

EXPLORING THE ROLE OF MILLENNIAL LEADERS IN SHAPING REGIONAL FINANCIAL HEALTH IN PUBLIC SECTOR

Baiq Arnita Hairuzzami¹, Victoria K. Priyambodo²

^{1,2} University of Mataram, Indonesia

Email: arnitabaiq@gmail.com

Abstract

The millennial generation, born between 1980 and 1996 is predicted to increasingly dominate the workforce in the next few decades, both in Indonesia and throughout the world. In Indonesia, the millennial generation is starting to occupy leadership positions in various sectors, including the financial sector. This raises questions about how the millennial leadership style affects various aspects of the organization, including financial performance. The purpose of this study is to evaluate the financial standing of local governments led by the millennial generation in Indonesia for the period 2019-2022 using seven calculation dimensions. The type of research used is quantitative descriptive research. The results of the study indicate that the financial performance of local governments under millennial leadership shows more instability in financial performance in the dimensions of short-term solvency, long-term solvency, budgetary solvency, operational solvency, financial independence, financial flexibility, and service solvency dimensions. This can be caused by several factors, including millennial leadership styles which are generally more adaptive, tend to innovate, and are change-oriented. The results of this research can be used as consideration for stakeholders to understand the role and impact of millennial leadership in the context of local government finances.

Keyword: *Millennial Leadership; Public Sector Accounting; Financial Performance; Public Accountability*

A. INTRODUCTION

The development of the era, accompanied by technological advances, has brought significant changes in various lines of life, especially in the business world and organizations, especially government. One of the significant changes that has occurred in the organizational environment is the emergence of the millennial generation as leaders. Currently, the workforce has begun to shift from the old generation to the millennial generation. The generation born between 1980 and 2004 has different characteristics from the previous generation (Fritsch et al., 2018). Millennials are known for their high use of technology, adaptability to change, openness to new ideas, and a more collaborative and participatory leadership style. The millennial generation is optimistic, confident, and is quick to perform best (Wolor et al., 2020). On the other hand, the millennial generation has a negative side, namely, not being loyal to the company. They are willing to leave their jobs and look for career opportunities with better perspectives, showing a lack of commitment to the organization (Wolor et al., 2020).

The millennial generation is different from the old generation. They work flexibly and have a work-life balance for maximum performance (Putriastuti & Stasi, 2019). Following the business hierarchy is a struggle for millennial employees. Up to 43% of millennial workers enjoy working hard, while the remaining individuals dislike the hierarchical structure; Millennial workers like a welcoming and comfortable workplace because it boosts output (Ruangkanjanases & Chen, 2019).

In Indonesia, the millennial generation is starting to occupy leadership positions in various sectors, including the financial sector. This raises questions about how the millennial leadership style affects various aspects of the organization, one of which is financial performance. Various factors affect financial performance. One of them is leadership in the public sector. The Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 38 of 2020 concerning the Regional Head Leadership Index states that regional heads play an crucial role in improving the performance of regional government administration (Permendagri No 38 Tahun 2020). Leadership is one of the core concepts in public administration (Backhaus & Vogel, 2022). Backhaus & Vogel (2022) research shows that leadership does make a difference in the public sector.

Research by (Locke et al., 2022) states that the millennial generation profoundly impacts society, the economy, and the workforce in the United States. Their findings show that millennials working in the public sector generally score as high as other generations on several factors. In another study, millennials are the generation that contributes 3 million more workers than Generation X. Similar patterns are

emerging internationally (Galdames & Guihen, 2022). Millennials will increasingly dominate the workforce in the United States in the coming decades (Lediju, 2016). Meanwhile, (Alcantar, 2019) also states that millennials will become the majority generation of the workforce. Furthermore, (Zachara, 2019) states that millennials are a potentially influential force and that the world is entering a 'millennial moment', where one generation will become the dominant economic, cultural, and political force. According to (Wolor et al., 2020) in Indonesia, in 2025, 75% of the workforce will be millennials. The role of public leadership is very relevant in public organizations in achieving accountability and compliance with regulations, and political loyalty is a special bureaucratic approach related to the obligations of leaders in the public sector (Schwarz et al., 2020).

Millennial leadership is expected to bring new perspectives and approaches to corporate management, including governance and financial reporting. To the author's knowledge, research on the influence of millennial leadership is still limited. Therefore, the researcher is interested in examining how much influence millennial leadership has on the government's financial performance in Indonesia. Thus, the results of this study are expected to contribute to understanding the role of millennial leadership in the public sector in improving financial performance. These findings are expected to be the basis for strategies to improve financial performance in the Indonesian public sector.

B. LITERATURE REVIEW

Public Service Motivation Theory

Public service focuses on the reasons, motivations, values, and attitudes that drive someone to work in the public sector, including a sense of civic duty and the desire to contribute positively to the work environment (Mendoza, 2023). Those with high public service motivation have an important role in understanding performance in the government sector (Henstra & McGowan, 2016). A comparison of the millennial generation with the older generation shows differences in motivation. The perspective of the millennial generation on working in the public sector is different from that of other generations, which causes some people to assume that the millennial generation does not view public sector work positively (Henstra & McGowan, 2016). There is a belief that government employees have a bureaucratic character and are attracted to public service because they like monotonous routines, obedience, and a sense of security (Horton & Honddeghem, 2006). However, the millennial generation tends to look for jobs that are challenging and full of risks. Based on research by (McGinnis Johnson & Ng, 2015) explores the reasons behind millennials' career choices, including how public sector employment fits with their career goals and values. Their findings show that only about a third of respondents chose a career in the public sector over the private sector (McGinnis Johnson & Ng, 2015). Millennial leadership never materialized during the 2007 recession in America because most government employees were stuck with the boomer generation who were able to work in economic uncertainty, unlike millennials, who tend to get bored quickly and change jobs (Folarin, 2021). After the recession ended and the economy began to recover, millennials entered the public sector, albeit with less motivation (Folarin, 2021).

Millennial Leadership

According to (Mulyasa, 2021) Influencing others to accomplish organizational objectives is the definition of leadership. Meanwhile, according to (Hasibuan, 2007) Leadership is the process by which a leader shapes followers' conduct to encourage collaboration and productive work toward the organization's objectives. Another definition, according to (Peramesti & Kusmana, 2018) Leadership is the practice of facilitating individual or group (collective) efforts to accomplish main goals while also respecting others' understanding and agreement on what must be done and how it can be done effectively. Leadership is at the core of public administration concerns (Ospina, 2016).

Millennials were born from the early 80s to the turn of the millennium. This is a group that largely came of age at the beginning of the global financial crisis but also amidst a major acceleration in digital technology (Batu, 2023). (Locke et al., 2022) stated that millennials have a higher level of education than other generations. About three-quarters of millennials have a bachelor's degree or higher, compared to 67% of Generation X and 63% of baby boomers. Based on the findings of the study by (Fritsch et al., 2018), millennials tend to have higher levels of self-confidence than previous generations.

The following are several leadership styles formulated from various patterns as follows:

1. Baby Boomers (1946-1964)

The baby boomer generation is a generation with great acquirer traits or profiles. They are people with high tolerance and responsibility even though they are based on hedonism and luxury (Bako, 2018). The leadership style of this generation is known as an authoritative and hierarchical leadership style.

2. Generation X (1965-1979)

Generation X is a generation with a cynical, distrustful, burdened world, rebellious, panicky, pragmatic, apathetic, independent, but underachieving nature (Bako, 2018). According to (Lancaster & Stillman, n.d.). Generation X is often considered a flexible and adaptive "bridge" generation with a more participatory and supportive leadership approach.

3. Generation Y (Millennials (1980-1996))

The millennial generation is a generation that is considered to have the same stereotype, namely mature and driven by feelings and prioritizing balance between the world of work and everyday life (Batu, 2023). (Bako, 2018) said that this generation is more idealistic than Generation X. Millennials were born between 1980 and 2004 and are the largest generation since the baby boomers (Fritsch et al., 2018). Millennials tend to be democratic and inclusive in leadership, trying to involve the team in decision-making.

4. Generation Z (1997-2012)

Generation Z is a generation that has a multicultural profile is tech-savvy and is educated because they grew up in a prosperous society and had great purchasing power. Generation Z is still in the early stages of entering the workforce, but they are known to have a collaborative and digital-first leadership approach (Bako, 2018). Generation Z has great potential in an environment encouraging innovation, especially in the technology sector.

Generation Y needs a long time to blend in and change the leadership pattern that was originally led by Generation X and baby boomers (Rahayu & Tridayanti, 2024). Generational differences are a diversity issue that needs to be considered in developing leadership today and for the future. Each generation has different preferences and profiles (Arora & Dhole, 2019). Companies and governments that can combine the leadership styles of these four generations will be able to take advantage of the advantages of each generation, increase efficiency, and face increasingly complex challenges in the digital era.

Local Government Financial Condition

Currently, the demand for accountability for public sector institutions is getting stronger, both central and regional. Accountability is a form of responsibility for the implementation of the organization's mission that has been carried out. In this context, the media periodically realizes this accountability. According to (Anas, 2014) public accountability in government organizations means providing information and openness regarding government activities and financial performance to parties who have an interest in the report.

Referring to the research conducted by (Ritonga, 2023), regional financial conditions are the financial ability of a region to regulate and manage regional finances based on the ability of a region to fulfill obligations and take into account unexpected events. There are seven dimensions of calculating the regional government financial performance ratio, namely:

1. Short-Term Solvency

A ratio called short-term solvency gauges a region's capacity to fulfill its immediate obligations. The ability of a regional government to fulfill its financial obligations that are due in less than a year is described by this aspect of short-term financial solvency;

2. Long-Term Solvency

A ratio called long-term solvency gauges a region's capacity to fulfill its long-term commitments. This component demonstrates the financial capacity of the regional government to settle long-term debt. The ability of the regional government to fulfill its long-term responsibilities is positively correlated with its long-term solvency ratio.;

3. Budgetary Solvency

Budgetary solvency is a ratio that assesses the ability of local governments to implement promised programs and activities. According to (Ritonga, 2014b), budget solvency reflects the financial capacity of local governments to meet their operational obligations. This dimension describes the ability of local governments to obtain sufficient revenue to fund operations in one budget period. The higher the budget solvency ratio, the greater the revenue available to cover

operational expenses, which indicates an improvement in budget solvency conditions (Utami & Martiningsih, 2024).

4. Operational Solvency

Operational solvency is a ratio that assesses the ability of a local government to carry out its duties and functions. This operational solvency dimension measures how much a local government can obtain sufficient revenue to cover operational costs to carry out its duties and functions in serving the community for a period. The higher the operational solvency ratio, the better the ability of the local government to carry out its duties and responsibilities to the community.

5. Financial Independence

Financial independence is a ratio that assesses a region's ability to manage its financial rights effectively and efficiently. This financial independence reflects the ability of the regional government to exercise financial rights properly (Ritonga, 2014b). This ratio shows a region's real income in one period.

6. Financial Flexibility

Financial flexibility is a ratio that assesses a region's ability to deal with unexpected events in the future. This flexibility reflects the ability of local governments to manage unpredictable events in the future (Ritonga, 2014b).

7. Service Solvency

Service solvency is a ratio that measures the ability of local governments to provide services to the community. This ratio reflects the financial capacity of local governments to provide and maintain the quality of public services required by the community (Maizunati, 2017).

The ratio is developed following the information in the local government financial report that has been prepared by government accounting standards, which are also mandatory for all local governments in Indonesia (Ritonga, 2023).

C. METHOD

This study uses a quantitative descriptive approach using secondary data sourced from the Report on the Results of the Audit of the Financial Report of the Regional Government of the Republic of Indonesia for 2019-2022. The method of measuring the financial condition of the regional government is carried out using the Financial Health Index, which Ritonga conceptualized. Of the 98 cities in Indonesia, there are 4 cities in the latest period led by the millennial generation. Using a quantitative approach, this study investigates the influence of millennial leadership in the public sector on financial performance in Indonesia.

According to (Ritonga, 2014a), this study conducted a financial ratio analysis of local government financial data. These factors include financial independence, financial flexibility, operational solvency, budget solvency, long-term solvency, short-term solvency, and service solvency. (Utami & Martiningsih, 2024).

Researchers divide the leadership period into two periods. The first period is 2015-2019, while the second is 2020-2024. The millennial generation leads six cities in the first period: Padang Panjang City, Pangkal Pinang City, Palangkaraya City, Kendari City, Surakarta City and Tegal City. Meanwhile, there are eight cities led by the millennial generation in the second period, namely Padang City, Bukittinggi City, Sawahlunto City, Pekanbaru City, Banjarbaru City, Gunung Sitoli City, Medan City, Kediri City. Furthermore, researchers adjusted the existing financial reports; only four cities were led by the millennial generation in the second or the latest period taken, namely Bukittinggi City, Banjarbaru City, Medan City, and Kediri City. Furthermore, in terms of leadership, there was one period led by a non-millennial generation, in 2019.

Table 1. Dimensions and ratio analysis

Dimension	Ratio Analysis
Short-Term Solvency	Ratio A = (Cash and Cash Equivalents + Short-Term Investments) / Current Liabilities
	Ratio B = (Cash and Cash Equivalent + Short Term Investments + Account Receivable) / Current Liabilities

Dimension	Ratio Analysis
	Ratio C = Current Assets / Current Liabilities
Long-Term Solvency	Ratio A = Total Assets / Total Liabilities Ratio B = Total Assets / Long-Term Liabilities
Budgetary Solvency	Ratio A = (Total Revenue - Special Allocation Fund Revenue) / (Total Spending - Total Capital Expenditures) Ratio B = (Total Revenue - Special Allocation Fund Revenue) / Operational Expenditures Ratio C = (Total Revenue - Special Allocation Fund Revenue) / Employee Spending Ratio D = Total Revenue / Total Spending
Operational Solvency	Ratio A = (Total Income LO - DAK Income LO) / Total Ratio B = Total Income LO - Income DAK LO / Operational Expenses Ratio C = (Total LO Income - LO DAK Income) / Employee Expenses Ratio D = Total LO Income / Total Expenses
Financial Independence	Ratio A = Total Regional Original Income / Total Income Ratio B = Total Regional Original Income / Total Spending
Financial Flexibility	Ratio A = (Total Income - Special Allocation Fund Revenue - Employee Expenditures) / (Loan Principal Installments + Interest Expenditures) Ratio B = (Total Income - Special Allocation Fund Revenue - Employee Expenditures) / Total Amount of Debt Ratio C = (Total Income - Special Allocation Fund Revenue - Employee Expenditures) / Long Term Liabilities Ratio D = (Total Income - Special Allocation Fund Revenue - Employee Expenditures) / Total Long-Term Debt
Service Solvency	Ratio A = Total Equities / Total Population Ratio B = Total Assets / Total Population Ratio C = Total Spending / Total Population

D. RESULT AND DISCUSSION

Based on the financial reports of city governments throughout Indonesia, the calculation of the seven dimensions of local government financial condition indicators was carried out based on (Ritonga, 2023).

1. Financial Analysis of Bukittinggi City Government

In Bukittinggi City, in 2019, the financial report was led/signed by HM Ramlan Nurmatias, S.H., a Generation X born in 1964 and served as mayor for the 2016-2021 period. While in 2020-2022, the financial report was led/signed by H. Erman Safar, S.H., a millennial generation born in 1986 who served from 2021 to 2024.

Tabel 2. Financial dimension index of Bukittinggi City 2019-2022

Dimension	Indicator	2019	2020	2021	2022
		Non-millennials	Millennials	Millennials	Millennials
Short-term Solvency	Ratio A	40.13	26.49	11.63	6.19
	Ratio B	40.18	26.55	11.67	6.22
	Ratio C	46.58	33.88	14.79	8.56
Long-term Solvency	Ratio A	6.40	6.16	5.19	5.11
	Ratio B	28.11	28.16	28.35	28.16
Budgetary Solvency	Ratio A	1.24	1.25	1.24	1.13
	Ratio B	1.24	1.22	1.24	1.14
	Ratio C	1.81	1.75	2.32	2.32

Dimension	Indicator	2019	2020	2021	2022
Operational	Ratio D	1.02	0.87	1.06	0.94
	Ratio A	1.23	1.14	1.52	0.98
Solvency	Ratio B	1.23	1.14	1.52	0.98
	Ratio C	2.06	1.94	3.33	2.32
	Ratio D	1.23	1.14	1.52	0.98
Financial Independence	Ratio A	0.15	0.12	0.13	0.19
	Ratio B	0.16	0.03	0.14	0.18
Financial Flexibility	Ratio A	293,188,223,108.23	269,834,307,682.05	392,263,438,888.36	397,018,289,781.56
	Ratio B	243.93	176.86	60.21	56.63
	Ratio C	109.12	75.74	34.30	32.19
Service Solvency	Ratio D	655,375,976,824.05	630,064,714,004.62	688,635,054,453.61	698,402,386,323.22
	Ratio A	12,394,637.37	13,946,725.90	16,784,684.01	16,621,743.20
	Ratio B	12,394,637.37	13,976,162.07	16,878,745.49	16,722,576.31
	Ratio C	5,479,175.86	6,576,614.33	5,346,344.45	6,083,338.37

Table 2 shows a decline in A, B, and C ratio values. This condition shows a bad signal for the financial condition of the local government from non-millennial to millennial leadership in managing current assets by reducing idle current assets.

Overall, in the 2019-2022 period, the Bukittinggi City government only had one dimension that showed that millennial leadership was better, namely in the service solvency dimension, while in other dimensions, there tended to be a decline and instability in value. This means that many other factors need to be considered besides leadership, especially the COVID-19 pandemic that occurred in 2019 and continued in the following years. Undoubtedly, the COVID-19 outbreak has had major financial implications for the 2020 budget year. In addition, the COVID-19 outbreak will affect the activities of the organization (in this case, the government) and its financial position (El-Mousawi & Kanso, 2020). Even in calculating the budget solvency dimension, which uses data from the Budget Realization Report to find the value of each ratio, the COVID-19 handling program significantly impacts changes to the APBD and its realization reported in the budget realization report. Various items in the budget realization report have changed significantly compared to the previous year (Saifuddin & Abdullah, 2022). Before the emergence of COVID-19, many countries in the world had made rapid progress to encourage and maintain financial inclusion.

2. Financial Analysis of Banjarbaru City Government

In Banjarbaru City, in 2019, the financial report was signed by Drs. H. Nadjmi Adhani, M.Sc. a Generation X born in 1969 and served as mayor for the 2016-2020 period. While in 2020-2022, the financial report was signed by Aditya Mufti Ariffin, S.H., a millennial generation born in 1984. He became the mayor of Banjarbaru for the 2021-2024 period.

Table 3. Financial dimension index of Banjarbaru City 2019-2022

Dimension	Indicator	2019	2020	2021	2022
		Non-millennials	Millennials	Millennials	Millennials
Short-term Solvency	Ratio A	1.52	3.91	2.07	5.97
	Ratio B	1.54	3.93	2.08	5.98
	Ratio C	4.00	5.49	3.34	7.74
Long-term Solvency	Ratio A	3.59	2.97	3.18	4.01
	Ratio B	5.43	3.47	4.17	28.83
Budgetary Solvency	Ratio A	1.20	1.28	1.11	1.38
	Ratio B	1.20	1.31	1.12	1.38
	Ratio C	2.43	2.66	2.14	2.74
	Ratio D	0.96	1.04	0.99	1.22
Operational	Ratio A	1.18	1.14	0.91	1.09

Dimension	Indicator	2019	2020	2021	2022
Solvency	Ratio B	1.18	1.14	0.91	1.09
	Ratio C	3.12	2.96	2.39	2.68
	Ratio D	1.18	1.14	1.02	1.19
Financial Independence	Ratio A	0.23	0.21	0.29	0.21
	Ratio B	0.22	0.22	0.29	0.26
Financial Flexibility	Ratio A	590,945,435,106.48	661,997,486,674.48	522,508,778,821.20	811,123,203,960.68
	Ratio B	12.40	6.82	7.71	21.16
	Ratio C	7.29	4.25	4.11	13.45
	Ratio D	1,005,212,654,630.48	1,061,184,844,212.48	980,394,662,730.20	1,276,374,257,154.68
Service Solvency	Ratio A	10,921,329.37	11,372,282.63	11,377,537.27	12,453,761.56
	Ratio B	11,229,924.14	11,986,281.84	11,869,265.30	12,683,535.04
	Ratio C	4,558,223.80	4,506,922.39	4,332,620.20	4,349,820.74

Table 3 shows that A, B, and C ratio values indicate instability. This condition indicates a bad signal for the financial condition of the local government from non-millennial to millennial leadership in managing current assets by reducing idle current assets.

Overall, in the period 2019-2022, in the Banjarbaru City government, none of the dimensions showed that millennial leadership was better. In addition to leadership, there are numerous other factors that must be taken into account.

3. Financial Analysis of Medan City Government

In Medan City, in 2019 the financial report was led by Ir. H. Akhyar Nasution, M.Sc. who is a Generation X born in 1966 who served as mayor for the 2016-2020 period. In 2020-2022 the financial report was led by Muhammad Bobby Afif Nasution, SE, MM who is a millennial generation born in 1991. He became the mayor of Medan for the 2021-2024 period.

Table 4. Financial dimension index of Medan City 2019-2022

Dimension	Indicator	2019	2020	2021	2022
		Non-millennials	Millennials	Millennials	Millennials
Short-term Solvency	Ratio A	4.18	5.89	9.63	4.02
	Ratio B	9.31	14.91	19.43	11.17
	Ratio C	10.46	16.66	21.20	12.84
Long-term Solvency	Ratio A	5.60	5.77	5.67	5.54
	Ratio B	31.12	31.15	31.17	31.18
Budgetary Solvency	Ratio A	1.27	1.03	1.21	1.15
	Ratio B	1.27	1.07	1.24	1.16
	Ratio C	2.87	2.30	2.79	2.75
	Ratio D	1.09	1.03	1.12	0.90
Operational Solvency	Ratio A	1.05	1.06	1.08	1.05
	Ratio B	1.05	1.06	1.08	1.05
	Ratio C	2.89	2.87	2.87	2.98
	Ratio D	1.05	1.06	1.08	1.05
Financial Independence	Ratio A	0.33	0.37	0.38	0.41
	Ratio B	0.36	0.38	0.42	0.37
Financial Flexibility	Ratio A	3,362,455,045,210.31	2,136,246,540,818.10	3,057,812,166,119.42	3,244,103,152,541.85
	Ratio B	42.54	35.74	40.01	37.34
	Ratio C	27.72	20.22	25.69	23.74
	Ratio D	5,161,374,407,091.31	3,776,467,411,998.01	4,761,702,111,759.29	5,103,132,808,442.85
Service Solvency	Ratio A	14,377,959.83	13,873,405.91	14,001,727.96	13,931,958.72
	Ratio B	14,431,173.48	13,916,794.93	14,050,091.34	13,986,742.98

Dimension	Indicator	2019	2020	2021	2022
	Ratio C	2,219,089.44	1,639,030.93	1,828,283.12	2,424,209.29

Table 4 indicates that the ratio values of A, B, and C show an increase and only one decrease in 2022. This condition shows a fairly good signal for the financial condition of the regional government from non-millennial to millennial leadership in managing current assets by reducing idle current assets.

Overall, in the period 2019-2022, in the Medan City government, there was only one dimension that showed that millennial leadership was better, namely in the dimension of financial independence, while in other dimensions, there tended to be a decline and instability in values.

4. Financial Analysis of Kediri City Government

In Medan City, the previous period was signed by Dr. Hj. Haryanti Sutrisno, a Generation X born in 1949 and served as mayor for the 2010-2015 and 2016-2021 periods. In the 2020 to 2022 period, the financial report was signed by Abdullah Abu Bakar, S.E., M.M., a millennial born in 1980. He became the mayor of Medan for the 2014-2023 period.

Table 5. Financial dimension index of Kediri City 2019-2022

Dimension	Indicator	2019	2020	2021	2022
		Non-millennials	Millennials	Millennials	Millennials
Short-term Solvency	Ratio A	16.15	17.31	7.49	19.58
	Ratio B	19.66	19.38	7.84	20.46
	Ratio C	20.83	20.94	8.29	21.78
Long-term Solvency	Ratio A	5.21	5.06	3.90	4.97
	Ratio B	28.74	28.77	28.83	28.89
Budgetary Solvency	Ratio A	1.08	1.03	1.13	1.01
	Ratio B	1.08	1.14	1.16	1.02
	Ratio C	2.10	1.98	2.62	2.40
	Ratio D	1.02	1.06	1.12	0.98
Operational Solvency	Ratio A	0.96	0.94	0.99	0.96
	Ratio B	0.96	0.94	0.99	0.96
	Ratio C	2.12	1.95	2.66	2.45
	Ratio D	1.05	1.06	1.06	1.05
Financial Independence	Ratio A	0.20	0.20	0.29	0.22
	Ratio B	0.20	0.22	0.33	0.22
Financial Flexibility	Ratio A	637,825,940,155.73	567,617,936,934.74	865,847,248,622.64	774,903,947,314.24
	Ratio B	73.60	57.89	20.71	54.35
	Ratio C	38.52	28.67	12.79	31.73
	Ratio D	1,218,631,958,460.73	1,146,072,292,032.74	1,401,727,501,676.64	1,327,184,892,655.24
Service Solvency	Ratio A	10,513,679.80	10,824,562.24	11,338,955.72	12,074,603.11
	Ratio B	10,571,289.20	10,893,592.67	11,574,034.49	12,158,976.14
	Ratio C	4,565,544.44	4,208,309.21	4,668,228.17	5,123,207.94

Table 5 above shows that A, B, and C ratio values indicate instability. This condition indicates a bad signal for the financial condition of the local government from non-millennial leadership to millennials in managing current assets by reducing idle current assets.

Overall, in the period 2019-2022, in the Kediri City government, there is only one dimension that shows that millennial leadership is better, namely in the service solvency dimension, while in other dimensions, there tends to be a decline and instability in value.

The COVID-19 pandemic has had a huge impact on a country's economy in the long term. For example, (Nemec & Špaček, 2020) show that in Czechia and Slovakia, both the revenue and spending sides of local government's budgets in the two nations under investigation are greatly impacted by the

COVID-19 pandemic. Therefore, it is difficult to recover, even now, the impact of the COVID-19 pandemic is still being felt (Uwah et al., 2022). According to the OECD publication (OECD, 2022), the impact of COVID-19 on local finances is highly varied, influenced by five key factors: the level of decentralization, the vulnerability of local finances to economic changes, the capacity of local governments to manage extraordinary pressure, the overall fiscal condition, and the scope and effectiveness of support policies provided by higher government authorities.

During the COVID-19 pandemic, the financial condition of local governments is facing severe pressure. Regional income decreased sharply due to slowing economic activity, resulting in a decrease in revenue from regional taxes and levies. On the other hand, local governments face an urgent need to finance various pandemic response programs, such as social assistance, improving health services, and support for MSMEs. This fiscal pressure forces local governments to allocate limited resources optimally and prioritize efficiency in spending. There are various summaries of the achievement of financial targets in 2020 related to targets that were not achieved due to the impact of the COVID-19 pandemic. Even government spending is almost 90% refocused on handling COVID-19 (Rahmawati & Kiswara, 2022). (Wright et al., 2020) stated that similar to its mitigation, the post-COVID-19 recovery can be achieved through a multi-governance strategy in which the federal, provincial, and municipal governments collaborate equally.

In this context, the theory of public service motivation becomes relevant. This theory argues that public sector employees are motivated by an intrinsic drive to serve society and have higher satisfaction when they can provide direct benefits to the public. In times of crisis, public service motivation can be a driving force for local government employees to continue to innovate and work hard, even though they face budget constraints and high risks. This motivation can be the key to increasing the efficiency and effectiveness of public services, because employees who have high service motivation will be more oriented towards achieving optimal results for society, even in challenging situations.

E. CONCLUSION

Based on the research results and discussion, it can be concluded that in Bukittinggi City, the local government led by the millennial generation in Indonesia for the 2019-2022 period, only one dimension showed that millennial leadership was better. In Banjarbaru City, the local government led by the millennial generation in Indonesia for the 2019-2022 period, not a single dimension showed that millennial leadership was better. In Medan City, the local government led by the millennial generation in Indonesia for the 2019-2022 period, only one dimension showed that millennial leadership was better. In Kediri City, the local government led by the millennial generation in Indonesia for the 2019-2022 period, only one dimension showed that millennial leadership was better.

Based on the calculation results of the seven dimensions above, millennial leadership provides more instability in financial performance. Of the seven dimensions, only one dimension has an increase in value. There is a year that needs special consideration because it has a major influence on financial performance in 2019, the year of the COVID-19 pandemic, which, of course, had an impact and harmed the economy not only in Indonesia but throughout the world.

For local governments led by the millennial generation, it is still necessary to optimize the management of regional income according to the potential for increasing Regional Original Income by intensifying taxes to impact regional financial independence and other financial dimensions positively.

This study has several limitations. Firstly, the analysis was restricted to data from only four cities in Indonesia. This limited scope may reduce the generalizability of the findings, as not all cities in Indonesia were included. The results may not fully represent all local governments in Indonesia. Secondly, the study only covers the period from 2019 to 2022, which limits the timeframe analyzed. Thirdly, the research employs descriptive analysis, meaning that further studies could enhance the depth of analysis by incorporating statistical tests to examine qualitative aspects that may influence financial performance, such as political dynamics, leadership, and socio-economic conditions in each city. Taking these limitations into account, the results of this study are expected to provide useful insights still.

REFERENCES

- Alcantar, J. (2019). *Millennials, retention, and the public sector* [California State]. <https://doi.org/10174150>
- Anas, M. (2014). *Akuntabilitas pelaporan keuangan sektor publik*.
- Arora, N., & Dhole, V. (2019). Generation Y: perspective, engagement, expectations, preferences and satisfactions from workplace; a study conducted in Indian context. *Benchmarking: An International Journal*, 26(5), 1378–1404. <https://doi.org/10.1108/BIJ-05-2018-0132>
- Backhaus, L., & Vogel, R. (2022). Leadership in the public sector: a meta-analysis of styles, outcomes, contexts, and methods. *Public Administration Review*, 82(6), 986–1003. <https://doi.org/10.1111/puar.13516>
- Bako, M. (2018). Different leadership style choices, different generations. *Prizren Social Science Journal*, 2(2), 127–143. <https://prizrenjournal.com/index.php/PSSJ/article/view/46>
- Batu, Y. A. L. (2023). *Pengaruh gaya kepemimpinan milenial terhadap kinerja karyawan*.
- El-Mousawi, H., & Kanso, H. (2020). Impact of COVID-19 outbreak on financial reporting in the light of the international financial reporting standards (IFRS) (An empirical study). *Research in Economics and Management*, 5(2), 21–38. <https://doi.org/10.22158/rem.v5n2p21>
- Folarin, D. (2021). Cultivating Millennial Leaders. *American Journal of Leadership and Governance*, 6(1), 1–7. <https://doi.org/10.47672/ajlg.727>
- Fritsch, A., Rasmussen, C. M., & Chazdon, S. A. (2018). Old concept, new generation: millennials and community leadership programs. *Journal of Leadership Education*, 17(4), 93–109. <https://doi.org/10.12806/v17/i4/r6>
- Galdames, S., & Guihen, L. (2022). Millennials and leadership: a systematic literature review. *Total Quality Management & Business Excellence*, 33(1–2), 1–39. <https://doi.org/10.1080/14783363.2020.1812380>
- Hasibuan, M. S. . (2007). *Manajemen sumber daya manusia*. PT Bumi Aksara.
- Henstra, D., & McGowan, R. A. (2016). Millennials and public service: an exploratory analysis of graduate student career motivations and expectations. *Public Administration Quarterly*, 40(3), 490–516.
- Horton, S., & Hondeghem, A. (2006). Public service motivation and commitment. *Public Policy and Administration*, 21(1), 1–12. <https://doi.org/10.1177/095207670602100101>
- Lancaster, H. C., & Stillman, D. (n.d.). *When generation collide* (Middle Eng). Amazon.
- Lediju, T. (2016). Leadership agility in the public sector: understanding the impact of public sector managers on the organizational commitment and performance of millennial employees. In *ProQuest LLC*. <https://doi.org/10.1093/nq/181.4.50-a>
- Locke, R., Gambatese, M., Sellers, K., Corcoran, E., & Castrucci, B. C. (2022). Building a sustainable governmental public health workforce: a Look at the millennial generation. *Journal of Public Health Management and Practice*, 28(1), E198–E210. <https://doi.org/10.1097/PHH.0000000000001247>
- Maizunati, N. A. (2017). Analisis kondisi keuangan pemerintah daerah Kota Magelang dalam klaster kota di Jawa-Bali. *Jurnal Riset Akuntansi Keuangan*, 2(1), 140–162. <https://doi.org/10.31002/rak.v2i2.222>
- McGinnis Johnson, J., & Ng, E. S. (2015). Money talks or Millennials walk: the effect of compensation on nonprofit Millennial workers sector-switching intentions. *Review of Public Personnel Administration*, 36(3), 1–23. <https://doi.org/10.1177/0734371X15587980>
- Mendoza, A. (2023). *Examining factors of turnover intention among millennial workers in local government and the implications on succession planning* (Issue August).
- Mulyasa, E. (2021). *Manajemen berbasis sekolah: konsep, strategi dan implementasi*. PT. Remaja Rosdakarya. <https://pustaka.ut.ac.id/lib/wp-content/uploads/pdfmk/IDIK401203-M1.pdf>
- Nemec, J., & Špaček, D. (2020). The COVID-19 pandemic and local government finance: Czechia and Slovakia. *Journal of Public Budgeting, Accounting and Financial Management*, 32(5), 837–846. <https://doi.org/10.1108/JPBAFM-07-2020-0109>
- OECD. (2022). *The Impact of the COVID-19 Pandemic on Financial Consumers in Asia*. <https://doi.org/10.1787/10919a78-en>
- Ospina, S. M. (2016). Collective leadership and context in public administration: bridging public leadership research and leadership studies. *Public Administration Review*, 00(00), 1–13. <https://doi.org/10.1111/puar.12706>
- Peramesti, N. P. D. Y., & Kusmana, D. (2018). Kepemimpinan ideal pada era generasi milenial. *E-Journal*

- lpdn*, 10(1), 73–84. <https://doi.org/10.33701/jt.v10i1.413>
- Permendagri No 38 Tahun 2020, 2 (2020).
- Putriastuti, B. C. K., & Stasi, A. (2019). How to lead the millennials: a review of 5 major leadership theory groups. *Journal of Leadership in Organizations*, 1(2), 97–111. <https://doi.org/10.22146/JLO.46562>
- Rahayu, J. N., & Tridayanti, R. R. H. (2024). The influenz of gen X And gen Y on motivation by leadership style. *International Journal of Entrepreneurship and Business Development*, 07(04), 848–861. <https://doi.org/10.29138/ijebd.v7i4.2845>
- Rahmawati, F., & Kiswara, E. (2022). Dampak COVID-19 terhadap kinerja keuangan daerah (studi kasus pada 34 pemerintah provinsi di Indonesia). *Diponegoro Journal of Accounting*, 11(2), 2–8. <https://ejournal3.undip.ac.id/index.php/accounting/article/view/33887/0>
- Ritonga, I. T. (2014a). Analysing service-level solvency of local governments from accounting perspective: a study of local governments in the province of Yogyakarta Special Territory, Indonesia. *International Journal of Governmental Financial Management*, XIV(2), 19–33. https://doi.org/10.5176/2251-1997_af14.60
- Ritonga, I. T. (2014b). Developing a measure of local government's financial condition. *Journal of Indonesian Economy and Business*, 29(2), 143–164. <https://doi.org/10.22146/jleb.6206>
- Ritonga, I. T. (2023). *Analisis laporan keuangan pemda* (2nd ed.). Pustaka Pelajar.
- Ruangkanjanases, A., & Chen, C. (2019). Research in business & social science attitude , job satisfaction , and task performance of thai millennial employees toward workplace fun. *International Journal of Research in Business and Social Science*, 8(5), 114–122. <https://doi.org/10.20525/ijrbs.v8i5.305>
- Saifuddin, A., & Abdullah, M. (2022). Dampak Pandemi COVID-19 Terhadap Laporan Keuangan Pemerintah Daerah. *Bongaya Journal for Research in Accounting (BJRA)*, 5(1), 66–72. <https://doi.org/10.37888/bjra.v5i1.325>
- Schwarz, G., Eva, N., & Newman, A. (2020). Can public leadership increase public service motivation and job performance? *Public Administration Review*, 80(4), 543–554. <https://doi.org/10.1111/puar.13182>
- Utami, N. A., & Martiningsih, R. S. P. (2024). Analysis of regency and city government financial reports in Provinsi Nusa Tenggara Barat. *East Asian Journal of Multidisciplinary Research*, 3(3), 1113–1132. <https://doi.org/10.55927/eajmr.v3i3.8656>
- Uwah, U. E., Udoayang, J. O., & Uklala, P. A. (2022). Post COVID-19 and the acceptance of financial inclusion as a new normal in financial transactions: implications for Nigerian accountants and other financial service providers. *Athens Journal of Business & Economics*, 8(3), 193–214. <https://doi.org/10.30958/ajbe.8-3-1>
- Wolor, W. C., Kurnianti, D., Zahra, S. F., & Martono, S. (2020). The importance of work-life balance on employee performance millennial generation in Indonesia. *Journal of Critical Reviews*, 7(9), 1103–1108. <https://doi.org/10.31838/jcr.07.09.203>
- Wright, A. L., Sonin, K., Driscoll, J., & Wilson, J. (2020). Poverty and economic dislocation reduce compliance with COVID-19 shelter-in-place protocols. *Journal of Economic Behavior and Organization*, 180, 544–554. <https://doi.org/10.1016/j.jebo.2020.10.008>
- Zachara, M. (2019). The millennial generation in the context of political power: a leadership gap? *Leadership*, 16(2), 242–258. <https://doi.org/10.1177/1742715019885704>