

Review article

# Financial Reward as Moderating the Effect of Control of Behavior, and Professional Risk on the Interest of Accounting Students Become a Public Accountant

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Received Date: 14 June 2021

Revised Date: 22 July 2021

Accepted Date: 05 August 2021

**Abstract** - This study aims to find empirical evidence about the effect of behavioral control, public accounting profession risk, and financial reward as moderating variables. This research was conducted on accounting students at Udayana University class of 2017 as the population. The sample used is part of the number of students who use the slovin method, so the number of samples is 168 samples. The data analysis technique used is Moderated Regression Analysis (MRA). The results show that financial rewards are statistically able to moderate the influence of behavioral control and professional risk on student interest, which shows the higher the behavioral control and high financial reward, the higher the student interest, and the lower the risk of the public accounting profession. And also, the high the financial reward, the higher the interest of students.

**Keywords** - Financial Reward, Behavioral Control, Professional Risk, Public Accountant

## I. INTRODUCTION

Behavioral control is defined as the ease or difficulty of a person to perform a behavior (Ajzen, 2019). This behavioral control reflects past experiences and ways of anticipating existing obstacles so that it is increasingly attractive to subjective attitudes and norms towards behavior. The greater the behavioral control, the stronger a person's intention to perform the behavior under consideration (Sulistiani, 2012). The theory of planned behavior (TPB) assumes that behavioral control has motivating properties towards one's intentions (Ajzen, 2019). Behavioral control is also a factor that affects career interest because behavioral control is a potential that can be developed and used by individuals during processes in life, including in dealing with the conditions involved in the surrounding environment (Hatta & Riduan O.H, 2019). Experts argue that behavioral control can be used as a

preventive intervention in addition to reducing negative psychological effects from the environment (Sativa, 2018).

According to research conducted by (Sativa 2018), (Astarari 2018), and (Mihartinah & Coryanata, 2019), states that behavioral control variables have a negative and significant effect on the interest of accounting students to become public accountants, while research conducted by (Sulistiani 2012), (Dewi & Budiasih, 2017), stated that behavioral control has a positive effect on interest in a career as a public accountant. Given the contradictory results, the researcher decided to re-examine the effect of behavioral control on students' interest in becoming public accountants.

The risk of a profession is one of the most considered things for someone before deciding on a step to pursue a particular professional field (Hasim et al., 2020). The public accounting profession has binding legal responsibilities and carries its own inherent risks. The good name that a public accountant has worked so hard to build can disappear instantly if it is proven that he failed to detect material errors or fraud from the financial statements to be audited. The results of research conducted by (Aini 2017) and (Murdiawati 2020) stated that there was no significant effect between professional risk on student interest in becoming public accountants, while research conducted by (Mahariani et al., 2017) and (Effendi, Nadia C. Purnamasari, 2017), states that professional risk has a positive effect on interest in a career as a public accountant

Financial rewards in the form of salaries, wages, incentives, commissions, and other types are one of the things that are considered for someone to choose a career to be pursued, especially in relation to the public accounting profession (Agbenyegah, 2019). Financial problems have always been a topic that never ceases to be a problem in human life. Income can determine how a person will live and enjoy his life economically, related to diverse and unending human needs, and income is certainly a problem that requires special attention (Laksmi & Al Hafis, 2019). Public accounting is also called a profession whose income



is uncertain. The salary that will be received is based on the number of client projects handled by the public accounting firm and also depends on the size of the client company's assets being audited. The greater the client's assets, the greater the audit fee received, and vice versa. This is supported by research conducted by (Rindani 2013), (Jumiati 2018), and (Aini, 2017) stating that financial rewards have a significant effect on interest in becoming a public accountant, which means that the higher the financial reward, the higher the interest of students. Accounting to become a public accountant.

## II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Based on the theory of planned behavior (TPB), it assumes that behavioral control has motivational implications for intentions (Sulistiani, 2012). In the theory of planned behavior (TPB), behavioral control occupies the third determinant as an individual's influence on behavioral intentions. This behavioral control reflects the past experience and anticipates existing obstacles so that the more attractive subjective attitudes and norms towards behavior are, where the greater the behavioral control, the stronger one's intention to perform the behavior under consideration. This is in line with research conducted by (Dewi & Budiasih, 2017) (Sulistiani 2012), stating that behavioral control has a positive effect on the interest of accounting students to become public accountants.

However, most students view that income is one of the most basic things to become the main attraction of a profession (Schoenfeld et al., 2017). Financial Rewards are reciprocity from the company in the form of finance for services that have been contributed by employees to the company (Jumiati, 2018). The connection with this research is that if someone has a strong controlling belief about a career as a public accountant and is also driven by high financial rewards, then that person tends to have a high perception or interest in a career as a public accountant. This is supported by the results of research conducted by (Rindani 2013), (Jumiati 2018), and (Aini, 2017) which state that financial rewards have a significant effect on interest in becoming a public accountant, which means that the higher the financial reward, the higher the financial reward. Interest in accounting students to become public accountants.

H1: The higher the behavioral control and the high financial reward, the higher the interest of accounting students to become public accountants.

In theory, the public accounting profession has heavy responsibilities and risks, especially regarding the legal risks that are binding on the profession (Mahariani et al., 2017). In contrast to other types of professions, the work carried out by external auditors concerns the interests of many people, and the opinions they issue become something that has a very vital role for consideration by many people (Herbohn, 2004). Therefore, the duties and responsibilities of auditors are not something that can be considered as small things. This is in

line with research conducted by (Aini 2017) and (Murdiawati 2020), which states that there is no significant effect between professional risk on the interest of accounting students to become public accountants.

However, it cannot be denied that a high salary will also be a consideration in choosing a career with the intention that the costs incurred during the educational process towards a public accounting career can be quickly replaced (Olawale et al., 2016). The public accounting profession has uncertain financial rewards, depending on the capabilities possessed whether they are able to support the demand for the desired income size because the ability and speed of a person in auditing play a major role in how quickly and how many clients he will handle, which amount It is the client who determines the high or low income he gets.

Considerations of financial rewards are related to Vroom's (1964) expectancy theory, which states that people expect reciprocity for their performance. This theory is supported by the results of research conducted by (Dody, Hapsoro & Hendrik, 2018), (Astarari, 2018), and (Wicaksono, 2017) which found that there was an influence of financial rewards on interest in becoming a public accountant, which means the higher the financial reward, the higher the interest of students to become public accountants.

H2: The lower the risk of the Public Accountant profession and the high financial reward, the higher the interest of accounting students to become public accountants.

## III. METHODS

The location of the research was conducted at the Faculty of Economics and Business, Udayana University, which is located on Jalan P.B. Sudirman, Denpasar, and Bukit Campus, Jimbaran. The reason for choosing this location is because this research is an empirical study on students majoring in Accounting 2017 regular in Bukit and regular in Denpasar, Faculty of Economics and Business, Udayana University.

The population in this study were all students of the 2017 S1 Accounting study program, Faculty of Economics and Business, Udayana University. The reason the researcher chose the 2017 undergraduate Accounting study program students was that these students had certainly taken auditing courses I and II, so they had the knowledge to assess the fairness of financial accountability. Knowledge of this audit makes the student competent to assess the fairness of financial accountability. In addition, the 2017 class of students are students who have entered the final semester and will soon complete their study period so that students are expected to have an attitude towards career choices after graduating from college, especially their interest in becoming a public accountant. Based on the calculation of the Slovin formula, it can be concluded that the number of samples to be studied is 168 respondents, which means that the researcher will use 168 students from the total number of accounting students in the class of 2017. The method of determining the sample in this study is a random sampling

technique, where the researcher provides equal opportunities for each member of the population to be selected as a random sample.

The data analysis technique in this research is Moderated Regression Analysis (MRA). MRA is used to examine the effect of the moderating variable on the relationship between the independent variable and the dependent variable.

**IV. RESULT AND DISCUSSION**

**Moderated regression analysis (MRA) results**

Testing the data in this study using the Moderated Regression Analysis (MRA) technique. The calculation of the moderating regression coefficient is carried out by regression analysis through SPSS 18.0 for Windows software, and the results are shown in Table 1 below:

**Table 1. Moderated Regression Analysis Test Results**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1,283	11,817		0,109	0,914
Behavior Control (X1)	2,115	0,432	2,213	4,892	0,000
Public Accountant Profession Risk (X2)	-1,101	0,381	-1,481	-2,892	0,004
Financial Rewards (M)	0,514	0,291	0,672	1,766	0,079
X1.M	0,051	0,012	3,255	4,354	0,000
X2.M	0,033	0,010	2,852	3,399	0,001
R Square					0,755
Adjusted R Square					0,747
F Statistic					99,628
Sig.					0,000

Primary Data, 2021

Based on the results of the moderated regression analysis as presented in Table 1, the structural equations are as follows:

$$\hat{Y} = 2,115X_1 - 1,101 X_2 + 0,051 X_1.M + 0,033X_2.M$$

Financial rewards moderate behavioral control on the interest of accounting students to become public accountants

Based on the results of the analysis of the influence of behavioral control on student interest, a significance value of 0.000 was obtained with a regression coefficient of 4.892. The significance value of 0.000 0.05 indicates that behavioral control has a positive and significant effect on the interest of accounting students to become public accountants.

The results of the moderating regression analysis show that the regression coefficient of behavioral control ( $\beta_1$ ) is positive at 2.115 with a significance value of 0.000, and the regression coefficient value of the interaction variable X1.M ( $\beta_3$ ) is positive at 0.051 with a significance value of 0.000, which indicates the variable coefficient is in the same direction, then the variable financial reward is a moderating variable that strengthens the influence of behavioral control on the interest of accounting students to become public

accountants. These results indicate that the higher the behavioral control and the high financial reward, the higher the interest of accounting students to become public accountants, so H1 is accepted.

The results of the first analysis in this study were accepted because they obtained significant test results on significant interaction variables and had a unidirectional relationship between interaction variables and independent variables (behavioral control). These results indicate that the higher the behavioral control and the high financial reward, the higher the interest of accounting students to become public accountants.

This study is in accordance with the theory of planned behavior (TPB), which assumes that behavioral control has motivational implications for intentions (Sulistiani, 2012). In the theory of planned behavior (TPB), behavioral control occupies the third determinant as an individual's influence on behavioral intentions. This behavioral control reflects the past experience and anticipates existing obstacles so that the more attractive subjective attitudes and norms towards behavior are, where the greater the behavioral control, the stronger one's intention to perform the behavior under consideration.

This result is in line with the research conducted by (Dewi & Budiasih, 2017) (Sulistiani 2012), which states that behavioral control has a positive effect on the interest of accounting students to become public accountants. Then if someone has a strong controlling belief about a career as a public accountant and is also driven by high financial rewards, then that person tends to have a high perception or interest in a career as a public accountant. This result is also supported by research conducted by (Rindani 2013), (Jumiati 2018), and (Aini, 2017) which states that financial rewards have a significant effect on interest in becoming a public accountant, which means that the higher the financial reward, the higher the financial reward. Interest in accounting students to become public accountants.

Financial rewards moderate the risk of the public accounting profession on the interest of accounting students to become public accountants

Based on the results of the analysis of the influence of behavioral control on student interest, a significance value of 0.000 was obtained with a regression coefficient of 4.892. The significance value of 0.000 0.05 indicates that behavioral control has a positive and significant effect on the interest of accounting students to become public accountants.

The results of the moderating regression analysis show that the regression coefficient of the risk of the public accounting profession ( $\beta_2$ ) is negative at -1.101 with a significance value of 0.004, and the regression coefficient value of the interaction variable X2.M ( $\beta_3$ ) is positive at 0.033 with a significance value of 0.001 which shows the coefficient of the variable that is not direction (opposite), then the financial reward variable is a moderating variable that weakens the negative influence of the risk of the public

accounting profession on the interest of accounting students to become public accountants. These results indicate that the lower the risk of the Public Accountant profession and the high financial reward, the higher the interest of accounting students to become public accountants, so H2 is accepted.

The results of the moderated regression analysis show that financial rewards are statistically able to moderate the effect of the Risk of the Public Accountant Profession on the interest of accounting students to become public accountants. In this study, financial reward weakens the effect of Public Accountant Profession Risk on student interest, so that the second hypothesis is accepted. This shows that the lower the risk of the Public Accountant profession and the high financial reward, the higher the interest of accounting students to become public accountants.

Financial rewards have a very strategic role to encourage and increase a person's interest in becoming a public accountant. In theory, the public accounting profession has heavy responsibilities and risks, especially regarding the legal risks that are binding on the profession. However, it is undeniable that a high salary will also be a consideration for someone in choosing a public accounting profession with the intention that the costs incurred during the educational process towards a public accounting career can be quickly replaced. The public accounting profession has uncertain financial rewards, depending on the capabilities possessed whether they are able to support the demand for the desired income size because the ability and speed of a person in auditing play a major role in how quickly and how many clients he will handle, which amount It is the client who determines the high or low income obtained.

This result is in accordance with the reward theory by Vroom (1964), which states that a person expects something in return for their performance. This theory is supported by the results of research conducted by (Dody, Hapsoro & Hendrik, 2018), (Astasari, 2018), and (Wicaksono, 2017) which found that there was an effect of financial rewards on interest in becoming a public accountant, which means the higher the financial rewards, the higher the interest of students to become public accountants. In other words, the high financial rewards given will reduce students' perceptions of the Risks of the Public Accountant Profession, thereby increasing the interest of accounting students to become public accountants.

#### **Coefficient of determination test results ( $R^2$ )**

The test results provide results where the adjusted R2 (adjusted coefficient of determination) in Table 1 is 0.755. This means that variations in student interest can be significantly influenced by behavioral control variables (X1), Risk of the Public Accountant Profession (X2), X1.M interactions, and X2.M interactions by 75.5 percent, while the remaining 24.5 percent is explained by factors -other factors not described in the research model.

#### **Model feasibility test ( $F$ test)**

Based on table 1, the value of  $F_{count} > F_{table}$  is  $99.628 > 2.27$  with a significance value of  $0.000 < 0.05$ , it can be concluded that the tested group has a significant (significant) difference. This means that behavioral control (X1), Risk of Professional Public Accountant (X2), financial reward (X3), the interaction of behavioral control with financial reward, and interaction of Risk of Professional Public Accountant with financial reward simultaneously significantly influence the interest of accounting students to become public accountants. . These results also indicate that the research model is feasible to test.

#### **V. CONCLUSION**

Financial rewards are statistically able to moderate the effect of behavioral control on student interest. This shows that the higher the behavioral control and the high financial reward, the higher the interest of accounting students to become public accountants.

Financial rewards are statistically able to moderate the effect of the risk of the public accounting profession on student interest. This shows that the lower the risk of the Public Accountant profession and the high financial reward, the higher the interest of accounting students to become public accountants.

For further research to be carried out, it should not only use a questionnaire as a research instrument but also add an interview process or interview to respondents who are the object of research and to add independent variables or other moderating variables to support the complexity of the research, for example adding variables of parental support, trust, labor market considerations, motivation.

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