



Community Trust in Village Financial: The Role of External Pressure and Corruption Perception

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DOI: <http://dx.doi.org/10.17977/jabe.v8i2.44827>

Abstract Community trust in village financial management has an important role. The fantastic amount of village funds encourages the community to participate in its management. The facts show that the amount of village funds has triggered the village apparatus to act corruptly, so in 2018, many village heads and village apparatus were in jail. This study aims to determine the effect of external pressure, transparency, accountability, and corruption perception on community trust. This study used a survey method with hypothesis testing, and it was conducted in the Tegal Regency. The sampling technique used was cluster sampling and obtained 103 respondents. This study used questionnaires to collect the data. It also analyzes the data using descriptive and path analysis (structural equation modeling) with WarpPLS. The results show that external pressure directly influences the transparency and accountability of village governments. Transparency has a direct effect on accountability. Transparency and accountability have a positive influence on community trust. Meanwhile, the corruption perception has a negative influence that weakens community trust. Perceptions of corruption also have a mediating role in the indirect relationship between transparency and community trust. However, this study only examines from the perspective of village officials. Further research should explore the transparency and accountability of village governments from the community point of view.

Article History

Received:
2 September 2023

Revised:
20 October 2023

Accepted:
10 November 2023

Keywords

Community trust;
External pressure;
corruption perception;
good village governance

Citation: Susilowati, N., Elisabet, C.Y., Abdullah, M.S., Paranti, L., & Amidi. (2024). Community Trust in Village Financial: The Role of External Pressure and Corruption Perception. *Journal of Accounting and Business Education*, 8(2), 83-98

INTRODUCTION

The ratification of Law No. 6 of 2014 concerning Villages intends to increase the independence and welfare of village communities. The Village Law provides autonomy to village governments to plan and manage budgets for community development and empowerment. The main goal is to improve community welfare. To make the Village Law a success, the central government disbursed Village Funds from the State Budget, Revenue, and Expenditures (APBN) through the Ministry of Finance.

The distribution of village funds in 2019 has several problems such as idle fund in village cash in bank. The new policy is implementation of three stages of distributing village fund to speed up distribution. The first stage is 40%; second is 40%; and third is 20% from total amount of village fund. The total distribution of village funds in 2019 is increasing (10 trillion); in the 2020 increase 2 trillion; and 2021 is stagnant. Next, in 2022 is decrease (2 trillion); and 2023 is increase (2 trillion). Table 1 display the total of village fund distribution in Indonesia from 2018 up to 2023.

Table 1. Total of Village Funds Distribution in Indonesia (2018-2023)

Year	Amount of Village Fund	Information
2018	IDR 60 trillion	-
2019	IDR 70 trillion	increase
2020	IDR 72 trillion	increase
2021	IDR 72 trillion	equal
2022	IDR 68 trillion	decrease
2023	IDR 70 trillion	increase

Sources: <https://sid.kemendesa.go.id/village-fund>

Management of the Village Fund requires commitment and thoroughness from the village government so that its use is on target. In 2022, the Ministry of Finance set several priorities for using village funds for community empowerment, village development, essential services, and prevention of covid 19. Based on the Village Law, villages get the authority to manage governance autonomously. The impact of this autonomy is that villages have flexibility in managing finances, resulting in corruption.

The rise of corruption has reduced public trust and intention to participate in development in many countries. In some countries, corruption is a tool used by society to criticize the government. Most previous studies on corruption eradication have appeared from the macro perspective of [Monteduro et al. \(2016\)](#), with very few looking at the problem from the standpoint of governance policies in organizations, mainly in the context of developing countries ([Beshi & Kaur, 2020](#)). Further, corruption at the micro level, such as in the village government, is included in the top three cases of corruption in the government sector and continues to grow every year ([Indonesia Corruption Watch \(ICW\), 2021](#)). Corruption in Indonesia is an unresolved problem and continues to exist in almost all government sectors; Indonesia ranks 102 out of 183 countries as the least corrupt ([Indonesia Corruption Watch \(ICW\), 2021](#)).

Many relatively new corruptions emerge in the village government, and they can exacerbate the situation. Many village heads are in prison because they cannot manage village finances properly. The use of village funds, in particular, is the main focus of the investigation. The central government has determined the terms of use and reporting, so they should be on target. The ideal is that the village fund can support and improve community welfare and trust. However, the use of funds by individual village officials proves that there is abuse of authority. This causes community trust to decrease.

The preliminary survey in three village result show that the village government has several activities that increase transparency, accountability, and community trust. All activities and budget absorption are conveyed through the village website, billboards and village information boards. The village government conducts outreach for each priority activity, such as village development. Furthermore, the village government and the Village Council (*BPD*) evaluate activities implementation for one semester. At the beginning of each year, the village government reports and conveys the realization of the village budget and puts up a realization banner so the community can read it. However, this new policy will not benefit village development but will usher in new areas of APBD's corruption and inefficiency. The community's trust in the village government could be higher. They question good and correct governance.

Several studies suggest that governance practices are essential in gaining public trust ([Monteduro et al., 2016](#)). The determining factor for public trust is openness from government institutions, while public trust is influenced by government accountability ([Beshi & Kaur, 2020](#); [Srirejeki & Putri, 2022](#)). The public expects transparency and accountability in financial management, so there are no indications of corrupt

behavior (Salihu, 2022; Clark & Clark, 2017). Research in the realm of accountability and transparency at the village government level still needs to be conducted. The research results of Sofyani and Pratolo (2022) recommend that external pressure and corruption perception can determine accountability and transparency, which will then influence public trust. Accountability and transparency are not just putting up billboards containing financial reports of the Village Revenue and Expenditure Budget (APBDes) but have the meaning of moral responsibility to the broader community (Ahyaruddin & Akbar, 2018).

The emergence of pressure or coercion from outsiders is a challenge in improving financial reporting (Sofyani et al., 2022). There was an influence of external pressure on the accountability of managing village funds and the transparency of financial reporting (Diansari et al. 2022). The results of other studies explain that external stress impacts the transparency of regional economic conditions in the form of several incentives that arise from outside the organization (Adebanjo et al., 2016). The existence of pressure is from the various parties interests of multiple parties in the government's financial structure. Here, it is clear that external parties have a role in influencing information disclosure to the community so that village officials are forced to fulfill their wishes in managing village finances (Mahmud et al., 2020).

Furthermore, corruption perception also plays an essential role in determining the transparency and accountability of village financial management and mediating public trust (Sofyani et al., 2022). Corruption perceptions have a direct, contradictory relationship with public trust. It aligns with Morris and Klesner (2010) that corruption perceptions strongly correlate with declining public trust in Mexico. According to Morris and Klesner (2010), the village community still considers corruption detrimental, so the perpetrators are untrustworthy. For rural communities in Indonesia, corruption violates the togetherness norm and is usually seen as a form of betrayal. The high cases of corruption in village funds in Indonesia can brainwash the public that most village governments in Indonesia tend to be corrupt, so the society does not have enough trust. Good governance practices in villages should be encouraged and adequately implemented to combat that stigma, especially transparency (Susilowati et al., 2020).

Accountability and transparency are two main aspects of governance that can reduce the emergence of a growing number of village fund corruption scandals (Ahyaruddin and Akbar, 2018a; Susilowati et al., 2018). In this regard, by prioritizing good accountability and transparency practices, community trust in the village government will increase (Beshi and Kaur, 2020; Nurriksiana et al., 2017). Pratolo et al. (2022) propose transparency to increase community trust in village government. So far, there has been distrust in the village community towards the village government (Pratolo et al., 2022).

Building transparency in the administrative process is critical to trust the government (Porumbescu, 2017). Because of this concern, governments and citizens globally place the issue of transparency as a medium to end government secrecy, increase public trust, and create good governance (Said et al., 2015). If the government provides more information about its actions and inactions to its citizens, the level of trust will increase (Meutia & Liliana, 2018; Triani & Handayani, 2018).

This study aims to determine the effect of external pressure, transparency, accountability, and corruption perception on community trust. This research contributes to explaining the institutional theory in which the village government as a government agency has the authority to act and determine behavior to make the right decisions. In an organization, the village government does not operate independently but instead interacts with one another in implementing the organization, namely their responsibility to the central government. The existing corruption perception plays a negative role in building public accountability and trust. Corruption perception becomes the perception of village officials on corruption that is persuasive so that it can determine a mindset that can ultimately determine village financial accountability and transparency.

LITERATURE REVIEW AND HYPOTHESES

Institutional Theory

Monitoring and disclosing financial and non-financial information is very important to minimize the gap between society and the government. The village government which is under the central government finally carries out a series of management processes based on applicable legal regulations. In this case,

institutional theory attempts to provide a conceptual description for analyzing organizational behavior. This is based on the premise that an entity does not carry out its activities independently but rather interacts with each other within the organization, with the aim of creating public trust. Institutional theory also emphasizes the importance of legitimacy, limiting actions and determining behavioral choices. The concept of institutional theory explains that an organization can survive if it can meet community expectations (Suryandari et al., 2019). Further, institutional theory emphasizes the importance of legitimacy insofar as these circumstances limit actions and determine behavioral choices (Ahyaruddin & Akbar, 2018). Entities do not operate independently but interact with one another in the organization's implementation. It is their responsibility to the central government. It is the same as the Village government, which is under the central government, so all forms of budget implementation are based on policies from the central government. Similarly, the Ministry of Home Affairs created a village finance application, tax policies, and the use of village funds originate from the Ministry of Finance.

To meet public expectations, the government should have good governance. The basis of good governance consists of transparency, accountability, and responsive public administration services (Beshi & Kaur, 2020). The institutional theory explains that external pressure encourages organizational changes to maintain legitimacy, including implementing transparent government (Yang et al., 2022). Disclosure of information on the government's implementation to the public will accountability and prevent corruption. Thus, implementing a transparent and accountable government will ultimately build public trust.

Public Trust

Public trust is the community's trust in the government for its performance in serving and meeting community expectations (Zhao & Hu, 2017). Public trust has an essential role in a government. The effectiveness of government services can be determined based on the high or low level of public trust (Almuqrin et al., 2022). Corrupt behavior influences the public trust level in the government (Morris & Klesner, 2010). As a public civil servant, the government has the authority to manage funds from the community to create shared prosperity. However, the existence of corrupt behavior by the government towards public funds will make people feel disadvantaged and betrayed so that their trust in the government decreases. Therefore, the government should implement legitimacy, limiting government behavior to maintain public trust. (Ahyaruddin & Akbar, 2018).

External Pressure

External pressure from outsiders can affect government performance (Suryandari et al., 2019). External pressure refers to regulations and laws drawn up by the government and should be implemented by elements below it. Institutional theory explains that organizational structure and behavior are influenced by external pressure (Zhao & Fan, 2018), which is necessary to strengthen legitimacy and maintain public trust. As the most basic government actor, pressure from the central government and statutory regulations obliges the village government to act according to the Indonesian government's rules and interests. Thus, external pressure can prevent deviant behavior in the village government.

Transparency

Transparency is the information availability about an organization or government that allows outsiders (the public, stakeholders, and higher agencies) to monitor the internal performance of an organization (Porumbescu, 2017). Implementing transparency in the village government sector will encourage government openness, assist the decision-making process, and create accountability (Matheus & Janssen, 2020). Disclosure of financial information and government performance will provide space for the community to oversee the running of the village government. Thus, the implementation of transparency will prevent corrupt behavior in village government. Not only that, transparency will also become a forum for the public to convey their suggestions and needs. Therefore, transparency is an essential aspect of creating good governance.

Accountability

Village government accountability refers to the government's responsibility to maintain legitimacy and public trust by presenting village government operational information by social norms (Pratolo et al., 2022). Therefore, accountability becomes an essential component in organizational legitimacy and corruption detection. Community trust refers to the willingness to rely on others to act on behalf of the community based on the belief that the village government can make effective decisions and consider the public interest. Because the community trusts the village government to manage village funds, the village government should be accountable for providing accurate and reliable information. The community can monitor every economic transaction carried out by the village government. Accountability will also guarantee the legitimacy of village governance and will eliminate corruption.

Corruption Perception

Corruption is defined as using public funds for personal gain by parties entrusted with holding a position of authority (Salihu, 2022). In the context of this research, corruption perception is a persuasive form of village officials' corruption perception so that it can determine a mindset that can ultimately determine village financial accountability and transparency. As actors who manage village finances, village officials should have high integrity. If the apparatus perceives corruption as low, the village administration can operate transparently and accountably.

Hypothesis Development

The institutional theory explains that creating homogeneous practices and structures originates from the government's response to external pressure. The method is to adopt systems and practices considered valid and accepted by society. One aspect adopted from the external force is the information disclosure as a symbol that the public can trust the government. (Rodríguez Bolívar et al., 2013). Suryandari et al. (2019) prove that external pressure positively affects the implementation of transparent financial reporting. Based on the theory, expert statements, and the results of previous research, the following are research hypotheses.

H₁: External pressure has a positive effect on transparency.

Accountability in the public sector requires the government to be accountable to the public by explaining the sources of funds, management of funds, and the reasons behind these decisions (Said et al., 2015). As the party that manages public funds, the village government should be able to explain the reasons behind the policies taken regarding managing village finances and be responsible for these policies. External pressure can act as supervision of related parties in overseeing the government's performance in carrying out its obligations by applicable regulations and as a forum for the community to accommodate their needs (Diansari et al., 2022). Thus, external pressure requires the government to carry out its duties responsibly.

H₂: External pressure has a positive effect on accountability.

Accountability and transparency are two aspects that cannot be separated in implementing good governance. Transparency will realize village apparatus accountability. By disclosing information about government activities, transparency will encourage the creation of village government accountability (Rieznik & Lee, 2021). It is in line with Fox's statement. Fox (2007) says that implementing a transparent village government will make it easier to monitor and evaluate the running of the village government. Then, the village government should work in an accountable manner.

H₃: Transparency has a positive effect on accountability.

Accountability plays a vital role in preventing the development of bribery acts and corruption (Rieznik & Lee, 2021). It is characterized by the information disclosure on financial reports and village

government activities that have been prepared accurately and with integrity (Sofyani et al., 2022). An accountable village government is a government that is accountable for every policy taken, both financial and non-financial, by conveying it to the community. By seeing government accountability, the public will know that the government has carried out its responsibilities as well as possible so that people's trust in the government will also increase. It is supported by the research results of Yousaf et al. (2016) and Beshi & Kaur (2020), which show that accountability influences public trust.

H₄: Accountability has a positive effect on public trust.

As one of the foundations of implementing good governance, transparency is essential in strengthening public trust in the government (Beshi & Kaur, 2020). Transparency allows the community to observe and understand the implementation of village government (Porumbescu, 2017). Therefore, implementing transparency is very important to be carried out, especially in public organizations responsible for maintaining public trust. The previous research conducted by Sofyani and Pratolo (2022) shows that transparency positively affects public trust.

H₅: Transparency has a positive effect on public trust.

High or low community trust in the government can indicate the relationship quality between the community and the village government (Beshi & Kaur, 2020). The critical factor affecting public trust in government is corruption. Village officials working in the public service sector should understand that corruption has various negative impacts on village finances and the balance and efficiency of the quality of village goods and services. (Rieznik & Lee, 2021). The quality and mindset of village officials regarding corruption play an essential role in maintaining public trust. If village officials consider corruption beneficial and justify this action, the public's trust in the government will decrease. It is in line with research conducted by Morris and Klesner (2010), which shows that perceptions of corruption have a strong relationship with decreased public trust in Mexico.

H₆: Perceptions of corruption have a negative effect on public trust.

Various studies have revealed that corruption in the public sector hurts the financial condition and quality of village services and community welfare to the detriment and hinders the country's development (Sofyani et al., 2022). Transparency encourages public awareness to prevent corruption and village officials from abusing public services for personal gain (Rieznik & Lee, 2021). However, if the mindset or perception of village officials towards corruption needs to be corrected, then irregularities will continue to occur even though the financial information has been published. Therefore, preventing criminal acts of corruption must start from the perceptions of village officials towards bribery. If the perception of village officials engaging in corruption is low, the government will be more transparent to increase public trust. The results of this study are consistent with Sofyani et al. (2022), in which the low level of perceptions of corruption mediates the effect of transparency on public trust.

H₇: Transparency affects public trust through perceptions of corruption.

METHODS

Research Design and Data Sample

This study uses a survey method with hypothesis testing by placing it in the positivism paradigm. This research was conducted in Tegal Regency, Central Java Province. Villages in the Tegal Regency are the second largest recipients of Village Funds. Before completing the study, the research team coordinated with the Regional Development Planning Board (*BAPPEDA*) for Tegal District to implement the research through inter-institutional collaborative research. Furthermore, in collaboration with *BAPPEDA*, the

research team informed the village officials that there would be research and they would be the respondents. So that village officials can freely spend time filling out questionnaires. We also provide information that the data obtained is guaranteed confidentiality and is only used for academic purposes.

Next, identification of the research location villages was carried out. Each village has different demographics and characteristics, but most Tegal Regency villages are in mountainous areas. Due to other traits, we use cluster sampling. Thus, the villages involved in this research were selected based on their location: Balapulang, Bumijawa, Slawi, and Adiwerna. The research sample is village officials who actively work in village government, such as village heads, secretaries, treasurers, and staff of 103 people. Respondents filled out the questionnaire anonymously and voluntarily.

Variable Definition and Research Instrument

The study has three types of variables: dependent variables, intervening, and independent variables (Table 2). The dependent variable is community trust. It is the level of trust of citizens in the village government to do the right thing to act appropriately and honestly on behalf of the public. Indicators of public trust are public trust, public satisfaction, public participation, public trust, and public observance (Sofyani & Pratolo, 2022). The independent variables are external pressure, accountability, and transparency. External pressure is government regulations and applicable laws that cause negative things or punishment if you don't comply with these regulations, and there should be a strategy or way out to deal with these events. The indicators use constraints and community aspirations (Diansari et al., 2022).

Accountability is the responsibility of the village government for many village funds and others that are used for the public promptly, and the indicators are complete financial statements and timely financial statements (Beshi & Kaur, 2020; Sofyani & Pratolo, 2022). Transparency is the disclosure of village financial management and performance through several media such as online (websites, social media), offline (billboards, posters, banners, booklets, leaflets), and face-to-face (announcements at village events); the indicators are transparency over village money (budget) management, transparency over village management activities, and transparency over village achievements (Sofyani et al., 2022).

Table 2. The Variable and Indicators

Number	Variables	Indicators	Sources
1	Community trust	public trust, public satisfaction, public participation, public trust, and public observance	(Sofyani & Pratolo, 2022).
2	External pressure	use constraints and community aspirations	(Diansari et al., 2022).
3	Accountability	complete financial statements and timely financial statements	(Beshi & Kaur, 2020; Sofyani & Pratolo, 2022).
4	Transparency	over village money (budget) management, transparency over village management activities, and transparency over village achievements	(Sofyani et al., 2022).
5	Corruption perception	using village money for self-interest, seizing other people's rights secretly, unauthorized use of position for self-interest, embezzlement of village money, bribery time corruption (office hours less than duty)	(Zhang & Kim, 2018).

Finally, the intervening variable is corruption perception. Corruption is the assumption of how far the village government has committed corrupt behavior from the residents' point of view, while the indicators are using village money for self-interest, seizing other people's rights secretly, unauthorized use of position for self-interest, embezzlement of village money, bribery time corruption (office hours less than duty) (Zhang & Kim, 2018). Respondents were asked to rate their level of agreement based on a 5-point Likert scale that ranged from strongly disagree to strongly agree.

Data Collection and Analysis Method

The data collection methods used were questionnaires and documentation. Questionnaires were used to explore the determinants of community trust in village financial management, while documentation was used to obtain data on the number of villages and village apparatus. This study uses statistical analysis to answer research questions and test hypotheses by analyzing and testing empirical models. The first is descriptive analysis, carried out in this study to find out and explain the general description of the respondents and the variables. Respondents were identified using descriptive analysis in the form of data analysis of data trends such as age, gender, and position.

Next is testing the research hypothesis using structural equation modeling (Structural Equation Modeling/SEM) with the WarpPLS approach. The consideration of using a structural analysis model is to explain the relationship and interdependence of research variables. This model was developed as an alternative for situations where the theoretical basis for model design is weak or has not been found, and some indicators do not meet the reflective measurement model, so it is formative. PLS is a powerful analytical method because it doesn't require a lot of assumptions, and the sample size can be small or large. In addition to confirming theory (hypothesis testing), PLS can also be used to build relationships for which there is no theoretical basis or for testing propositions.

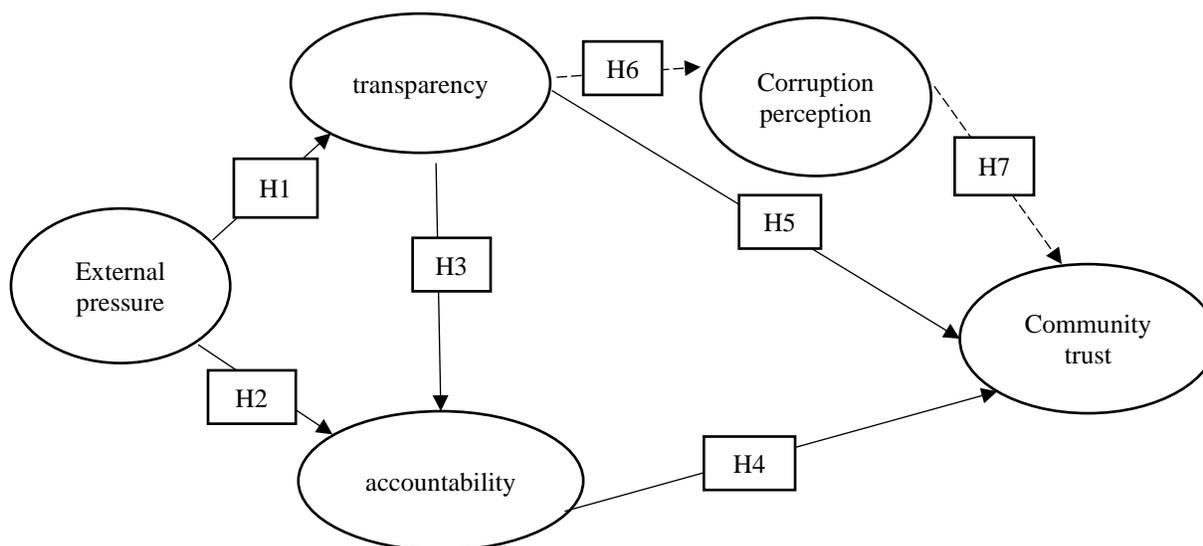


Figure 1. Conceptual Framework

RESULTS AND DISCUSSION

Table 3 shows that 80 men, or 77.7%, dominated the respondents, with 103 respondents, while the rest were 23 female respondents, or 22.3%. Based on the age group, most respondents in this study were in the 51-55 year age group, 22 people or 21.4%, while the minor age group were respondents under 26 years old, consisting of only two people or 1.9%.

Table 3. Descriptive Analysis of Respondent Characteristics

	Remarks	Number	Percentage
Sex	• Female	23	22.3%
	• Male	80	77.7%
Age group	• < 26 years old	2	1.9%

	Remarks	Number	Percentage
Position	• 26-30	16	15.5%
	• 31-35	10	9.7%
	• 36-40	9	8.7%
	• 41-45	19	18.4%
	• 46-50	19	18.4%
	• 51-55	22	21.4%
	• > 56 years old	6	5.8%
	• Village head	43	41.7%
	• Village chief	3	2.9%
	• Village secretary	16	15.5%
	• Head of Village Financial Affairs	8	7.8%
	• Head of Planning Affairs	5	4.9%
	• Head of Administrative and General Affairs	2	1.9%
	• Head of Government Section	7	6.8%
	• Head of Welfare Section	7	6.8%
• Head of Service Section	8	7.8%	
• Others	4	3.9%	

Respondents in this study were village government apparatus consisting of village heads, village secretaries, treasurers, and other staff. Table 1 illustrates that the respondents in this study were dominated by respondents who served as village heads, as many as 43 people or 41.7%, followed by village secretaries, as many as 16 people or 15.5%. At the same time, the rest were respondents who served as other staff.

Before testing the hypothesis, this study has validity and reliability tests. The validity test for the research instrument consisted of a convergent validity test and a discriminant validity test. The instrument is declared convergently valid if it has a factor loading value greater than 0.50. It will be declared discriminantly valid if the root of the average variance extracted (AVE) has a value greater than the correlation between constructs.

Table 4. Convergent Validity Test Result

	KM	EP	A	T	CP	Type	SE	P-Value
KM1	(0.901)	-0.026	-0.097	0.002	0.008	Reflective	0.077	<0.001
KM2	(0.852)	-0.083	-0.083	0.056	0.037	Reflective	0.078	<0.001
KM3	(0.677)	0.04	-0.151	0.188	-0.096	Reflective	0.082	<0.001
KM4	(0.731)	0.183	0.074	-0.219	-0.1	Reflective	0.081	<0.001
KM5	(0.517)	-0.131	0.397	-0.033	0.191	Reflective	0.086	<0.001
EP1	0.032	(0.653)	0.172	-0.001	0.199	Reflective	0.083	<0.001
EP2	0.116	(0.779)	0.077	0.009	0.032	Reflective	0.08	<0.001
EP3	-0.145	(0.781)	0.017	0.103	-0.099	Reflective	0.08	<0.001
EP4	0.002	(0.749)	-0.248	-0.116	-0.104	Reflective	0.081	<0.001
A1	-0.122	-0.014	(0.900)	0.217	-0.094	Reflective	0.077	<0.001
A2	0.122	0.014	(0.900)	-0.217	0.094	Reflective	0.077	<0.001
T1	0.021	-0.121	0.107	(0.927)	-0.029	Reflective	0.077	<0.001

	KM	EP	A	T	CP	Type	SE	P-Value
T2	-0.075	0.146	0.037	(0.867)	0.003	Reflective	0.078	<0.001
T3	0	-0.089	0.07	(0.903)	0.019	Reflective	0.077	<0.001
T4	0.055	0.081	-0.239	(0.816)	0.009	Reflective	0.079	<0.001
CP1	-0.063	0.127	-0.034	0.016	(0.925)	Reflective	0.077	<0.001
CP2	-0.132	0.21	0.002	0.051	(0.909)	Reflective	0.077	<0.001
CP3	0.093	0.03	-0.024	-0.077	(0.932)	Reflective	0.077	<0.001
CP4	0.097	-0.111	-0.017	-0.068	(0.890)	Reflective	0.078	<0.001
CP5	0.007	-0.319	0.091	0.095	(0.741)	Reflective	0.081	<0.001

Table 4 shows that all instruments in this study have a factor loading value greater than 0.50, so all instruments have met convergent validity.

Then, Table 5 presents the AVE root data, which has a value greater than the correlation between variables, so that the instrument meets the criteria of discriminatory validity.

Table 5. Discriminant Validity Test Result

	KM	EP	A	T	CP
KM	(0.748)	0.446	0.36	0.433	-0.335
EP	0.446	(0.742)	0.53	0.52	-0.082
A	0.36	0.53	(0.900)	0.652	-0.029
T	0.433	0.52	0.652	(0.879)	-0.077
CP	-0.335	-0.082	-0.029	-0.077	(0.883)

After knowing the instrument's validity level through a validity test, it is necessary to do a reliability test to determine the level of consistency of the research instrument. If the composite reliability value and Cronbach Alpha are above 0.60, the device will be declared to fulfill the reliability test.

Table 6. Reliability Test Result

Variable	Cronbach's Alpha Value	Nilai Composite Variable
Public Trust	0.792	0.860
External Pressure	0.726	0.830
Accountability	0.765	0.895
Transparanscy	0.901	0.931
Corruption Perception	0.927	0.946

Table 6 illustrates that all variables have a Cronbach alpha value above 0.60 and the composite value of each variable. Thus, this research instrument has been reliable.

This study tests and analyzes the data using a structural equation model using the WarpPLS tool. Testing the FIT model and the quality index can determine the compatibility between the model and the data. Table 7 presents this study's FIT model and quality index results.

Table 7. FIT Model and Quality Index

No	Indicator	FIT Criteria	Value	Remarks
1	Average path coefficient (APC)	P-value \leq 0.05	P<0.001	Accepted

No	Indicator	FIT Criteria	Value	Remarks
2	Average R-squared (ARS)	P-value \leq 0.05	P<0.001	Accepted
3	Average adjusted R-squared (AARS)	P-value \leq 0.05	P<0.001	Accepted
4	Average block VIF (AVIF)	Accepted if \leq 5 Ideally \leq 3.3	1.409	Accepted
5	Average full collinearity VIF (AFVIF)	Accepted if \leq 5 Ideally \leq 3.3	1.631	Accepted
6	Tenenhaus GoF (GoF)	Medium \geq 0.25 Large \geq 0.36	0.467	Accepted
7	Sympson's paradox ratio (SPR)	Accepted if \geq 0.7 Ideally = 1	1.000	Accepted
8	R-squared contribution ratio (RSCR)	Accepted if \geq 0.9 Ideally = 1	1.000	Accepted
9	Statistical suppression ratio (SSR)	Accepted if \geq 0.7	1.000	Accepted
10	Nonlinear bivariate causality direction ratio (NLBCDR)	Accepted if \geq 0.7	1.000	Accepted

Table 7 presents that all FIT criteria have been met. It shows that there is no multicollinearity problem between indicators and variables. Data testing can be carried out to the hypothesis testing stage if all FIT criteria are met. Figure 2 presents the primary data path estimation results using the WarpPLS 5.0 program.

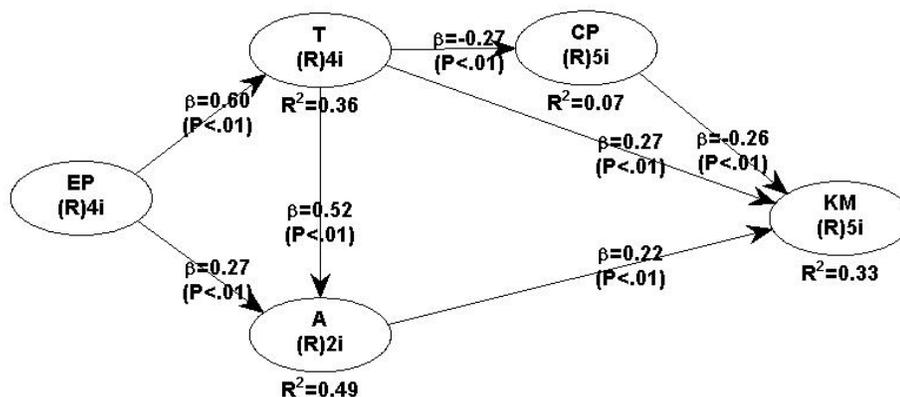


Figure2. Path Analysis Result

The p-values and path coefficient criteria determine the hypothesis testing results. If the p-value is 0.10 (10% significance value), then the relationship between variables is considered to have a weak significant relationship. Then, if the p-value is 0.05 (5% significance), the relationship between variables is considered significant, and if the p-value is 0.01, it is considered very significant. Table 8 and Table 9 present p-values and hypothesis testing results of path coefficient for direct and indirect effects

Table 8. Direct Effect Hypothesis Test

Hypothesis	Independent Variable	>	Dependent Variable	Path Coefficient	P-Value
H1	External Pressure		Transparency	0.598	<0.001***
H2	External Pressure		Accountability	0.267	0.002***
H3	Transparency		Accountability	0.520	<0.001***
H4	Accountability		Public Trust	0.225	0.009***

Hypothesis	Independent Variable	>	Dependent Variable	Path Coefficient	P-Value
H5	Transparency		Public Trust	0.272	0.002***
H6	Corruption perception		Public Trust	-0.260	0.003***

Note: * low significant (10% significance), ** significant (5% significance), *** very significant (1% significance)

Table 9. Indirect Effect Hypothesis Test

Hypothesis	Independent Variable	>	Mediation Variable	>	Dependent Variable	Path Coefficient	P-Value
H7	Transparency		Corruption perception		Public Trust	0.188	0.024***

Note: * low significant (10% significance), ** significant (5% significance), *** very significant (1% significance)

Based on the results of the hypothesis testing described in Table 8, it is known that External Pressure has a significant direct effect on transparency and accountability, so H1 and H2 are accepted. Then, the transparency variable significantly influences public accountability and trust, so H3 and H5 are accepted. In addition, the accountability variable is proven to affect public trust directly so that H4 is accepted dramatically. The direct relationship between the variable perceptions of corruption and public trust obtains a path coefficient value of -0.260 with a p-value of 0.003, meaning that the variable perceptions of corruption weaken public trust, so H6 is accepted. Table 7 shows that transparency significantly affects public trust through perceptions of corruption, so H7 is accepted.

External pressure is government regulations and applicable laws that cause something to happen if you don't comply with these regulations, and there must be a strategy or way out to deal with these events. The results of this study indicate that external pressure has a significantly positive effect on transparency. External pressure will encourage the village government to be more transparent in implementing governance. This study is consistent with [Suryandari et al. \(2019\)](#), in which external pressure positively affects the transparency of regional financial reports.

The village government is an agency whose implementation process still depends on the central government, especially on the funding side. Village funds are part of the APBN, which comes from taxes paid by the community. To maintain public trust, the central government implements a series of rules related to fund management. In managing village funds, the village government must comply with regulations set by the central government. This regulation requires the village government to publish financial reports and activities carried out so that the village government's performance is even more transparent. These results also prove the recommendation from [Sofyani & Pratolo \(2022\)](#), that external pressure can be a driving factor in creating a transparent village government.

Accountability is the village government's responsibility for several village funds, and others used for the public promptly. This study's results align with the recommendations of [Sofyani & Pratolo \(2022\)](#), which show that external pressure has a significant positive effect on accountability. It means that village funds can be accounted for promptly with government regulations and village governance laws. One of the primary sources of village funds comes from the APBN, so their management should be reported within a predetermined time frame from the central government. Village financial reports must be accounted for in a complete and timely manner to avoid corrupt practices at the village level.

The existence of regulations, legislation, and supervision from the central government pressures the village government to manage village finances responsibly. This relationship has also been explained in institutional theory, where legitimacy is needed to limit and determine organizational behavior choices ([Ahyaruddin & Akbar, 2018](#)). Conversely, without external pressure, the potential for corruption could be even higher because every financial transaction can be manipulated or even not recorded and reported. External pressure plays a vital role in overseeing the performance of the village government in carrying out its obligations according to laws and regulations and as a forum that accommodates the community ([Diansari et al., 2022](#)).

Transparency and accountability are two aspects that must exist in good governance. To increase accountability, the government must work transparently. The data estimation process in this study also proves that transparency has a significantly positive effect on accountability. It means that if the village government works transparently, then the level of accountability will increase. In short, transparency will result in accountability (Fox, 2007).

Transparency in government will facilitate various external parties (central government, community, stakeholders) in supervising government running. Through this supervision, the village government will receive evaluation and feedback related to government performance. Therefore, the accountability of the village government will increase if the village government works transparently. Without transparency, horizontal accountability between the village government and the community will not be achieved because the community does not have access to information to oversee the management and implementation of village governance.

Community trust refers to the level of community trust in the village government to do the right thing and act appropriately and honestly on behalf of the public. The results of this study indicate that accountability has a significantly positive effect on public trust. That is, if the village government can account for the complete and timely management of village funds, the community will believe that the village government has done the right thing on behalf of the public. Beshi and Kaur (2020) and Yousaf et al. (2016) show that government accountability in decision-making and implementation makes people think that the government is working responsibly so that people's trust in the government also increases. In contrast, this study rejects the results of Sofyani & Pratolo (2022), which state that accountability does not affect public trust.

Accountability is a determinant of implementing good governance, which aims to maintain public trust (Said et al., 2015). Implementation of accountability requires the village government to explain reasons related to the source and use of public resources (Ahyaruddin & Akbar, 2018). Thus, the community will believe that the village government has carried out the government responsibly. The village government needs to maintain community trust because high trust in the government will encourage the community to provide donations and support in the government funding process (Weng et al., 2015).

Public trust is an essential factor that shows how well the process of implementing government is (Zhao & Hu, 2017). The results of this study indicate that transparency has a significantly positive effect on public trust. It means that if the village government discloses information accurately and transparently, the community will trust the village government in running village governance. This result aligns with Sofyani & Pratolo (2022), which shows that transparency can solve low public trust in the government. By disclosing village financial management and performance through various online and offline media, the public can quickly obtain information, assess and supervise the running of village government.

Community distrust is based on the assumption that village officials responsible for managing village funds are prone to abuse power for personal gain. Based on institutional theory, village governments, as legitimate organizations, must show that they are official entities and deserve to continue to be developed and trusted for their performance (Suryandari et al., 2019). So, to dispel public skepticism, the village government discloses financial information and government performance transparently. If the government works transparently, the space for corruption will be narrower so that public trust will increase. Disclosure of information such as the use of village funds, village financial management, budget absorption, and the remaining budget balance (SILPA) is conveyed transparently on billboards placed strategically.

A corruption perception is a form of perception of village officials on corruption that is persuasive so that it can determine a mindset that can ultimately determine accountability and transparency of village finances. The results of this study indicate that perceptions of corruption have a significant negative effect on public trust. The public's trust will decrease if the village government's corruption perception is more robust. The results of this study are consistent with Sofyani et al. (2022), who view a high level of corruption as having a negative effect and weakening public trust in the government.

Corruption and public trust have a causal relationship. Corrupt behavior causes low public trust (Morris & Klesner, 2010). Suppose the village government monopolizes village finances for personal gain. In that case, the community will consider the village government irresponsible in carrying out its duties and

can no longer be trusted. The effectiveness of implementing good governance is determined by public trust (Almuqrin et al., 2022). Furthermore, the village government needs to maintain public trust so that the community can actively participate in the village development and development process (Sofyani & Pratolo, 2022).

The village government should maintain the community's trust so that the community always participates actively in the village development and development process (Sofyani & Pratolo, 2022). As for this research, it is known that perceptions of corruption mediate an indirect relationship between transparency and public trust. It means that if the village government considers corruption unjustifiable, it will work transparently so that public trust increases. The results of this study are consistent with Sofyani et al. (2022). They argue that a low level of perceptions of corruption mediates the effect of transparency on public trust.

Corruption is the key to high or low public trust in government (Morris & Klesner, 2010). Therefore, to increase public trust, the village government should demonstrate its integrity through transparency (Beshi & Kaur, 2020). A transparent village government will make it easier for the community to participate in supervising and providing input into village activities. In the end, transparent implementation of performance will prevent corruption in government and increase public trust. Perceptions of corruption play an essential role in mediating the relationship between transparency and public trust because the quality and mindset of the village government will influence government behavior and performance.

CONCLUSION

In summary, this study reveals that external pressure directly influences village government transparency and accountability. Furthermore, this research also shows that there is a direct effect of transparency on accountability. Both transparency and accountability positively affect public trust. Meanwhile, perceptions of corruption have a negative influence that undermines public trust. Perceptions of corruption also have a mediating role in the indirect relationship between transparency and public trust. Currently, research and literature on village government are still limited, this research provides special insight into external pressure and the role of corruption perception which can be a mediation community trust. Based on these findings, important implications are suggested. To maintain public trust, the village government must show that they are not committing acts of corruption by implementing transparency and accountability. The existence of regulations and legislation as well as supervision from the central government puts pressure on village governments to manage village finances responsibly. It can improve community trust. Based on institutional theory, village government as an organization must be able to show that it is an official entity and deserves to continue to be developed. Various efforts to gain public trust are very important so that a democratic government can function effectively.

To improve village government transparency and accountability, the central government, as an external party with power over policies at the village government level, should improve financial management oversight. Besides that, it is also necessary to make breakthroughs in increasing the capability of village officials in the technology field and understanding of policies such as taxation. It can be done by creating a digital financial reporting system that is synchronized with the central government and can be published to the public. Furthermore, the government needs to supervise by going directly to the community to determine the performance of village government services. The limitation of this research is only conducted in Tegal Regency and only those from the village administration were selected as respondents in this study. Therefore, future research can examine community perceptions of village government performance, community satisfaction, and the role of the village head in realizing good performance.

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