Perspective of Gen-Z Leadership Style in Financial Reporting and Corporate Decision Making

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ABSTRACT

Leadership is the process of influencing others in cooperate in achieving a common goal with a willingness to lead. There are various differences in leadership perspectives. Therefore, this research was conducted to understand the perspective of leadership style. This study aims to describe the perspective of Generation Z's leadership style in making financial statements and decision making in a company. In collecting data, this research used interview instruments with ten sources through a case study research approach to leadership perspectives in certain companies, in Indonesia. This research can provide new insights or more understanding of the current generation z leadership style. The results showed that most of Z generation apply democratic and situational leadership styles in their respective company.

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INTRODUCTION

One of the most important factors in organizational life is leadership (Faturahman, 2018). An organization will succeed or fail highly determined by its leaders (Abevit, 2012). The role of leaders is vital for a corporation and nation, so that the state of a country and business entities that experience difficulties and even crises, can almost entirely be restored only by leaders who have extraordinary abilities (Hardian, 2022).

Furthermore, leadership develops from the style and type of leadership that becomes a person's nature from birth to how a democratic leader style can interact with two other people. Also, how they can participate through efforts to achieve organizational goals (Abevit, 2012).

Leadership style is a person's ability to direct, influence, encourage, and control other people or subordinates to be able to do something to work on their awareness and voluntarily achieve a certain goal (Hasnawati, 2021). One example of a leadership style that can be applied in terms of company decision-making in terms of financial reporting is to consider internal and external factors that influence decision-making.

Internal factors include the resources required by the company for decision-making, while external factors include environmental situations and conditions outside the company that will affect decision-making (Mosses, 2007). Leaders must excel at making decisions to lead their company to improve performance. As a result, an appropriate leadership style is needed in terms of leading a company in the current era.

The current era tends to value inclusive and collaborative leadership styles. Leaders who can listen, motivate, and facilitate the participation of team members, and are willing to adapt to change, are often considered effective (Syafitri, 2021). Therefore, it can be concluded that nowadays it requires a leadership style that is democratic, as well as participative by giving freedom in terms of decision-making to the subordinates. This leadership style is the Gen-Z leadership style needed now.

Gen-Z leadership styles tend to be adaptive, supportive, appreciative, and transformational. Gen-Z wants leaders who can adapt to various conditions and situations, provide equal opportunities for self-development, position them that they need appreciation for their achievements, and create a work environment that is inclusive and stimulates creativity (Dewi, 2023). Based on the results of the Sakerna 2022 survey, the workforce in that year was dominated by millennials and Gen-Z with a percentage of 68.63% (Tribunnews.com).

Previous research by Dewi (2023) highlighted the differences in leadership styles of Generation Z compared to previous generations. The focus of this research is on the analysis of leadership styles suitable for Generation Z in the context of the organizational environment. Meanwhile, Hardian (2022) targets to provide an overview of the concept of transformative leadership, its dimensions, consequences, and application in various institutions.

This research aims to understand how leadership styles, especially in financial reporting and corporate decision-making, can be adapted to the needs of Generation Z. Generation Z, which grew up in the era of internet technology, shows different characteristics, challenging companies in managing organizational leadership. In terms of communication, companies are faced with a generation that tends to be virtual and superficial, requiring a new approach to building relationships that impact organizational success. Generation Z employees need leaders who can connect and inspire them to achieve big goals. This is certainly influenced by the perspective of each leader in achieving these goals.

This research looks at the perspective of Generation Z on its leadership style in terms of making financial reports and decision-making in a company. This research also intends to understand the perspectives and ways of leadership of Generation Z in a team or organization in the company. The purpose of this research is to see the perspective of Gen-Z leadership style in making financial reports and decision-making in a company

LITERATUR REVIEW

Definition of Leadership

Leadership is the process of influencing the activities of a group organized to achieve a common goal. Leadership is a process of giving meaning to cooperation and is generated by the willingness to lead in achieving goals (Jacob & Jacques, 2008).

Addition, leadership is also define as the ability to influence others to cooperate in achieving set goals (Trang, 2013). Another definition mentioned leadership as a person's ability to direct, influence, encourage, and control other people or subordinates to be able to do something to work on their awareness and voluntarily achieve a certain goal (Hasnawati, 2021).

From the above statement, leadership is the process of influencing others to work together. This work aims to achieve common goals with the willingness to lead.

Types of Leadership Styles

According to Hasnawati (2021), there are at least nine leadership styles that are different from one another applied by a leader so that

each member wants to work according to his direction. Here are the nine leadership styles.

1. *Autocratic Leadership*. The leader is very dominant in every decision-making and every policy, regulation, and procedure is taken from his ideas. This type of leadership concentrates power on himself. He limits the initiative and thinking power of its members.

2. *Democratic leadership style*. A leadership style that emphasizes participation, collaboration, and involvement of subordinates in decision-making. Its characteristics include considering subordinates as the noblest creatures, always trying to synchronize organizational interests and goals in the interests and goals of subordinates, and happy to accept suggestions, opinions,

3. *Bureaucratic Leadership*. This leadership style is commonly applied in a company and will be effective if every employee follows every flow of procedures and performs routine responsibilities every day.

4. *Participative Leadership*. In a participative leadership style, ideas can flow from the bottom (members) because the position of control over solving a problem and making decisions is held alternately.

5. *Delegative Leadership*. This style of leadership is commonly called Laissez-faire where the leader gives absolute freedom to the members to do their purposes and ways. The leader tends to allow decisions to be made by anyone in the group which sometimes lowers the morale of the team in general.

6. *Transactional Leadership*. This type of leadership tends to have transaction actions between leaders and subordinates where leaders will provide rewards when subordinates successfully carry out tasks that have been completed according to the agreement.

7. *Transformational Leadership*. Transformational leadership style can inspire positive change in those (members) who follow. These types of leaders are attentive and directly involved in the process including in terms of helping group members to complete their tasks.

8. *Servant Leadership*. The relationship between the servant leader and the members is oriented towards serving with spiritual moral standards. Servant leaders prioritize the needs, interests, and aspirations of members over their interests.

RESEARCH METHODS

This research uses a type of case study research with qualitative research. Qualitative research is a research method based on the philosophy of postpositivism which is used to research on natural object conditions and make yourself a key instrument Sugiyono (2019). This research includes interviews with ten interviewees who come from Generation Z leaders who work in certain companies regarding leadership styles and decision-making processes, especially in making financial reports and company decision-making. Using a qualitative approach, the researchers were able to explore individual views and experiences related to the research topic, which supported the exploration of Generation Z leadership perspectives. In addition, the snowball sampling method can be applied to recruit respondents who meet the set criteria.

There are 10 informants involved in this study. They are: N1/Z; N2/D; N3/T; N4/I; N5/A; N6/I; N7/N; N8/S; N9/R; and N10/K.

In the result section, we provided 60 data which had filtered into 6 data. The following is a discussion of the research results.

DISCUSSION

Involve teams and subordinates in the preparation of financial reports

Decision-making in terms of involving teams and subordinates in the preparation of financial reports considers certain aspects, one of which is in terms of technology, collaboration, and transparency in terms of making these financial reports. According to the statement (Syafitri, 2021) regarding leadership style, especially generation z, must be able to adapt to the changes of today. this statement received support from the results of an interview with brother N3/T working at the PT ABC company as an accountant employee:

"By dividing the tasks to each member, adjusted to the ability and workload of each task" (Data 9).

The above statement also reinforces the interview with N1/Z who works at PT XYZ company as an accountant employee of one of the companies engaged in Oil and Gas.

"In decision-making, I involve every team member by asking general questions, and if there is a statement, I ask other members to provide different perspectives. When creating reports, I involve the team using specialized software connected to the computer, allowing direct access to the accounting application for transaction input and shared learning" (Data 1).

From this data, it can be concluded that today's generation tends to involve teams and

subordinates in terms of decision-making, especially the preparation of financial reports using sophisticated technology to keep up with current developments.

The statement of leadership styles used are democratic, servant, transformational, and situational leadership styles.

Evaluate and communicate in terms of making financial statements

Based on the data obtained from interviews with accountant employees in a company, it can be seen that the implementation of leadership styles, especially in today's generation, which creates a comprehensive work environment and stimulates creativity in making financial reports. This is following Dewi's (2015) statement regarding today's leadership style, especially the Generation Z leadership style. This statement follows the results of the interview with sister N2/D. who works in a tax office consulting company.

"In preparing financial statements with the team and subordinates, we evaluate and communicate by first ensuring a common understanding of the client's financial statement needs. The obstacle that often occurs is that the required data is limited, so communication is important to collect relevant information that can be used to assist in the decision-making process in preparing financial statements" (Data 6).

Following this data, it can be concluded that the leader is the key to the success of making financial reports that are to the needs of the company by applying a leadership style that suits the development of today's times. From the statement of the leadership style used is democratic leadership style and situational leadership style.

Handling Conflicts in difficult decisions in differing views Team

Based on the data collected through interviews, it can be seen that the perspective of Generation Z's leadership style in company decision-making, especially in handling conflicts when facing difficult decisions and differences in team views, is a major consideration in planning future steps. This is to the theory by Dewi (2015) regarding the Generation Z leadership style in the current era. In addition, this statement also received support from the results of an interview with Sister N9/R. who works in a tax office consulting company:

"First of all, I focus on finding the root of the problem before taking further action. This should be communicated openly to create an environment where team members feel comfortable talking about issues that arise. Conflicts or problems are resolved together, and there should be a mediator, such as a top manager" (Data 7).

The above statement also reinforces the results of interviews by sister N8/S who works at the company PT XYZ as accounting staff at one of the companies engaged in Food and Beverage (F&B).

"If team members have different view then I will ask them for their strong reasons for their opinions. After listening to them, I will unite their opinions with the similarities that exist even if they are small and then give my opinion on which solution to mediate the differences between them". (Data 22)

According to the data, it can be concluded that the problem-solving approach in the team with the first step is to find the root of the problem and encourage open communication. After eing resolved collaboratively if there are differences in views, then ask for strong reasons from each team member, find similarities, and provide solutions to mediate these differences. According to the statement, the leadership styles used are democratic leadership style and situational leadership style.

Ensuring Fairness and the Common Good

Ensuring fairness and mutual interest in collective decisions is a process that involves many parties to reach a consensus and ensure that the decision taken follows the fairness and interests of all parties involved. One of the factors is that the leader can be fair in terms of making decisions toward coworkers and subordinates. This statement is the result of the interview with brother N4/I as a supervisor in the franchise company.

"Justice and common interests are prioritized in decision-making. If in making a decision, it is considered that the settlement will be heavy on one side, it may be that the decision must be discussed again to achieve the goal" (Data 14).

According to this data, it can be concluded that justice and common interests mean that the decision is not heavy on one side only but the decision is by the common desire in terms of achieving common goals. According to the statement, the leadership styles used are democratic, participative, transformational, and situational leadership styles.

CONCLUSIONS

Leaders are one of the success factors in terms of making financial reports, such as determining financial policies, business activities, and company performance, and also leaders must handle conflicts in difficult decisions in different views of teams and subordinates that are fair and common interests, especially leaders in today's era, namely the age of generation Z.

Based on the results of the research and discussion that has been presented, it can be concluded that the perspective of Generation's leadership style mostly uses democratic and situational leadership styles. Democratic leadership style involves the participation of team members in the decision-making process, while the situationnal style emphasizes the leader's ability to adapt to the situation and team members. Research shows that adaptive, supportive, and appreciative leadership styles fit the preferences of Generation Z now.

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