

CHAPTER II

LITERATURE REVIEW

A. Theoretical Basis

1. Maslow's Hierarchy of Needs Theory

One of the theoretical foundations used in this study is Maslow's Hierarchy of Needs Theory. The need theory was developed by Abraham Maslow in 1943 using the pyramid as a visual aid to visualize his ideas about hierarchy of needs theory. Someone will be motivated to be able to complete all of their life needs. Fulfilling life's needs is the main reason for an individual to have a career and some factors have roles in satisfying the needs so an individual can consider them in selecting a career that will be taken (Ramdani, 2013). All those needs have levels, from the lowest needs that are fundamental to the highest needs (self-actualization) (Robbins, 2017). Everyone has a hierarchy of five needs:

a. Physical Needs

Physical needs are the needs for clothes, foods, and house, which are basic human needs. If these needs are not fulfilled in a certain situation, it can cause person concerned to lose control because all human capabilities are concentrated only to fulfill those basic needs.

b. Safety and Security Needs

This needs are the needs related to work security guarantee, protection, regularity, and situation that can be predicted, free from fear and anxiety, and so on.

c. Social Needs

Social needs are the needs related to a sense of interaction with society, friendship, and love.

d. Self-esteem

The needs for self-esteem are the needs for a good acknowledgement of themselves or to feel like getting respect.

e. Self-actualization

The needs for self-actualization are the needs for encouragement to become what is desired by maximizing the potential that exists in them.

2. Expectancy Theory

The next theoretical foundation used in this study is Expectancy Theory. The expectation of a career and life necessities is the thing that influences a person's consideration in career selection (Ramdani, 2013). According to Robbins (2011), expectation will influence a person's attitude, and that attitude is formed from three components. The components are:

- 1) Cognitive component. It is a belief of information that is owned by someone who will influence one's attitude towards the profession to take.
- 2) Emotional component. It is an emotion that is owned by someone to like something.
- 3) Behavior component. It is an activity to act more specifically in responding to events and information from the outside so that someone will be motivated to run a high level of business if they believes that the effort will make them perform better.

3. Definition of Interest

In *Kamus Besar Bahasa Indonesia* (2008) the meaning of interest is the high tendency joy, attention, and towards something. Interest is an intrinsic motivation in which learning the power becomes a driving force for someone to carry out activities diligently and to tend to be calm, where the activity is a process of learning experiences that are carried out with full awareness and brings pleasure and joy.

Mahmud (2008) says that interest is interpreted as a condition that occurs and is also accompanied by feelings of pleasure that are related to their needs/desires. Interest is considered as an intermediary for motivational factors that have an impact on behavior. Interest does not just show up in a person. Interest arises from the influence of

several factors. The factors that influence interest, among others are (Widyastuti, 2004):

- a. Some things that attract attention to an object or an activity.
- b. The encouragement within a person.
- c. Interest that shows how much effort someone plans to do something.

4. Definition of Career

A career is the development and progress of someone's life, position or job. It is a job or profession. Someone will work happily if what is done is in accordance with his condition, abilities, and intentions. However, if someone does not work in accordance with their condition, their abilities and intentions, then it can be ascertained that the person will be less passionate in working, less happy and less diligent (Walgito, 2004).

A career can be interpreted as a series of attitudes or behaviors related to someone's experience throughout his work life. Levels in a particular job can be seen in various ways, as follows (Kunartinah, 2003):

- a. Position held by an individual in a position in a company within a certain period of time.
- b. In relation to mobility in an organization.

- c. The level of reliability of someone's life after reaching a certain age level marked by the appearance and lifestyle.

A career is a series of separate but related work activities, which provide continuity, tranquility and meaning in someone's life (Gomes, 2000). The career stages of a person consist of (Kunartinah, 2003):

- a. Career Selection Stage

This stage is called the exploratory stage which occurs at the age of 15-22 years or adolescence, when humans develop their vision and identity regarding the future or lifestyle, according to the selection of a person's department and education. However, there are also those who select certain majors because of recommendation from parents.

- b. Early Career Stages

At this stage, someone also reviews past and present experience while working in the company and tries to determine what is expected in the future. This stage occurs at the age of 22-38 years.

- c. Middle Career Stages

At this stage, a person moves in a period of stabilization where they are considered productive, becoming increasingly more responsible and implementing a more long-term birth plan.

d. Final Career Stage and Retirement.

This stage is the last one in the career stage. Someone starts to break away from the entanglements of their duties and prepares to retire. This stage is also useful for training successors, reducing workloads or delegating responsibilities to new or junior employees.

Then, there is the next phase, the withdrawal phase that occurs at the age of 62-70 years. In this phase, people begin to think about how to continue a career that has been built or a company that has been initiated and run. Someone starts thinking about who will replace him and regenerates leadership to his juniors to continue the previous work (Kunartinah, 2003).

5. Professional Training

Training is a process where people can obtain certain skills to be able to support the achievement of organizational goals. Professional training covers matters related to increasing expertise (Jackson, 2002). Professional training is important for a company. That is why several companies conduct training in advance for their employees. This aims to support them in doing their tasks because they need to follow the standards of professional that exist in the company. So, they can increase their potential and skills (Widiatami, 2013).

6. Prospect

Prospects are opportunities that occur because of someone's business in fulfilling their life needs as well as to get profit. Prospects are defined as career developments as a long-term career prospect that relates to employee development, which is how companies provide opportunities for progress and promotion for their employees (Chong *et al.*, 2013).

7. Personal Interest

Personal interest means the interests of the students in their chosen profession. Personal interest can be learned from parents, from friends, at school, and from life experience. In motivating people to do the right thing and do what they like, interest plays a very important role. How strong the interest and motivation are, they will encourage someone to do so wholeheartedly (Humayon, 2018).

8. Family Influence

Family influence process depends, in part, on children and parents development. It is, the relationship between two family members which is the developing one, with each member of the relationship affecting the other member over time (Schermerhorn, 2008). The influence of parents on career selections in students is a

big decision from parents to students. In this case, parents play important roles because they suppress their children's career selections in many ways, such as direct inheritance, apprenticeship, and role models. Parents want their children to have safe and luxurious careers. When parents want their children to succeed, they will also become depressed if their children select the wrong career. That is why parents do their best to find careers that will be right for their children (Humayon, 2018).

9. Accountant Profession

The accountant profession is a profession that has an important role in the business world. The accountant profession is a job that is not only related to fulfilling life needs, but also required quality standard professional ethics so that the integrity of the accountant profession is always maintained, and accountant should always maintain good relations with the environment (Harris, 2011). In the government regulation, Laws No.5/2011 stipulates that the profession is not only intended for the graduates of Accounting study programs, but also for the graduates from non Accounting study programs provided they can pass the certification exam.

10. Public Accountant

According to Laws No.5/2011, public accountant is profession that provides insurance services (audit services, review services, other insurance services) aiming to provide confidence for users of the results of evaluation or measurement of financial and non-financial information based on a criterion. Laws on public accountant say that one of the criteria that must be fulfilled to become a public accountant is to have a certificate of passing the exam as a legitimate public accountant, experienced in the practice of providing services, and becomes a member of the public Accounting profession association set by the minister.

The requirement to become a Public Accountant based on Laws No.5/2011 article 6 section 1 governing the public accounting profession is as follows:

- a. Having a certificate of passing the legal public Accounting profession examination
- b. Experiencing practice that provides insurance services
- c. Residing in the territory of the Unitary State of the Republic of Indonesia
- d. Having a Tax Registration Number
- e. Never being subjected to administrative sanctions in the form of revoking the license of a Public Accountant

- f. Never been convicted of having permanent legal force because of committing a crime that is should with imprisonment of 5 (five) years or more
- g. Becoming a member of the Professional Accountants Association established by the Minister, and
- h. Not being in amnesty.

11. Government Accountant

Government accountant is a professional accountant who works in government agencies whose main task is to examine financial accountability presented by organizational units addressed to the government. Generally, a government accountant is an accountant who works in the Financial and Distribution Supervisory Agency (BPKP) and the Supreme Audit Agency (BPK), and tax agencies (Sulistyawati, 2011).

12. Corporate Accountant

Corporate accountant is an accountant who works in companies, both private and government-owned companies whose main tasks are the preparing of accounting systems, compiling accounting reports for parties outside the company, preparing budgets and handling tax issues. A Corporate accountant is grouped

into two, namely management accountant and internal auditor (Hansen, 2016).

- a. Management Accounting is useful for producing specific information for internal users such as managers and employees who function to identify, to collect, to measure, to classify and to report information that is useful for internal users in making, planning, controlling, and making decisions.
- b. Internal auditor is an auditor who works for a company and carries out internal auditing activities. The main task of internal auditors is to help and to supervise the company's management. The internal auditor is under the auspices of the audit committee and has the highest position in the company's organizational structure, equivalent to the president director.

13. Educator Accountant

Educator accountant is an accountant who works in accounting education, namely teaching, compiling accounting education curriculum and conducting research in Accounting. Educator accountant has the main task, namely teaching. In carrying out this task, it is expected to be able to provide Accounting knowledge to the students. Besides, another task of educator accountant is to

conduct research. So, in addition to teaching, public accountant is also expected to be able to conduct research to develop accounting science (Soemarso, 2004).

B. Formulation of The Hypothesis

1. The Effect of Professional Training on Student Interest in Career Selection

The theory related to professional training is the Expectancy Theory. Professional training has a relationship with one of three components, which is behavior component. This behavior component means an activity in responding to incident and information from the outside so that someone will be motivated to run a high level of business if someone believes that the effort will deliver it to perform better. In this case, people will take part in professional training because they want to perform better by improving self-quality and self-potential.

In the relationship of professional training and the student interest in a career as an accountant, the researcher refers to the research conducted by Sulistiyawati (2011), revealing that professional training is one of the factors that influence Accounting students in selecting a profession. Likewise, Ari (2017) states that professional training has a positive effect on student interest in a career as a public accountant.

So, based on the references, it can be concluded that professional training is a motivation that can increase students' interest in selecting careers as accountants. It is because an expert accountant must get a formal education and adequate professional training in the technical scope. So, they will take part in professional training to improve self-quality and self-potential. Based on the descriptions, the researcher makes a hypothesis as follows:

H₁: The professional training has a positive effect on the interest of Accounting students career selection as an accountant.

2. The Effect of Prospect on Student Interest in Career Selection

The theory related to the prospect is the Maslow's Hierarchy of Needs Theory. The prospect has a relationship with the hierarchy of needs. In selecting a career, people will consider the prospects of the career they will take, whether or not the career can fulfill their needs as well as basic needs in the form of clothing, food, and shelter. Besides, some people also select careers by seeing the opportunities, such as promotion on their career. They will consider whether the selected career is quite prestigious or will improve their status.

In the relationship of the prospect and the student interest in a career as an accountant, the researcher refers to research conducted by Umar (2014), stating that there is significant relationship between

prospect and career selection in Accounting. Prospects of Accounting profession are the major factors influencing the selection of Accounting. Chong *et al.* (2013) also shows the result that prospect has a significant relationship to a career selection.

So, based on the references, it can be concluded that prospect is one of the factors that influence students interest in selecting career as accountant. This is because prospect is a long-term factor related to employee development, like how companies provide opportunities for employees progress and promotion. Based on the descriptions, the researcher makes a hypothesis as follows:

H₂: The prospect has a positive effect on the interest of Accounting students career selection as an accountant.

3. The Effect of Personal Interest on Student Interest in Career Selection

The theory related to personal interest is the Expectancy Theory. Personal interest has a relationship with one of three components, which is emotional component. This emotional component means it is an emotion that is owned by someone that like something. In this case, people select a career as an accountant because they like and are interested in the career.

In the relationship of personal interest and the student interest in a career as an accountant, the researcher refers to research conducted by Umar (2014), stating that there is a significant relationship between personal interest and career selection in Accounting. Personal interest of Accounting profession is a major factor influencing the selection of Accounting. Anojan (2013) states that personal factors are the greatest influential factors in comparison to their family, professional, market oriented factors, and factors related to university.

So, based on the references, it can be concluded that personal interest is one of the factors that influence students interest in selecting career as accountant. It is because when people select careers, based on their personal interest, will do their jobs better in the areas they are interested in. People who select careers based on their personal interest usually succeed, and they can get greater satisfaction and happiness when working in the field of their interest. Based on the descriptions, the researcher makes a hypothesis as follows:

H₃: The personal interest has a positive effect on the interest of Accounting students career selection as an accountant.

4. The Effect of Family Influence on Student Interest in Career Selection

The theory related to personal interest is the Expectancy Theory. Personal interest has a relationship with one of three components, which is cognitive component. This cognitive component means a belief of information that is owned by someone who will influence one's attitude towards the profession to undertake. According to Schermerhorn (2008), family influence processes depend, in part, on children and parents development with each member of the relationship affecting the other member over time. In this case, people select careers as accountants because of information and persuasion from nearby families, especially parents.

In the relationship of personal interest and the student interest in a career as an accountant, the researcher refers to research conducted by Umar (2014), stating that there is a significant relation between parental influence and career selection in Accounting. According to Hashim (2015), parents have a positive influence on career selection. Then, Sarafino (1997) explains that the effectiveness of support depends on individual judgment. Support will be effective if the support is judged strongly by the individual recipient.

So, based on the references, it can be concluded that family is one of the factors that influence students interest in selecting career as

accountant. It is because family influence is given by family members such as parents, and siblings in the form of views, opinions, advice, awards, information, and materials that cause an action or emotional effects that give the benefit to the individual and help these individuals in making decisions. Based on the descriptions, the researcher makes a hypothesis as follows:

H₄: The family influence has a positive effect on the interest of Accounting students career selection as an accountant.

C. Research Model

Dependent variable (Y) is a variable that is influenced or becomes a result because of other variables (independent variables). The dependent variable used in this study is the career selection of Accounting students. Career selections of Accounting students are career selections as accountants or non accountants, so that the dependent variable in this study will be a dichotomous variable.

The independent variable (X) is the variable that causes the change in the dependent variable (Y). Variables that cause or influence are measured factors, selected by the researcher to determine the observed or observed phenomena. The independent variables in this study include: professional training, prospects, Personal Interest, and family influence. The following is a framework that describes the relationship among research variables:

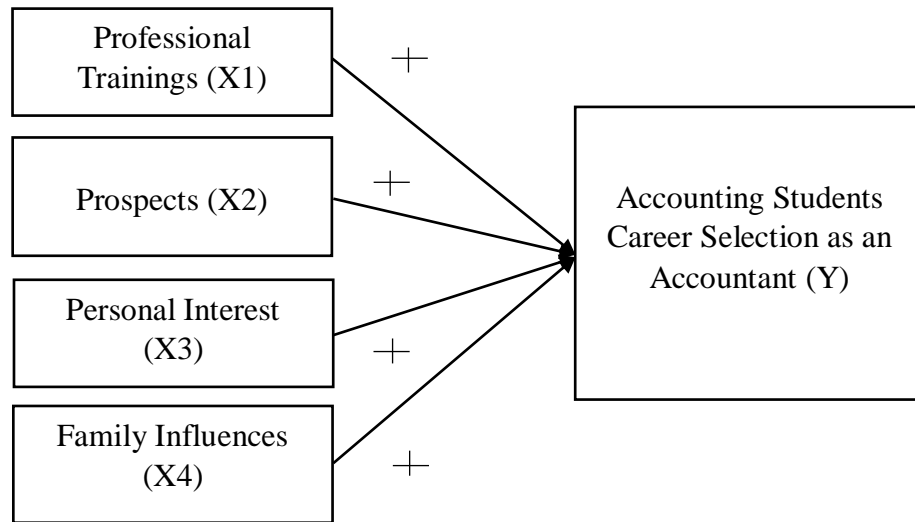


Figure 2: Research Model