

Influence of financial rewards, work environment, and personality on accounting students' career interest in public accounting: a case study at majalengka university

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ABSTRACT

This study aims to analyze the impact of Financial Rewards, Work Environment, and Personality Types on Accounting Students' Interest in becoming public accountants. The research employs Structural Equation Modeling-Partial Least Squares (SEM-PLS) methodology. Data analysis was conducted using SmartPLS software, involving two main stages: estimating the structural model through the PLS Algorithm and testing significance using Bootstrapping. The results from the PLS Algorithm indicate that both Financial Rewards and Work Environment hurt Accounting Students' Interest, while Personality Types show a positive effect. However, the significance test results from Bootstrapping reveal that only Personality Types have a significant impact, with a t-value of 2.338 (>1.96), whereas the effects of Financial Rewards and Work Environment are not significant. Additionally, an R-square value of 0.215 indicates that 21.5% of the variability in students' interest can be explained by this model. Based on these findings, it can be concluded that Personality Types are the most influential factor affecting Accounting Students' interest in pursuing a career as a public accountant.

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1. Introduction

The public accounting profession plays a crucial role in maintaining the integrity and accuracy of financial reports used by various stakeholders to make economic decisions. In Indonesia, this role is increasingly important given the increasingly complex economic and regulatory developments, which demand high transparency and accountability from business entities. However, the interest of accounting students to pursue this profession still seems low, as data shows that only a small portion of accounting graduates continue their careers as public accountants. According to data from the Indonesian Institute of Public Accountants (IAPI) as of January 2024, there were around 639 Public Accounting Firms (KAP) in Indonesia, but only 1,422 public accountants were actively registered in Indonesia. This number is in contrast to the much larger number of accounting graduates each year. This shows a significant imbalance between the potential of accounting graduates and the number who ultimately choose a career as a public accountant. This phenomenon indicates that there are certain factors that influence the interest of accounting students to pursue a career in this field.

Expectancy Theory, proposed by Vroom (1964), is one of the relevant theoretical frameworks in explaining this phenomenon. This theory states that a person will be motivated to take a certain action if they believe that the action will produce the desired result. In this context, accounting students will be motivated to choose a career as a public accountant if they believe that this profession will provide adequate financial rewards, a conducive work environment, and suitability to their personality type. Financial Rewards are one of the key factors considered important in attracting someone's interest in choosing a particular profession. Research by Taqwa (2017) shows that financial rewards have a significant influence on students' interest in becoming public accountants. This study is in line with the findings of Kamilah et al. (2018) which indicate

that students who have high financial reward expectations tend to be more interested in becoming public accountants. However, this finding is not fully supported by all studies. Siskayani (2017), for example, found that salary or financial rewards did not have a significant effect on accounting students' career decisions. These differences in results indicate that there are other factors that may be more dominant or interact with financial rewards in influencing students' interest in becoming public accountants. The Work Environment is also an important factor considered in career selection. A supportive work environment, including a positive work atmosphere, opportunities for development, and support from colleagues and superiors, can increase a person's interest in pursuing a career in a particular field. Research by Taqwa (2017) shows that the work environment has a positive influence on accounting students' interest in becoming public accountants. On the other hand, research by Senjari (2016) shows that the work environment does not have a significant influence, which raises questions about the specific conditions needed for the work environment to be a determining factor. Personality Type is also believed to play a role in influencing a person's career choice. A personality type that matches the demands and characteristics of a profession tends to make a person more comfortable and motivated to work in that field. Ridwan and Basid (2020) found that certain personality types have an impact on students' decisions to become public accountants. This finding is supported by other studies showing that individuals with certain personalities, such as those who tend to be more analytical and thorough, are more likely to be attracted to the accounting profession. However, research by Sulistiyani and Fachriyah (2019) found that personality type did not have a significant influence on accounting students' career decisions.

Although there have been many studies that have tried to identify the factors that influence accounting students' interest in becoming public accountants, the results obtained often show diverse and sometimes contradictory results. This indicates the complexity of the factors that influence accounting students' career decisions. In addition, most studies still focus on one or two factors only, without considering the interaction between various factors that may play a role in influencing students' interests. In the Indonesian context, studies on the influence of financial rewards, work environment, and personality type on accounting students' interest in becoming public accountants are still limited. This study attempts to fill this gap by combining these three factors in one comprehensive research model. This approach is expected to provide a more holistic picture of the factors that influence accounting students' interest in choosing a career as a public accountant. This study aims to examine the influence of financial rewards, work environment, and personality type on accounting students' interest in pursuing a career as a public accountant. By using the latest data and a holistic approach, this study is expected to provide new insights that can be useful for the development of accounting education and professional policies in Indonesia. In addition, the results of this study are also expected to contribute to the development of literature on factors that influence career choices in accounting.

Expectancy theory is a motivational theory that explains how a person will be motivated to try to achieve desired results based on the belief that his efforts will produce good performance, and that performance will be followed by satisfactory rewards (Vroom, 1964). In the context of career selection, expectancy theory explains that accounting students choose careers based on expectations of whether the career can meet personal needs and provide appeal (Kusno et al., 2016; Wicaksono, 2017). Financial rewards are considered as one of the most significant forms of rewards in expectancy theory, where these rewards motivate students to choose careers that offer decent compensation (Suraidah, 2020). Research shows that financial rewards have a positive and significant influence on accounting students' interest in choosing a career as a public accountant (Wicaksono, 2017; Suraidah, 2020). The work environment refers to the physical, social, and psychological conditions that affect employee well-being during work (Robbins, 2006). A good work environment includes aspects such as harmonious working relationships, adequate facilities, and a supportive atmosphere, all of which can increase motivation and productivity (Sihaloho, 2019). In choosing a career as a public accountant, students consider whether the work environment is able to provide interesting challenges and opportunities for development (Kurniawati, 2020; Iswahyuni, 2018; M. Sulistiyani & Fachriyah, 2019).

Personality type refers to the psychological characteristics that are consistent and unique to each individual, which influence how they behave and respond to their environment (Robbins, 2006). In the context of career selection, students' personality types play an important role in determining their comfort and suitability for a particular profession, such as public accounting (Ridwan & Basid, 2020; Triana, 2020). Students with personality types such as ESTJ and ISTJ are often better suited to the accounting profession because these personality characteristics tend to be oriented towards structure, logic, and responsibility (Myers & Briggs, 1980).

Interest is a person's tendency to like or choose a particular activity or job, driven by intrinsic and extrinsic factors (Super, 1957). The interest of accounting students in choosing a career as a public accountant is often influenced by the expectation of financial rewards, a supportive work environment, and compatibility with

their personality type (Kusno et al., 2016; Wicaksono, 2017; Ridwan & Basid, 2020). Based on this description, it can be described in the following framework model:

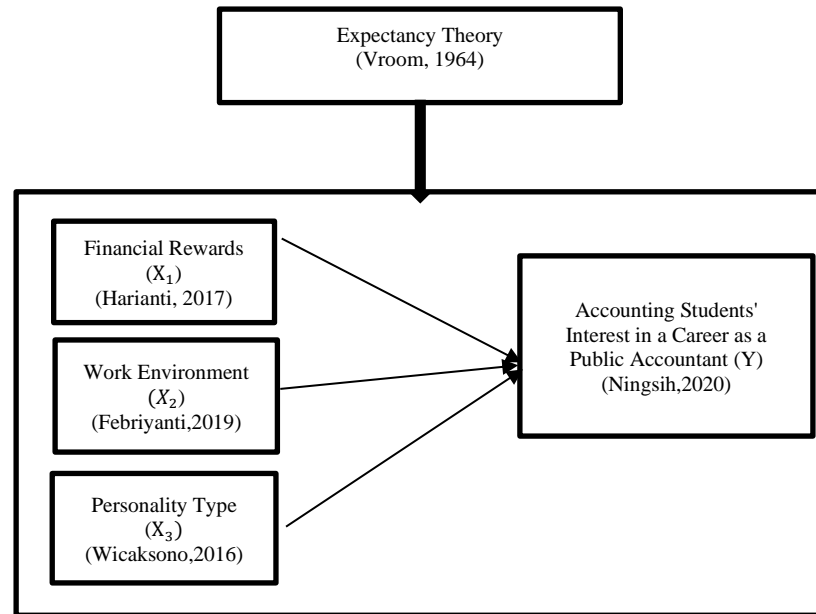


Figure 1
Framework

To support this research, there are several previous studies that examine the same topic. Here are some previous researchers, including:

Table 1. Previous Research

Researcher & Research Context	Research methods	Results
(Febrianti, 2019) Factors that influence the interest of accounting students in choosing a career as a public accountant	Quantitative Methods	Financial Rewards, Job Market Considerations, Family Environment, Personality, Professional Recognition and Work Environment have a significant influence on students' interest in choosing a career as a public accountant.
(Yoga Wicaksono & Mimin Nur Aisyah, 2018) The Influence of Financial Rewards, Work Environment, and Personality Type on Accounting Students' Interest in Pursuing a Career as a Public Accountant	Descriptive statistical analysis, prerequisite analysis test, simple linear regression analysis, and multiple linear regression analysis	There is a positive and significant influence of Financial Rewards on interest in becoming a public accountant, as shown by sig 0.000, There is a positive and significant influence of the work environment on the interest in becoming a public accountant, as shown by sig 0.036, There is no influence of Personality Type on interest in becoming a public accountant, as shown by sig 0.135, There is a positive and significant influence of Financial Rewards, Work Environment, and Personality Type together on the interest in becoming a public accountant as indicated by sig 0.000.

(Katharina Magdalena Sitanggang & Tutut Dewi Astuti, 2023) The Influence of Financial Rewards, Work Environment, and Personality Type on Accounting Students' Interest in Pursuing a Career as a Public Accountant (Case Study on Accounting Students of the 2019 and 2020 Batches of Mercu Buana University Yogyakarta)	The research data collection technique was carried out by distributing questionnaires online. The data analysis techniques used were classical assumption tests, multiple linear regression analysis and t-tests (partial tests).	There is an influence of Financial Rewards on Accounting Students' Interest in Pursuing a Career as a Public Accountant, There is no influence of the work environment on students' interest in pursuing a career as a public accountant, There is no influence of Personality Type on Accounting Students' Interest in Pursuing a Career as a Public Accountant. There is an influence of Financial Rewards, Work Environment and Personality Type on Accounting Students' Interest in Pursuing a Career as a Public Accountant.
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2. Research Method

This study employs the Structural Equation Modeling Partial Least Squares (SEM PLS) method to analyze the influence of financial rewards, work environment, and personality types on accounting students' interest in pursuing a career as a public accountant. SEM PLS is chosen for its ability to effectively test structural models involving latent variables and their indicators, making it an appropriate method for examining complex relationships in this study. The SEM PLS process in this study is conducted in several stages, starting with data collection. Questionnaires were distributed to 101 accounting students at Majalengka University using the saturated sampling method, ensuring that all participants were selected to represent the population. In the next stage, validation and reliability testing were performed. Validity was assessed through outer loading, with a minimum threshold value set at 0.70. This ensured that the indicators used to measure each latent variable were adequately valid. Reliability was tested using both Cronbach's Alpha and Composite Reliability, with values greater than 0.70 indicating acceptable reliability. The measurement model testing followed, beginning with the assessment of convergent validity, which was evaluated using the Average Variance Extracted (AVE), with a minimum value of 0.50. This confirmed that each latent variable shared a sufficient amount of variance with its indicators. Discriminant validity was tested by examining the cross-loading between the variables to ensure that each latent variable was distinct from others in the model. In the structural model testing phase, the R^2 test was conducted to measure how much of the variation in the dependent variable, career interest, could be explained by the independent variables (financial rewards, work environment, and personality types). Additionally, bootstrapping was used to assess the significance of the relationships between the variables. Significance was determined by t-statistics greater than 1.96 or a p-value less than 0.05. Lastly, hypothesis testing was carried out. The results revealed that financial rewards and work environment did not have a significant effect on career interest, as the p-value was greater than 0.05. However, personality type showed a significant influence, with the results being especially pronounced for students with practical, analytical, and systematic personality traits ($p < 0.05$). Finally, the coefficient of determination (R^2) demonstrated the extent to which the variation in career interest was explained by the three independent variables. A higher R^2 value indicates a stronger model, meaning that the independent variables more effectively explained the career interest of accounting students.

3. Results And Discussions

The following are the results of data analysis using the **SEM-PLS** (Structural Equation Modeling-Partial Least Squares) technique.

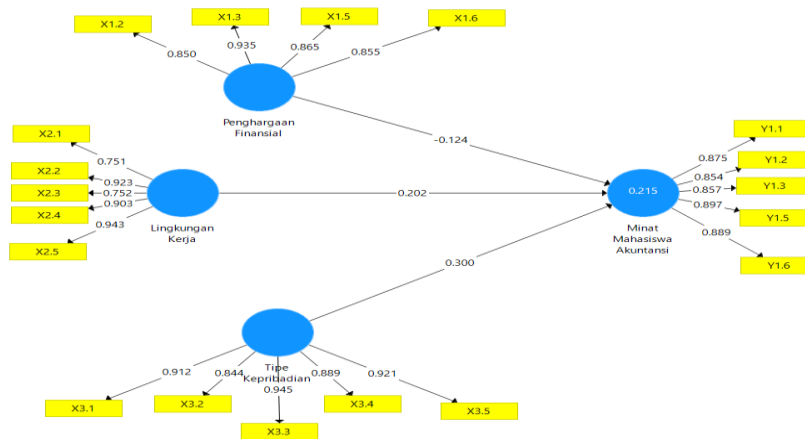


Figure 2
Graphical Output

Path Coefficients: Shows the strength of the relationship between latent variables (in this case variables that cannot be measured directly). These numbers describe the magnitude of the influence of the independent variable on the dependent variable.

Table 2. Path Coefficients

	Work environment	Accounting Student Interests	Financial Rewards	Personality Type
Work environment		0.202		
Accounting Student Interests			-0.124	
Financial Rewards				0.300
Personality Type				

Table 3. Bootstrapping Models

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Work Environment -> Accounting Student Interests	0.202	0.209	0.130	1,558	0.120
Financial Awards -> Accounting Student Interests	-0.124	-0.121	0.126	0.982	0.327
Personality Type -> Accounting Student Interests	0.300	0.299	0.120	2,495	0.013

financial rewards are found to have a negative relationship with accounting students' interest in the profession, with a correlation value of -0.161. This suggests that, contrary to what might be expected, the prospect of financial rewards does not significantly increase the students' interest in becoming public accountants. In fact, the negative correlation implies that financial incentives may not be a primary driver for these students in choosing this career path. the work environment also exhibits a negative influence on accounting students' interest, with a correlation value of -0.212. This finding indicates that the students' perception of the work environment may not align with their career aspirations. A less favorable view of the work environment could reduce their interest in pursuing a career in accounting, highlighting the importance of a supportive and positive work setting for fostering career interest. personality type shows a positive influence on accounting students' interest in the profession, with a correlation value of 0.275. This suggests

that students who possess certain personality traits—such as practicality, analytical thinking, and a systematic approach—are more likely to be drawn to the accounting profession. This positive correlation highlights the role of individual characteristics in shaping career preferences, particularly for students whose personality aligns well with the demands and nature of the accounting field.

The results of processing with SmartPLS are shown in Figure 2, all variables are above 0.05, meaning that all statements can be stated as valid. Can be seen in the following table:

Table 4. Outer Loadings

	Work environment	Accounting Student Interests	Financial Rewards	Personality Type
X1.2			0.850	
X1.3			0.935	
X1.5			0.865	
X1.6			0.855	
X2.1	0.751			
X2.2	0.923			
X2.3	0.752			
X2.4	0.903			
X2.5	0.943			
X3.1				0.912
X3.2				0.844
X3.3				0.945
X3.4				0.889
X3.5				0.921
Y1.1		0.875		
Y1.2		0.854		
Y1.3		0.857		
Y1.5		0.897		
Y1.6		0.889		

This test looks at the *outer loading value* which can be said to be valid, if the value is > 0.5 . Because all the values of each indicator of each variable in this study have a value > 0.5 , the indicators used in this study are valid or have met *convergent validity*.

Table 5. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Work environment	0.914	0.985	0.933	0.737
Accounting Student Interests	0.924	0.945	0.942	0.765
Financial Rewards	0.916	1,231	0.930	0.769
Personality Type	0.948	1,008	0.957	0.815

Outer Loadings: Shows the contribution of each indicator to the latent variable. A number close to 1 indicates a strong contribution of the indicator to the latent variable. For example, For the Financial Rewards variable, the X1.3 indicator (0.920) has the highest contribution. For the Work Environment variable, the X2.5 indicator (0.945) has the largest contribution. For Personality Type, X3.5 (0.923) is the most dominant.

Table 6. R Square

	R Square	R Square Adjusted
Accounting Student Interests	0.215	0.191

R-Square (R^2): In the dependent variable of Accounting Students' Interest, the R^2 value is 0.215. This indicates that 21.5% of the variation in accounting students' interest can be explained by the independent variables (Financial Rewards, Work Environment, Personality Type), while the rest is influenced by other variables outside the model.

Table 7. F Square

	Work environment	Accounting Student Interests	Financial Rewards	Personality Type
Work environment		0.035		
Accounting Student Interests				
Financial Rewards		0.020		
Personality Type		0.076		

We can see the table, the work environment variable model related to accounting students' interests has a value of 0.032, the financial reward variable related to accounting students' interests has a value of 0.020 and the personality type towards accounting students' interests has a value of 0.076. With the f-square category $0.02 < 0.15$ included in *the small effect*, $0.15 < 0.35$ included in *the medium effect*, ≥ 0.35 *large effect*. This *F-square* is useful for knowing the effect of an exogenous variable on the endogenous variable.

Table 8. Model Fit Summary

	Saturated Model	Estimated Model
SRMR	0.099	0.099
d_ULS	1,849	1,849
d_G	1,881	1,881
Chi-Square	890,095	890,095
NFI	0.622	0.622

The results of data processing from the measurement model tested using SmartPLS, especially for the saturation model (Saturated Model) and the estimation model (Estimated Model), produce:

SRMR (Standardized Root Mean Square Residual): SRMR indicates how well the estimated model fits the covariance matrix. An SRMR value of 0.099 indicates that the model you are testing is within acceptable limits, although ideally the SRMR value should be below 0.08 to indicate a better fit. This value indicates that there is a relatively small mismatch between the model covariance matrix and the sample covariance matrix. **d_ULS (Unweighted Least Squares Discrepancy):** d_ULS 1.849 indicates the difference between the model covariance matrix and the empirical covariance matrix using the ULS method. The smaller the value, the better the model fit. There is no specific threshold for d_ULS, but a smaller value indicates a better fit. **d_G (Geodesic Discrepancy):** d_G 1.881 also indicates a good model fit, but with the geodesic calculation method. Similar to d_ULS, a smaller value is better. This value indicates a fair level of model fit, although ideally it should be lower. **Chi-Square:** The Chi-Square value of 890.095 is the result of the model fit test. The Chi-Square test is often sensitive to sample size, so in large samples, a large Chi-Square value is acceptable. However, the smaller this value, the better the model fits the data. **NFI (Normed Fit Index):** NFI 0.622 indicates how well the tested model compares to the baseline model. NFI values range from 0 to 1, with values closer to 1 indicating a good model fit. A value of 0.622 is relatively low, indicating that the model does not fit the data optimally.

This research model shows a moderate fit. SRMR is at an acceptable threshold, but the relatively low NFI value indicates that this model is not optimal. Improvements in the model or retesting may be needed to obtain a better model fit.

Discussion

Based on the analysis results presented, there are several important findings related to the relationship between the independent variables (Financial Rewards, Work Environment, and Personality Type) with the dependent variable (Accounting Student Interests). Financial Rewards are Negatively Related (-0.161) to Accounting Students' Interests. These results indicate that financial rewards have a negative effect on accounting students' interests. This means that the higher students' expectations of financial rewards in an accounting career, the lower their interest in the field tends to be. Although it is usually expected that financial rewards will increase interest, these results suggest that there are other factors that may make students more cautious in choosing accounting, even with high financial rewards. The Work Environment also has a negative effect (-0.212) on Accounting Students' Interest. A negative work environment or one that does not meet students' expectations tends to reduce their interest in pursuing accounting. With a coefficient of -0.212, this effect is greater than financial rewards. This indicates that students' perceptions of the work environment in accounting are an important factor influencing their decisions, where a work environment that is perceived as less supportive will reduce their interest. Personality Type has a positive effect (0.275) on Accounting Students' Interests Unlike the previous variable, personality type has a positive effect on students' interests in accounting. The

more a person's personality matches the characteristics of an accounting job, the higher their interest in studying this profession. This positive value indicates that students who have suitable personalities, such as being meticulous, structured, and analytical, are more likely to be interested in the accounting profession.

4. Conclusion

Here are some conclusions based on the results of the data processing: Financial Rewards have a negative path coefficient of -0.124 on accounting students' interest, which shows that financial rewards have a negative relationship, meaning that when the two have an inverse relationship, if the reward variable decreases by one unit, it will be followed by an increase in student interest. Work Environment has a positive path coefficient of 0.202, which means that the work environment has a positive effect on accounting students' interest. The better the work environment, the higher the student's interest. Personality Type shows the greatest positive influence with a coefficient of 0.300 on accounting students' interests. This shows that personality factors have a significant role in shaping students' interests.

Based on the analysis results, several recommendations can be given to increase accounting students' interest. Although financial rewards show a negative relationship, where decreasing financial rewards actually increase interest, this can be overcome by providing more in-depth education about the long-term benefits of the accounting profession. Educational institutions and companies need to highlight non-financial benefits, such as career development opportunities, job stability, and opportunities to grow in various industry sectors. In addition, a positive work environment has been shown to have a strong influence on increasing student interest. Therefore, universities and companies need to create learning and internship experiences that introduce students to collaborative, innovative, and work-life balance-supportive environments. Collaboration between academia and industry in building an image of an ideal work environment is essential to attract more students. Finally, personality type plays an important role in determining students' interest in the accounting profession. Therefore, it is important for educational institutions to help students recognize their personality suitability to this profession early on through personality assessment tests and appropriate skill development. Thus, a comprehensive approach that includes education about career benefits, improving the work environment, and personality suitability will be more effective in increasing students' interest in the accounting field.

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