

The Influence of Leadership, Work Culture, and Competence on the Performance of Village Fund Managers

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ABSTRACT

Village development is an important aspect to promote equitable welfare, empower local communities, and improve governance. This study examines the influence of transformational leadership, work culture, and competence on the performance of Village Fund managers, with work commitment as a mediation variable and government policy as a moderation variable. A quantitative approach with explanatory design is used. The population consists of the managers of the Village Fund, including the village head, secretary, treasurer, and other officials directly involved in the management of the fund. A sample of 360 respondents was selected using stratified cluster sampling to ensure representation across regions and roles. Data were collected through a structured questionnaire based on a validated theoretical construct and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0 software. The findings show that competence, leadership, and work culture significantly affect the work commitment and performance of Village Fund managers. Work commitments are confirmed as significant mediators, while government policies effectively moderate the relationship between commitment and performance.

Keywords: Competence, Government Policy, Leadership, Work Commitment, Work Culture, Village Fund Management.

ABSTRAK

Pembangunan desa merupakan aspek penting yang untuk meningkatkan kesejahteraan yang merata, memberdayakan masyarakat lokal, dan meningkatkan tata kelola. Penelitian ini mengkaji pengaruh kepemimpinan transformasional, budaya kerja, dan kompetensi terhadap kinerja pengelola Dana Desa, dengan komitmen kerja sebagai variabel mediasi dan kebijakan pemerintah sebagai variabel moderasi. Pendekatan kuantitatif dengan desain eksplanatori digunakan. Populasi terdiri dari pengelola Dana Desa, termasuk kepala desa, sekretaris, bendahara, dan pejabat lain yang terlibat langsung dalam pengelolaan dana. Sampel sebanyak 360 responden dipilih dengan menggunakan stratified cluster sampling untuk memastikan representasi di seluruh wilayah dan peran. Data dikumpulkan melalui kuesioner terstruktur berdasarkan konstruk teoritis yang tervalidasi dan dianalisis menggunakan Partial Least Squares Structural Equation Modeling (PLS-SEM) dengan perangkat lunak SmartPLS 3.0. Temuan menunjukkan bahwa kompetensi, kepemimpinan, dan budaya kerja secara signifikan mempengaruhi komitmen kerja dan kinerja pengelola Dana Desa. Komitmen kerja dikonfirmasi sebagai mediator yang signifikan, sementara kebijakan pemerintah secara efektif memoderasi hubungan antara komitmen dan kinerja.

Kata kunci: Kompetensi, Kebijakan Pemerintah, Kepemimpinan, Komitmen Kerja, Budaya Kerja, Pengelolaan Dana Desa.

JIMKES

Jurnal Ilmiah Manajemen
Kesatuan
Vol. 13 No. 3, 2025
pp. 1559-1570
IBI Kesatuan
ISSN 2337 – 7860
E-ISSN 2721 – 169X
DOI: 10.37641/jimkes.v13i3.3220

INTRODUCTION

Village development is a key component of Indonesia's national development agenda, focusing on equitable welfare, community empowerment, and grassroots governance. The Village Fund program, a central initiative, allocates government resources directly to villages for physical and non-physical development (Utomo & Dewi, 2022). However, its success is often hindered by the limited quality of human resources managing the funds (Nasution & Welly, 2023). Challenges such as weak managerial skills, inadequate regulatory knowledge, and poor digital literacy persist (Letik, 2019). Kurniawan (2019) also highlights frequent administrative inefficiencies and technical shortcomings. Data from BPS NTT in 2018 confirm issues like disbursement delays and a lack of competent personnel, which limit the program's potential.

These issues are not solely technical but also rooted in the personal and professional capacities of village fund managers (Diansari et al., 2023; Ningsih et al., 2024). Leadership, work culture, competence, and government policy are key factors affecting performance (Udjianto et al., 2021; Fadhila, 2022). Transformational leadership—defined by Bass and Riggio (2006) as inspiring and emotionally engaging—enhances motivation and commitment. Mada et al. (2017) and Dewi and Gayatri (2019) find such leadership boosts accountability, though its effectiveness depends on supporting systems. In parallel, organizational culture shapes work behavior (Yaqin et al., 2023). A culture of inclusion and public service improves professionalism and coordination, making it essential to Village Fund outcomes (Judge & Robbins, 2017; Pebrian et al., 2023).

Competence also plays a critical role in performance. Spencer and Spencer (2008) describe it as a blend of knowledge, skills, and attitudes. Savitri et al. (2022) show competent officials improve accountability, while Mada et al. (2017) link competence to better reporting and fund management. However, Sihotang and Sitompul (2024) suggest technical skills alone are insufficient without supportive systems. Work commitment, as described by Meyer and Allen (1997), is a psychological bond that drives performance. Luthans (2011) argues that commitment connects internal traits with outcomes, and Prayogi et al. (2019) find it enhances loyalty and efficiency in fund management.

Government policy acts as an external moderating factor. Ginting et al. (2023) emphasize its role through regulation, supervision, and incentives. Well-designed policies can enhance organizational capabilities (Adwi et al., 2024), while poor policies risk reducing motivation (Mahsud et al., 2010). The role of policy as a moderator in the relationship between leadership, competence, and accountability is increasingly important. Despite many studies on leadership, culture, and performance, research on Village Fund management using a moderated mediation model is limited. Kholmi et al. (2020) and Junaedi (2023) underline the importance of leadership and managerial skills in rural governance, while Agama et al. (2021) stress policy guidance. Inconsistent findings on competence and performance highlight the need for an integrated model (Arifin et al., 2023; Agustina et al., 2025; Dewi, 2022). This research aims to contribute to the development of public management theory while providing practical recommendations for enhancing village governance in Indonesia.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Competence, Performance and Work Commitment

Competence is a combination of knowledge, skills, attitudes, and behaviors required to perform tasks effectively (Spencer & Spencer, 2008). In the context of Village Fund management, competency indicators include understanding village financial regulations, using financial information systems, and communicating with stakeholders about the socio-economic impacts of public decisions. Village officials must demonstrate competence in planning, implementing, reporting, and evaluating programs. Mada et al. (2017) found that competence significantly affects the effectiveness of village budget management, while Widiyarta et al. (2017) showed a positive correlation between competence and the ability of officials to manage Village Funds. A key obstacle in Village

Fund disbursement and utilization is the lack of preparedness among officials to understand programs and central government regulations.

Wibowo (2016) highlighted the need for competency measurement systems based on behavioral indicators to identify human resource development needs. In Village Fund management, this includes regulatory knowledge, system proficiency, and communication skills. Agustiningsih et al. (2020) also demonstrated that competence positively influences work performance commitment, with competent individuals showing higher confidence, motivation, and dedication. Judge and Robbins (2017) further support this, asserting that competence is a strong predictor of organizational commitment. Thus, competence is a vital factor in ensuring effective and accountable Village Fund management.

H1: Competence has positive and significant effect on the performance of village fund managers.

H2: Competence has positive and significant effect on the work commitment.

Government Policy and Management Performance

Government policy refers to a series of decisions and actions taken by governmental institutions to achieve specific goals oriented toward the public interest (Howlett, 2023). In the context of rural development, such policy plays a strategic role in shaping the direction, implementation, and sustainability of programs, including Village Fund management. Training related to Village Fund management covers areas such as planning, governance, reporting, and participatory supervision. In practice, government policies are not only structural but also functional, aiming to enhance the performance of village officials through training, the provision of incentives, and the facilitation of information technology use (Peng et al., 2023). Owoloja and Manning (2024) emphasize the importance of synergy between central policies and local implementers. Policy misalignment frequently contributes to the failure of village development initiatives, including the management of Village Funds. According to Wibowo (2016), strengthening policy implementation should involve an impact-based evaluation approach. The government must monitor the extent to which enacted policies directly affect managerial performance and community welfare.

H3: Government Policy has positive and significant effect on the Village Fund Management Performance.

Leadership, Performance and Work Commitment

Transformational leadership is a leadership style that focuses on the leader's efforts to inspire, motivate, and empower followers to achieve common goals beyond personal interests (Burns, 1978). Bass and Avolio (1994) assert that this leadership style not only enhances individual performance but also drives systemic change within organizations, particularly in public sector institutions characterized by complex bureaucratic structures. This context is especially relevant to the management of Village Funds, which requires leaders to serve as innovators, facilitators, and catalysts of change. Research by Dewi and Gayatri (2019) shows that village head leadership significantly influences the effectiveness of Village Fund management. Similarly, a study by Mada et al. (2017) found that village heads with a transformational leadership style succeeded in improving accountability and effectiveness in implementing Village Fund policies through participatory and community empowerment approaches. Thus, based on the existing literature, it can be concluded that transformational leadership is a strategic variable that significantly impacts work commitment, shapes organizational culture, and enhances the performance of Village Fund managers. The dimensions of value, inspiration, and empowerment are key to building transformative leadership at the grassroots level.

H4: Leadership has positive and significant effect on the performance of village fund managers.

H5: Leadership has positive and significant effect on the work commitment.

Work Commitment and Management Performance

Work commitment plays a vital role in Village Fund governance, particularly in addressing technical and social challenges. Village officials with high levels of commitment tend to work more diligently in planning, implementing, and reporting on village finances (Mada et al., 2017; Rachmawati et al., 2021). It serves as a key indicator of successful program implementation. Committed village officials are more likely to demonstrate responsibility in executing programs, maintain administrative discipline, and encourage community participation (Judge & Robbins, 2017). A study by Agustini et al. (2020) found that competence and transformational leadership significantly influence the work commitment of village government employees. Wibowo (2016) further emphasized that a performance evaluation system based on behavioral indicators can clarify organizational expectations and motivate employees to contribute consistently. Additionally, government policy serves as an external factor that can either enhance or diminish employee work commitment, such as through the allocation of benefits, consistent training programs, and support for operational needs. Hardiningsih et al. (2020) found that training, empowerment, and coaching programs for village officials have a direct impact on enhancing work commitment, particularly when government policies align with the aspirations of the local community. In conclusion, work commitment is a crucial mediating variable in bridging the relationship between leadership, work culture, and competence with the performance of Village Fund managers. Strong work commitment fosters dedication, reliability, and sustainability in the execution of public duties.

H6: Work Commitment has positive and significant effect on the Village Fund Manager Performance.

Work Culture, Performance and Work Commitment

Work culture is a system of values, beliefs, norms, and behaviours that guide organizational members in performing their duties and shaping relationships within the organization (Judge & Robbins, 2017). In public organizations, including Village Fund management, work culture is crucial for promoting effectiveness, efficiency, and accountability. Widiyarta et al. (2017) emphasized that a consistent bureaucratic work culture enhances civil servants' commitment and performance, with practices like discipline and responsibility positively linked to Village Fund budget absorption. Empirical studies show a strong relationship between work culture and work commitment (Mada et al., 2017; Rachmawati et al., 2021), where employees in supportive cultural environments display greater loyalty, teamwork, and job satisfaction. Amrullah et al. (2022) found that continuous reinforcement of work culture improves organizational adaptability to public policy changes. Similarly, Northouse and Lee (2025) noted that cultures fostering organizational learning enhance institutional responsiveness. Robbins and Coulter (2020) further asserted that strong, adaptive cultures provide a competitive edge in public service and policy innovation. Therefore, work culture plays a strategic role in shaping organizational character, fostering employee commitment, and supporting the effectiveness of Village Fund governance. It acts not only as a reflection of values but also as a catalyst for grassroots institutional transformation.

H7: Work Culture has positive and significant effect on the Performance of Village Fund Managers.

H8: Work Culture has positive and significant effect on the Work Commitment.

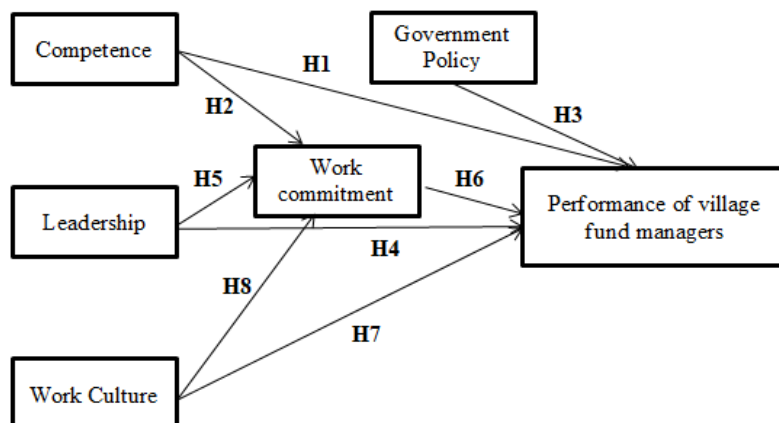


Figure 1. Research Framework

Figure 1 shows a conceptual framework that describes the relationship between variables that influence the performance of village fund managers. In this model, there are five main variables, namely competence, leadership, work culture, government policy, and work culture. Competence, leadership, and work culture are assumed to influence work commitment, which in turn influences the performance of village fund managers. In addition, competence, leadership, work culture, and government policy are also assumed to have a direct influence on this performance. Work commitment acts as a mediating variable that bridges the influence of several independent variables on the dependent variable.

RESEARCH METHOD

This study employed a quantitative approach with an explanatory research design to examine causal relationships between variables using empirical data, aligning with the objective of analysing the influence of transformational leadership, work culture, and competence on the performance of Village Fund managers through work commitment as a mediating variable, and testing the role of government policy as a moderating variable.

The research was conducted across six regencies on Flores Island, East Nusa Tenggara Province—Ende, Sikka, Ngada, Manggarai, East Manggarai, and West Manggarai—selected due to their social-geographic complexity and significant Village Fund allocations. Data collection used a structured questionnaire in a cross-sectional survey design, targeting Village Fund managers such as village heads, secretaries, treasurers, and other officials involved in fund planning, implementation, and reporting. Stratified cluster sampling ensured representation across regions and roles.

The research instrument, developed from established theoretical constructs, used a five-point Likert scale and was tested for validity and reliability in a pilot study of 30 respondents, yielding Cronbach's Alpha > 0.7 and outer loadings > 0.5. Work commitment was assessed using affective, normative, and continuance dimensions, while performance referred to aspects outlined in the Ministry of Home Affairs Regulation No. 20 of 2018. Data were collected both offline and online (Google Forms), with triangulation via limited interviews and supporting documents such as fund realization reports and village work plans. Data were analysed using SmartPLS 3.0 with Partial Least Squares Structural Equation Modeling (PLS-SEM), including measurement and structural model assessments, mediation and moderation testing, and evaluations of R^2 , Q^2 , and f^2 .

RESULTS

This study involved village officials, including village heads, responsible for managing Village Funds. Many respondents (75.5%) were male, while only 24.5% were female,

reflecting a persistent gender imbalance influenced by patriarchal norms in East Nusa Tenggara. Although women play significant cultural roles, their participation in formal governance remains limited. Most fund managers were aged between 31 and 60, suggesting maturity and experience in navigating local socio-political dynamics. Around 90% of respondents had a high school education, with a minority holding undergraduate degrees, highlighting a gap in specialized knowledge for fund management. This underscores the need for targeted training and capacity-building efforts. Additionally, most managers had 6 to 15 years of service, aligning with the launch of the Village Fund program in 2015. This duration of involvement likely supports the development of their skills in governance, financial management, and stakeholder engagement, though further professional development remains essential. When using the PLS method, an indicator is considered valid if it has a loading factor above 0.70 on the construct (Ghozali, 2014; Hair et al., 2019).

The test results indicate that certain statements are invalid due to their loading factors being lower than the required threshold of 0.70. Based on the discriminant validity test that has been carried out, it shows that each indicator is highly correlated with its respective latent variable and shows a lower correlation with other constructions, confirming the validity of the discriminant. No indicators showed significant cross-loading to other constructs, indicating that each construct is distinct and measures a unique aspect of the model. This meets the Fornell-Larcker criteria for discriminant validity. Furthermore, the model meets the requirements for composite reliability and convergent validity, with Average Variance Extracted (AVE) values exceeding 0.5 and Composite Reliability (CR) values above 0.7 for all constructs (Ghozali & Latan, 2015). These results validate that the external model is reliable and valid in terms of measuring each latent construct through its indicators. Consequently, the measurement model effectively distinguishes between constructs and provides a strong foundation for further evaluation of the structural model.

Table 1. Reliability Test

Variable	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Competence	0.982	0.982	0.983	0.693
Government Policy	0.961	0.974	0.963	0.607
Leadership	0.979	0.980	0.980	0.668
Moderating Effect 1	1.000	1.000	1.000	1.000
Moderating Effect 2	1.000	1.000	1.000	1.000
Moderating Effect 3	1.000	1.000	1.000	1.000
Moderating Effect 4	1.000	1.000	1.000	1.000
Village Fund Managers' Performance	0.973	0.973	0.975	0.637
Work Commitment	0.979	0.979	0.980	0.714
Work Culture	0.967	0.968	0.970	0.626

Based on the reliability test results shown in Table 1, all research variables meet the reliability criteria. The Cronbach's Alpha value for all variables is above 0.9, with the highest value of 1.000 in the Moderating Effect variables 1 to 4, indicating very high internal consistency. Likewise, the rho_A and Composite Reliability values for all variables exceed the minimum threshold of 0.7, indicating that these constructs have very good combined reliability. Additionally, the Average Variance Extracted (AVE) value for all variables is above 0.5, demonstrating adequate convergent validity. Therefore, all constructs in this model can be considered reliable and valid for further analysis (Ghozali & Latan, 2015).

Table 2. R-Square

Variable	R Square	R Square Adjusted
Village Fund Managers' Performance	0.793	0.788
Work Commitment	0.678	0.675

According to the R-squared values shown in Table 2, it is found that 79.3% of the variance in the performance of Village Fund managers in East Nusa Tenggara Province can be explained by the independent variables in this model: transformational leadership, work culture, competence, work commitment, and interaction with government policy. The remaining 20.7% is attributed to factors not included in this research model. Furthermore, the R-squared value for work commitment is 0.678, meaning that 67.8% of the variation in work commitment is explained by the exogenous variables in the model, specifically transformational leadership, work culture, and competence. The remaining 32.2% is influenced by other variables not examined in this study. The Adjusted R-squared values (0.788 for performance and 0.675 for work commitment) are also very close to the original R-squared values, indicating that the model has strong consistency and predictive power and does not suffer from overfitting, despite including multiple latent constructs.

Table 3. F-Square

Variable	Village Fund Managers' Performance	Work Commitment
Competence	0.128	0.228
Government Policy	0.038	
Leadership	0.020	0.295
Moderating Effect 1	0.002	
Moderating Effect 2	0.016	
Moderating Effect 3	0.003	
Moderating Effect 4	0.051	
Village Fund Managers' Performance		
Work Commitment	0.342	
Work Culture	0.035	0.121

Table 4. Hypothesis Testing

Hypothesis	Std. Dev	T Statistics	P Values
Competence -> Village Fund Managers' Performance	0.045	5.513	0.000
Competence -> Work Commitment	0.038	9.438	0.000
Government Policy -> Village Fund Managers' Performance	0.029	3.229	0.001
Leadership -> Village Fund Managers' Performance	0.039	2.440	0.015
Leadership -> Work Commitment	0.032	11.834	0.000
Moderating Effect 1 -> Village Fund Managers' Performance	0.036	0.782	0.435
Moderating Effect 2 -> Village Fund Managers' Performance	0.030	2.401	0.017
Moderating Effect 3 -> Village Fund Managers' Performance	0.040	0.888	0.375
Moderating Effect 4 -> Village Fund Managers' Performance	0.050	3.657	0.000
Work Commitment -> Village Fund Managers' Performance	0.050	9.667	0.000
Work Culture -> Village Fund Managers' Performance	0.034	3.385	0.001
Work Culture -> Work Commitment	0.035	7.017	0.000
Competence -> Work Commitment -> Village Fund Managers' Performance	0.027	6.372	0.000
Leadership -> Work Commitment -> Village Fund Managers' Performance	0.025	7.373	0.000
Work Culture -> Work Commitment -> Village Fund Managers' Performance	0.019	6.186	0.000

Based on Table 3, the Competence variable has a moderate to strong influence on Work Commitment, with an f^2 value of 0.228. Similarly, Transformational Leadership shows a significant influence on Work Commitment, with an f^2 value of 0.295. Additionally, Work Culture also has a significant effect on Work Commitment, with an f^2 value of 0.286. These results indicate that all three variables—Competence, Leadership, and Work Culture collectively play an important role in shaping the Work Commitment of village fund managers. Regarding the Performance of Village Fund Managers, the most substantial contribution comes from Work Commitment, which has an f^2 value of 0.342, indicating a strong and significant influence. Competence shows a moderate influence with an f^2 value of 0.128, while Work Culture has a small influence, reflected by an f^2 value of 0.035. Government Policy has a very small effect on Performance ($f^2 = 0.038$),

and the influence of Leadership is also small ($f^2 = 0.020$). The four moderating effects (Moderating Effect 1–4) have f^2 values below 0.051, with the smallest being 0.002, indicating that the moderating role of Government Policy in the mediated relationships is weak. Thus, Work Commitment emerges as the most dominant factor in explaining the Performance of Village Fund Managers in this model.

Based on the path coefficient and t-test results in Table 4, several variables significantly influence the performance of Village Fund managers. Competence shows a strong direct effect (coefficient = 0.247, $t = 5.513$, $p = 0.000$), while work commitment has the highest impact (coefficient = 0.481, $t = 9.687$, $p = 0.000$). Work culture also contributes significantly (coefficient = 0.115, $t = 2.843$, $p = 0.005$), and both government policy and leadership show smaller but significant effects ($t = 2.329$; $p = 0.020$ and $p = 0.000$, respectively). Indirect effects highlight work commitment as a key mediating variable. Competence (coefficient = 0.357, $t = 9.438$, $p = 0.000$), leadership (coefficient = 0.383, $t = 11.834$, $p = 0.000$), and work culture (coefficient = 0.247, $t = 7.017$, $p = 0.000$) significantly influences work commitment, which in turn improves performance. These results confirm that work commitment mediates the relationship between organizational variables and performance. Regarding moderation, only Moderating Effect 2 ($p = 0.017$) and Moderating Effect 4 ($p = 0.000$) are significant, indicating that government policy can strengthen specific relationships. Moderating Effects 1 and 3 are not significant ($p = 0.435$ and 0.071), suggesting limited moderating influence across all interactions.

Additionally, work commitment significantly mediates the relationship between competence, leadership, work culture, and Village Fund manager performance. The indirect effect of competence on performance through commitment is 0.171 ($t = 6.372$, $p = 0.000$), indicating a strong mediating role. Leadership also shows a significant indirect effect of 0.184 ($t = 7.373$, $p = 0.000$), demonstrating its impact on performance via enhanced commitment. Similarly, work culture has an indirect effect of 0.119 ($t = 6.186$, $p = 0.000$), confirming its role in shaping commitment and, consequently, performance. These findings emphasize the central role of work commitment as an intervening variable. When Village Fund managers are supported by strong leadership, a constructive work culture, and adequate competence, their commitment increases—leading to better performance. The results highlight the need to cultivate internal motivation and alignment with organizational goals to ensure effective Village Fund program implementation.

DISCUSSION

The main findings of this study highlight that transformational leadership significantly affects work commitment and the performance of Village Fund managers. This supports Bass and Riggio (2006), who emphasized that such leadership fosters emotional bonds, motivation, and engagement. In village governance, leaders who demonstrate idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration enhance teamwork and commitment. These results align with Judge and Robbins (2017), who noted that effective leadership styles build emotional attachment and loyalty—reflected in Flores, where visionary leaders drive high dedication among fund managers. Organizational culture also significantly influences work commitment. A culture grounded in integrity, cooperation, loyalty, and service improves employee responsibility. Hofstede (1994) emphasized that rural work culture encourages participatory behavior. These findings reinforce Widiyarta et al. (2017) and Agustini et al. (2020), who argued that consistent culture fosters accountability and collaboration. In remote areas like Flores, a strong culture is vital for alignment with community needs.

Competence also plays a crucial role in enhancing both work commitment and performance. It includes knowledge of regulations, technical skills, and professional attitudes. Spencer and Spencer (2008) distinguish between threshold and differentiating competencies—both essential to superior performance. This supports findings by Mada et al. (2017) and Sabet and Khaksar (2024), who emphasize the role of technical and managerial skills in rural development success. Work commitment mediates the influence of leadership, culture, and competence on performance. Meyer and Allen (1991)

described it as a psychological bond that drives contribution, while Luthans (2011) viewed it as a link between internal values and behavior. This commitment ensures accountability and sustainability in Village Fund programs.

Leadership, work culture, and competence also directly impact performance, confirming that human resource quality is central to fund governance. This aligns with Armstrong and Taylor (2023) and Judge and Robbins (2017), who defined public service performance as encompassing transparency and participation. Moreover, government policy significantly moderates the relationship between commitment and performance. Adaptive, inclusive policies increase fund management effectiveness. Su et al. (2024) emphasized that well-designed policies—such as training, incentives, and digital support—boost motivation and engagement. The moderated mediation model used reveals strong interactions among personal, organizational, and policy factors, as shown by a high R^2 value. This study contributes methodologically to public policy research and enriches public management literature by integrating leadership, culture, competence, and commitment. Practically, it guides governments in designing targeted capacity-building programs, emphasizing leadership, cultural cohesion, and locally adapted competence development—key to sustainable village governance.

CONCLUSION

This study highlights the crucial influence of internal organizational factors—transformational leadership, work culture, and individual competence—on the performance of Village Fund managers in rural Flores, East Nusa Tenggara. Transformational leadership fosters emotional attachment, motivation, and loyalty, creating a conducive environment for accountability and responsibility. A strong work culture, rooted in integrity, collaboration, and public service values, enhances employee engagement and supports development program implementation. Competence, combining technical skills, regulatory understanding, and professionalism, is essential for transparent and effective fund management. Work commitment emerges as a key mediating variable, linking leadership, culture, and competence to performance. Committed fund managers exhibit higher discipline, motivation, and accountability.

Additionally, government policy moderates the relationship between work commitment and performance. Adaptive, inclusive, and context-sensitive policies strengthen the impact of human resources on village governance outcomes. The moderated mediation model used in this study offers a comprehensive lens for analyzing the interaction of individual, organizational, and institutional elements in rural public management. These findings call for targeted interventions. Policymakers and local governments should implement leadership development programs based on transformational leadership principles, instill shared public service values, and offer localized, competency-based training. Supportive and flexible policy frameworks should also be established to empower village fund managers. Despite its valuable insights, this study has limitations. It focuses solely on Flores and may not reflect conditions in other Indonesian regions. Its cross-sectional design limits the observation of changes over time. Future research should broaden geographic scope, adopt longitudinal methods, and integrate qualitative approaches to better understand the experiences and challenges faced by Village Fund managers in diverse rural settings.

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