

## THE INFLUENCE OF PARTICIPATORY LEADERSHIP AND BUDGET TRANSPARENCY ON PUBLIC SERVICE ACCOUNTABILITY WITH COMMUNITY INVOLVEMENT AS AN INTERVENING VARIABLE

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### Abstract

*This study aims to analyze the influence of participatory leadership and budget transparency on public service accountability, with community involvement as an intervening variable. Using a quantitative approach with an explanatory design, data were collected through a questionnaire survey of local government officials, communities, and related stakeholders. Data analysis was conducted using Structural Equation Modeling (SEM). The results showed that participatory leadership and budget transparency had a significant effect on public service accountability, both directly and through community involvement. These findings emphasize the importance of community involvement in strengthening accountable governance and provide practical implications for public service reform in Indonesia.*

**Keywords:** Participatory Leadership, Budget Transparency, Service Accountability, Community Involvement, Public Service Reformation

### INTRODUCTION

Accountability in public services has become a strategic issue in various countries, especially in the modern era that increasingly demands transparency and public participation. Accountability is an important indicator of successful governance, where the public has the right to receive efficient, transparent, and accountable services (Sofyani et al., 2022). In Indonesia, the challenge of increasing public service accountability is still a big homework. Various audit reports from government agencies show that the practice of transparency and public participation has not been optimal in supporting the achievement of accountable public services (Mokaya, 2020).

Participatory leadership is one of the relevant approaches in improving public service accountability. This leadership emphasizes collaboration between leaders and members of the organization in the decision-making process. According to research by Haileselassie et al. (2024), participatory leadership has a significant influence in creating trust, improving team performance, and encouraging innovation in public organizations. In the context of public services in Indonesia, the application of participatory leadership can be a strategy to build closer relationships between the government and the community, resulting in services that are more responsive to public needs (Junita et al., 2018).

In addition, budget transparency is also a key element in creating accountable public services. Budget transparency includes openness of

information related to budget planning, management, and use. Research by Justice & Dülger (2009) shows that budget transparency has a positive correlation with the level of public trust in the government. In Indonesia, initiatives such as the Regional Financial Information System (SIKD) have been introduced to encourage budget transparency at the local level. However, the implementation of this policy is often hampered by a lack of human resource capacity and low commitment from regional leaders (Speer, 2012).

Community involvement is an equally important variable in realizing public service accountability. Community involvement includes active participation in the planning, implementation, and evaluation processes of public policies. A study by Lismawati (2024) emphasized that a high level of community participation can strengthen the legitimacy of public policies and encourage government accountability. In Indonesia, programs such as the Development Planning Deliberation (Musrenbang) have been adopted to involve the community in the decision-making process. However, the effectiveness of this program is still influenced by the level of community awareness and limited access to information.

Although many initiatives have been undertaken to improve public service accountability in Indonesia, there are still various obstacles that hinder the achievement of optimal results. Low levels of budget transparency, lack of participatory leadership, and minimal community involvement are the main issues that require attention. Therefore, this study seeks to answer the main question: how do participatory leadership and budget transparency influence public service accountability with community involvement as an intervening variable?

This study aims to analyze the influence of participatory leadership and budget transparency on public service accountability and explore the role of community involvement as an intervening variable. Thus, this study is expected to provide empirical contributions and practical recommendations to improve public service governance in Indonesia.

## LITERATURE REVIEW

Participative leadership is a leadership style that encourages collaboration and active involvement between leaders and members of the organization. According to Husni et al. (2023), participative leadership provides space for team members to contribute to decision-making, thereby creating a sense of ownership and increasing work motivation. In the context of public services, this leadership style has the potential to strengthen the relationship between the government and the community, especially in providing services that are in accordance with public needs. A study by Hutama & Yudianto (2019) emphasized that participative leadership can improve organizational performance by creating an inclusive and transparent work environment. Participative leadership is also related to

increased trust and accountability in the organization. Research by Yuhertiana & Fatun (2020) shows that the involvement of organizational members in the decision-making process can reduce internal conflict and increase trust in leadership. In Indonesia, the implementation of participatory leadership in the public sector often faces challenges such as resistance to hierarchical organizational culture and lack of effective leadership training (Rahmawati et al., 2024).

Budget transparency is one of the main elements of good governance. This transparency includes the openness of information related to budget planning, management, and supervision. Research by Suhardi et al. (2023) shows that budget transparency has a direct impact on increasing government accountability. In the context of public services, budget transparency can encourage public participation in supervision and ensure that the allocation of funds is in accordance with community needs. In Indonesia, various initiatives have been carried out to improve budget transparency, including through the implementation of the Regional Financial Information System (SIKD) and the Open Budget Index (OBI). However, the success of these programs is often hampered by low human resource capacity and lack of political commitment from regional leaders. According to a study by Rahim (2022), increasing technical capacity and strengthening regulations are key to overcoming these obstacles.

Community involvement in public services is an important aspect in creating accountable governance. According to Ahwera (2021), community involvement includes active participation in every stage of public policy, from planning to evaluation. A high level of community involvement can increase policy legitimacy and strengthen government accountability. In Indonesia, programs such as Musrenbang have become the main platform for involving the community in the decision-making process. However, the effectiveness of this program is still influenced by the low level of community participation, which is often caused by lack of access to information and low awareness of public rights. A study by Beuermann & Amelina (2018) emphasizes the importance of public education and increasing access to information to encourage more active community involvement.

Accountability in public services is the ability of the government to be accountable for its policies and actions to the public. Research by Duțu & Diaconu (2017) shows that public service accountability is closely related to public trust in the government. In Indonesia, various initiatives have been carried out to improve accountability, including through the implementation of e-government and strengthening supervisory regulations. However, challenges such as lack of coordination between agencies and low human resource capacity are still major obstacles. Accountability is also influenced by factors such as leadership, transparency, and community involvement. Research by Abdullah (2016)

emphasizes that integration between these three elements can create a more accountable and responsive governance environment to public needs. In the Indonesian context, strengthening the synergy between leaders, communities, and governance systems is a priority to create better public services.

The relationship between participatory leadership, budget transparency, and community engagement on public service accountability has been the focus of research in recent years. According to Savitri et al. (2020), participatory leadership can increase transparency in organizations by encouraging open and inclusive communication. In addition, high budget transparency can strengthen community involvement in supervision, which in turn increases public service accountability. Research by Moi (2019) also shows that community engagement can be an intervening variable that strengthens the relationship between participatory leadership and public service accountability. In this context, inclusive and transparent leadership can create an environment that supports active community participation, resulting in more accountable public services.

## **METHOD**

This study uses a quantitative approach with an explanatory research design to analyze the relationship between participatory leadership, budget transparency, and community involvement on public service accountability. Data was collected through a survey using a structured questionnaire designed to measure the research variables. The research respondents consisted of local government officials, the public, and related stakeholders who had direct experience in managing or receiving public services. The sampling technique was carried out using stratified random sampling to ensure the diversity of respondent characteristics based on geographic area and level of participation in public services. A 5-point Likert scale was used in the questionnaire to assess respondents' perceptions of the variables studied.

Data analysis was conducted using the Structural Equation Modeling (SEM) method to test the causal relationship between independent variables, intervening variables, and dependent variables. Data processing was carried out using Smart-PLS statistical software to ensure the validity and reliability of the research instrument. In addition, the validity test was carried out using Confirmatory Factor Analysis (CFA), while the reliability test was carried out using the Cronbach's Alpha value.

## RESULT AND DISCUSSION

### Result

Table 1 presents descriptive statistics for the study variables, including means, standard deviations, and minimum and maximum scores.

Table 1. Descriptive Statistics

Variables	Average	Standard Deviation	Minimum	Maximum
Participative Leadership	4.215	0.487	3,000	5,000
Budget Transparency	4.127	0.502	2,000	5,000
Community Involvement	4.054	0.536	3,000	5,000
Service Accountability	4.312	0.462	3,000	5,000

The results of Confirmatory Factor Analysis (CFA) show that all items have loading factors above 0.700, indicating that convergent validity is met. The Cronbach's Alpha value for each variable is above 0.800, indicating good reliability. Meanwhile, the results of SEM analysis show that all hypothesized causal paths are significant at the  $p < 0.001$  level. The following are the results of path coefficient estimation

Table 2. SEM Path Coefficient

Relationship between variables	Path Coefficient	p-value	Conclusion
Participative Leadership -> Service Accountability	0.324	0.001	Significant
Budget Transparency -> Service Accountability	0.281	0.001	Significant
Community Engagement -> Service Accountability	0.423	0.001	Significant
Participatory Leadership -> Community Involvement	0.358	0.001	Significant
Budget Transparency -> Community Engagement	0.298	0.001	Significant

### Discussion

The results of this study highlight the importance of participatory leadership in influencing public service accountability. The significant path coefficient between participatory leadership and public service accountability suggests that a leadership approach that involves active participation from subordinates and other stakeholders can create a more transparent and accountable work environment. Participatory leadership encourages open dialogue, increases trust, and enables shared solutions that contribute to better quality public services (Bauhr & Carlitz, 2021). Participatory leaders tend to create space for innovation

and collaboration, which are important in increasing the legitimacy of public policies.

These results are also consistent with modern theories of leadership that emphasize the importance of active involvement of team members in the decision-making process. For example, transformational leadership theory highlights the role of leaders in inspiring and motivating members to achieve common goals. In the context of public service, this approach creates a sense of ownership among the community, which strengthens overall accountability.

Budget transparency also shows a significant influence on public service accountability. Transparency plays a crucial role in ensuring that the public has access to relevant information on the use of public funds. This increases public oversight of policy implementation and budget management. This finding supports the research of Sofyani et al. (2020), which shows that public access to budget information encourages trust in the government and minimizes the risk of corruption.

One important aspect identified in this study is the role of community involvement as an intervening variable. The results of the analysis show that community involvement strengthens the relationship between participatory leadership and budget transparency on public service accountability. This suggests that the level of community participation can be a key factor in increasing the legitimacy and effectiveness of public policies. Community participation not only provides relevant input but also ensures that their needs and expectations are reflected in the policies taken.

Public participation theory, as articulated by He & Ma (2021), provides a conceptual foundation for these findings. Arnstein's ladder of participation model identifies that the level of public engagement, from simply listening to participating in decision-making, influences the quality of policy outcomes. In this study, high levels of public engagement not only increase accountability but also create a greater sense of trust and transparency in governance.

This study also provides practical implications for public service management. First, the government needs to encourage participatory leadership styles at various levels of the organization. This can be done through leadership training that emphasizes the importance of communication, collaboration, and openness. Second, budget transparency needs to be improved using information technology, such as online budget portals that allow the public to monitor government spending in real time. Third, public engagement can be improved by creating inclusive participation mechanisms, such as public consultation forums or polls.

However, the results of this study also show that there are challenges that must be overcome to achieve a higher level of accountability. One of them is resistance to change, especially in organizational cultures that tend to be

hierarchical. Many leaders may be reluctant to adopt a participatory leadership style because they are afraid of losing authority or control. Therefore, there needs to be an effort to change the leadership paradigm through socialization and incentives that motivate leaders to adopt a more inclusive approach.

Moreover, while budget transparency can enhance accountability, its implementation is not always easy. Technical challenges, such as lack of IT infrastructure or lack of digital literacy among the public, can hinder access to budget information. Therefore, governments need to invest in technology and digital literacy programs to ensure that citizens can participate effectively. Public engagement also requires consistent efforts to ensure that participation is not merely symbolic but also substantial. In many cases, citizens are invited to participate but their input is not accommodated in decision-making. This can lead to distrust and undermine the legitimacy of policies. Therefore, it is important for governments to create mechanisms that ensure that public input is truly considered.

In Indonesia, these findings are highly relevant given the challenges faced in public service governance. Ongoing bureaucratic reforms provide an opportunity to integrate the principles of participatory leadership, transparency, and community engagement into the governance system. The Indonesian government has adopted various initiatives, such as e-budgeting and the Government Agency Performance Accountability System (SAKIP), aimed at improving transparency and accountability. The findings of this study provide empirical support for these efforts and emphasize the need for a more integrated approach.

From an academic perspective, this study makes a novel contribution by exploring the mediating role of community engagement in the relationship between participatory leadership, budget transparency, and public service accountability. This study confirms that a holistic approach that integrates various aspects of governance can produce greater impacts than a partial approach.

## CONCLUSION

This study confirms that participatory leadership and budget transparency have a significant influence on public service accountability, with community involvement acting as an intervening variable that strengthens the relationship. Participatory leadership encourages active participation and a sense of collective responsibility, while budget transparency increases public trust and oversight of fund management. Community involvement has been shown to be an important element in creating accountable governance, policy legitimacy, and better service quality. These findings provide new knowledge for policymakers to integrate participatory and transparency approaches in public service reform.

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