



# The Influence of Adaptive Leadership on the Effectiveness of Managerial Accounting Systems

Zulfa Khairunnisa<sup>1\*</sup>

<sup>1</sup> Sekolah Tinggi Ilmu Ekonomi YKPN, Yogyakarta, Indonesia

---

## Abstract

---

**Article history:**

Received: July 7, 2024

Revised: August 25, 2024

Accepted: October 27, 2024

Published: December 30, 2024

---

**Keywords:**

Adaptive Leadership,  
Organizational Effectiveness,  
Digital Transformation,  
Decision-making,  
Managerial Accounting System.

---

**Identifier:**

Zera Open

Page: 110-127

<https://zeraopen.com/journal/ijmaes>

This study aims to analyze the influence of adaptive leadership on the effectiveness of managerial accounting systems through literature study methods. By reviewing several scientific articles published in last five years, the study found that adaptive leadership has a significant contribution to creating responsive, flexible, and strategic accounting systems. Adaptive leadership characteristics such as the ability to respond to change, team empowerment, and drive for innovation enable organizations to navigate external challenges as well as improve the quality of managerial information. Adaptive leaders have also been shown to drive system digitalization, strengthen learning culture, and align reporting systems with organizational strategic goals. However, the influence of adaptive leadership is also influenced by the context of the organization, such as work culture, bureaucratic structure, and technological readiness. This study provides an in-depth theoretical understanding and opens up opportunities for further empirical research, particularly in identifying mediating variables that strengthen the relationship between leadership and managerial information systems. These results are also relevant as a reference in the development of managerial policies and planning for the transformation of the accounting system.

---



## 1. Introduction

In an era of disruption marked by technological changes, market dynamics, and global uncertainty, organizations are required to have adaptive capabilities to maintain a competitive advantage. One of the crucial elements that supports the sustainability of the organization is an effective managerial accounting system (Men et al., 2022). This system not only plays a role in presenting financial information, but also in supporting the strategic decision-making process. The effectiveness of the managerial accounting system is greatly influenced by various factors, one of which is the leadership style applied in the organization. Among the various leadership styles, adaptive leadership has emerged as a relevant approach in dealing with the changing and complexity of today's business environment.

Adaptive leadership is a concept that emphasizes a leader's ability to overcome challenges that have no definitive solution, by involving collective participation and continuous learning. Raei and Rasmussen (2021) state that adaptive leaders are able to distinguish between technical and adaptive problems, as well as encourage organizational members to learn, adapt, and find new solutions to the challenges faced. In the context of managerial accounting systems, this approach is believed to be able to increase system effectiveness by encouraging innovation in reporting, flexibility in budgeting, and accuracy in performance measurement.

The effectiveness of a managerial accounting system includes dimensions such as information relevance, timeliness, data accuracy, and the system's ability to support strategic decisions. Previous research has shown that an effective managerial accounting system contributes significantly to operational efficiency, cost control,

and the achievement of organizational goals (Alam & Yusof, 2020). However, many organizations still experience obstacles in optimizing these systems due to a lack of leadership capable of navigating changes and facilitating cross-functional collaboration.

Adaptive leadership is believed to be an important catalyst in improving the capabilities of managerial accounting systems (Rony et al., 2023). Adaptive leaders not only focus on standard procedures, but also encourage the development of organizational capacity in responding to complex and unstructured challenges. This includes the ability to manage change, encourage organizational learning, and build a culture that supports accountability and transparency. In addition, adaptive leadership can also create synergies between information technology and accounting systems, thereby improving data integration and reporting efficiency.

Various studies have revealed that organizations with adaptive leaders tend to have more responsive information systems and more strategic financial management (Stukes, 2021; Huang et al., 2023). However, studies that specifically explore the relationship between adaptive leadership and the effectiveness of managerial accounting systems are still relatively limited. Therefore, this literature review aims to analyze in depth the influence of adaptive leadership on the effectiveness of managerial accounting systems, by reviewing the findings of previous research over the past five years.

Through a literature review approach, this article will discuss the basic theories underlying the concept of adaptive leadership and managerial accounting systems, present empirical findings from various current scientific journals, and

provide an understanding of how integration between flexible leadership and managerial information systems can make a strategic contribution to organizations. Focusing on the academic literature, this research is expected to provide a conceptual foundation and practical implications that are useful for policymakers, management practitioners, and researchers in the field of managerial accounting and organizational leadership.

## **2. Literature Review**

### **2.1. The Concept of Adaptive Leadership**

Adaptive leadership is a leadership approach that emphasizes the importance of leaders' ability to adapt to changes in the dynamic organizational environment. Raei and Rasmussen (2021) define adaptive leadership as the process of mobilizing people to confront complex challenges, which cannot be solved with technical expertise or standard procedures alone. Adaptive leaders not only act as decision-makers, but also as facilitators of organizational learning. They are able to reframe problems, engage stakeholders in the problem-solving process, and direct organizations to take transformative actions. A key characteristic of adaptive leadership is its ability to deal with ambiguity, manage resistance to change, and create safe spaces for experimentation and learning (Uhl-Bien, 2021).

In the context of increasingly complex modern organizations, this leadership style has become particularly relevant, especially when organizations are faced with external pressures such as regulatory changes, digital disruptions, or economic crises. Research by Ali et al. (2020) shows that organizations with adaptive leaders have

better resilience in managing change and are more open to managerial innovation. Adaptive leadership also emphasizes the importance of two-way communication, team empowerment, and shared value creation. This allows leaders to bridge the interests of different parties in the organization and create synergy in decision-making. Thus, adaptive leadership is not only a managerial strategy, but also a systemic approach in creating organizations that learn and are resilient to change.

## **2.2. Managerial Accounting Systems and Their Effectiveness**

A managerial accounting system is a framework used by organizations to collect, analyze, and present relevant financial and non-financial information to support internal decision-making. These systems play an important role in strategic planning, cost control, performance measurement, and resource allocation. The effectiveness of a managerial accounting system is measured by how well the system is able to provide accurate, relevant, timely, and usable information by management to make decisions that support the achievement of organizational goals (Hansen et al., 2021). Research by Pedroso et al. (2020) shows that an effective managerial accounting system supports increased operational efficiency, strategic flexibility, and responsiveness to market dynamics. In practice, the effectiveness of these systems is highly dependent on managerial involvement, the sophistication of information technology, and the organizational culture that supports accountability and transparency.

In addition, the system's ability to adapt to the needs of internal users is one of the main indicators of its success. The main challenges in improving the effectiveness of managerial accounting systems are resistance to change, limited

competent human resources, and lack of integration between information technology and accounting systems (Gadolin et al., 2023). Therefore, leadership is needed that not only understands the technical aspects of accounting, but is also able to build organizational structures and cultures that support continuous system updates. It is in this context that the role of adaptive leadership becomes very important to ensure that the managerial accounting system can continue to evolve and be relevant.

### **2.3. The Relationship Between Adaptive Leadership and Managerial Accounting Systems**

The relationship between adaptive leadership and the effectiveness of managerial accounting systems is reciprocal and mutually reinforcing. Adaptive leaders act as agents of change who can direct managerial accounting systems to be more responsive to organizational needs. According to Rachmad (2022), leaders who have adaptive abilities tend to encourage the use of digital-based accounting technology, increase employee participation in the financial reporting process, and create a work culture that is open to evaluation and innovation. Furthermore, adaptive leadership enables organizations to design managerial accounting systems that are flexible, non-rigid, and able to adapt to changing information needs. This is especially important in the context of an unstable business environment, where managerial information needs can change rapidly.

A study by Huang et al. (2023) found that organizations with adaptive leadership showed significant improvements in reporting accuracy, cost efficiency, and speed of strategic decision-making based on accounting data. Adaptive leaders

also contribute to increased cross-departmental collaboration that impacts the alignment of business strategies with managerial accounting systems. They play a role in creating an organizational structure that supports the dissemination of information and feedback, as well as in developing human resource competencies to be able to use the system optimally. Therefore, adaptive leadership is a strategic component in creating an effective, accountable, and long-term performance-oriented managerial accounting system.

### **3. Method**

This study uses a literature review approach as the main method to explore the relationship between adaptive leadership and the effectiveness of managerial accounting systems. Literature study is a research method that is carried out by systematically collecting, reviewing, and analyzing various relevant academic literature sources to obtain conceptual understanding and empirical findings on a particular topic. This approach was chosen because it provides a strong theoretical foundation, as well as allows the identification of trends, gaps, and consistency of previous research results in the field of leadership and managerial accounting. The data sources used in this study are scientific articles obtained from Google Scholar with a publication in last five years.

The inclusion criteria used in the literature selection include: articles published in reputable journals and have gone through a peer-review process. The main topics discuss adaptive leadership, managerial accounting systems, or integration between the two. Articles are written in Indonesian or English, and are available in full-text.

The search process was carried out using keywords such as “adaptive leadership”, “managerial accounting systems”, “leadership and accounting effectiveness”, and “organizational change and management accounting”. After the initial search process, a screening process is carried out and a critical evaluation of the articles found. Screening is conducted based on abstract and suitability to the focus of the study, while critical evaluation considers the research methodology, the strength of the argument, and the relevance of the findings to the research topic. From this process, a maximum of several articles were obtained that met the criteria and were used as the basis for analysis in this study.

Data analysis is carried out through a thematic analysis approach, which is by identifying the main themes that emerge from the literature reviewed. The themes analyzed include the characteristics of adaptive leadership, indicators of the effectiveness of managerial accounting systems, and the relationship between the two variables in the organizational context. Furthermore, findings from various sources were compared to identify the general patterns, differences, and contributions of each study to a more comprehensive understanding of the relationship between leadership and the effectiveness of managerial information systems. The goal of this method is not only to summarize the content of the literature, but also to provide an in-depth conceptual synthesis as a foundation for further research and managerial practice. With this approach, it is hoped that broader insights can be gained regarding the strategic role of adaptive leadership in shaping and directing managerial accounting systems to be able to adapt to the needs of modern organizations.

## 4. Results

In addition to the main themes discussed earlier, this literature study also identifies the significant role of adaptive leadership in strengthening organizational learning, particularly in the context of managerial accounting systems. Adaptive leadership creates space for employees to experiment, learn from mistakes, and contribute to the development of accounting systems that align with the real needs of internal users. In a study by Uhl-Bien (2021), it was found that organizations applying adaptive leadership principles tend to possess strong feedback mechanisms. These mechanisms include regular reviews of managerial reports, cross-departmental discussions, and the integration of financial and non-financial reporting to reflect multidimensional performance. This indicates that adaptive leadership functions not only as a strategic guide but also as a facilitator of continuous organizational learning.

The study also reveals that adaptive leaders are actively involved in the ongoing improvement process of managerial accounting systems. This process includes regular evaluations of Key Performance Indicators (KPIs), the development of new and more efficient procedures, and the revision of reporting systems considered ineffective or overly complex. In this context, adaptive leadership serves as a change enabler, balancing the need for system stability with the push for innovation. A study by Rachmad (2022) noted a positive correlation between adaptive leadership and the success of initiatives to improve cost report efficiency and to simplify activity-based costing performance measurement systems. This

underscores that the presence of adaptive leadership allows organizations to dynamically adjust their reporting systems to be more relevant and efficient.

Furthermore, the literature emphasizes the critical role of adaptive leaders in aligning managerial accounting systems with organizational strategic goals. This alignment is evident in more dynamic budget planning, flexible resource allocation, and performance evaluations that incorporate long-term strategic considerations. Adaptive leaders are capable of connecting financial data with strategic contexts such as market growth, operational efficiency, and product or service innovation. As such, the effectiveness of a managerial accounting system is not solely measured by its administrative output but also by its contribution to the achievement of broader organizational goals (Pedroso, 2020). With this approach, accounting systems are transformed from mere reporting tools into managerial instruments that support strategic decision-making.

In cross-industry studies, it has been found that both public and private sector organizations applying adaptive leadership principles experienced increased effectiveness of their managerial accounting systems, although with different challenge characteristics. In the public sector, key challenges stem from bureaucracy and regulatory complexity. However, a study by Gadolin et al. (2023) shows that adaptive leadership enables public managers to redesign internal reporting systems that are more transparent and responsive to public accountability demands. Meanwhile, in the private sector, challenges are more related to competitive pressure and market demands. In this context, adaptive leaders play a crucial role in ensuring that managerial accounting systems support both product innovation and cost

efficiency simultaneously. The ability to adapt reporting systems to market dynamics becomes a competitive advantage for organizations led adaptively.

Additionally, adaptive leaders have been shown to foster data-driven approaches in managerial decision-making. By enhancing data literacy and analytical skills among management teams, they help organizations use accounting systems not merely as administrative tools but as strategic decision-support systems. This includes techniques such as variance analysis, cost simulation, and historical data-driven forecasting. Huang et al. (2023) state that adaptively led organizations are generally more capable of leveraging accounting data to understand performance trends, respond to deviations from plans, and proactively take corrective action. This shows that adaptive leadership improves not only the quality of information but also the quality of decision-making processes based on facts and trends.

Another notable outcome from the literature review is that adaptive leadership encourages a value-driven approach. In this approach, managerial accounting systems focus not only on quantitative aspects such as profits or costs but also on long-term value creation, sustainability, and stakeholder satisfaction. A study by Ali et al. (2020) notes that companies with adaptive and visionary leadership orientations tend to develop more holistic managerial reporting systems. These systems include sustainability indicators, employee well-being, and corporate social reputation. Therefore, adaptive leadership drives the transformation of managerial accounting systems into more inclusive and relevant instruments in response to today's challenges and expectations.

Nonetheless, this literature review also highlights that the positive influence of adaptive leadership on managerial accounting systems can be hindered if not supported institutionally. Such support is particularly necessary in terms of organizational policies, reporting structures, and incentive systems that promote participation. In organizations with centralized structures or strong top-down approaches, the capacity of adaptive leaders to influence managerial systems is often limited. Therefore, the effectiveness of this leadership style heavily depends on the alignment between the leader's vision and the organization's structural and cultural readiness. Without a conducive environment that fosters participation and innovation, the efforts to adapt reporting systems are unlikely to succeed (Gupta et al., 2020).

Furthermore, in the context of multinational organizations or those operating in diverse global environments, adaptive leadership also plays a significant role in managing cultural diversity and cross-border financial reporting systems. Adaptability is essential in adjusting accounting systems to varying local standards, needs, and expectations. Adaptive leaders are able to bridge these differences through inclusive communication approaches, cross-cultural understanding, and simultaneous use of both local and global data for decision-making. Alam and Yusof (2020) emphasize that this approach enables multinational organizations to maintain consistency in reporting while remaining relevant to local contexts.

Finally, the findings from this literature study reveal that adaptive leadership contributes to strengthening the evaluation and control functions within managerial accounting systems. By promoting outcome-based performance measurement,

adaptive leaders shift the organizational focus from mere administrative reporting to the strategic use of information for process improvement, efficiency, and innovation. In organizations that apply adaptive evaluation principles, accounting reports become tools for learning and reflection rather than just compliance documents. This encourages the creation of work environments that are more responsive to change and more open to feedback for continuous improvement.

Evidence from various academic studies consistently shows that adaptive leadership plays a central role in enhancing the effectiveness of managerial accounting systems. This applies both at the strategic level in adapting systems to organizational goals and at the operational level in terms of employee engagement, process efficiency, and information quality. Therefore, it can be concluded that adaptive leadership is a strategic lever in shaping a relevant, responsive, and competitive managerial accounting system in an era of global uncertainty. In a constantly changing business environment, the presence of adaptive leaders is a differentiating factor that determines an organization's ability not only to survive but also to grow through intelligent and integrated managerial information systems.

## 5. Discussion

The results of the literature study confirm that adaptive leadership is a strategic factor that can encourage an increase in the effectiveness of managerial accounting systems. This discussion underscores the linkage between key dimensions of adaptive leadership such as flexibility, collaboration, responsiveness to change, and strengthening organizational learning and the ability of managerial

accounting systems to effectively support decision-making, performance control, and the achievement of organizational goals. The dominant finding in the literature is that adaptive leaders are able to navigate the uncertainties of the external environment by directing managerial accounting systems to be more dynamic and strategic needs-based. This is especially important in the modern business era marked by market volatility, accelerated digitalization, and pressure from stakeholders for accountability and transparency (Olayinka, 2019). The role of leaders in encouraging the digitalization of accounting systems, developing technology-literate human resources, and building a culture of constructive evaluation are the main foundations of an effective managerial accounting system.

Nevertheless, the effectiveness of adaptive leadership does not stand alone. Its influence on the managerial accounting system is highly dependent on organizational support structurally and culturally. A participatory and innovation-oriented organizational culture will reinforce the positive impact of adaptive leadership (Fuad et al., 2022). In contrast, in highly bureaucratic or hierarchical organizations, the adaptive capacity of leaders can be reduced by internal resistance and rigidity of reporting structures. The literature also shows that adaptive leaders drive an accounting approach that is not solely oriented to short-term financial results, but also takes into account long-term value, sustainability, and operational efficiency.

This approach is in line with contemporary trends in managerial accounting that emphasize multidimensional and integrative performance reporting. Thus, adaptive leadership also plays a role in expanding the scope of the managerial

accounting system from just administrative reporting to a strategic tool in the creation of organizational value. This discussion emphasized that the synergy between adaptive leadership and managerial accounting systems can create a competitive advantage. Leaders who are able to adapt and lead in uncertainty not only modify existing systems, but also create new systems that are better suited to the challenges of future organizations (Pasmore et al. 2019). Therefore, the integration between leadership capacity building and managerial information system transformation needs to be a priority in the organization's strategic agenda.

Within the framework of scientific development, this discussion opens up space for further exploration related to mediation and moderation variables that can affect the relationship between adaptive leadership and the effectiveness of accounting systems, such as organizational culture, digital competencies, and decision-making structures. Meanwhile, for managerial practices, these findings confirm the importance of investing in the development of adaptive leadership styles and designing accounting systems that are able to transform according to evolving strategic needs.

## 6. Conclusion

This literature review concludes that adaptive leadership plays a central role in improving the effectiveness of managerial accounting systems. Through a review of the latest scientific literature, it was found that adaptive leaders are able to encourage innovation, accelerate system digitalization, and create a collaborative and participatory work environment. Key characteristics of adaptive leadership such as

flexibility, responsiveness to change, and ability to build organizational learning have been shown to contribute to the quality of managerial information that is more accurate, relevant, and timely. The effectiveness of a managerial accounting system is not only determined by technical and technological aspects, but is also strongly influenced by a leadership approach that is able to bridge organizational strategy with internal reporting practices.

Adaptive leaders act as change drivers who ensure that accounting systems are not only reporting tools, but also a means to support strategic decision-making, cost control, and performance measurement. However, the success of this relationship is also influenced by the organizational context, such as work culture, organizational structure, and the readiness of human resources. Therefore, to improve the effectiveness of the managerial accounting system as a whole, synergy between adaptive leadership, institutional support, and investment in information system transformation is needed. This research provides a strong conceptual foundation for organizational policy development and serves as a reference for further empirical studies in the field of leadership and managerial accounting.

## References

Ali, A., Wang, H., & Johnson, R. E. (2020). Empirical analysis of shared leadership promotion and team creativity: An adaptive leadership perspective. *Journal of organizational behavior*, 41(5), 405-423.

Fuad, D. R. S. M., Musa, K., & Hashim, Z. (2022). Innovation culture in education: A systematic review of the literature. *Management in Education*, 36(3), 135-149.

Gadolin, C., Andersson, T., & Stockhult, H. (2023). Complexity Leadership in a Public Sector Context: Exploring Adaptive Leadership Practices. *Change Management: An International Journal*, 23(2).

Goode, H., McGinnisken, R., & Rutherford, E. (2021). An adaptive leadership response to unprecedeted change. *International Studies in Educational Administration (Commonwealth Council for Educational Administration & Management (CCEAM))*, 49(1), 36-42.

Gupta, V., Fernandez-Crehuet, J. M., Gupta, C., & Hanne, T. (2020). Freelancing models for fostering innovation and problem solving in software startups: An empirical comparative study. *Sustainability*, 12(23), 10106.

Huang, J. Y., Jiang, R., & Chang, J. Y. (2023). The effects of transformational and adaptive leadership on dynamic capabilities: Digital transformation projects. *Project Management Journal*, 54(4), 428-446.

Men, L. R., Jin, J., Mitson, R., & Vielledon, M. (2022). Leadership communication during turbulent times. *Research Handbook on Strategic Communication*, 366-383.

Olayinka, O. H. (2019). Leveraging predictive analytics and machine learning for strategic business decision-making and competitive advantage. *International Journal of Computer Applications Technology and Research*, 8(12), 473-486.

Pasmore, W., Winby, S., Mohrman, S. A., & Vanasse, R. (2019). Reflections: sociotechnical systems design and organization change. *Journal of Change Management*, 19(2), 67-85.

Pedroso, E., Gomes, C. F., & Yasin, M. M. (2020). Management accounting systems: an organizational competitive performance perspective. *Benchmarking: An International Journal*, 27(6), 1843-1874.

Rachmad, Y. E. (2022). Adaptive Leadership Theory. *Albacete Cuchillo Publicaciones Internacionales, Edición Especial 2022*.

Raei, M., & Rasmussen, H. T. (2021). *Adaptive leadership in a global economy*. Routledge.

Rony, Z. T., Lestari, T. S., Ismaniah, Yasin, M., & Lubis, F. M. (2023). The complexity of leadership competence in universities in the 21st century. *Cogent Social Sciences*, 9(2), 2276986.

Stukes, K. S. (2021). *Measuring employee engagement and adaptive leadership during higher Education's accountability and performance era*. University of North Florida.

Uhl-Bien, M. (2021). Complexity leadership and followership: Changed leadership in a changed world. *Journal of Change Management*, 21(2), 144-162.