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Explaining Village Fund Accountability: The Roles of Transparency, Community Participation, and Organizational Commitment

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Abstract:
Research aims: This study aims to examine the effect of transparency, community participation, and organizational commitment on the accountability of village fund management.
Design/Methodology/Approach: This research employs a quantitative approach using survey data collected from 136 respondents across 17 villages. Data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) to evaluate both measurement and structural models.
Research findings: The results show that transparency, community participation, and organizational commitment have positive and significant effects on village fund management accountability. The structural model explains 79.1% of the variance in accountability.
Theoretical contribution/Originality: This study contributes to agency theory by explaining how governance mechanisms—transparency, participatory oversight, and internal commitment—reduce information asymmetry and strengthen accountability in village fund management.
Practitioner/Policy implication: The findings suggest that village governments should enhance transparency mechanisms, strengthen community involvement, and foster organizational commitment to improve accountability practices.
Research limitation/Implication: This study is limited to one district and cross-sectional data; future research may incorporate longitudinal designs and additional governance variables.

Keywords: Village fund accountability; Transparency; Community participation; Organizational commitment; Agency theory.

Introduction

Fiscal decentralization has fundamentally reshaped public sector governance by transferring financial authority and development responsibilities to lower levels of government. In principle, decentralization enhances efficiency, responsiveness, and citizen engagement (Ibrahim, 2024). However, the expansion of fiscal authority also introduces governance risks, particularly in settings where institutional capacity and monitoring systems are uneven (Smoke, 2015). Without effective accountability mechanisms, decentralization may reproduce governance vulnerabilities rather than strengthen democratic governance.

In Indonesia, the enactment of Law No. 6 of 2014 concerning Villages marked a significant milestone in grassroots fiscal decentralization. Village governments are entrusted with substantial public funds to support infrastructure development, poverty alleviation, and community empowerment programs. These fiscal transfers aim to reduce regional inequality and promote inclusive rural development. Yet, increasing financial authority at the village level simultaneously heightens the risk of misallocation, information asymmetry, and elite capture. In rural contexts, where administrative capacity may be limited and oversight mechanisms less formalized, failures in accountability can directly affect public trust and development outcomes.

This issue is particularly relevant in Pangkalan Kuras District, Pelalawan Regency, Riau Province, which consists of 17 villages that manage village fund allocations under Indonesia's fiscal decentralization framework. As a predominantly rural area, Pangkalan Kuras faces increasing demands for transparent and accountable fund management while operating within varying levels of administrative capacity and community oversight. The diversity of governance practices across villages provides an appropriate setting for examining how accountability mechanisms operate at the grassroots level. Consequently, the district offers a relevant empirical context for investigating factors that strengthen accountability in village fund management.

Accountability in public financial management refers to the obligation of public officials to explain and justify how entrusted resources are used (Bovens, 2007)(Cendon, 2000)(Basri, Findayani, et al., 2021)(Basri et al., 2023). Beyond procedural compliance, accountability reflects the broader governance capacity of institutions to act transparently, responsibly, and in alignment with public expectations. Agency theory provides a relevant analytical framework in this context. Village officials act as agents managing public resources on behalf of the community as principal. Information asymmetry between these actors creates opportunities for opportunistic behavior unless governance mechanisms effectively reduce agency conflicts(Jensen, M. C., & Meckling, 1976)

Three governance mechanisms are frequently associated with strengthening accountability in decentralized settings: transparency, community participation, and organizational commitment. Transparency reduces informational imbalance by providing accessible and reliable financial information (Madan, 2025)(Hu et al., 2024)(Iznillah & Basri, 2018). Community participation enhances oversight by enabling citizens to engage in planning, implementation, and monitoring processes(Rijal, 2023) (Awoonor, 2025)(Mitlin, 2021)(Safrizal et al., 2022). Organizational commitment represents the internal ethical orientation and dedication of officials to public service values, which may discourage opportunistic behavior and promote responsible financial management(J. W. Meyer & Rowan, 1977). Conceptually, transparency and participation function as external monitoring mechanisms, while organizational commitment serves as an internal governance driver.

Despite extensive discussion of these mechanisms in public sector governance literature, several gaps remain. First, prior research often treats transparency, participation, and organizational commitment as independent predictors rather than examining how they operate simultaneously within an integrated governance framework. This fragmented approach limits understanding of how external and internal governance mechanisms collectively shape accountability outcomes. Second, empirical findings remain inconsistent. Studies on transparency and participation report mixed results across institutional contexts (Piotrowski &

Van Ryzin, 2007)(Mason, 2020)(Barbera et al., 2025), suggesting that their effectiveness may depend on complementary governance conditions. Similarly, although organizational commitment has been widely examined in corporate and public management research (J. P. Meyer et al., 1991)(M. Park & Lee, 2023) , its role in mitigating agency risks within decentralized village-level fiscal systems remains insufficiently explored.

Third, much of the existing literature emphasizes compliance and reporting practices without fully integrating agency theory to explain the mechanisms through which governance dimensions reduce information asymmetry and strengthen accountability relationships. As a result, the theoretical explanation of accountability formation in decentralized village governance remains underdeveloped. There is limited empirical work that integrates external oversight mechanisms and internal organizational factors within a unified explanatory model grounded in governance theory. Moreover, existing studies have rarely examined transparency, community participation, and organizational commitment simultaneously within the context of village fund accountability in rural Indonesia. This limitation leaves an important gap in understanding how external governance mechanisms and internal organizational factors interact to shape accountability outcomes in decentralized village governance.

Given the scale of fiscal transfers to villages and the structural risks embedded in decentralized systems, understanding how accountability can be strengthened at the grassroots level is both theoretically and practically significant. Without coherent governance mechanisms, fiscal decentralization may inadvertently exacerbate governance disparities rather than reduce them. Therefore, this study develops and empirically tests an integrated structural model that examines how transparency, community participation, and organizational commitment jointly influence accountability in village fund management.

By integrating external monitoring mechanisms (transparency and community participation) with an internal governance mechanism (organizational commitment) within a unified agency-based framework, this study offers a more comprehensive explanation of accountability formation in decentralized rural governance systems. In doing so, the study contributes to the village governance literature by extending existing accountability research beyond fragmented governance perspectives and providing evidence from the context of rural Indonesia.

Literature Review and Hypotheses Development

Transparency and Accountability in Village Fund Management

Transparency in public financial management refers to the degree to which information regarding budget planning, allocation, disbursement, and reporting is made accessible and comprehensible to stakeholders (Sam et al., 2024). In the context of village governance, transparency is operationalized through indicators such as the availability of financial reports, clarity of budget documentation, and ease of access to fiscal information by the community.

From an agency theory perspective, transparency reduces informational asymmetry between agents (village officials) and principals (community members) by exposing financial decisions and performance outcomes to public scrutiny (Jensen, M. C., & Meckling, 1976) . When information is systematically disclosed, the community can monitor resource allocation and utilization, thereby reducing the risk of opportunistic behavior, such as misallocation or rent-seeking activities. Empirically, research in decentralized governance contexts demonstrates that enhanced fiscal transparency significantly improves accountability outcomes by fostering external oversight and reducing opportunities for corruption (Mobara et al., 2025)(Agu et al., 2024).

Furthermore, transparency facilitates feedback loops between officials and citizens. When communities understand how funds are allocated and spent, they are better positioned to participate in decision-making processes and demand corrective actions when discrepancies arise. Consequently, accountability is not only strengthened through disclosure but also through sustained civic engagement supported by transparent practices. Based on these theoretical and empirical considerations:
H1: Transparency positively affects accountability in village fund management.

Community Participation and Accountability in Village Fund Management

Community participation refers to the active engagement of citizens in public decision-making processes, including budget consultations, planning meetings, and monitoring of public projects. Empirically, participation can be measured by the frequency of community consultations, the inclusiveness of stakeholder forums, and the degree of citizen involvement in oversight activities(Arthur et al., 2023)(Prno et al., 2021).

Beyond agency theory, community participation can also be explained through participatory governance and stakeholder perspectives. Participatory governance theory emphasizes that citizens should not merely act as passive recipients of public services but should actively engage in planning, implementation, and evaluation processes. Through such involvement, public institutions become more responsive, legitimate, and accountable because stakeholders directly influence governance decisions (Gil-Garcia et al., 2020)(S. Park, 2020). In the context of village fund management, community participation therefore serves not only as a monitoring mechanism but also as a means of ensuring that development priorities reflect community needs and expectations.

Research indicates that meaningful participation is associated with enhanced governance performance. (Samson et al., 2024)(Brun-Martos & Lapsley, 2020)found that participatory budgeting processes strengthen accountability by making public officials more responsive to community preferences. Similarly, (Novikova & Liebert, 2021)(Abdi et al., 2025) showed that active citizen engagement in local governance enhances perceived government responsiveness and accountability.

Moreover, community participation enables the principal to exercise continuous oversight rather than periodic review, integrating local knowledge into governance processes. This enriched oversight capability not only supports accountability but also aligns public resource allocation with community needs and priorities. Therefore:
H2: Community participation positively affects accountability in village fund management.

Organizational Commitment and Accountability in Village Fund Management

Organizational commitment reflects the psychological attachment of public officials to the goals and values of the organization, encompassing elements such as loyalty, ethical duty, and responsibility (Jaros, 2007). In public sector settings, organizational commitment is operationalized through indicators such as dedication to organizational goals, willingness to uphold ethical standards, and consistency in adhering to procedural norms (Moreno-Menéndez et al., 2025).

This study adopts the organizational commitment framework developed by Meyer et al. (1991), which conceptualizes commitment through three dimensions: affective commitment, continuance commitment, and normative commitment. Affective commitment refers to an employee's emotional attachment to and identification with organizational goals. Continuance commitment reflects awareness of the costs associated with leaving the organization, whereas normative commitment refers to a sense of obligation to remain loyal and contribute to organizational objectives. These dimensions collectively explain why individuals maintain commitment to organizational values and responsibilities.

From an agency theory perspective, organizational commitment strengthens accountability by aligning agents' actions more closely with principal interests. Commitment reduces the potential for opportunistic behavior because officials who are strongly committed to their roles are more likely to follow rules, maintain accurate financial records, and resist temptations to divert resources for personal gain. Moreover, organizational commitment fosters a culture of ethical conduct and professional responsibility, which are essential for transparent and responsible public financial management (Efunniyi et al., 2024;Nurhazizal et al., 2019;Edinov et al., 2022).

In addition to agency theory, organizational commitment is widely grounded in organizational behavior literature, which suggests that committed employees are more likely to demonstrate ethical conduct, higher job performance, and stronger adherence to organizational objectives (Meyer et al., 1991; Jaros, 2007). In public sector organizations, commitment encourages officials to internalize public service values and prioritize collective interests over personal benefits. Consequently, organizational commitment functions not only as a governance mechanism but also as an important behavioral factor influencing accountability outcomes.

Empirical evidence supports the positive role of organizational commitment in public sector accountability. Ebrahimpour et al.(2025) and Moreno-Menéndez et al.(2025) found that organizational commitment significantly predicts ethical conduct and fiscal responsibility among public officials. Palmer & Pillay (2025) similarly demonstrated that commitment to public service values strengthens compliance with accountability frameworks, leading to improved governance outcomes.

In the context of village fund management, organizational commitment encourages officials to prioritize community well-being over self-interest, reinforcing accountability structures and reducing the risk of financial mismanagement. Thus:

H3: Organizational commitment positively affects accountability in village fund management.

Research Method

Research Design

This study adopts a quantitative explanatory research design to analyze the causal relationships between transparency, community participation, organizational commitment, and accountability in village fund management. Explanatory research is appropriate when the objective is to test theoretically grounded relationships among latent constructs (Hair et al., 2021). The research framework is based on agency theory, which explains how governance mechanisms reduce information asymmetry between agents (village officials) and principals (the community).

Research Setting and Unit of Analysis

The study was conducted in Pangkalan Kuras Subdistrict, Pelalawan Regency, Riau Province, Indonesia. This subdistrict consists of 17 villages that receive village fund allocations as part of Indonesia's fiscal decentralization policy. The unit of analysis is the village government organization, represented by officials and community members who are directly involved in village fund planning, implementation, and oversight processes. This unit of analysis is appropriate because accountability mechanisms operate at the organizational level within village governance structures.

Population and Sampling

The population includes village officials and community representatives involved in the management and supervision of village fund allocations across the 17 villages. This study employs purposive sampling to ensure that respondents possess relevant knowledge and practical involvement in financial accountability processes. Purposive sampling is widely used in governance and public administration research when participants are selected based on specific roles and expertise (Rivera, 2019).

From each village, eight respondents were selected: the Village Head, Village Secretary, Head of Finance, Head of General Affairs, Head of Welfare, Head of Government Affairs, one additional village official, and one community representative. A total of 136 questionnaires were distributed across the 17 villages. After the data screening process, six questionnaires were excluded because of incomplete responses. Consequently, 130 questionnaires were retained and considered valid for statistical analysis.

The final sample of 130 respondents represents a response rate of 95.6%, indicating a minimal level of non-response and suggesting that non-response bias is unlikely to substantially affect the study findings.

The sample size satisfies the requirements for Partial Least Squares–Structural Equation Modeling (PLS-SEM). PLS-SEM is suitable for small to medium sample sizes and does not require strict distributional assumptions (Hair et al., 2021). According to Kock & Hadaya (2018), the sample size exceeds the minimum threshold necessary to estimate structural relationships in models of moderate complexity.

Data Collection Technique

Primary data were collected using a structured questionnaire distributed directly to respondents. The instrument utilized a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Closed-ended questionnaires are appropriate in public sector governance studies to ensure consistency, comparability, and statistical reliability of responses (Podsakoff et al., 2003).The questionnaire items were developed based on established theoretical frameworks and empirical studies in governance and public administration to ensure content validity.

Operational Definition and Measurement of Variables

All variables in this study are treated as reflective constructs.

Transparency

Transparency refers to the openness and accessibility of information related to village fund management, commonly operationalized by indicators such as availability of financial reports, clarity of budget allocation, public accessibility of financial documents, disclosure of development plans, and openness in reporting fund realization. These indicators reflect the role of fiscal transparency in reducing information asymmetry and strengthening accountability (Heald, 2006;Haustein & C. Lorson, 2023;Sapitri et al., 2024).

Community Participation

Community participation reflects the degree of citizen involvement in planning, budgeting, implementation, and monitoring of development programs. Indicators include participation in planning meetings, involvement in budget discussions, engagement in monitoring activities, provision of feedback, and attendance in accountability forums. Participation functions as an external oversight mechanism that enhances governance responsiveness and democratic legitimacy (Santolamazza et al., 2024;Basri, Marianti, et al., 2021).

Organizational Commitment

Organizational commitment refers to the dedication and psychological attachment of village officials to organizational goals and public service values. It is measured through indicators such as loyalty to organizational objectives, responsibility in performing duties, adherence to financial procedures, commitment to ethical standards, and integrity in managing public resources. This construct is grounded in (J. P. Meyer et al., 1991) framework and supported by recent findings linking commitment to accountability and ethical conduct in public administration (Hanifa et al., 2026)(Mendez & Avellaneda, 2023)

Accountability
Accountability in village fund management refers to responsible financial governance and compliance with established regulations. Indicators include accuracy of financial reporting, compliance with financial standards, timeliness of accountability reports, clarity of responsibility for fund utilization, and responsiveness to public inquiries. This operationalization is consistent with Bakhtiar (2021) and Haryani & Julita, (2021) conceptual framework of public accountability.

Data Analysis Technique

Data were analyzed using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach via SmartPLS software. PLS-SEM was selected because it is suitable for predictive and explanatory models, accommodates multiple latent constructs, and is robust for small to medium sample sizes (Sarstedt et al., 2022).

The analysis was conducted in two stages. First, the measurement model was evaluated to assess reliability and validity using criteria such as outer loadings, Average Variance Extracted (AVE), composite reliability, Cronbach's alpha, and discriminant validity (Fornell–Larcker criterion and HTMT ratio). Second, the structural model was assessed by examining path coefficients, coefficient of determination (R^2), and bootstrapping with 5,000 resamples to determine hypothesis significance. Bootstrapping enhances the robustness of statistical inference in PLS-SEM (Hair et al., 2021).

Result

By sending questionnaires to the intended respondents, this study collects primary data. Village secretaries, heads, finance officers, general affairs officers, welfare officers, government officers, other village officials, the community, and officials from the Pangkalan Kuras sub-district were the study's targeted respondents. This study was quantitative in nature, where the data processed and produced was in the form of numbers processed using Partial Least Square (PLS).

Table.1. Results Of Descripive Analysist Test

Description	**N**	**Minimum**	**Maximum**	**Mean**	**Std.Deviation**
Accountability in Village Fund Management	130	12	25	23,03	3,548
Transparency	130	14	29	21,54	5,482
Community Participation	130	12	30	21,12	6,286
Organizational Commitment	130	6	30	19,72	3,904
Valid N (Listwise)	130				

Source: SmartPLS Processed Data, 2025

From the results obtained, the answers from respondents, which are quite varied, can be drawn an overview of each of the related variables.

Table 2. Result of Loading Factor Test

	X1	X2	X3	Y
X1.1	**0,865**	0,801	0,780	0,791
X1.2	**0,823**	0,550	0,520	0,557
X1.3	**0,775**	0,449	0,463	0,486
X1.4	**0,790**	0,429	0,387	0,450
X1.5	**0,781**	0,545	0,498	0,488
X1.6	**0,758**	0,667	0,612	0,649
X2.1	0,633	**0,897**	0,806	0,759
X2.2	0,660	**0,901**	0,818	0,765
X2.3	0,764	**0,844**	0,762	0,765
X2.4	0,714	**0,889**	0,812	0,786
X2.5	0,566	**0,818**	0,776	0,672
X2.6	0,716	**0.912**	0,866	0,832
X3.1	0,756	0,877	**0,902**	0,809
X3.2	0,724	0,868	**0,935**	0,839
X3.3	0,553	0,793	**0,862**	0,687
X3.4	0,585	0,725	**0,818**	0,707
X3.5	0,675	0,875	**0,967**	0,803
X3.6	0,756	0,877	**0,902**	0,809
Y.1	0,623	0,739	0,696	**0,848**
Y.2	0,525	0,649	0,651	**0,800**
Y.3	0,720	0,800	0,772	**0,862**
Y.4	0,704	0,795	0,804	**0,911**
Y.5	0,704	0,759	0,741	**0,881**

Source: SmartPLS Processed Data, 2025

In this study, each construct (variable) consists of several measurement indicators. The output results above show Each construct's loading factor value is more than 0.7. The loading factor value that exceeds 0.7 is said to be valid (Hair et al., 2021) . Cross Loading shows that discriminant validity has been achieved since the correlation between the indicators and their constructs is greater than the correlation with other block constructs. The values of each indicator of the variables of Transparency, Community Participation, Organizational Commitment, and Accountability in Village Fund Management have a value of 0.7, which means that the indicators in these variables can be considered valid.

Tabel 3. Result of AVE

Variabel	**Average Variance Extracted (AVE)**
X1	0,591

X2	0,770
X3	0,823
Y	0,742

Source: SmartPLS Processed Data, 2025

The aforementioned table indicates that every construct has an AVE value higher than 0.50. Apart from using the Average Variance Extracted value, In order to determine discriminant validity in this study, the Fornell Larcker Criterion value was examined Discriminant Matrix. In this study, the Matrix Heterotrait Monotrait Ratio (HTMT) TThis approach contrasts the correlation between other constructs in the model with the square root of each construct's Average Variance Extracted (AVE) (Hair et al., 2021). The model is considered to have good discriminant validity if the square root of each construct's AVE is higher than the correlation between constructs and other constructs in the model.

Tabel 4. Result of Fornell Larcker Criterion

	Y	X1	X2	X3
Y	**0,861**			
X1	0,766	**0,807**		
X2	0,772	0,672	**0,850**	
X3	0,854	0,733	0,633	**0.907**

Source: SmartPLS Processed Data, 2025

Based on these values, it can be explained that the resulting values are higher than the correlation values between one variable and another. This shows that all variables have higher values when explaining the variable itself compared to other variables in the same column. Reliability measurement in this study uses Cronbach's alpha coefficient and Composite Realiability.

Table 5. Result of Reliability

Variabel	Cronbach alpha	Composite Reliability
Accountability in Village Fund Management	0,912	0,953
Transparency	0,862	0,965
Community Participation	0,940	0,952
Organizational Commitment	0,956	0,965

Source: SmartPLS Processed Data, 2025

Because each variable's Cronbach's alpha and composite reliability greater than ≥ 0.7, it can be inferred from the above table that each construct has satisfied the reliability requirements. Thus, the results show that respondents were consistent in answering questions, This indicates that every construct has a high degree of dependability. VIF or Variance Inflation Factor is a method used to measure the level of multicollinearity in a regression model.

Table 6.Result of VIF

Variabel	VIF
Transparency	2,498
Community Participation	2,522
Organizational Commitment	3,560

Source: SmartPLS Processed Data, 2025

The structural (inner) model demonstrates satisfactory performance, as all Variance Inflation Factor (VIF) values are below the threshold of 5. This indicates the absence of multicollinearity among the predictor constructs. As suggested by (Hair et al., 2021), VIF values below 5 confirm that collinearity does not distort the estimation of path coefficients, thereby supporting the robustness of the model.

The adjusted R^2 value for village fund management accountability is 0.791, indicating that transparency, community participation, and organizational commitment collectively explain 79.1% of the variance in accountability. This substantial explanatory power suggests that the proposed governance variables play a dominant role in shaping accountability practices, while the remaining 20.9% may be attributed to other factors not included in this model.

The model fit assessment further supports the adequacy of the structural model. The Normed Fit Index (NFI) value of 0.695 indicates an acceptable model fit. Although NFI values closer to 1 reflect stronger fit, values below 0.95 are still considered adequate in PLS-SEM applications, particularly in models involving complex governance constructs. Therefore, the overall model demonstrates sufficient empirical support and theoretical consistency.

Hypothesis testing was conducted using the bootstrapping procedure to assess the statistical significance of the structural relationships. Bootstrapping generates t-statistics and p-values for each path coefficient, allowing for a robust evaluation of the proposed hypotheses. The results of the bootstrapping analysis for each structural relationship are presented in Figure 1.

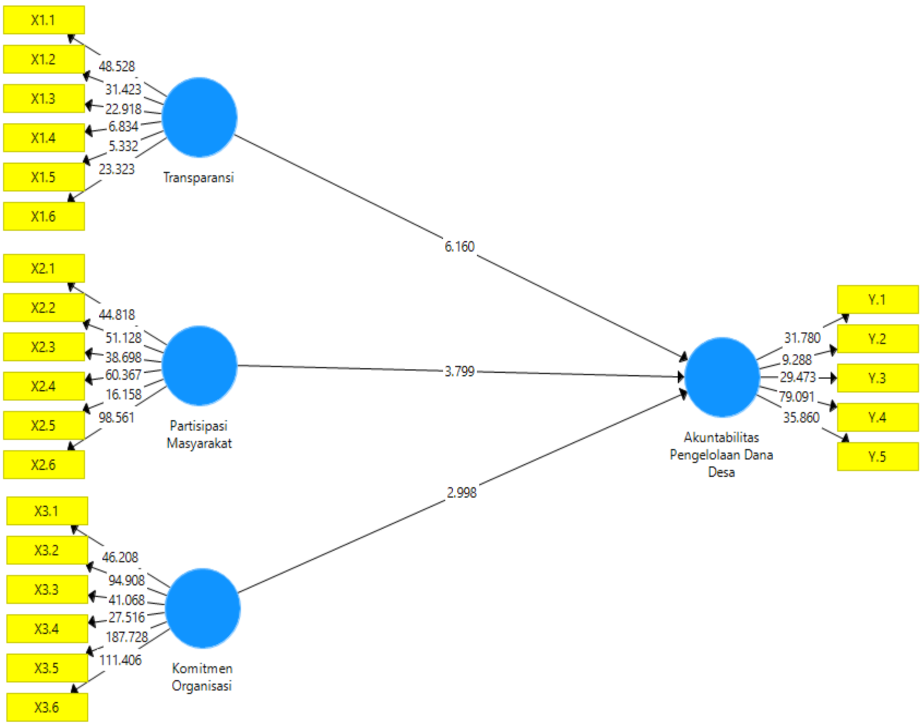

Figure 1. SmartPLS Research Model
Source: SmartPLS Processed Data, 2025

Table 9. Result of Hypothesis Test

Hipotesis	Path Coefficients (Original Sample)	P Values	*T-Statistic*
X1 -> Y	0,333	0,003	2,998
X2 -> Y	0,364	0,000	3,799
X3 -> Y	0,264	0,000	6,160

Source: SmartPLS Processed Data, 2025

Discussion

Transparency and Village Fund Management Accountability

The findings demonstrate that transparency has a positive and significant effect on village fund management accountability. This result confirms that fiscal openness is not merely procedural disclosure but a substantive governance mechanism that strengthens answerability in decentralized public financial management.

Consistent with agency theory (Jensen & Meckling, 1976), transparency reduces information asymmetry between village officials (agents) and the community (principals). When financial reports, budget allocations, and fund realization documents are accessible and understandable, the monitoring capacity of citizens increases. This limits opportunistic behavior and strengthens control over public resource utilization. Transparency therefore functions as an external governance control that mitigates agency risks.

This finding aligns with empirical evidence indicating that fiscal transparency enhances accountability and governance quality in public sector institutions (Heald, 2006; Haustein & Lorson, 2023; Sam et al., 2024). In decentralized environments, transparency is particularly important because formal supervisory mechanisms may be limited (Smoke, 2015). By improving visibility of financial processes, transparency strengthens both monitoring and institutional trust.

However, as highlighted in governance literature (Gil-Garcia et al., 2020; Mason, 2020), transparency is effective only when disclosure is meaningful. Publicly displayed budget boards and development project information, as observed in this study, contribute to awareness; yet accountability improves only when such information is actively used by citizens for oversight. Thus, the effectiveness of transparency depends not only on availability but also on usability and civic engagement.

Community Participation and Village Fund Management Accountability

The results indicate that community participation positively influences accountability in village fund management. This suggests that participatory governance mechanisms strengthen fiscal oversight and enhance responsiveness in decentralized systems.

From an agency perspective, participation reduces principal–agent distance by directly involving citizens in planning, budgeting, and monitoring processes (Jensen & Meckling, 1976). When citizens participate in decision-making forums, officials face stronger accountability pressures and reduced discretion. Participation therefore operates as a social monitoring mechanism that complements formal control systems.

This finding is consistent with contemporary public administration research demonstrating that citizen engagement improves governance responsiveness and accountability outcomes (Gil-Garcia et al., 2020; Novikova & Liebert, 2021; Santolamazza et al., 2024). Participatory budgeting and inclusive oversight forums have been shown to strengthen fiscal discipline and enhance legitimacy in decentralized governance contexts.

Importantly, the involvement of community members in procurement oversight and development activities in this study reflects substantive participation rather than symbolic consultation. As noted by Mitlin (2021), participation becomes effective when citizens are engaged in decision implementation and monitoring, not merely invited to attend formal meetings. Therefore, participation strengthens accountability when it enhances monitoring intensity and collective responsibility.

Organizational Commitment and Village Fund Management Accountability

The findings also reveal that organizational commitment significantly improves accountability in village fund management. This underscores that accountability is shaped not only by external oversight mechanisms but also by internal governance culture.

Organizational commitment reflects officials' psychological attachment to public service values and institutional goals (Meyer et al., 1991; Jaros, 2007). In agency terms, strong commitment aligns agent behavior with principal interests, thereby reducing opportunistic tendencies. Officials who internalize ethical standards are more likely to comply with financial regulations and maintain reporting integrity.

This result is consistent with empirical studies indicating that organizational commitment strengthens ethical conduct and accountability performance in public administration (Mendez & Avellaneda, 2023; Moreno-Menéndez et al., 2025; Palmer & Pillay, 2025). In decentralized governance systems, where formal monitoring capacity may vary, internal commitment becomes a critical stabilizing factor for responsible financial management.

The relatively strong statistical effect observed in this study suggests that accountability reform should not rely solely on transparency and participation mechanisms. Strengthening ethical culture, institutional loyalty, and professional responsibility among village officials is equally important in sustaining accountable governance practices.

Overall, the findings support the agency-based explanation that accountability in village fund management is shaped by the interaction between information disclosure, participatory oversight, and internal ethical alignment. Transparency reduces information asymmetry, participation strengthens monitoring intensity, and organizational commitment aligns agent behavior with public interest.

These results contribute to governance literature by demonstrating that accountability formation in decentralized rural systems depends on the integration of external and internal governance mechanisms. Strengthening only one dimension may be insufficient; accountability requires coordinated improvement across transparency systems, participatory forums, and organizational integrity.

Conclusion

This study investigates how transparency, community participation, and organizational commitment influence accountability in village fund management within a decentralized rural governance setting. The findings demonstrate that accountability is strengthened when external oversight mechanisms and internal organizational alignment operate simultaneously. Transparency enhances accountability by reducing information asymmetry and increasing public scrutiny. Community participation reinforces social monitoring and improves responsiveness in financial decision-making. Organizational commitment strengthens ethical conduct and aligns the behavior of village officials with public interests.

The findings extend agency theory in the context of grassroots fiscal decentralization by showing that accountability formation depends not only on formal disclosure mechanisms but also on participatory oversight and internal value alignment. This study contributes to governance literature by integrating external monitoring (transparency and participation) and internal behavioral control (organizational commitment) within a unified explanatory framework. The results suggest that accountability in decentralized village systems is multidimensional and cannot be effectively strengthened through isolated governance reforms.

From a policy perspective, improving accountability in village fund management requires coordinated governance strategies. First, transparency systems should move beyond symbolic disclosure and ensure that financial information is accessible, clear, and usable by the community. Second, participatory mechanisms must be designed to encourage meaningful engagement rather than procedural involvement. Third, strengthening organizational commitment through ethical leadership, institutional training, and clear accountability standards is essential to sustain responsible financial management. Policymakers should therefore view accountability reform as an integrated governance agenda rather than a compliance-based administrative task.

This study is limited to a single subdistrict and relies on cross-sectional survey data, which may constrain generalizability and causal inference. Future research should expand the geographical scope to include multiple districts or provinces and consider longitudinal designs to capture dynamic governance processes. Additional variables such as internal control systems, digital transparency platforms, leadership style, and political accountability mechanisms may provide deeper insight into accountability formation in decentralized public financial management.

Overall, the findings underscore that sustainable accountability in village fund management emerges from the interaction of transparency, participation, and organizational commitment within a coherent governance framework.

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