

Beyond the Paycheck: How Financial Reward and Work Environment Shape Accounting Students' Career Choice as Public Accountants

Rendra Angriawan, Erry Andhaniwati*

Accounting Department, Faculty of Economics and Business, Universitas Pembangunan Nasional Veteran Jawa Timur, Jl. Raya Rungkut Madya 1, Surabaya, 60294, Indonesia.

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ABSTRACT

Purpose: This study aims to examine and empirically test the effect of financial reward on accounting students' career choice with respect to the public accounting profession, and to determine whether a work environment moderates that relationship or instead operates as its own, independent predictor of career choice.

Method: A quantitative explanatory design was applied. Using a purposive sampling technique, 159 active accounting students at a public university in Surabaya, Indonesia, who had completed introductory auditing coursework, were surveyed with a structured seven-point Likert questionnaire covering financial reward, work environment, and career choice. The hypothesized relationships were tested with a three step hierarchical moderated regression analysis, using mean-centered predictors for the interaction term, after item validity, reliability, normality, and classical assumption tests.

Findings: All fifteen questionnaire items were valid and the three research instruments were highly reliable, the regression residuals were normally distributed, and the final model showed no problematic multicollinearity or heteroscedasticity. Financial reward had a significant, positive effect on career choice, confirming Hypothesis H1. The interaction between financial reward and work environment was not statistically significant, so Hypothesis H2 was not supported; applying the Sharma, Durand, and Gur-Arie typology of moderator variables reclassified work environment as an independent predictor variable of career choice rather than a moderator, since it carried its own significant, positive direct effect on career choice while remaining essentially uncorrelated with financial reward.

Implications: Public accounting firms and accounting educators should treat financial reward communication and work environment communication as two separate, additive value propositions rather than assuming that strengthening one will automatically make the other more persuasive to prospective entrants, since both levers were independently and significantly associated with stronger career choice outcomes in this sample.

Originality: The originality of this study lies in formally testing, rather than assuming, the statistical role of work environment in the financial reward to career choice relationship among Indonesian accounting students, applying a mean centered hierarchical moderated regression design together with an established moderator typology, and updating the theoretical discussion with recent Scopus and Web of Science indexed evidence on total rewards, work environment, and career decision making.

Keywords: Financial Reward, Work Environment, Career Choice, Public Accountant, Moderated Regression Analysis.

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Correspondence:

*Erry Andhaniwati

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1. INTRODUCTION

Choosing a career path is one of the most consequential decisions an accounting student makes before graduation, because that choice shapes years of subsequent professional training, income, and daily working life. Among the many career paths open to an accounting graduate, becoming a public accountant remains one of the most visible and most discussed options in Indonesian accounting



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education, since the public accounting profession carries a distinct professional license, a demanding early career workload, and a compensation structure that differs noticeably from careers in corporate accounting or the public sector. Understanding why some accounting students lean toward this profession while others do not is therefore not only an academic question but also a practical one for accounting faculties, professional accounting bodies, and public accounting firms that compete for a limited pool of qualified new entrants (Frecka et al., 2022; Jackson et al., 2023).

Two conditions are repeatedly discussed in this literature as plausible drivers of that career decision. The first is financial reward, understood as the salary, bonus, and other monetary compensation a student expects to receive upon entering a given profession. Because financial reward is one of the most visible and most easily compared attributes across career alternatives, it is often treated as a primary input into a student's career calculation, particularly in a profession such as public accounting where starting compensation, the pace of salary growth, and the reputation of large audit firms are widely discussed among accounting students themselves (Fulmer & Li, 2022). The second condition is the work environment a student expects to encounter, covering the physical workspace, the relationships among colleagues, and the broader organizational climate of the profession, all of which have been shown in recent organizational research to shape how attractive a given line of work appears to a prospective entrant, independent of what that work pays (Kazlauskaite et al., 2022; Oyedele et al., 2025).

A further question that has received comparatively less empirical attention is whether these two conditions operate independently of one another or whether the work environment changes how strongly financial reward pulls a student toward a given career, that is, whether work environment acts as a moderating condition rather than merely as a second, parallel driver. This distinction matters practically because the two possibilities imply different responses from public accounting firms and from accounting educators: if work environment truly moderates the financial reward relationship, then improving the perceived work environment of the profession would make its financial reward more persuasive to prospective entrants, whereas if work environment operates as an independent driver, then firms and educators would need to address financial reward and work environment as two separate, additive levers rather than treating one as an amplifier of the other. Some recent studies conducted among Indonesian accounting students have modeled financial reward as a moderating variable in a related career interest equation (Suyanto et al., 2024; Zaikin et al., 2024), while others have modeled work environment or job market considerations as a parallel, direct predictor of career interest alongside financial reward (Gloria et al., 2025; Novayoka & Rahayu, 2024), which together suggest that the empirical literature has not yet converged on a single, settled role for work environment in this specific career decision.

Career choice itself has long been treated in the psychological literature as a planned, reasoned behavior rather than a purely impulsive one, in which a person's attitude toward the behavior, the person's perception of what significant others expect, and the person's perceived ability to actually carry out the behavior jointly shape the resulting intention and eventual action (Ajzen, 1991). Applied to career choice, this view implies that a student's attitude toward the financial reward a profession offers, and the student's read of what a typical working day and working environment inside that profession will feel like, combine to shape the student's eventual career intention, which is consistent with treating financial reward and work environment as joint, and possibly interacting, inputs into the same underlying decision rather than as unrelated background facts. Complementary evidence from person environment fit theory adds that a person's satisfaction with, and attraction toward, a given occupational setting depends on the match between what the person wants from work and what the surrounding work environment is perceived to supply, which again points toward work environment as a condition that could plausibly interact with other career relevant attributes such as financial reward rather than sitting apart from them entirely (Van Vianen, 2018).

Contemporary evidence on how younger cohorts of students and early career professionals evaluate job opportunities reinforces the relevance of this question today. Career choice research among Generation Z students, who make up the great majority of current accounting undergraduates, continues to document that both compensation related attributes and workplace climate attributes rank among the most frequently cited considerations when this cohort compares career options (Pham et al., 2024; Rani & Suneja, 2025), while broader research on career choice factors among commerce and management students similarly finds that financial and non-financial job attributes are evaluated together rather than in isolation when a student settles on a preferred career path (Panakaje et al., 2024; Mohebi & David, 2024). Within the specific Indonesian accounting education context, related evidence gathered from accounting students at a private university in Surabaya has previously shown

that job market considerations, together with several other perceptual factors, shape how strongly students lean toward particular accounting career paths (Andayani et al., 2019), which is consistent with the more recent Indonesian findings that motivated the present study.

Building on this background, the present study investigates whether financial reward influences accounting students' career choice with respect to the public accounting profession, and, more specifically, whether the work environment students associate with that profession moderates the strength of the financial reward to career choice relationship or instead functions as its own, separate predictor of career choice. The study contributes to the literature in three ways. First, it applies a formal, statistically tested moderated regression design, rather than a simple set of parallel predictors, to a career choices question that has mostly been examined with additive models in the Indonesian accounting literature. Second, it uses the well-established typology of moderator variables to classify, rather than merely assume, the actual statistical role that work environment plays in this relationship, a step that is frequently skipped in comparable published studies (Sharma et al., 1981). Third, it anchors its discussion in current, predominantly Scopus and Web of Science indexed evidence on compensation, physical and psychological work environment, and career decision making, connecting a locally grounded accounting education question to the wider international literature on total rewards and career choice.

2. LITERATURE REVIEW

2.1. Financial Reward and Career Choice

Financial reward refers to the monetary compensation, including salary, bonuses, incentives, and other direct pay-related benefits, that an individual expects to receive in exchange for performing a given job. Within the broader human resource management literature, financial reward is one component of a wider total rewards package that also includes benefits, career development opportunities, and the work experience itself, yet, financial reward continues to occupy a distinct and highly visible place in that package because it is the component most easily compared across employers and across professions, and because it remains strongly tied to how prospective employees judge the overall attractiveness of a career path before they have any first hand experience of the work itself (Fulmer & Li, 2022).

For accounting students specifically, financial reward carries particular weight because the profession offers several distinct paths, most visibly public accounting, corporate or management accounting, and government or public sector accounting, that are widely understood among students to differ in starting salary, the pace of compensation growth, and the additional income tied to professional certification. Recent evidence from the United States shows that the specific career path an accounting graduate enters, together with whether the graduate pursues the certified public accountant credential, is one of the strongest observable predictors of the graduate's compensation trajectory over the following years, a pattern that is widely discussed among accounting students well before graduation and that shapes how each career path is perceived even at the point of initial choice (Frecka et al., 2022). Within Indonesia specifically, financial reward has repeatedly been found to raise accounting students' interest in becoming a public accountant, whether tested as a direct predictor alongside job market considerations and professional training (Novayoka & Rahayu, 2024; Gloria et al., 2025) or tested as a moderating variable that strengthens the relationship between other antecedents, such as accounting knowledge, and career interest in the public accounting field (Suyanto et al., 2024; Zaikin et al., 2024).

From a theoretical standpoint, this pattern is consistent with treating career choice as a planned behavior in which a favorable attitude toward an expected outcome, here a higher financial reward, raises the intention to pursue the course of action that is believed to lead to that outcome (Ajzen, 1991). It is also consistent with the broader career literature on early career accountants, which finds that career values related to remuneration and career progression remain central to how young accountants evaluate their satisfaction with the career path they eventually choose, even after they have gained direct working experience inside that path (Jackson et al., 2023). Taken together, this body of evidence supports treating financial reward as a direct, positive predictor of accounting students' career choice with respect to the public accounting profession in the present study.

2.2. Work Environment as a Career Relevant Condition

Work environment refers to the physical setting in which work is performed together with the psychological and social climate that surrounds that setting, including the quality of relationships among

colleagues, the degree of autonomy and support a worker experiences, and the overall comfort and safety of the physical workspace itself. A recent integrative review of the physical work environment literature emphasizes that physical workspace features shape employee attitudes and behavior through several distinct mechanisms, including the direct sensory experience of the space, the symbolic messages a workspace communicates about organizational values, and the way a workspace enables or constrains interaction among colleagues, and the review further notes that these mechanisms operate not only on current employees but also on how outsiders, including prospective employees, form an impression of what working inside a given organization or profession would be like (Oyedeji et al., 2025). A parallel review focused specifically on office environments similarly concludes that the physical work environment has a demonstrable, non trivial association with employee wellbeing outcomes, and that this association has become more, rather than less, salient in current research as work arrangements continue to evolve (Kazlauskaite et al., 2022).

Because prospective entrants to a profession, including accounting students who have not yet worked inside a public accounting firm, must form their expectations about that profession's work environment indirectly, through internships, the experiences shared by seniors and alumni, and the broader professional reputation of the field, the work environment construct examined in career choice research is best understood as a perceived or anticipated work environment rather than a directly experienced one at the moment the career decision is made. Evidence on internship experience supports the relevance of this anticipatory mechanism, showing that structured exposure to a profession's actual working conditions measurably shapes how students subsequently evaluate their fit with, and attraction toward, that profession (Pianda et al., 2024). Employer attractiveness research adds a further layer by showing that the signals an organization or a profession sends about its internal work climate are read by prospective entrants alongside more tangible signals such as pay, and that inconsistent or mixed signals about the work environment can weaken the overall attractiveness of an employer or a profession even when its financial offer remains constant (Pernkopf et al., 2021).

Whether this anticipated work environment operates as an independent driver of career choice, as a condition that changes how strongly financial reward matters, or as both at once, is an empirical question that the present study addresses directly rather than assumes. Person environment fit theory offers a reason to expect an interaction, since it holds that attraction to an occupational setting depends jointly on multiple matching conditions rather than on any single attribute considered in isolation, which would predict that the pull of financial reward on career choice should depend on the surrounding work environment a student anticipates (Van Vianen, 2018). At the same time, the human resource literature on total rewards treats compensation and work environment as two conceptually distinct components of the overall employment offer, which leaves open the possibility that each simply adds its own separate influence on career choice without one changing the strength of the other (Fulmer & Li, 2022).

2.3. Career Choice and Contemporary Student Decision Making

Career choice can be defined as the outcome of a decision process in which an individual evaluates the perceived costs and benefits of the career alternatives available and selects the alternative judged most consistent with the individual's needs, values, and expectations. Person environment fit theory frames this evaluation as a search for congruence between what a person wants from work and what a given occupational environment is perceived to offer, and it predicts that stronger perceived congruence translates into a stronger preference for that occupational path (Van Vianen, 2018). The theory of planned behavior complements this account by specifying the more immediate psychological antecedents of the choice itself, namely the attitude a person holds toward the behavior, the subjective norm surrounding it, and the person's perceived behavioral control over carrying it out, all of which combine to shape the resulting intention (Ajzen, 1991).

Recent evidence on how today's students actually approach this evaluation supports treating the decision as multi-attribute rather than driven by a single dominant factor. A large scale bibliometric analysis of Generation Z career research concludes that this cohort weighs compensation, workplace flexibility, organizational culture, and long term development opportunity together rather than prioritizing any single attribute in isolation (Pham et al., 2024), and complementary evidence from a technology oriented workplace context finds that Generation Z respondents rate a supportive and modern work environment as being at least as influential as pay when evaluating employer attractiveness (Rani & Suneja, 2025). Among commerce and management students specifically, a broad set of financial and non financial factors, including expected compensation, family influence, and perceived work conditions, have all been shown to shape career choice simultaneously (Panakaje et al., 2024), and evidence from undergraduate students in the United Arab Emirates similarly finds that career choice is

shaped by an overlapping mix of personal interest, expected reward, and social and family expectations rather than by compensation alone (Mohebi & David, 2024).

Within accounting education specifically, career choice has been studied for several decades because the profession offers several observably different paths whose relative attractiveness shifts as compensation structures, regulatory requirements, and the reputation of the profession evolve over time. A cross country study of Indonesian accounting students identifies job market considerations, financial reward, and social values as recurring, robust predictors of the specific accounting career path a student says they intend to pursue, a pattern that has proven stable across several waves of Indonesian data collection (Cheisviyanny et al., 2022). Longitudinal evidence following early career accountants after they have entered the profession further shows that career values related to remuneration, together with the perceived quality of the working environment encountered on the job, continue to shape career satisfaction and subsequent career decisions well beyond the point of initial entry, which suggests that the same two considerations examined in this study, financial reward and work environment, remain consequential for accountants at multiple career stages rather than only at the point of first choice (Jackson et al., 2023).

2.4. The Public Accounting Career Path

Among the career paths open to an accounting graduate, the public accounting profession occupies a distinctive position because entry typically requires additional professional certification, early career work is often organized around demanding audit engagement cycles, and compensation, particularly at large audit firms, is structured around a steep early career trajectory rather than a flat entry level wage. Because of these distinctive features, accounting students' interest in this specific path has attracted sustained attention in the Indonesian accounting education literature, and financial reward has consistently emerged as one of its most frequently confirmed predictors (Novayoka & Rahayu, 2024; Suyanto et al., 2024; Gloria et al., 2025; Zaikin et al., 2024). Evidence gathered previously among accounting students in Surabaya, the same city in which the present study is set, likewise found that job market considerations and related perceptual factors meaningfully shaped students' orientation toward different accounting career paths, providing local, prior evidence that the underlying decision process examined in this study is relevant to the accounting student population from which the present sample is drawn (Andayani et al., 2019).

Because the public accounting profession's compensation structure and its early career working conditions are both widely discussed among accounting students, often well before any of them have directly experienced the profession, this path offers a particularly appropriate setting in which to test whether financial reward and anticipated work environment operate as separate, additive drivers of career choice or whether the anticipated work environment changes how strongly financial reward pulls a student toward this specific profession.

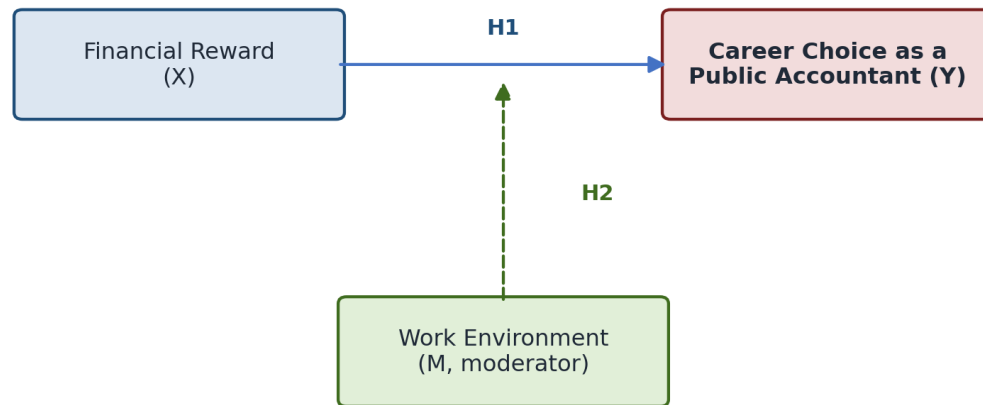
2.5. Hypothesis Development and Research Framework

Drawing on the background of the problem, the theoretical foundations reviewed above, and the conceptual framework of this study, financial reward is expected to positively influence accounting students' career choice with respect to the public accounting profession, and work environment is examined as a candidate moderating condition on that relationship rather than assumed in advance to be either a moderator or a simple parallel predictor. These expectations are formalized in the following two hypotheses.

H1: Financial reward has a significant effect on accounting students' career choice as a public accountant.

H2: Work environment moderates the effect of financial reward on accounting students' career choice as a public accountant.

The conceptual relationship among the three variables examined in this study is depicted in Figure 1, which positions financial reward as the independent variable acting on career choice as the dependent variable, with work environment tested as a moderating variable on that relationship.



Method: Hierarchical Moderated Regression Analysis (MRA)

Figure 1. Conceptual Framework

3. RESEARCH METHOD

3.1. Research Design

This study used a quantitative explanatory design intended to test the effect of financial reward on career choice and to test whether that effect is moderated by work environment, using primary survey data and hierarchical moderated regression analysis. The dependent variable was career choice, defined as an accounting student's evaluated preference for pursuing a career as a public accountant, and measured through the student's own perception across five statements covering interest, intention, and perceived suitability of that career path. The independent variable was financial reward, defined as the salary, bonus, and other monetary compensation a student expects to receive upon entering the public accounting profession, and measured through five statements covering expected starting salary, income growth potential, and the perceived competitiveness of public accounting compensation relative to other accounting career paths. The moderating variable was work environment, defined as the physical workspace and the social and organizational climate a student anticipates encountering inside the public accounting profession, and measured through five statements covering workplace comfort, relationships with colleagues and supervisors, and the overall organizational climate of public accounting firms. All three constructs were measured on a seven point Likert scale, ranging from strongly disagree at one end to strongly agree at the other end, following a measurement approach consistent with recent Indonesian accounting career choice research using the same three constructs (Suyanto et al., 2024; Zaikin et al., 2024).

3.2. Population and Sample

The population of this study consisted of active undergraduate accounting students at Universitas Pembangunan Nasional "Veteran" Jawa Timur in Surabaya, Indonesia, who had already completed introductory auditing coursework and were therefore in a position to form a reasoned expectation about the public accounting profession's compensation and work environment. A purposive sampling technique was used, in which respondents were required to be active accounting students who had completed the relevant coursework and who were willing to complete the full research questionnaire, consistent with recommended practice for a population and sampling design in which every member of the underlying population cannot feasibly be reached but a well-defined, relevant subset can be identified and sampled directly (Hossan et al., 2023). Applying this technique produced a final sample of 159 respondents, each of whom completed a structured questionnaire measuring financial reward, work environment, and career choice using the seven-point Likert items described above.

This study adhered to established ethical principles for social science research. Prior to participation, respondents were provided with information regarding the objectives of the study and their rights as participants. Informed consent was obtained electronically before respondents proceeded with the questionnaire. Participation was voluntary, and respondents could discontinue their participation at any stage. To protect privacy and confidentiality, no personally identifiable information was collected,

and all data were analyzed in aggregate form. The collected data were stored securely and used exclusively for scholarly purposes.

3.3. Data Analysis

Before hypothesis testing, each questionnaire item was screened for validity using the corrected item total correlation approach, in which each item's score is correlated with the summed score of the remaining items belonging to the same construct; an item is retained when its corrected item total correlation exceeds 0.30 and would be dropped when it does not, a threshold consistent with widely used guidance for construct validation of multi item survey scales built on the Pearson product moment correlation (Hidayati et al., 2023). Reliability was then assessed for each construct using Cronbach's alpha, with a value above 0.60 taken as evidence that the retained items measured their intended construct consistently, following the widely cited interpretive guidance for this coefficient (Tavakol & Dennick, 2011).

Because the subsequent analysis relied on parametric statistics, the normality of the regression residuals was checked with the Kolmogorov Smirnov test, with a significance value above 0.05 taken as evidence that the residuals followed a normal distribution. The hypothesized relationships were then tested using a three step hierarchical moderated regression analysis. In the first step, career choice was regressed on financial reward alone. In the second step, work environment was added as a second predictor. In the third step, an interaction term, formed by multiplying financial reward and work environment, was added to test the moderation hypothesis directly; following established guidance on avoiding artificial collinearity between an interaction term and its own component variables, financial reward and work environment were mean centered before the interaction term was constructed, since mean centering removes the specific source of collinearity that arises mechanically from multiplying two raw, uncentered variables together without altering the substantive interaction effect being tested (Iacobucci et al., 2016). Multicollinearity in the resulting model was assessed using the variance inflation factor for each predictor, with a value below 10 taken as evidence that the predictors were not excessively correlated with one another, following established guidance for diagnosing multiple linear regression models (Mardiatmoko, 2024). Heteroscedasticity was assessed using the Glejser test, in which the absolute value of the regression residuals is regressed on the same predictors, with a significance value above 0.05 for every predictor taken as evidence that the variance of the residuals was constant across observations.

The significance of the interaction term obtained in the third step was the direct test of Hypothesis H2. Following this test, the typology of moderator variables proposed by Sharma, Durand, and Gur-Arie was applied to classify the precise role played by work environment, based jointly on whether work environment interacts significantly with financial reward and whether work environment is itself significantly related to financial reward and to career choice as an independent variable (Sharma et al., 1981). Under this typology, a variable that interacts significantly with the predictor of interest is classified as a moderator, either a pure moderator if it carries no significant independent relationship with the predictor or the outcome, or a quasi moderator if it also carries such a relationship, while a variable that does not interact significantly with the predictor but is nonetheless significantly related to the outcome on its own is classified instead as an independent predictor variable rather than as a moderator. This classification step ensures that the conclusion drawn about work environment's role in this study rests on a formal statistical test rather than on the assumption, common in prior applied studies, that any variable proposed as a moderator must in fact be operating as one.

4. RESULTS AND DISCUSSION

4.1. Results

Descriptive statistics for the three summed constructs are presented in Table 1. Because each construct was measured with five items on a seven-point scale, the theoretical range of each summed score is 5 to 35. The observed mean for financial reward was 27.78 out of 35, for work environment was 27.87 out of 35, and for career choice was 27.65 out of 35, indicating that respondents, on average, agreed rather strongly with the statements describing all three constructs.

Table 1. Descriptive Statistics (N = 159)

Variable	Theoretical Range	Observed Range	Mean	Standard Deviation
Financial Reward (X)	5 to 35	20 to 35	27.78	3.39
Work Environment (M)	5 to 35	19 to 35	27.87	2.91
Career Choice (Y)	5 to 35	20 to 35	27.65	3.02

Source: Primary data processed, 2026.

Validity testing of the five items measuring each construct returned corrected item total correlations well above the 0.30 threshold for every single item, so all fifteen items across the three constructs were retained without modification, as summarized in Table 2.

Table 2. Summary of Item Validity Test Results

Variable	Items Tested	Range of Corrected Item Total Correlation	Critical Value	Remark
Financial Reward (X)	5 of 5 retained	0.678 to 0.794	0.30	All valid
Work Environment (M)	5 of 5 retained	0.503 to 0.752	0.30	All valid
Career Choice (Y)	5 of 5 retained	0.490 to 0.707	0.30	All valid

Source: Primary data processed, 2026.

Reliability testing produced Cronbach's alpha values of 0.900 for financial reward, 0.849 for work environment, and 0.810 for career choice, as shown in Table 3. Because every value exceeded the 0.60 threshold by a wide margin, all three research instruments were confirmed to be highly reliable.

Table 3. Reliability Test Results

Variable	Number of Items	Cronbach's Alpha	Remark
Financial Reward (X)	5	0.900	Reliable
Work Environment (M)	5	0.849	Reliable
Career Choice (Y)	5	0.810	Reliable

Source: Primary data processed, 2026.

The Kolmogorov-Smirnov normality test, applied to the standardized residuals of the final regression model, produced a test statistic of 0.034 with a significance value of 0.990, as shown in Table 4. Because this value greatly exceeds 0.05, the residuals were confirmed to follow a normal distribution, satisfying the main precondition for the parametric regression analysis that followed.

Table 4. Normality Test Results (Standardized Residuals of the Final Model)

Statistic	Value
Kolmogorov-Smirnov statistic	0.034
Significance level	0.990

Source: Primary data processed, 2026.

Before testing the moderation hypothesis, the bivariate correlation between financial reward and work environment was examined directly, since this correlation is a required input for correctly classifying the eventual role of work environment under the moderator typology applied in this study. As shown in Table 5, financial reward and work environment were essentially uncorrelated, while both financial reward and work environment were individually, significantly correlated with career choice.

Table 5. Bivariate Correlations Among the Three Constructs

Variable Pair	Pearson Correlation (r)	Significance
Financial Reward and Work Environment	0.003	0.972
Financial Reward and Career Choice	0.204	0.010
Work Environment and Career Choice	0.157	0.049

Source: Primary data processed, 2026.

Table 6 presents the three-step hierarchical moderated regression results. In Step 1, financial reward alone explained 4.2 percent of the variance in career choice, and its coefficient was positive and significant. In Step 2, adding work environment raised the explained variance to 6.6 percent, and both financial reward and work environment carried significant, positive coefficients. In Step 3, the mean

centered interaction term between financial reward and work environment was added, raising the explained variance further to 7.7 percent; financial reward and work environment both remained significant, but the interaction term itself was not statistically significant.

Table 6. Hierarchical Moderated Regression Analysis Results

Step and Predictor	Unstandardized Coefficient (B)	t statistic	Significance
Step 1: Constant	22.593	11.600	0.000
Step 1: Financial Reward (X)	0.182	2.614	0.010
Step 2: Constant	18.089	6.130	0.000
Step 2: Financial Reward (X)	0.182	2.634	0.009
Step 2: Work Environment (M)	0.162	2.017	0.045
Step 3: Constant	27.649	118.972	0.000
Step 3: Financial Reward, centered (Xc)	0.188	2.722	0.007
Step 3: Work Environment, centered (Mc)	0.173	2.151	0.033
Step 3: Interaction (Xc times Mc)	-0.034	-1.363	0.175

Source: Primary data processed, 2026.

Table 7 summarizes the overall fit statistics for each of the three steps. The F-statistic was significant at every step, and the increase in R-square from Step 2 to Step 3, associated with adding the interaction term, was not statistically significant, with an F-change of 1.857 and a significance value of 0.175, matching the significance of the interaction term's own t-test in Table 6, as expected for a single added predictor.

Table 7. Model Fit and R Square Change Across the Three Regression Steps

Model	R Square	Adjusted R Square	F	Significance of F	R Square Change (from previous step)	F Change	Significance of F Change
Step 1 (X only)	0.042	0.036	6.835	0.010	-	-	-
Step 2 (X and M)	0.066	0.054	5.518	0.005	0.024	3.996	0.047
Step 3 (X, M, and X times M)	0.077	0.059	4.318	0.006	0.011	1.857	0.175

Source: Primary data processed, 2026.

Table 8 reports the classical assumption test results for the final, Step 3 model. All three predictors produced a variance inflation factor close to 1.0, well below the threshold of 10, confirming that mean centering successfully removed the mechanical multicollinearity that raw, uncentered interaction terms typically introduce. The Glejser test produced significance values above 0.05 for every predictor, confirming that heteroscedasticity was not present in the final model.

Table 8. Classical Assumption Test Results (Final Model)

Predictor	Variance Inflation Factor (VIF)	Glejser Test Significance
Financial Reward, centered (Xc)	1.004	0.592
Work Environment, centered (Mc)	1.011	0.488
Interaction (Xc times Mc)	1.015	0.583

Source: Primary data processed, 2026.

Applying the Sharma, Durand, and Gur-Arie typology to these results, work environment does not qualify as a moderator of any kind, because its interaction term with financial reward was not statistically significant. At the same time, work environment is not a variable that can be discarded from the model altogether, because it carries its own significant, positive, direct relationship with career choice, and it is essentially uncorrelated with financial reward itself. Under the typology, this specific combination, a nonsignificant interaction paired with a significant independent relationship to the outcome, identifies work environment as an independent predictor variable of career choice, operating in parallel with financial reward rather than altering the strength of the financial reward to career choice relationship (Sharma et al., 1981).

4.2. Discussion

The Step 1 result confirms Hypothesis H1: financial reward has a significant, positive effect on accounting students' career choice with respect to the public accounting profession, and this effect remains significant and of a similar magnitude across all three regression steps regardless of whether

work environment or the interaction term is included in the model. This finding is consistent with the broader Indonesian evidence that financial reward is one of the most robust predictors of accounting students' interest in the public accounting profession (Novayoka & Rahayu, 2024; Gloria et al., 2025; Suyanto et al., 2024; Zaikin et al., 2024), and it aligns with the observation from United States accounting labor market data that the specific career path and certification decisions accounting graduates make have a demonstrable, lasting association with their subsequent compensation trajectory, a pattern that gives prospective public accountants a concrete, observable basis for the financial expectations examined in this study (Frecka et al., 2022). The result is also consistent with treating career choice as a planned behavior in which a favorable attitude toward an expected outcome, here higher financial reward, strengthens the intention to pursue the course of action believed to produce that outcome (Ajzen, 1991).

The Step 3 result leads to the rejection of Hypothesis H2 in its originally proposed form: work environment does not moderate the effect of financial reward on career choice, since the interaction term between the two variables was not statistically significant, and the increase in explained variance associated with adding that interaction term was itself not statistically significant. This result should not, however, be read as evidence that work environment is irrelevant to accounting students' career choice. On the contrary, work environment carried a significant, positive direct effect on career choice in both Step 2 and Step 3, of a magnitude not far below that of financial reward itself, and the Sharma, Durand, and Gur-Arie typology formally classifies work environment, given this pattern of results, as an independent predictor variable of career choice rather than as a moderator of any kind (Sharma et al., 1981). In practical terms, this means that a student's expectation about the working environment of the public accounting profession adds its own, separate pull toward or away from that profession, rather than changing how strongly financial reward pulls the same student toward or away from it.

This pattern helps reconcile the two strands of prior literature that had modeled the relationship differently. Studies that found financial reward to function successfully as a moderator of other predictors, such as accounting knowledge or professional training, were testing a different pair of variables than the pair examined here (Suyanto et al., 2024; Zaikin et al., 2024), so their findings do not directly contradict the present result; rather, taken together with studies that treat job market considerations and financial rewards as parallel, additive predictors of public accounting career interest (Gloria et al., 2025; Novayoka & Rahayu, 2024), the present finding suggests that whether a given career relevant variable behaves as a moderator or as an independent predictor is specific to the particular pair of variables being tested, and should therefore be verified statistically in each new study rather than assumed from the way a conceptually similar variable behaved in a different model. This is precisely the caution that a formal moderator typology is designed to enforce (Sharma et al., 1981).

The independent, significant role of work environment is also consistent with the broader organizational behavior literature on physical and psychological work environments, which finds that workspace features and organizational climate shape employee and prospective employee attitudes through several distinct mechanisms that operate largely independently of compensation (Oyedele et al., 2025; Kazlauskaitė et al., 2022). A comprehensive study of doctoral students' academic career intentions likewise finds that environmental conditions and a student's own cognition combine to shape career related behavior through pathways that run alongside, rather than through, purely financial considerations, which supports treating an anticipated environment as a standalone behavioral input in a career decision rather than as a component that only matters through its interaction with compensation (Li & Jiang, 2025). It is further consistent with contemporary evidence on how Generation Z evaluates career opportunities, which consistently finds that this cohort weighs workplace climate and compensation as separate, co-equal considerations rather than treating one as secondary to the other (Pham et al., 2024; Rani & Suneja, 2025), and with evidence on commerce and management students more broadly, which likewise finds multiple financial and non financial attributes operating together, rather than through a small number of interacting super attributes, when students settle on a preferred career path (Panakaje et al., 2024; Mohebi & David, 2024). The internship literature offers a plausible account of how students form this independent work environment expectation in the first place, since structured exposure to a profession's actual working conditions has been shown to measurably shape how students evaluate their fit with that profession even before they formally enter it (Pianda et al., 2024), while employer attractiveness research adds that firms and professions that send clear, consistent signals about their internal work climate are read more favorably by prospective entrants than those that send mixed signals, independent of the financial offer being made (Pernkopf et al., 2021).

From the standpoint of person environment fit theory, this outcome suggests that accounting students in this sample are evaluating the financial and environmental dimensions of the public accounting profession as two separate points of fit, a financial fit and a workplace climate fit, rather than as a single combined judgment in which a strong environmental fit compensates for, or amplifies, a weak or strong financial fit (Van Vianen, 2018). Practically, this implies that public accounting firms and accounting educators seeking to raise students' interest in the profession should treat financial reward communication and work environment communication as two separate messaging tasks rather than assuming that improving one will automatically make the other more persuasive. It also implies that a firm with an already attractive compensation package cannot assume that students will overlook a weak or poorly communicated work environment, and, conversely, that a firm investing heavily in a positive workplace culture cannot assume that this investment will make its compensation package more persuasive than it already is on its own merits.

5. CONCLUSION

This study examined whether financial reward influences accounting students' career choice with respect to the public accounting profession, and whether work environment moderates that relationship or instead functions as its own independent predictor. Using survey data from 159 active accounting students, validated and highly reliable measurement instruments, normally distributed regression residuals, and a three-step hierarchical moderated regression analysis free of problematic multicollinearity and heteroscedasticity, the study confirms that financial reward has a significant, positive effect on career choice. The study does not find support for Hypothesis H2 in its originally proposed form, since the interaction between financial reward and work environment was not statistically significant. Applying the Sharma, Durand, and Gur-Arie typology of moderator variables to this result formally reclassifies work environment as an independent predictor variable of career choice, since work environment carries its own significant, positive direct effect on career choice while remaining essentially uncorrelated with financial reward itself. The three variables examined together explain a modest but statistically significant on career choice, leaving the majority of that variance to be explained by factors outside the scope of this study.

5.1. Implications

For public accounting firms and professional accounting bodies, the priority implication is that financial reward and work environment should be communicated to prospective entrants as two separate, additive value propositions rather than as a single bundled message, since improving one was not found to make the other more persuasive in this sample. Firms seeking to raise their appeal to accounting students should therefore continue to invest in transparent, credible compensation communication while separately investing in a visibly positive workplace culture, since both levers were independently and significantly associated with stronger career choice outcomes. For accounting educators, the results suggest that career guidance activities, including internships and alumni engagement, should give explicit attention to both the financial and the environmental dimensions of the public accounting profession, since students appear to evaluate these dimensions as separate inputs into their eventual career decision. For the academic literature, the study demonstrates the practical value of formally testing, rather than assuming, whether a proposed moderating variable actually behaves as a moderator, since doing so can meaningfully change the theoretical and practical conclusions drawn from an otherwise standard career choice model.

5.2. Limitations

This study has several limitations that should be considered when interpreting its findings. First, the sample was drawn from accounting students at a single Indonesian university using a purposive sampling technique, so the specific numerical results reported here should be extended to other universities, regions, or student populations with appropriate caution, even though the broader qualitative pattern is consistent with a wide range of other settings reviewed in this study. Second, because the study measured students' anticipated work environment and anticipated financial reward rather than the environment and reward these students eventually experience after entering the profession, the results describe a pre entry expectation rather than a post entry evaluation, and future research could usefully compare these anticipated evaluations against the experiences of accounting graduates who have already entered the public accounting profession. Third, financial reward, work

environment, and career choice together explained only 7.7 percent of the variance in career choice, indicating that other relevant factors, such as family influence, professional certification requirements, perceived job market demand, and personal values, remain unexamined in this model and could usefully be incorporated in future research. Future studies are encouraged to test the same moderated model in other professional career choice contexts, to track how anticipated work environment expectations compare with actual post entry experience, and to examine whether other candidate moderators, such as perceived job market considerations or family expectations, interact more strongly with financial reward than work environment did in this sample.

This study reveals that financial reward significantly and positively shapes accounting students' career choice with respect to the public accounting profession, while work environment, although independently and significantly associated with that same career choice, does not moderate the strength of the financial reward relationship and is instead more accurately described as a second, parallel predictor of career choice. These results imply that public accounting firms and accounting educators should treat financial communication and work environment communication as two distinct, additive tasks rather than assuming that strengthening one will automatically make the other more persuasive to prospective entrants. Theoretically, the study reinforces the value of formally testing a proposed moderating variable against an established typology before drawing conclusions about its role, and practically, it offers accounting career guidance practitioners a clearer, evidence based basis for how to sequence and combine financial and environmental messaging when engaging prospective public accountants.

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Abbreviations

VIF: Variance Inflation Factor.

MRA: Moderated Regression Analysis.

IDX: Indonesia Stock Exchange.

Authors' Information

Rendra Angriawan (RA) is affiliated with the Department of Accounting, Faculty of Economics and Business, Universitas Pembangunan Nasional "Veteran" Jawa Timur, Surabaya, Indonesia. His research interests include accounting career choice and behavioral accounting.

Erry Andhaniwati (EA) is affiliated with the Department of Accounting, Faculty of Economics and Business, Universitas Pembangunan Nasional "Veteran" Jawa Timur, Surabaya, Indonesia. Her research interests include accounting behavior, auditing, and firm performance in small and medium sized enterprises.

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Availability of data and materials

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