Student Intentions in Islamic Banking Career: What are the Influencing Factors?

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Abstract— The purpose of this study is to assess the intentions of students of the Faculty of Economics and Business at Sumbawa University of Technology to pursue a career in Islamic banking. In this study, three independent variables were selected: the impact of knowledge of Islamic accounting, labor market considerations, and financial rewards. This is a quantitative study and the sample was drawn from 100 faculty students using the purposive sampling method. To obtain the necessary primary data for this study, questionnaires were distributed among students of the Faculty of Economics and Business of the Sumbawa Technological University. The obtained data were analyzed using the SmartPLS software version 3.0 using the structural equation modeling least squares analysis (SEM-PLS) method.

Keywords— Knowledge of Sharia accounting; Labor market considerations; Financial awards; and career intentions in Islamic banking.

I. INTRODUCTION

In this age of globalization, the growth of Islamic financial institutions in Indonesia is accelerating. One indicator of economic growth in Indonesia is the emergence of financial institutions, especially in the banking sector. The development of Islamic banking in Indonesia has become a measure of the success of the Islamic economy. Granting permission to ordinary commercial banks to open a branch of a Shariah business unit or an agreement of a conventional bank to become a Shariah bank is a strategic step in the development of Shariah banking (Agustini, 2020).

The development of the Sharia business during this time was quite rapid, starting with the establishment of PT Bank Muamalat Indonesia on November 1, 1991 as the first Sharia bank in Indonesia, and since then it has been established as a state-owned Sharia bank. Sharia Mandiri Bank. This was followed by the creation of Islamic banks as branches of existing traditional banks such as BNI (Kasmir, 2014). Other Sharia institutions followed, such as Sharia microfinance organizations, baitul maal, Sharia insurance, other charitable institutions, and even hotels and businesses with Sharia characteristics, which were becoming more common at the time (Permana, 2015). Many inquiries for scholars who understand the world of Sharia business have resulted in an increase in vacancies.

Career is an important part of a person's life. The factors that influence students' career choice and the type of career they choose are interesting to explore because it is known why someone chooses that career. Clear intentions and career goals will be extremely helpful in designing learning materials programs that can be effectively delivered to students who need them (Nanang, 2014).

The sustainability of the Sharia economic system depends to a large extent on the trust of the public as stakeholders, which requires transparency and accountability. As a result, it is critical to provide reliable and trustworthy Sharia accounting staff to help manage Sharia organizations (Permana, 2015). This is due to multiple factors influencing the intention to work for Islamic financial institutions, including knowledge of Islamic accounting, labor market considerations, and financial rewards (Ariska, 2020). According to the findings of Amalia (2020) and Agustini (2020), knowledge of Sharia influences career intentions in Sharia organizations. As a result, extensive knowledge of Islamic accounting can be an advantage for graduates of accounting courses,

Labor market considerations are one of the things a person takes into account when choosing and defining a job. According to a study by Vidayanti (2017), labor market considerations positively influence the willingness of accounting students to work in Islamic financial institutions. Received financial reward is the main advantage in the work. Providing financial incentives in the form of bonuses and incentives in the workplace will motivate employees to perform well. According to the findings of Ahmad (2017), Kandraning (2017) and Muhammad (2017), financial incentives influence students' intentions to pursue a career in Islamic banking.

Sumbawa Technological University is one of the campuses of the Sumbawa district and one of its departments, the Department of Economics and Business, has many students. Many students of the Faculty of Economics and Business have gained knowledge in the field of banking and Sharia accounting both from lecturers and from participation in various activities such as seminars. In addition, several students put their knowledge of banking accounting into practice by participating in certified internship programs at several major Indonesian banks, including Bank Rakyat Indonesia and Bank Negara Indonesia. As a result, a study was conducted on the students of the Sumbawa Technological University, in particular the Faculty of Economics and Business, with the aim of recruiting active students of the faculty.

Based on the above description, the purpose of this study is to determine "What factors influence UTS Economics and Business students' goals for a career in Islamic banking?"

II. THEORETICAL BASIS

Knowledge of Sharia in Accounting

Sharia transactions are based on the fundamental belief that God created the universe as a trust (divine belief). The bottom line is that every human activity has accountability and divine values that use sharia and moral tools to determine what is good and bad, right and wrong in business. This will promote good faith, which will ultimately shape the nature of good governance and market discipline (Wasilah and Nurhayati, 2019). Thus, knowledge of Sharia accounting is all that anyone knows about the transactions that exist in Sharia accounting. Sharia accounting is based on the Qur'an, al-Hadith and ijma ulema. The main difference between Islamic accounting and traditional accounting is that

Labor market considerations

The labor market encompasses all social demand and supply for labor, as well as all the mechanisms that ensure productive transactions between people who sell their labor and entrepreneurs who require labor (Suroto, 1990). Labor market considerations are one of the factors that an individual considers when choosing and defining a job, as each job has a unique opportunity and set of opportunities (Sari, 2017). According to Wheller in Chairunnisa (2014), labor market considerations include job security, availability of job opportunities, career flexibility, and career advancement opportunities.

Financial reward

Financial rewards are monetary rewards for performing job duties. According to Veitzal and Efendi (2018), financial reward received as a counter-achievement from employees is considered by most companies as the main incentive to satisfy their employees. wages, incentives and indirect compensation are the indicators used in this financial reward.

Career Goal in Islamic Banking

According to Dasyandi (2015), the perception that an action evokes curiosity and intent is called "intention". Accepting a relationship between yourself and something outside of yourself is what the intention is. The stronger the intention, the stronger or closer the relationship. According to Roof (2011), three factors influence the emergence of intention: intrinsic reward, social motivation, and emotional/feeling factors. Intention serves several functions in a person's life, including the following: intention influences the intensity of ideals; intention is a powerful motivator; achievement is always affected by the type and intensity of intention; and formed intentions for life bring satisfaction (Ruf, 2011).
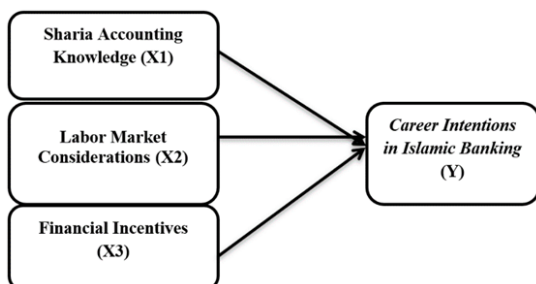

Fig. 1. Theoretical background
Source: Explorer (2022)

The purpose of this theoretical framework is to explain how the three variables mentioned above can influence students' intention to pursue a career in Islamic banking. As a result, this study focuses on how the first variable, knowledge of Sharia accounting, influences students' intentions to pursue a career in Islamic banking, the second variable, labor market considerations, influences students' intentions to pursue a career in Islamic banking, and the third variable, financial remuneration, affects the intention of students to pursue a career in Islamic banking.

Hypothesis

A hypothesis is a short-term solution to a research problem statement. This is considered temporary as the answers provided are based solely on relevant theories and not on empirical facts from data collection (Sugiyono, 2018). During the study, the following hypotheses were developed:

H1: Knowledge of Islamic accounting influences students' intention to pursue a career in Islamic banking.

H2: A student's intention to pursue a career in Islamic banking is influenced by labor market considerations.

H3: Financial incentives affect students' intention to pursue a career in Islamic banking.

III. RESEARCH METHOD

Study Design

This study used is a quantitative study with descriptive explanation. Quantitative research is a type of research that produces results that can be obtained using statistical procedures or other methods of quantification or measurement and are based on the level of explanation performed to determine the value of each variable, providing a systematic and accurate description of the situation in a particular population or areas (Sujarweni, 2015). According to Emzir (2010), quantitative research is a scientific and systematic approach to explaining causal relationships, hypotheses, and research strategies through experiments and surveys that require statistical data. This study uses an associative approach,

Place and time of the study

This study was conducted at the Department of Economics and Business, Sumbawa University of Technology, West Nusa Tenggara, Indonesia between May 2022 and July 2022.

Population

A population is defined as an area of generalization, consisting of objects/subjects with certain numbers and characteristics, determined by researchers for study, and then conclusions are drawn (Sugiyono, 2011). The population in this study consisted of students from the Faculty of Economics and Business at Sumbawa University of Technology, Indonesia.

Sample

A sample is a subset of the population in terms of size and characteristics. Population samples should be truly representative (Mufraini, 2013). Sampling is the process of selecting a subset of the population that represents the entire population (Nursalam, 2003). This study uses the Structural Equation Model (SEM). According to Hair et al. (1998), the

minimum number of SEM samples is 100–200. The sample size of this study is 100 economics and business students at the Sumbawa University of Technology using the targeted sampling method, a sampling method with certain considerations (Sugiyono, 2018).

Data collection methods

In keeping with the scope of this study, data collection methods are the method used to obtain quantitative information from respondents (Sujarweni, 2015). For data collection, a survey method using questionnaires was used. Questionnaires are a data collection method in which respondents are asked to answer a series of questions or written statements (Sugiyono, 2016). The questionnaire was constructed with two types of questions: open and closed questions. In open-ended questions, the respondent is asked to explain their identity. On the other hand, closed questions require the respondent to select one of the available answers for each question. A Likert scale (Consequence Evaluation) was used to evaluate each outcome. In this study, the Likert scale used only four points: strongly agree (SS) = 4 points; Agree (S) = 3 points; Disagree (TS) = 2 points; and Strongly Disagree (STS) = 1 point.

Data analysis methods

Data analysis techniques are a method of converting data into information, and data characteristics are easier to understand and useful in finding solutions that are primarily related to research-related problems (Sugiyono, 2013). The data analysis technique used in this study is Structural Equation Modeling (SEM) with Partial Least Squares (PLS) driven by the SmartPLS software. SEM-PLS is a variant-based structural equation analysis that can test both the measurement model and the structural model at the same time. The measurement model is used to test the validity and reliability of data, while the structural model is used to test causality (Ghozali, 2014). Besides,

Following are the seven steps that will be taken to analyze the collected data: The first and second steps are to develop internal and external models. The third step is to build a path diagram. The fourth step is to convert the path diagram into an equation. The fifth step is to evaluate the quality of the fit. The sixth step is to put forward a hypothesis (bootstrap resampling).

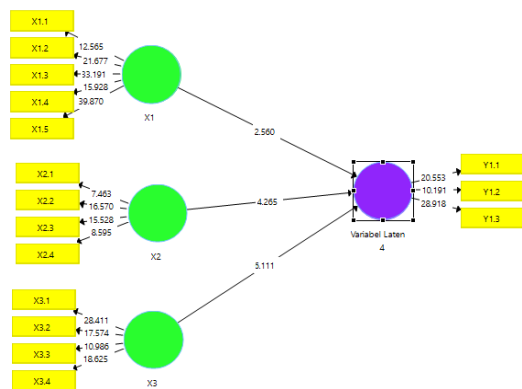## IV. RESULT AND DISCUSSION

Hypothesis testing

Fig. 2. Path scheme after bootstrap

According to the output of the path coefficients, all hypotheses are accepted for direct effect. Following the significance process, one can use the output path coefficients in the original sample to determine whether the relationship between these variables is positive or negative. The following are initial sample values between variables:

TABLE 1. Direct effect

	Initial sample (O)	T Statistics (O/STDEV)	T Statistics > 1.96
Sharia Knowledge in Accounting -> Career Intention in Islamic Banking	0.198	2.560	(+) and value
Job Market Considerations -> Career Intention in Islamic Banking	0.245	4.265	(+) and value
Financial Incentives -> Islamic Banking Career Intention	0.539	6.111	(+) and value

The table above shows direct variables on top of each other. Based on the data in the table above, the magnitude of the influence of one variable on another variable represents all positive and significant influences.

In the context of the direct impact model, the impact of Shariah accounting knowledge on the intention to pursue a career in Islamic banking is positive at 19.8%. These data show that the variable "Knowledge of Sharia Accounting" is considered only the lowest factor among the three factors influencing students' intentions to pursue a career in Islamic banking. In the context of direct effects, the same is true for influences between other variables. More broadly, the researchers mean that if 100 students intend to pursue a career in the Islamic banking industry, at least 19 of them will choose the Sharia Accounting Knowledge variable.

In addition to the above factors, there are two other factors that have a larger percentage of influence on students' interest in a career in banking, namely labor market considerations and financial incentives, with a percentage of 24.5 percent for the Labor Market Considerations variable. and 53.9 percent for the Financial Incentives variable. Variable financial incentives have the highest percentage in this data, with 53.9 percent. This indicates that students from the Faculty of Economics and Business at the Sumbawa University of Technology prioritize the Financial Incentives variable as the most important factor in their strong interest in pursuing a career in the Islamic banking industry.

After that, we can see the significance level of one variable for another variable. For more information, below is an interpretation of the hypothesis testing results obtained with PLS loading SmartPLS:

1. First Hypothesis Test (Knowledge of Islamic Accounting Influences Students' Intentions to Pursue a Career in Islamic Banking). According to the results of the data analysis, knowledge of the Islamic accounting variable had a significant impact on students' intentions to pursue a career in Islamic banking, with a statistical T-value of 2560, which is greater than the T-Table, which is 1.96. The initial sample estimate was positive at 0.198, which means a 19.8 percent

positive impact on the student's intention to pursue a career in Islamic banking variable. According to the results of this study, the more knowledge students have about Islamic accounting, the higher their desire to make a career in Islamic banking. These results are consistent with the findings of Diane Ariska (2020),

2. Testing the second hypothesis (Students' intentions to pursue a career in Islamic banking depend on labor market considerations). The data analysis results showed that the labor market considerations variable had a significant impact on students' intentions to pursue a career in Islamic banking, with a statistical T-value of 4256, higher than the T-Table of 1.96. The sample's initial estimated value was positive at 0.245, implying a positive impact on the student's intentions for a career in Islamic banking variable of 24.5%. These results indicate that labor market considerations influence students' intentions to pursue a career in the Islamic banking sector. This study supports Agustini's (2020) finding that labor market considerations influence interest in careers in Islamic financial institutions. According to this, Labor Market Considerations include availability of employment opportunities, ease of access to vacancies and job security. Students usually choose jobs based on the information they receive about vacancies, so jobs that are easily available to students are usually in high demand. This cannot be separated from the large number of Indonesian Muslims, as well as the rapid development of the Islamic banking industry.

3. Testing the third hypothesis (Financial incentives affect the intention of students to pursue a career in Islamic banking). Data analysis showed that the financial incentives variable had a statistically significant effect on students' intention to pursue a career in Islamic banking with a T-value of 6,111, higher than a T-table of 1.96. The sample's original estimated value was positive 0.539, indicating a 53.9 percent positive impact on the student's intention to pursue a career in the Islamic banking variable. This study supports Efendi's (2018) finding that financial rewards have a positive effect on interest in a career in Islamic banking. According to this, material incentives are one of the motivators that influence the student's desire to choose a profession. Of course it's very common. because financial reward is closely related to job satisfaction and is a major motivator when deciding where to work. The higher the level of rewards received, the more likely students are to make a career in the Islamic banking sector.

V. CONCLUSION

The purpose of this study is to assess the intentions of students from the Faculty of Economics and Business at Sumbawa University of Technology to pursue a career in Islamic banking. In this study, three independent variables were selected: the impact of knowledge of Islamic accounting, labor market considerations, and financial rewards. The method used to analyze the relationship between structures is the partial least squares structural equation modeling (SEM-PLS) method, which is performed using the SmartPLS software version 3.2.

Based on the analysis and discussion in the previous chapter, the researcher came to the following conclusions:

1. The variable knowledge of Islamic accounting had a significant effect on the variable Students' intentions for a career in Islamic banking. This shows that if you are willing to work in the Islamic banking industry, you must have good skills and knowledge related to Islamic Accounting. The better a person's knowledge of Islamic Accounting, the easier the work to be carried out.

2. Students' intentions to pursue a career in Islamic banking are influenced by labor market considerations, including the availability of job opportunities, ease of access to jobs, and job security. If these three things are easily accessible to students, the Islamic banking sector will be able to absorb more workers.

3. Financial incentives influence students' intention to pursue a career in Islamic banking. Financial incentives are one of the most motivating factors influencing a student's desire to choose their career, especially in banking. This is very common because financial rewards are closely related to job satisfaction and job decision making. The higher the level of rewards received, the more likely students are to make a career in the Islamic banking sector.

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