 2009). Furthermore, the community considers as if the quality of graduates of private universities is not as good as the graduates of state universities (Dirjen Dikti, Depdiknas 2014).

Every student is required to have more skills and knowledge in the world of work to become a quality graduate. This is also needed in the career or profession that will be chosen (Wildiana, Taufik, & Diyanto, 2014). Accounting is one of the majors currently favored by students (Warsitasari & Astika, 2017). That is caused by the assumption that accountants in the future will be very much needed by many organizations and companies (Yanti, 2014). In the curriculum of lecture material so far, the knowledge is only limited to theoretical exposure, so there is still little about the practical side. This becomes a special challenge for accounting educator institutions and educational institutions in general in regulating the curriculum, so the students who have completed their studies are ready to enter the workfield (Widiatami, 2013).

A career is an improvement in a person's life, work, or title. Dariyo (2004: 53) stated that a career is a choice in everyone's life. Career also determines happiness, according to Agung in Marliyah et al. (2004: 59) "With a career, a person can meet the needs of achievement, identity, activities, human relations, and outside livelihoods". So, the accuracy of the selection and career determination is the most important point.

According to Dwinanda (2014), some of the careers that can be undertaken by Bachelor of Accounting include Public Accountants, Government Accountants, Corporate Accountants, and Educating Accountants. After completing the level of lectures, accounting undergraduates still have three initial alternatives in determining the professional career that they will do. First, they immediately jump into the world of work after studying undergraduate, the second

an accounting scholar can continue their postgraduate education, and thirdly an accounting scholar can take an accounting profession education (PPAk) if they want to get a degree as an accountant, but the most demanded profession by a graduate of accounting is as a Public Accountant.

Students in planning their careers certainly have considerations or factors that influence in determining the profession to be chosen. Career choice by students can largely be influenced by views or perceptions of various types of careers. Career planning from the start can trigger a person to plan education, expertise, and skills that support the career achievement to be addressed. In general, accounting graduates choose to take management accounting, only about 20 percent survive and eventually become public accountants.

In choosing a career that will be followed, accounting students have various kinds of considerations to choose what career they will pursue. The influencing factors consist of financial rewards, professional training, social values, work environment, labor market considerations and personality (Rahayu et al, 2003). Career is an accumulation and knowledge that is embedded in skill, expertise, and a wider network of work relations (Bird, 1994 in Deasy, 2000). According to Greenberg and Baron (2000:215) stated that the career includes the sequence of work experience someone for a certain period. Student career choices are influenced by the stereotypes shaped about various careers (Holland, 1995 in Friendland, 1996 in Deasy, 2002).

In career selection and the world of work, there are several professions chosen by accounting scholars such as public accounting professions or non-

public accountant professions. The public accounting profession is a party that bridges the relationship between management and the owner or management that manages a business unit. The main activities of the public accounting profession are mainly in audit activities that aim to provide fairness opinions on the financial statements made by management (Baridwan, 2002). The opinion of public accountants is useful for parties related to financial statements, namely the company (management) and outside companies (investors, creditors, government, and society) in decision making.

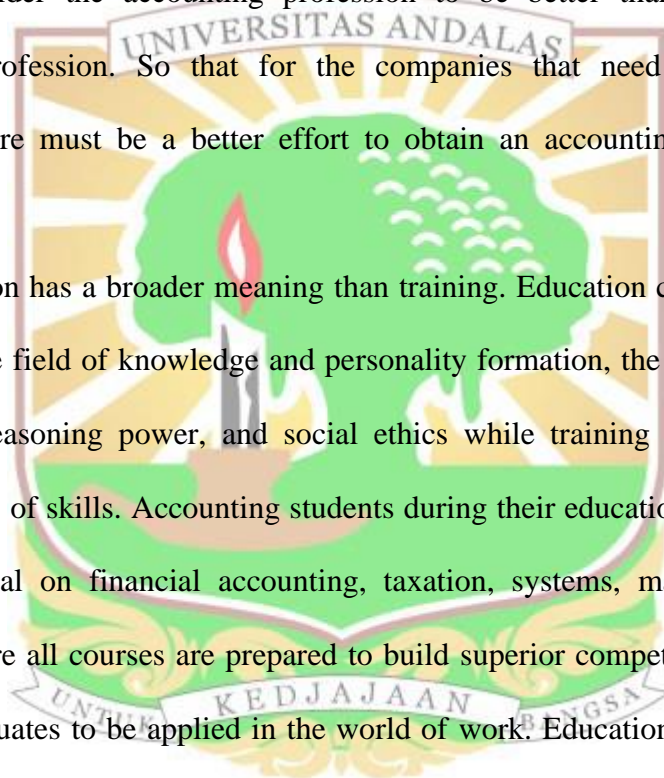
The profession of public accounting promise the bright prospects because the profession provides intellectual challenges and invaluable learning experiences. This profession also provides an opportunity to get a challenging and varied job because it can be assigned in various places and various companies that have different characteristics and conditions. Furthermore, the profession of public accountants is among the most expensive professions.

According to Bachtiar (2002), the profession of public accounting can be among the most expensive professions because the largest source of income from public accountants has shifted from audit services to management consulting services. The profession of public accounting is also a prestigious profession in Indonesia. In addition to having to have a bachelor's degree in accounting, prospective accountants are required to take the exam held by the Indonesian Institute of Accountants (IAI) and registered with the Ministry of Finance to be able to practice as accountants (Dilmy, 2002).



This study examines several factors that can influence the selection of professions as accountants. Carpenter and Strawser examined the nature and factors that influence the professional choice, namely the nature of work, opportunities to develop, financial rewards / initial salary, employment conditions, job security, training programs, bonuses, location, opportunity to continue studies, company reputation, and company prestige. The results of his research show that students consider the accounting profession to be better than the corporate accounting profession. So that for the companies that need an accounting workforce there must be a better effort to obtain an accounting workforce as needed.

Education has a broader meaning than training. Education concerns aspects of skills in the field of knowledge and personality formation, the development of insight and reasoning power, and social ethics while training in general only carries aspects of skills. Accounting students during their education in college get lecture material on financial accounting, taxation, systems, management, and auditing, where all courses are prepared to build superior competencies to create qualified graduates to be applied in the world of work. Education oriented to the development of knowledge and research is often said to be academic education, while education oriented to practice is often said to be professional education. Audits are indeed professional work and therefore teaching can be directed to make students able to carry out professional audit work; Accounting graduates can freely choose the career they want, but indirectly accounting students are directed to a career in accounting.

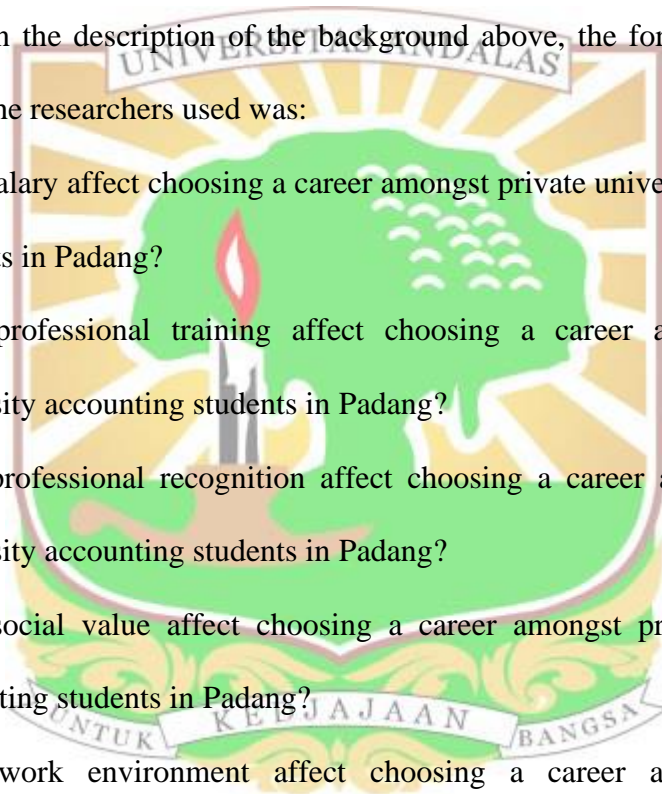


This research continues previous studies regarding the effect of salary, professional training, professional recognition, social values, work environment, security and availability of occupation, and family influence in accounting student interest in Padang city in career selection. This research expected to provide benefits for the academics, the practitioner, and the students.

## 1.2 Problem Formulation

Based on the description of the background above, the formulation of the problem that the researchers used was:

1. Does salary affect choosing a career amongst private university accounting students in Padang?
2. Does professional training affect choosing a career amongst private university accounting students in Padang?
3. Does professional recognition affect choosing a career amongst private university accounting students in Padang?
4. Does social value affect choosing a career amongst private university accounting students in Padang?
5. Does work environment affect choosing a career amongst private university accounting students in Padang?
6. Does security and availability of occupation affect choosing a career amongst private university accounting students in Padang?
7. Does family influence affect choosing a career amongst private university accounting students in Padang?



### 1.3 Research Purposes

The purpose of this study is to re-examine the factors that influence accounting students in a private university in choosing a career.

### 1.4 Research Benefits

The results of this study are expected to provide benefits to all parties, including:

a. The Academics

As an additional consideration for information about the factors that influence students in choosing a career. So that they can support more informative and practical learning, and design that gives an overview and knowledge for accounting students to career choice so that future accounting graduates is more high quality.

b. The practitioners

As a balance to formulate policies in the education of accounting for the quality of teaching, and quantity of accountants produced so that they can be ready and able to meet the needs of accountants.

c. The researcher

As additional knowledge and insight into the preparation of a study, and about the analysis factors that affect accounting students in the city of Padang in choosing a career.

