

DETERMINANTS OF GENERATION Z'S INTEREST IN CHOOSING A CAREER IN THE FORMAL SECTOR (A Study in Denpasar City)

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Abstract. The formal sector is an important pillar of national economic stability as it offers a structured work system, legal certainty, and social protection. However, in the digital era, the career preferences of young generations have begun to shift, creating an urgency to understand the reasons why Generation Z continues to consider the formal sector amid the rapid growth of informal sector employment. This study aims to analyze the determinants of Generation Z's interest in Denpasar City in choosing a career in the formal sector by examining the effect of education level (X_1), socioeconomic status (X_2), and income (X_3). The urgency of this study lies in the importance of mapping young labor force expectations to support more effective and sustainable employment absorption policies. This study employs a quantitative approach with data collected through questionnaires from 100 Generation Z respondents in Denpasar City using a purposive sampling technique. The data analysis method used is multiple linear regression analysis to test the effect of variables partially and simultaneously. The results show that simultaneously, education level, socioeconomic status, and income have a significant effect on Generation Z's interest in choosing a career in the formal sector. Partially, all three variables also have a positive and significant effect. Income is the most dominant factor, emphasizing that financial security is the primary motivator for Generation Z, which is known for being realistic in future planning. These findings imply that academic qualifications and financial expectations constitute Generation Z's strategic foundation in choosing a professional career path. The government must ensure equitable access to formal employment through inclusive policies.

Keywords: formal sector, Generation Z, education level, socioeconomic status, income.

INTRODUCTION

The formal sector plays a strategic role in the Indonesian economy as it contributes significantly to Gross Domestic Product and demonstrates an increasing trend in labor absorption, although the informal sector still dominates the national employment structure. The advantages of the formal sector lie in the certainty of employment relationships, wage systems, and stronger legal protection, thereby playing an important role in creating a fair and sustainable employment system. Amid the momentum of the demographic bonus and the increasing size of the labor force, Generation Z has emerged as the dominant productive age group with substantial potential to drive national economic growth. However, the high youth unemployment rate and the

tendency toward low job retention among Generation Z pose serious challenges for the formal sector in creating labor stability and sustainability.

Table 1. Labor Force by Age Group, 2024

Age group	Employed	Unemployment	Total Labor Force
15-19	4,977,578	1,431,960	6,409,538
20-24	13,781,148	2,497,979	16,279,127
25-29	16,363,382	1,258,842	17,622,224
30-34	16,780,882	584,544	17,365,426
35-39	17,038,394	392,036	17,430,430
40-44	16,601,113	321,531	16,922,644
45-49	15,867,101	275,437	16,142,538
50-54	13,878,283	247,373	14,125,656
55-60	11,278,175	182,491	11,460,666
60+	18,075,948	273,406	18,349,354
Total	144,642,004	7,465,599	152,107,603

Source: Central Statistics Agency 2025

A similar phenomenon also occurs in Bali Province, where in 2025 the labor force reached 2,714,097 people, with 48,676 individuals still unemployed. The highest unemployment rate originates from the young age groups of Generation Z, particularly those aged 20–24 years with 11,748 individuals and those aged 15–19 years with 7,302 individuals, indicating challenges in their transition into the labor market.

Table 2. Labor Force by Age Group in Bali Province in 2024

Age group	Work	Unemployment	Number of AK
15-19	82,332	7,302	89,634
20-24	248,509	11,748	260,257
25-29	286,220	5,852	292,072
30-34	293,015	4,663	297,678
35-39	288,688	4,184	292,872
40-44	292,693	2,765	295,458
45-49	294,855	2,989	297,844
50-54	263,508	6,268	269,776
55-60	227,442	5,251	229,963
60+	388,159	384	388,543
Total	2,665,421	48,676	2,714,097

Source: Central Statistics Agency 2025

Denpasar City, as the center of government, economy, and education in Bali, exhibits distinctive Generation Z employment dynamics, characterized by a high concentration of the productive age population due to urbanization and the highest population density in the province. With an economic structure dominated by services, trade, and government activities, Denpasar has a large number of formal sector workers, although job competition is also very intense. This condition results in not all members of Generation Z being absorbed optimally, particularly due to limited work experience and mismatches between skills and labor market needs. Education level and socioeconomic status

become key factors that affect work readiness, social mobility, and career preferences among Generation Z, where the formal sector is chosen not only because of income but also because of the social image and long term prospects it offers.

By considering this social image, Generation Z still prioritizes economic aspects, where income is a factor that strongly affects career choices and work expectations among Generation Z in Indonesia, including wage standards and earnings. For Generation Z, money in the form of income and job security are the two most important aspects in deciding on a job, reflecting a realistic attitude and a willingness to work harder to obtain higher earnings. They demonstrate high job mobility, are ready to adapt to change, and are even willing to relocate to other cities or countries to obtain job opportunities with better income. However, unlike previous generations, Generation Z does not only prioritize wages but also considers stability and long term prospects (Dwidienawati and Gandasari, 2018).

Specifically, studies in Indonesia show that nearly half of Generation Z expects a salary above IDR 5 million per month, especially among university graduates and those working in the formal sector such as state owned enterprises, civil servants, or large private companies (Septiawan and Suprianto, 2022). These income expectations are closely related to the employment sector. The formal sector in Indonesia generally offers higher and more stable income compared to the informal sector, including fixed wages, legal protection, and additional benefits. This formal sector is dominated by younger and more highly educated workers. In contrast, informal workers earn significantly lower income, both in agricultural and non agricultural sectors (Pratomo and Manning, 2022). From 2010 to 2017, the proportion of workers in the formal sector increased from less than 30 percent to around 40 percent, driven by the entry of young and highly educated workers into the formal sector (Pratomo and Manning, 2022).

Considering the increasing trend of formal sector employment dominated by Generation Z, as well as the complexity of the social and economic dynamics they face, it is essential to gain a deeper understanding of the factors that affect their decisions in choosing career paths. Based on this urgency, it is necessary to conduct a study on the determinants of Generation Z's interest in Denpasar City in choosing a career in the formal sector.

METHOD

This study employs a quantitative approach with an associative method, grounded in the positivist paradigm to examine causal relationships among variables. The study aims to analyze the effect of education level, socioeconomic status, and income on Generation Z's interest in choosing a career in the formal sector. The research location is Denpasar City, Bali, which was purposively selected due to its characteristics as an urban center with high population density and a large concentration of Generation Z of productive age, making it relevant for examining the dynamics of formal sector career choices.

The object of this study is Generation Z aged 15–24 years who work in the formal sector in Denpasar City. The research population totals 114,230 individuals, and sample determination was conducted using the Slovin formula with a margin of error of 10 percent, resulting in 100 respondents selected through a purposive sampling technique based on criteria of age, work domicile, and formal employment status. The data used consist of primary data obtained through the distribution of online questionnaires using Google Form, as well as secondary data sourced from publications of Statistics Indonesia, scientific journals, academic books, and relevant policy documents.

The research variables include interest in choosing a career as the dependent variable, and education level, socioeconomic status, and income as the independent variables. All variables were measured using a Likert scale, with the research instrument in the form of a questionnaire that had been tested for validity and reliability. Data analysis techniques include descriptive statistical analysis, confirmatory factor analysis to test construct adequacy, and multiple linear regression analysis to examine the effect of independent variables on the dependent variable. Prior to hypothesis testing, classical assumption tests were conducted, while hypothesis testing was carried out using the F test for simultaneous effects and the t test for partial effects at a significance level of 5 percent.

RESULTS AND DISCUSSION

Overview of Denpasar City

Denpasar City is the capital of Bali Province and serves as the center of government, trade, and tourism, holding a strategic position as a hub of economic and social activities. Administratively, Denpasar consists of four districts and is characterized by an urban environment that combines Balinese culture with modernity, thereby attracting a high level of urbanization. Data from Statistics Indonesia of Denpasar City (2024) show that the productive age population reaches 543.1 thousand people, with the highest population density in Bali at 5,676 people per square kilometer. This condition reflects a high concentration of Generation Z and intense competition in the formal sector labor market. The dominance of the service, trade, and tourism sectors makes the formal sector in Denpasar a primary attraction for Generation Z, particularly because it offers employment opportunities, economic incentives, and relatively better career development prospects.

Respondent Characteristics

The respondents of this study were selected based on specific criteria, namely Generation Z aged 15–24 years who work in the formal sector and have their work domicile in Denpasar City. These criteria ensure that all samples represent a young labor force at the early stage of career decision making within a structured and legally protected formal work environment. Based on calculations using the Slovin formula, data were collected from 100 respondents through questionnaires that measured education level, socioeconomic status, income, and Generation Z's interest in choosing a career.

Table 3. Respondent Characteristics

No.	Variable	Classification	Frequency	Percentage (Percent)
1.	Gender	Male	54	54
		Female	46	46
Total			100	100
2.	Age	19	17	17
		20	11	11
		21	14	14
		22	18	18
		23	19	19
		24	21	21
Total			100	100
3.	Highest Education	Senior High School	38	38
		Diploma	21	21
		Bachelor Degree	36	36
		Master Degree	5	5
Total			100	100
4.	Economic Sector of Employment	Primary	8	8
		Secondary	23	23
		Tertiary	69	69
Total			100	100

Source: Processed primary data, 2026

Based on gender, the respondents consist of 54 percent males and 46 percent females, indicating a relatively balanced composition and the absence of gender dominance in interest in formal sector careers. All respondents are within the age range of 19–24 years, with the highest concentration at the age of 24 years, reflecting the transition phase from education to the world of work and relevant early experiences in career decision making. In terms of education and economic sector, the majority of respondents have completed senior high school or hold a bachelor degree and are employed in the tertiary sector, which is consistent with the economic characteristics of Denpasar City that are dominated by the service sector.

Description of Research Variables

The data collection technique in this study used questionnaires distributed to respondents. The variables employed in this study include education level (X_1), socioeconomic status (X_2), income (X_3), and Generation Z's interest in choosing a career (Y). Each variable was measured using several indicators presented in the form of statements. Respondents' answers were measured using a Likert scale with five categories, namely: 1 = Strongly Disagree, 2 = Disagree, 3 = Moderately Agree, 4 = Agree, and 5 = Strongly Agree. The following sections explain each variable examined in this study.

Education Level

Education level in this study was measured based on the highest level of formal education completed by Generation Z individuals, expressed as the

number of years of formal education completed. Based on the data processed by the researchers, the majority of respondents had 12 years of education or the equivalent of senior high school, accounting for 38 percent, followed by respondents with 16 years of education or a bachelor degree at 36 percent. Meanwhile, respondents with diploma education of 14–15 years each accounted for 9 percent. Respondents with 13 years of education accounted for 3 percent, and those with postgraduate education of 18 years accounted for 5 percent, representing the smallest groups. Overall, this distribution indicates that the respondents' education level is dominated by middle to higher levels of education, indicating that the education level variable (X1) has sufficient variation to analyze its effect on Generation Z's interest in choosing a career in the formal sector.

Socioeconomic Status

Socioeconomic status in this study is defined as a composite measure that describes an individual's position within the social structure based on indicators of education level, income, type of occupation, and asset ownership. Based on the data processed by the researchers, the majority of respondents provided Agree and Strongly Agree responses across all indicators of socioeconomic status (X2.1–X2.4). These findings indicate that most respondents perceive their family socioeconomic conditions to be relatively good and supportive. The low proportion of Disagree and Strongly Disagree responses suggests that socioeconomic status potentially affects Generation Z's interest in choosing a career through family support for education and occupational choices.

Income

Income in this study is defined as financial compensation in the form of cash received by Generation Z formal sector workers from companies or employers for the work performed. Based on the data processed by the researchers, the majority of respondents provided Agree and Strongly Agree responses across all income indicators (X3.1–X3.3). These findings indicate that income is perceived as an important and relevant factor in Generation Z's career considerations in the formal sector. The low proportion of Disagree and Strongly Disagree responses indicates that, in general, income levels are considered to be relatively good and play a role in shaping respondents' interest in job choices.

Generation Z's Interests in Choosing a Career

Generation Z's interest in choosing a career in this study is defined as an individual preference or tendency to choose and remain in a particular occupation, which is influenced by economic considerations as well as the need for a work environment that supports well being and personal development. Based on Table 4.5, the distribution of respondents' answers across all career interest indicators (Y.1–Y.3) is dominated by the Agree and Strongly Agree categories. There are no respondents who selected the Strongly Disagree category, while the proportions of Disagree and Moderately Agree responses are relatively small. These findings indicate that, in general, respondents have a

high level of interest in choosing a career, particularly with respect to the career aspects measured in this study.

Validity and Reliability Test

1. Validity Test

The validity test is used to determine whether a questionnaire is valid. The test was conducted by comparing the calculated r value with the r table value based on degrees of freedom. With a sample size of 100 respondents, the degrees of freedom are $df = 100 - 2 = 98$, resulting in an r table value of 0.197 at a significance level of 5 percent. The following table presents the results of the validity test for 100 respondents analyzed using SPSS.

Table 4. Validity Test Results

Variable	Item	r calculated	r table	Information
Education Level (X1)	P	1,000	0.197	Valid
	X2.1	0.884	0.197	Valid
Socioeconomic Status (X2)	X2.2	0.876	0.197	Valid
	X2.3	0.898	0.197	Valid
	X2.4	0.829	0.197	Valid
	X3.1	0.887	0.197	Valid
Income (X3)	X3.2	0.880	0.197	Valid
	X3.3	0.904	0.197	Valid
	Y.1	0.897	0.197	Valid
Generation Z's Interest in Choosing a Career (Y)	Y.2	0.866	0.197	Valid
	Y.3	0.897	0.197	Valid

Source: Data processed by the author

Based on the results above, all statement items for education level (X1), socioeconomic status (X2), income (X3), and Generation Z's interest in choosing a career (Y) are declared valid, as the calculated r values for each variable are greater than the r table value of 0.197. Therefore, all questionnaire instruments used in this study are appropriate for use in subsequent analyses.

2. Reliability Test

The reliability test is used to assess the consistency of the questionnaire as a measurement instrument, which is considered reliable if respondents' answers are consistent across items. The test was conducted using the Cronbach's Alpha method, with the criterion that a questionnaire is considered reliable if the Cronbach's Alpha value is greater than 0.70.

Table 5. Reliability Test

Variable	Cronbach's Alpha	Number of Items	Information
Education Level (X1)	1,000	2	Reliable

Socioeconomic Status (X ₂)	0.894	4	Reliable
Income (X ₃)	0.869	3	Reliable
Gen Z's Interest in Choosing a Career (Y)	0.864	3	Reliable

Source: Data processed by the author

Based on the reliability test results above, all research variables, namely education level (X₁), socioeconomic status (X₂), income (X₃), and Generation Z's interest in choosing a career (Y), have Cronbach's Alpha values above 0.70, specifically 1.000, 0.894, 0.869, and 0.864, respectively. These values indicate that all research instruments have good internal consistency and meet the reliability requirements. Thus, it can be concluded that all questionnaire items used in this study are reliable and suitable for use as measurement instruments.

Results of Descriptive Statistical Analysis

Table 6. Results of Descriptive Statistical Analysis

Variable	N	Minimum	Maximum	Mean	Standard Deviation
Education Level	100	12	18	14.22	1,967
Socioeconomic Status	100	5	20	16.09	3.153
Income	100	3	15	12.21	2,463
Generation Z's Interest in Choosing a Career	100	7	15	12.82	1,572
Valid N (listwise)	100				

Source: Source: Data processed by the author, Results of Descriptive Statistical Analysis, 2025

Based on Table 6, the results of the descriptive statistical analysis indicate that all research variables were analyzed using 100 respondents (N = 100). The distribution of data for each research variable can be described as follows:

1. Education Level (X₁)
The education level variable has a minimum value of 12 years and a maximum value of 18 years, with a mean value of 14.22 and a standard deviation of 1.967. These values indicate that, in general, respondents have education levels ranging from secondary to early higher education, with relatively moderate variation in educational attainment.
2. Socioeconomic Status (X₂)
The socioeconomic status variable has a minimum value of 5 and a maximum value of 20, with a mean value of 16.09 and a standard deviation of 3.153. This relatively high mean indicates that most respondents come from families with fairly good socioeconomic status,

although there is variation in socioeconomic conditions among respondents.

3. Income (X₃)

The income variable (X₃) has a minimum value of 3 and a maximum value of 15, with a mean value of 12.21 and a standard deviation of 2.463. This indicates that respondents' income tends to fall within the middle category, with a moderate level of variation.

4. Generation Z's Interest in Choosing a Career (Y)

The variable of Generation Z's interest in choosing a career has a minimum value of 7 and a maximum value of 15, with a mean value of 12.82 and a standard deviation of 1.572. This indicates that, in general, respondents have a high level of interest in choosing a career, with a relatively more homogeneous data distribution compared to the other variables.

Confirmatory Factor Analysis

1) Kaiser Meyer Olkin(KMO)

Table 7. KMO Test Results

No.	Factor	KMO	Sig	Approx. Chi-Square
1	Education Level (X ₁), Socioeconomic Status (X ₂), Income (X ₃), and Generation Z's Interest in Choosing a Career (Y)	0.837	0.001	617,766

Source: Data processed by the author

Based on the test results presented in Table 7, the Kaiser Meyer Olkin value is 0.837, which exceeds the minimum required threshold of 0.50. In addition, the significance value of 0.001, which is smaller than 0.05, indicates that there is a sufficiently strong correlation among variables to proceed with further analysis. Therefore, it can be concluded that the variables of education level (X₁), socioeconomic status (X₂), income (X₃), and Generation Z's interest in choosing a career (Y) have adequate sample sufficiency and meet the criteria for factor analysis.

2) Measures of Sampling Adequacy(MSA)

Table 8. MSA Values

Variable	Item	MSA Value
Education Level (X ₁)	X1	0.791
Socioeconomic Status (X ₂)	X2.1	0.849
	X2.2	0.871

	X2.3	0.848
	X2.4	0.843
Income (X ₃)	X3.1	0.858
	X3.2	0.811
	X3.3	0.864
Generation Z's Interest in Choosing a Career (Y)	Y.1	0.844
	Y.2	0.824
	Y.3	0.763

Source: Data processed by author

Based on Table 8, all statement items for the variables of education level (X₁), socioeconomic status (X₂), income (X₃), and Generation Z's interest in choosing a career (Y) have Measure of Sampling Adequacy values greater than 0.50. This indicates that each item meets the adequacy criteria for further analysis using factor analysis. Therefore, all statement items are considered sufficiently representative in describing the constructs of the variables examined and are suitable for use in subsequent stages of data processing.

Results of Multiple Linear Regression Analysis

Table 9. Results of Multiple Linear Regression Analysis

No.	Variable	Unstandardized Coefficients		Standardize	t	Sig.
		B	Std. Error	Beta		
1.	(Constant)	2,149	0.985		2,182	0.032
2.	Education Level (X ₁)	0.281	0.053	0.352	5,259	0.001
3.	Socioeconomic Status (X ₂)	0.173	0.033	0.346	5,174	0.001
4.	Income (X ₃)	0.319	0.043	0.500	7,473	0.001

Source: Source: Data processed by the author, Results of Multiple Linear Regression Analysis, 2025

Based on the results of the multiple linear regression analysis, the estimated regression equation is $\hat{Y} = 2.149 + 0.281X_1 + 0.173X_2 + 0.319X_3$, with an F value of 43.610 and an R² value of 0.577. These results indicate that the regression model is statistically acceptable and is able to explain 57.7% of the variation in Generation Z's interest in choosing a career. The constant value of 2.149 indicates a positive baseline level of career interest even in the absence of the direct effects of education level, socioeconomic status, and income. The education level (X₁) and socioeconomic status (X₂) variables are proven to have a positive and significant effect on Generation Z's interest in choosing a career, with significance values of 0.032 and 0.001, respectively. Furthermore, income (X₃) shows a positive effect and represents the strongest influence statistically, with a significance value of 0.001.

This finding indicates that an increase in income significantly enhances Generation Z's interest in choosing a career in the formal sector.

Results of Classical Assumption Tests

1) Normality test

The normality test is conducted to ensure that the residuals of the regression model are normally distributed so that the statistical test results can be considered valid. In this study, the normality test uses the Kolmogorov–Smirnov Z method, where an Asymp. Sig. (2-tailed) value greater than 0.05 indicates that the residuals are normally distributed.

Table 10. Normality Test

		Unstandardized Residual
N		100
Normal Parameters ab	Mean	0
	Standard Deviation	1
	Absolute Positive	0.072
	Absolute Negative	0.040
		-0.072
Kolmogorov–Smirnov Z		0.719
Asymp. Sig. (2-tailed)		0.680

Source: SPSS data processing results, 2025

Based on Table 10, the Asymp. Sig. (2-tailed) value is 0.680, which is higher than the significance level of 0.05. This result indicates that the residuals in the regression model are normally distributed. Therefore, the multiple linear regression model satisfies the normality assumption and can be continued to the next classical assumption tests.

2) Multicollinearity Test

The multicollinearity test aims to identify whether there is a correlation among independent variables in the regression model. A good regression model should be free from multicollinearity so that the regression coefficients can be interpreted accurately. This test is conducted using tolerance values and the Variance Inflation Factor (VIF). According to Ghozali (2018), a regression model is considered free from multicollinearity if the tolerance value is greater than 0.10 and the VIF value is less than 10.

Table 11. Multicollinearity Test Results

Model	Variable	Collinearity Statistics	
		Tolerance	VIF
1	Education Level (X1)	0.985	1,015
	Socioeconomic Status (X2)	0.985	1,015
	Income (X3)	0.986	1,014

Source: SPSS data processing results, 2025

Based on the results presented in Table 11, all independent variables have tolerance values greater than 0.10 and VIF values less than 10. These findings indicate that the regression model does not suffer from multicollinearity among the independent variables. Therefore, the model fulfills the multicollinearity assumption and is suitable for further analysis.

3) Heteroscedasticity Test

According to Ghozali (2021), the heteroskedasticity test is conducted to determine whether there are differences in the variance of residuals in the regression model. In this study, heteroskedasticity is tested using the Glejser method, by regressing the independent variables on the absolute values of the residuals. The regression model is considered free from heteroskedasticity if the significance value of each independent variable is greater than 0.05.

Table 12. Heteroscedasticity Test

Variable Model	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
(Constant)	1,948	0.600		3,249	0.002
Education Level	-0.023	0.033	-0.070	-0.694	0.489
Socioeconomic Status	-0.021	0.020	-0.106	-1,052	0.295
Income	-0.040	0.026	-0.154	-1,535	0.128

Source: SPSS data processing results, 2025

Based on the results of the heteroskedasticity test shown in Table 12, all independent variables education level (X1), socioeconomic status (X2), and income (X3) have significance values greater than 0.05. These results indicate that the regression model does not exhibit heteroskedasticity. With all classical assumptions satisfied, the regression model is deemed appropriate and reliable for further analysis, particularly for hypothesis testing.

Results of Simultaneous Regression Coefficient Test (F Test)

Table 13. Simultaneous Test Results (F)

Model	F	Sig.
Regression	43,610	0.001b

Source: Data processed by researchers, results of Simultaneous Test (F), 2025

Based on Table 13, the calculated F value is 43.610, which is greater than the F table value of 2.70, with a significance level of $0.001 < 0.05$. Therefore, H_0

is rejected, indicating that education level (X1), socioeconomic status (X2), and income (X3) simultaneously have a significant effect on Generation Z's interest in choosing a career (Y). This result also shows that the regression model is suitable for use.

Table 14. Results of Coefficient of Determination Test

Model	R Square
Regression	0.577

Source: Data processed by researchers, results of Simultaneous Test (F), 2025

The R Square (R^2) value of 0.577 indicates that education level (X1), socioeconomic status (X2), and income (X3) together explain 57.7% of the variation in Generation Z's interest in choosing a career (Y). This demonstrates that the regression model has a relatively strong explanatory power for changes in the dependent variable. Meanwhile, 42.3% of the variation in career interest is explained by other factors outside the research model, such as individual characteristics, social environment, and other external variables not included in the analysis.

Partial Significance Test of Regression Coefficients (t-Test)

1) Effect of Education Level (X1)

Based on the partial test results, the education level (X1) variable has a significant positive effect on Generation Z's interest in choosing a career (Y). This is evidenced by the calculated t value of 5.259, which is greater than the t table value of 1.984 ($df = 100 - 3 - 1 = 96$, $\alpha = 0.05$). The significance value is $0.001 < 0.05$, leading to the rejection of H_0 and acceptance of H_1 . Interpretation: Higher formal education levels correspond to stronger and more planned interest among Generation Z in pursuing a career in the formal sector.

2) Effect of Socioeconomic Status (X2)

The socioeconomic status (X2) variable also has a significant positive effect on Generation Z's career interest (Y), with a t value of 5.174, exceeding the t table value of 1.984. The significance value is $0.001 < 0.05$, so H_0 is rejected. Interpretation: Individuals with higher socioeconomic status tend to have a stronger interest in choosing careers in the formal sector, indicating that social and family support enhances career decision-making.

3) Effect of Income (X3)

The income (X3) variable shows a very strong significant positive effect on Generation Z's interest in choosing a career, with a t value of 7.473, much higher than the t table value of 1.984, and a significance of $0.001 < 0.05$. Interpretation: Financial compensation is a major motivator for Generation Z. The higher the potential income offered by a job, the stronger their interest in pursuing that career. This confirms that income is the most dominant factor influencing their career decisions in the formal sector.

Discussion of Research Results

The Effect of Education Level on Generation Z's Career Interest

Descriptive analysis shows that respondents have an average of 14.22 years of formal education, while multiple linear regression yielded a coefficient of 0.281 with a significance level of 0.032. The t-test confirmed this with a calculated t value of 5.259, higher than the t table value of 1.984, indicating that education level has a positive and significant effect on Generation Z's interest in choosing a career. Interpretation: Higher academic qualifications increase the tendency of Generation Z to choose structured formal sector careers. Education acts as a crucial form of human capital, enhancing competitiveness and broadening access to stable and sustainable formal employment opportunities.

The Effect of Socioeconomic Status on Generation Z's Career Interest

Descriptive results indicate an average socioeconomic status score of 16.09 (SD = 3.153), suggesting that respondents generally come from fairly well-off backgrounds. Regression analysis shows a coefficient of 0.173 with a significance of 0.001, supported by a t value of 5.174 > 1.984. This confirms that socioeconomic status positively and significantly influences Generation Z's career interest in the formal sector. Interpretation: A higher socioeconomic background provides wider access to education, training, and social networks, thereby increasing the likelihood and preference of Generation Z for stable and prestigious formal sector careers.

4.5.3 The Effect of Income on Generation Z's Career Interest

Income is observed at a medium level (mean = 12.21; SD = 2.463). Regression results show a coefficient of 0.319 with significance 0.001, and the t-test gives a t value of 7.473 > 1.984. These results indicate that income has a very strong positive and significant effect on career interest. Interpretation: Financial compensation is a primary driver; the higher the potential income offered, the stronger the interest of Generation Z in formal sector careers. Theoretically, this aligns with Rational Choice Theory and Efficiency Wage Theory, which explain that Generation Z rationally prefers formal employment due to economic utility, job stability, and better income prospects.

Dominant Variable

Based on the t-test and the Standardized Beta coefficients, Income (X₃) has the highest beta value at 0.500, higher than Education Level (X₁) and Socioeconomic Status (X₂). This indicates that income is the most dominant factor influencing Generation Z's career interest (Y). Statistically, the high beta value shows that income contributes most strongly to explaining variations in career interest, highlighting that financial considerations are the primary priority for Generation Z when selecting a formal sector career as a means to achieve economic independence and stability.

CONCLUSION

Based on the results and discussion of this study regarding the factors influencing Generation Z's career interest, the conclusions are as follows:

- 1) Simultaneous Influence (F-Test): Education Level (X1), Socioeconomic Status (X2), and Income (X3) collectively have a significant effect on Generation Z's interest in choosing a career (Y).
- 2) Partial Influence (t-Test): Each variable Education Level (X1), Socioeconomic Status (X2), and Income (X3) positively and significantly influences Generation Z's career interest (Y) individually.

RECOMMENDATIONS

Based on the conclusions of this study, the following recommendations can be proposed:

- 1) For Generation Z
Generation Z is advised to continue enhancing their educational qualifications and practical skills through certifications or internship programs. Given the high competition in the formal sector, which is closely related to income levels, strengthening personal capacity during the study period will increase their rational bargaining value in the labor market.
- 2) For Companies
Considering that income is the most dominant factor, companies are encouraged to develop competitive and transparent compensation schemes. In addition to base salaries, providing incentives such as job security and clear long-term career progression is crucial to attract and retain talent from Generation Z.
- 3) For Government/Policy Makers
Governments should expand policies to ensure equitable access to education and job training, minimizing barriers for individuals from lower socioeconomic backgrounds. Regulations that promote stable formal employment opportunities are necessary so that Generation Z has more career options offering adequate economic protection.
- 4) For Further Researchers
Future research is suggested to broaden the scope of variables, for example, including social media influence, work-life balance, or job flexibility, which are also key characteristics of Generation Z. Additionally, qualitative methods can be employed to explore the psychological reasons behind the dominant influence of income in career choice.

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