

FACTORS THAT INFLUENCE STUDENT INTENTIONS TOWARDS ACCOUNTING MAJOR IN INDONESIA

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ABSTRACT

This study aims to measure the intentions of students majoring in accounting based on several proposed variables. The three possible variables have a direct influence on student intentions to accounting major are extrinsic motivation, career expectations, and the perspective of the accounting profession. The findings of this study are expected to assist accounting educators and accounting education institutions in making accurate strategic decisions appropriate specially to attract students into the accounting program. Data were collected through a questionnaire given directly to accounting and non-accounting students during classroom learning. The total sample is 230 accounting students. Analysis of the results using Partial Least Squares with XLSTAT Software 2014, through two types of statistical procedures applied for data analysis. First, the statistical method for knowing the construct reliability forms. After the construct of each variable stated reliable, then we analyze based on the level of relationship and influence each variable. The results show that career expectations constructed by higher income in the accounting field influence predominantly on students' intentions to study or choose accounting majors. External encouragement (extrinsic motivation) become the second stages, peer influence can play a significant role.

Key Words: Accounting Major Choice, Accounting Education, Accounting Intentions, Students' Perceptions of Accounting

1. INTRODUCTION

The advancement era requires of professionals who have competence, proficiency and high talent, the universities are required to be able to produce quality resources (Argawala, 2008). Accounting high schools should be able to prepare the alumni appropriate professional standard and be able to become certified public accountants (Yucel et al, 2012). It is prepared in response to concerns of declining numbers of accounting students over the decades (Porter, 2014) in some countries (Byrne and Willis, 2005; Jackling, 2006, Tan & Laswad, 2006; Lee, 2014). Likewise, the

availability of professional accountants in Indonesia is still low, not even comparable with the number of graduates accounting degrees are much larger (IAI, 2014). In 2010, the IAI reported that the number of accountant members registered as 15,940 while accounting alumni accounted for 35,304. This shows that the absorption of accounting graduates is still low only 54.15%. In response, accounting institutions should provide motivation to students, to be more interested in accounting majors so as to meet market demand and the needs of qualified accountants (Tang, 2016). Finally, it is necessary to find out the reasons and

factors that determine the choice of accounting majors for students. Precision in predicting these factors will increase the chances of gaining their trust. This article aims to assist accounting study programs in making the right decisions that can ultimately contribute to quality governance.

Students' intentions in choosing accounting majors become important in some research literature. Evidenced by several studies have found the existence

of factors of personal relations (Tan and Laswad, 2006; Argawala, 2008; Tang, 2016; Lee, 2014; Lee, 2017), career expectation (Marriott and Marriot, 2003; Jackling, 2006; Wen, 2015 Billiot, Glandon, and McFerrin, 2004; Tan and Laswad, 2006, 2009; Dalc, 2013; James, 2009), perceptions of the accounting profession (Lee, 2014; Maas, 2013; Sugara et al, 2006, 2008; Coleman et al, 2004; Wells, 2009, 2015).

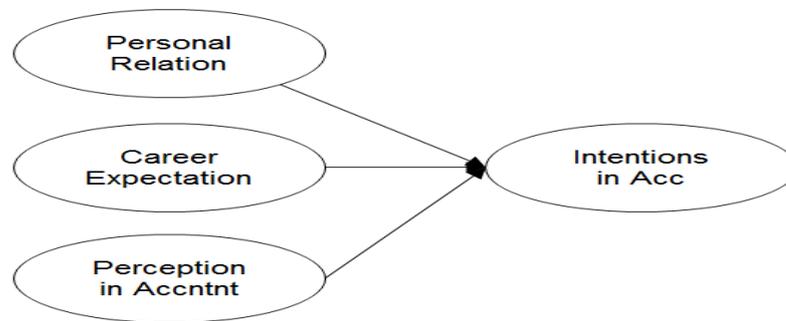


Figure 1.1 Research Model

Finally, we state the student-intentional factors in choosing accounting majors are important. For that matter our research model design as in figure 1 below. There are three variables that we will review in this research: personal relations, career expectation, and perception in accountant. All three variables are developed in the measuring tool which then becomes the study material on the intentions of students in accounting majors.

In the next section, this paper discusses relevant literature and hypothesis expansion. The third section discusses the methods used and continued the results of statistical analysis and discussion. The final section is an interpretation of results and conclusions that are equipped with limitations and suggestions.

2. LITERATURE REVIEW

Since the theory of planned behavior (TPB) popularized by Ajzen (1988) that

can influence IMA students, several studies were conducted to explore factors that can contribute to the intentions of students to choose accounting majors (i.e.: Lee, 2014; Wen, 2015; Tang, 2016). Several studies have been conducted to determine the factors that contribute to the tendency of students choosing accounting majors (i.e.: Dalc, 2013, Sugahara, Boland, & Cilloni, 2008; Simons, Lowe, and Stout, 2004; Adeleke et al., 2013; Odia and Ogiedu, 2013; Mbawuni and Nimako, 2015).

2.1. Personal Relation

Several studies that have found a factor in personal relations can influence student intentions to choose accounting majors (Tan and Laswad, 2006; Argawala, 2008; Tang, 2016; Lee, 2014; Lee, 2017). Various arguments explain how these factors determine the decisions of students in choosing their study program. Tan and Laswad (2006) use three factors that can be a measure

of student intent to choose an accounting department such as personal perception, reference, and control. The reasons for the choice of the students are influenced by the reference of parents other than those in the environment which are personal relations (Tan and Laswad, 2006; Agrawala, 2008; Jacking and Keneley, 2009; Dalc, 2013; Tang, 2016). On the basis of ATB theory, Lee (2014) analyzed factors influencing student interest in accounting majors through professional ethics, job market consideration, social influence, and self-efficacy. The result proves that personal relationships described as social influence variables are strongly influenced compared to others. Referring to the results of the above study, the researcher concludes that personal relations can predict the intentions of students in accounting majors.

2.2. Career Expectation

The expectations of a career categorized as extrinsic awards are important in the selection of majors (Marriott and Marriot, 2003), but no effect has been made on the intention of students to become professional accountants (Jackling, 2006, Wen, 2015). But unlike the findings of some other researchers, the potential for income and employment opportunities become a significant part of students in choosing accounting majors (Billiot, Glandon, and McFerrin, 2004; Tan and Laswad, 2006, 2009; Dalc, 2013) long

(Lee, 2014). So according to James (2009) work expectations, and the results will be given by a career in the field of accounting are two main factors that become the basis of determining the intention of students choose the department. Although there are differences of opinion from the various results, we conclude that career expectation is able to predict the intentions of students in accounting majors.

2.3. Perception in Accountant

Student decisions in accounting majors are influenced by several important factors including their perception of the profession itself (Tan & Laswad, 2006), although many students are also constrained by the challenges to professional accountants (Sugahara, Boland, and Cilloni, 2008). Perceptions about the accounting profession become an important part in determining student intentions. As described by Lee (2014) using professional ethics, through poster about the perception of professional accountants (Maas, 2019), unique perceptions (Sugara et al, 2006, 2008), and student perceptions of the accounting profession (Coleman et al, 2004; Wells, 2009, 2015). From the study, the authors conclude that the intentions of students in accounting majors predicted by perception in accountant.

Table 2.1 Item and Factors

Items	Factors
	<i>Personal Relation</i>
PR1	Peers (friends and acquaintances)
PR2	Family members
PR3	People who work in accounting
PR4	High school teacher
PR5	Government encouragement
PR6	Member of Accounting Profession

CE1	Career Expectation High earning potential in accounting The accounting study program has extensive job availability Accounting has a good working environment
CE2	
CE3	
PP1	Perceptionin Accountant An accountant is an honest and trustworthy job Being an accountant must uphold ethical behavior
PP2	
AI1	Intention in Accounting Major I chose this program because I want to be a member of the accounting profession After graduation I will work in accounting Being a professional accountant is very prestigious After I graduate I will continue my higher accounting studies
AI2	
AI3	
AI4	

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3. RESEARCH METHODOLOGY

This study used questionnaires that have been used by previous researchers (Lee, 2014, Tang, 2016) in accordance with the situation in Indonesia. Instruments are distributed directly at the time the student conducts the final exam of the semester. The population of this study is all accounting and management students at private universities located in Banten province Indonesia. The sampling technique used random sampling of exam class consisting of 230 accounting students. Data analysis technique using

Partial Least Square (PLS) method, which is based on the consideration to know the reliability of latent variable indicator. Each indicator in this research is reflexive.

4. RESULT AND DISCUSSION

4.1. Descriptive Statistic

We used factor analysis to identify indicators reflected in the three independent variable responses and one dependent variable. Descriptive statistics for fifteen items and the results of factor analysis are summarized in Table 2.

Table 4.1 Descriptive Statistics for Each Construct

Variable	Observations	Minimum	Maximum	Mean	Std. deviation
PR1	230	2.0000	5.0000	3.9435	0.9786
PR2	230	1.0000	5.0000	3.7783	0.9594
PR6	230	1.0000	5.0000	4.0478	0.9336
PR7	230	2.0000	5.0000	4.0217	0.9711
PR8	230	1.0000	5.0000	4.0435	0.9408
PR9	230	1.0000	5.0000	4.0130	0.9757
CE1	230	1.0000	5.0000	3.9217	1.0521
CE2	230	2.0000	5.0000	4.0522	0.9495
CE3	230	2.0000	5.0000	4.0478	0.8809
PA1	230	2.0000	5.0000	4.0435	0.8885
PA2	230	2.0000	5.0000	3.8783	0.8663
AI2	230	2.0000	5.0000	4.0043	0.9758
AI3	230	1.0000	5.0000	3.9478	0.9722
AI4	230	1.0000	5.0000	3.9304	0.9438
AI5	230	1.0000	5.0000	4.0913	0.9534

Source: Self Proceed

4.2. Result of Measurement Model

The results of the measurement model with reflexive indicator can be seen from loading factor, AVE communality, and composite reliability (Ghozali, 2013). In table 3, the value of AVE of all variables is greater than 0.50, so it can be said that 50% more

than all indicators of research variables can be explained and meet the requirements of convergent validity (Ghozali, 2013). All construct indicators have satisfied the reliability test with the result of composite reliability > 0.70

Table 4.2 ARDL Model short run GDP and consumption in indonesia for the year 1967-2014

Construct	AVE	Cronbach's Alpha	Composite Reliability
Personal Relation	0.6534	0.8961	0.9186
Career Expectation	0.6595	0.7393	0.8523
Perception in Acct.	0.7816	0.7274	0.8772
Intention in Acct. Major	0.7261	0.8754	0.9137

Source : Self Proceed

The first stage is to test the feasibility of constructing each indicator on the latent variable. Outer loading and cross loading factor results in Table 4, some indicators can't be used in research. Three indicators of personal relation variables should be discarded because the loading factor value <0.4, so only 6 indicators can be constructed. Similarly, with Career expectation, perception in accountant, and intention in accounting. Indicators that can be used in this study only if loading factor value > 0.7 (Ghozali, 2013).

From these results can be concluded that personal relations are strongly constructed by the encouragement or invitation of peers, while career expectation is more dominantly formed by the availability of job opportunities in the field of accounting. Perception in accountant variables are more directed towards the personality that is the perception of honesty and trustworthiness. The intentions of students are more likely reflected by his desire to work in the field of accounting.

Table 4.3 Outer Loading and Cross Loading Results

	Personal Relation	Career Expectation	Perception in Acct.	Intention in Acct. Major
PR1	0.8675	0.4548	0.8405	0.5098
PR2	0.7751	0.3924	0.7749	0.3855
PR6	0.8235	0.4512	0.6378	0.5012
PR7	0.8360	0.4464	0.6257	0.5331
PR8	0.7855	0.4087	0.6149	0.4133
PR9	0.7567	0.8235	0.4102	0.7553
CE1	0.3025	0.7161	0.2143	0.4034
CE2	0.6726	0.8772	0.4632	0.8096
CE3	0.5662	0.8343	0.4700	0.6240
PA1	0.7221	0.4568	0.9231	0.4785
PA2	0.6516	0.3959	0.8433	0.3602
AI2	0.6640	0.8379	0.4604	0.8717
AI3	0.5586	0.6728	0.3847	0.8805
AI4	0.5109	0.5294	0.3696	0.8040

AI5	0.5517	0.5774	0.4162	0.8501
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Source : Self Proceed

The discriminant validity test to find out all construct gauges is different and unrelated to each other (Campbell & Fiske (1959) in Ghazali, 2013). The results as shown in Table 5, all of the AVE square root is higher than the

correlations between the constants in the model (Fornell & Larcker (1981) in Ghazali, 2013). It can be concluded that the discriminant validity in the model is good.

Table 4.4 Discriminant Validity

	Personal Relation	Career Expectation	Perspectives in Acct.	Intention in Acct. Major	Mean Communalities (AVE)
Personal Relation	1	0.4355	0.6060	0.4601	0.6534
Career Expectation	0.4355	1	0.2350	0.6190	0.6595
Perception in Accountant	0.6060	0.2350	1	0.2326	0.7816
Intention in Acct. Major	0.4601	0.6190	0.2326	1	0.7261
Mean Communalities (AVE)	0.6534	0.6595	0.7816	0.7261	0

Source : Self Proce

4.3. Evaluation of Structural Model

The structural model is used to test the relationship between latent variables from exogenous to endogenous. The evaluation is based on the percentage of variance explained by the R-Square values for endogenous constructs (Stone (1974), Geisser (1975) in Ghazali, 2013). The results of the research in Table 6 show that the model is categorized as strong in predicting endogenous variables with R-Square value of 0.67 (Chin (1998) in Ghazali, 2013). Of the three exogenous variables proposed in predicting students' intentions towards accounting majors,

there are only two variables that can predict significantly that is personal relations and career expectation. It is based on both t-statistic values greater than 1.96. Effect size given by the variable of personal relation to the formation of student intention toward accounting majors equal to 34.05%, while the contribution from career expectation variable is bigger compared with personal relation that is equal to 59.71%. Simultaneously effect size given exogenous variable (PR, CE, PA) to endogenous variable (IA) equal to 66.59%

Table 4.5 Evaluation and Structural Model

Construct	R-square	Effect Size	T-statistic
Personal Relation	0.4601	0.3405	2.1270*
Career Expectation	0.6191	0.5971	7.3438*
Perception in Accountant	0.2326	-0.0723	-0.5683
Intention in Acct. Major	0.6659		

Source: Self Proceed

Ghozali (2013) suggests reflexive indicator measurements in evaluating measurement models and structural models using goodness of fit (GoF)

developed by Tanenhaus et al (2004). GoF index calculation results in this study amounted to 0.6954 > 0.61, it can be concluded that the model is included

in the category large (Ghozali, 2013).

5. CONCLUSION

It is important for the college of accounting majors to get qualified students, as the theory of planned behavior is used to find factors that can predict students' intentions in accounting majors. The results expected to have implications for researchers and accounting programs especially in Indonesia. Student intentions in accounting majors are still influenced by the size of the interaction not because of a strong desire for the real accounting field.

The existence of an external impulse reflects that the student has no maturity in determining consistency in his choice. The results showed that the weakness of student affection towards the accounting profession is indicated by the low perceptions of students about the field of accounting work. From these results, we see important issues that need to be studied more deeply about these perceptions.

Pragmatic perception still a major concern for some students, they are more likely to have intentions in accounting majors because of the expectation of employment, high income, and comfortable work after graduation. The great hope of getting a job reflects that students do not yet have a strong sense of self-confidence in their learning competencies. The results of this study provide implications to the study program to prepare an appropriate strategy so that all students have a strong perception of the accounting profession. In addition, it is very important to make a high affection and strong confidence as a candidate for professional accounting personnel.

The results of the research can be used as input for the accounting program in recruiting new students. There is a strong assumption that they are still focused on career success. In addition,

intentions in accounting majors are still mature yet, they still have reliance on relationships with friends and people who are closest to the environment. It shows the still narrow paradigm of students towards the actual accounting profession.

This study uses a sample at a private college, so it is possible to do by increasing the number of different colleges. Similarly, the limitations of exogenous variables used are still possible using a more representative variable to be expected in perfection

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