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Article

The roles of accountability and transparency on public trust in the village governments: The intervening role of COVID-19 handling services quality

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ACCOUNTING, CORPORATE GOVERNANCE & BUSINESS ETHICS | RESEARCH ARTICLE

The roles of accountability and transparency on public trust in the village governments: The intervening role of COVID-19 handling services quality

Suryo Pratolo^{1*}, Hafiez Sofyani² and Ririn Wulan Maulidini²

Abstract: This study aims to examine the relationship between accountability and transparency during the COVID-19 pandemic towards public trust in village governments through the quality of COVID-19 handling services as an intervening variable. This research was conducted among village governments in the Yogyakarta Special Region Province, Indonesia. The data were collected by distributing survey questionnaires, with 116 village governments participating in this study. Respondents in this study were represented by two groups, where village officials measured accountability and transparency practices, while members of the Village Representative Council measured the quality of COVID-19 handling services and public trust variables. Partial Least Square (PLS) was then used to test the hypotheses. The results showed that accountability for managing the COVID-19 response budget only had an indirect positive relationship with public trust through the quality of COVID-19 handling services. Meanwhile, the direct relationship between accountability and trust was negatively significant. Furthermore, transparency in the management of the COVID-19 response budget was not associated with the public trust, either directly or indirectly.



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Suryo Pratolo is an Associate Professor at Department of Accounting, Universitas Muhammadiyah Yogyakarta, Indonesia. He is also Vice-Rector for Financial and Asset Management Affairs. His research interests cover public sector accounting and managerial accounting. Hafiez Sofyani is an Assistant Professor at the Department of Accounting, Universitas Muhammadiyah Yogyakarta, Indonesia. His research interests include public sector accounting, e-government, and e-governance. Ririn Wulan Maulidini is a research assistant at Accounting Research Centre, Universitas Muhammadiyah Yogyakarta, Indonesia. Her research interests pervade public sector accounting.

PUBLIC INTEREST STATEMENT

Poor of handling the COVID-19 pandemic and the corruption scandal of the OCVID-19 pandemic aid fund has lowered public trust in Indonesia. To recover the crisis of trust, the village government as the spearhead of the central government in handling COVID-19 pandemic is required to restore public trust, especially at the grassroots level. This study found that the quality of COVID-19 handling services was a critical trigger for increasing village community trust, which in turn would be related to trust in the state government. Furthermore, the practice of good governance principles such as accountability and transparency are not positively associated with the village community trust. In fact, the quality of COVID-19 response services is a mediator or prerequisite for a positive relationship between the accountability and public trust where previously the direct relationship between the two variables was negative.

Subjects: Government & Non-Profit Accounting; Public Management; Organizational Change

Keywords: public trust; transparency; accountability; quality of COVID-19 handling services; village government

1. Introduction

Numerous countries' health sectors and economies have been challenged by the novel coronavirus known as COVID-19. Asia countries such as India, Iran, and Indonesia appear to have been among the worst affected, with a significant number of cases. As of 25 August 2021, Indonesia has recorded more than four million infections and over 128,000 deaths (COVID-19 Handling Task Force, 2021). A high level of COVID-19 cases is deemed due to a failure of government policies, with the likely effect of damaging public trust (Broadbent, 2020). Unfortunately, the situation in Indonesia has been exacerbated by many cases of misuse of COVID-19 budgets across multiple regions (Indonesia Corruption Watch, 2020a).

During the pandemic, public trust has also been eroded by the ineffective management and provision of services for tackling COVID-19. It includes the uneven distribution of aid in terms of time, the recipient community, and the distribution area, as well as unclear procedures and requirements for receiving assistance (Dewi, 2020). Low public trust in the government then creates suspicion regarding the system of governance and non-compliance with government policies (United Nations, 2007). It may further hinder the effectiveness of the government's efforts to tackle COVID-19. Beeri et al. (2019) believe that to increase public trust, the community's most pressing needs must be met to enable the government's effective implementation of policies or appeals. It has been especially relevant during the COVID-19 pandemic.

In Indonesia, where most of the population lives in villages, the village governments have acted as the main spearhead for overcoming COVID-19 in the community. The central government, for its part, has specifically allocated funds for COVID-19 handling programmes. In addition, central and regional governments ordered the village governments to reallocate parts of their budget and focus on overcoming the COVID-19 pandemic. However, there have been cases of misuse of the funds allocated to tackle COVID-19 involving the Minister of Social Affairs (Indonesia Corruption Watch, 2021). As a shocking scandal, it was highly likely to trigger public suspicion regarding the extent to which the village fund allocations had been refocused in an accountable and transparent manner to fight COVID-19. Further, it has the potential to damage public trust. Yet, when faced with extraordinary events that lead to chaos, such as a pandemic, the country must maintain the trust of its public. The government must also support the public if it is to rapidly and effectively overcome the pandemic (Cole et al., 2021; Podger, 2015). To achieve this goal, the government must convey its actions to tackle the pandemic to the public through accountability and transparency practices.

On the other hand, during the pandemic, the central government, through the Minister of Finance, also ordered that village fund budgets be refocused on handling COVID-19 in all Indonesian village governments (Minister of Finance, 2021). The main priority areas when allocating COVID-19 funds were direct cash assistance, prevention, handling, coaching and the purchase of support materials for tackling COVID-19 at the village level (Minister of Finance, 2021). The budget allocation was set at a minimum of 8% of village funds (Presidential Regulation, 2021). However, given the prevalence of fraud in using social assistance funds intended for disasters in Indonesia, it has been critical to emphasise accountability, transparency, and the quality of the COVID-19 response. These elements aim to maintain public trust, which is crucial during the pandemic. Drawing from the above discussions, it can be deduced that since the village governments basically carry out the prevention of the COVID-19 pandemic at the grassroots level, the public trust of the community in the central government will be affected by the extent of their trust

in the village government. It is also because the village government is the closest party to the community, considered an arm of the central government.

Several studies have shown that dimensions of good governance, such as accountability and transparency, play an essential role in creating the public trust (Beshi & Kaur, 2020; Nurriksiana et al., 2017). However, Apriliana (2019) found that while the accountability of village budget allocation management positively affected public trust, transparency did not. Sofyani et al. (2022), in contrast, revealed that transparency had a positive effect on public trust within the village community, while accountability did not. This inconsistency in previous studies' results has created a research gap. Moreover, Beerli et al. (2019) argued that another important aspect in securing public trust is the government's active role in meeting people's needs to achieve the desired satisfaction level. In the context of the COVID-19 pandemic, it is achieved through providing quality public services, notably in response to COVID-19. The special measures implemented during the pandemic, such as an economic stimulus, helped with health problems (Gozgor, 2022). These types of prevention and support programmes might enhance public trust and create greater synergy in accelerating the handling of COVID-19 (Broadbent, 2020). Thus, good quality COVID-19 services are a prerequisite for attaining public trust, in addition to the importance of efforts to maintain the accountability and transparency of the COVID-19 response budget.

To date, research on the contribution of good governance to public trust has only been conducted in normal conditions and not in the context of the COVID-19 pandemic. On the one hand, based on reports in the mass media, on the ground, public trust in the government has declined during the pandemic (Indonesia Corruption Watch, 2020b). However, the full extent and impact of the governance practices of government on maintaining public trust during the pandemic have not been fully explored. As a result, there is still a gap regarding what factors, from the perspective of public accounting, are important determinants of public trust during a pandemic.

Additionally, in terms of public culture, there is a gap in the literature related to the relationship between accountability and trust. Wang et al. (2019) suggested that the relationship between accountability and trust can vary between communities with different cultures, i.e., communal versus exchange norms. Communal norms refer to people who do not demand too much regarding the accountability of a mandated job. The opposite applies in a society with exchange norms (Clark & Mills, 1979; Wang et al., 2019). While communal norms are more closely related to the collective culture of villages or rural communities, exchange norms are more prominent in individualistic communities such as urban or city areas (Miller et al., 2014). Meanwhile, studies on public trust have been mostly undertaken involving urban communities and rarely target rural communities. In fact, in Indonesia, the number of rural communities is significant. Thus, in the era of democracy, the voices of those in the village must also be concerned by the state government.

To cover the highlighted gaps above, this study, therefore, aims to examine the role of accountability and transparency of the COVID-19 response budget in promoting public trust in village governments, where the quality of COVID-19 service is presented as an intervening. This study presents several contributions. Theoretically, the study results contribute to the body of knowledge by expanding the literature on good governance practices by public sector organisations and their role in building public trust during the pandemic. This study also extends public sector literature by using a village government and its specific nature, namely people with communal norms, as its setting, as suggested by Wang et al. (2019). Practically, this research provides recommendations to village governments and policymakers in Indonesia in particular and developing countries in general for increasing public trust, especially during the pandemic. However, the insight obtained from this research could also be relevant in other disaster situations.

2. Literature review

2.1. Indonesian village governance: normal condition vs COVID-19 pandemic

Since 2004, village administration in Indonesia has been under regency jurisdiction and coordinated at the regency level. However, since 2014, Indonesia has begun granting autonomy to its villages through Act No. 6 of 2014. As a consequence, today, the village governments have full control over their governance and management affairs. They also can receive village fund allocations directly from the central government.

During the pandemic, the central government, through the Minister of Finance, ordered that village fund budgets be refocused on handling COVID-19 in all Indonesian village governments (Minister of Finance, 2021). The main priority areas when allocating COVID-19 funds were direct cash assistance, prevention, handling, coaching and the purchase of support materials for tackling COVID-19 at the village level (Minister of Finance, 2021). The budget allocation was set at a minimum of 8% of village funds (Presidential Regulation, 2021). However, given the prevalence of fraud in using social assistance funds intended for disasters in Indonesia, it has been critical to emphasise accountability, transparency, and the quality of the COVID-19 response. These elements aim to maintain public trust, which is crucial during the pandemic.

2.2. Theoretical underpinning

Explicitly, this study is underpinned by legitimacy theory. C. M. Deegan (2019) argued that legitimacy theory adopts the central assumption that the maintenance of successful operations requires managers to ensure that the organisation is run according to societal expectations; in this way, it is seen as “legitimate”. Conceptually, legitimacy theory proposes that organisations, due to a social contract, continuously strive to ensure that they operate within the boundaries and norms acceptable to their respective societies (C. Deegan, 2002). In a community with strong customs, the village government is certainly not separated from the prevailing customary and cultural norms. In fact, such contextual links have entered the realm of government and bureaucracy. Therefore, disclosure and transparency may become essential tools to maintain the legitimacy of the village government and village heads. Heald (2018) explained that government transparency would promote public trust and strengthen organisational legitimacy. However, aside from transparency, the quality of COVID-19 services has become another important instrument since the president expressly instructed it. The community will perceive the quality of services for overcoming the pandemic as a social imperative because it involves many people’s lives (Beeri et al., 2019). As such, when these services are delivered properly, the organisation potentially secures trust and legitimacy from society.

2.3. Hypotheses development

Village government accountability refers to properly managing resources for the community (Kurniasih et al., 2017). The existence of accountability for resource management (for example, the village government’s budget for managing COVID-19 countermeasures) will play a key role in creating the public trust (Fitriani et al., 2020). C. M. Deegan (2019) suggested that accountability relates to an organisation’s efforts to gain public trust and “legitimate” status by delivering operational information that aligns with the prevailing societal norms. Studies such as Beshi and Kaur (2020) and Nurriqiana et al. (2017) strengthened the assertion that the accountability of government financial management had a positive effect on the trust of public stakeholders. However, according to Wang et al. (2019), village communities, which often feature communal norms, will tend to easily trust the village government that seeks to maintain accountability, notably regarding funds allocated for the COVID-19 response. Based on the preceding discussions, the following hypothesis was formulated:

H₁. Accountability for managing the budget for the COVID-19 response is associated with public trust.

Moreover, transparency is significant at the village governance level since the village is a programme-based organisation capable of receiving a direct response from the community (Yen & Van Luong, 2008). In this case, financial and non-financial information on COVID-19 constitutes one form of transparency highly demanded by the public (Saraite-Sariene et al., 2019). The effect of transparency on public trust can be explained by the legitimacy theory. With transparency, the community can monitor whether the village government is operating according to its norms and culture (C. M. Deegan, 2019). Therefore, transparency in managing COVID-19 budget allocations is expected to increase public trust in the village (Park & Blenkinsopp, 2011). Some studies have found that transparency was positively associated with public trust (Beeri et al., 2019; Beshi & Kaur, 2020). However, Grimmelikhuijsen and Klijn (2015) revealed that transparency could stimulate poor quality decision-making so that it could damage institutional trust when it was felt that public decision-making was not always rational or based on generalisable principles. Based on the discussions above, the following hypothesis was formulated:

H₂. Transparency in managing the budget for the COVID-19 response is associated with public trust.

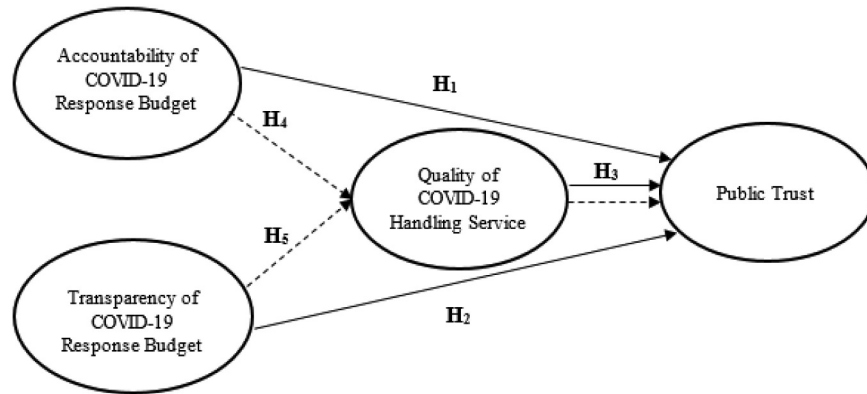
Furthermore, governments are responsible for providing the services expected to meet the community's needs (Beeri et al., 2019); this has been especially pertinent during the COVID-19 pandemic. C. M. Deegan (2019) argued that the organisation must meet the community's expectations to maintain legitimacy; thus, the community demands a COVID-19 pandemic response service in the context of the pandemic. Optimal COVID-19 handling services can then provide clear evidence of the presence of the village government to increase public trust (Broadbent, 2020). Christensen and Lægreid (2005) stated that people satisfied with the care they received from public health services and the employment and social services generally had higher levels of trust in government. In addition, Cho and Hu (2009) asserted that people's positive response to the services provided by the government would foster their trust in the government itself. Based on the descriptions above, the researchers formulated the third hypothesis as follows:

H₃. The quality of COVID-19 handling services is positively associated with public trust.

In the pandemic condition, the focus of the community may not be on the village government's level of accountability and transparency in managing pandemic response funds but rather on the quality with which pandemic response services are carried out and provided to the affected village communities. Therefore, to gain public trust during a pandemic, the government cannot rely solely on strengthening aspects of governance. In this regard, optimal service represents one tangible form of fulfilling government performance responsibilities (Beeri et al., 2019), especially concerning COVID-19 handling services.

Several studies have suggested that the better the quality of public service delivery, the greater people's level of satisfaction with and trust in the government (Swindell & Kelly, 2000). Public satisfaction and trust thus become the benchmarks for evaluating the success of the policies and services provided by the government (Sun & Van Ryzin, 2014), especially during the COVID-19 pandemic. Beeri et al. (2019) discovered that community satisfaction as a reaction to the quality of services provided by the government mediated the relationship between government performance and public trust. Based on this, service quality may also act as an intervening variable in the relationship between accountability, transparency, and public trust. As such, two hypotheses were formulated as follows:

Figure 1. Research model.



H₄. Accountability for managing the COVID-19 budget is positively associated with public trust through the quality of COVID-19 handling services.

H₅. Transparency in managing the budget for handling COVID-19 is positively associated with public trust through the quality of COVID-19 handling services.

Based on the preceding literature review, the research model of this study was put together, as shown in Figure 1.

3. Methodology

3.1. Data, population and sample

The population in this study consisted of village governments in the Yogyakarta Special Region Province, Indonesia. Cluster sampling was used to select the samples, with the selection based on location, covering Bantul, Sleman, Kulon Progo and Gunung Kidul Regencies. Since this study employed Partial Least Squares-Structural Equation Modelling (PLS-SEM) as its analytical technique, the sample size was also conducted using the PLS approach. In PLS analysis, the minimum sample size is determined based on the “10-times rule” (Hair et al., 2014). Given that the quality of COVID-19 handling services was the latent variable with the highest number of indicators, at 6, the minimum sample size, according to Hair et al. (2014), should be 60 (6 x 10). The sample for this study comprised 116 village governments; therefore, this requirement was met.

The respondents of this study were chosen based on the relevance of the parties completing the survey. As such, the respondents consisted of two groups that were divided based on the character of the variables. Village government officials completed the questionnaires based on the accountability and transparency variables in managing the COVID-19 response budget, while members of the Village Representative Council filled out the questionnaires containing the variables for the quality of COVID-19 handling services and public trust. This separation is also useful for mitigating CMB problems (Chang et al., 2010). Then, 440 questionnaires were distributed to 220 village governments, split equally between the two types of respondents: 220 questionnaires to the village government officials and 220 to members of the Village Representative Council. The questionnaires were then returned directly by the respondents from the 116 villages. A total of 232 questionnaires, or 116 pairs, were eventually used, which equated to 52.72% of the questionnaires distributed.

3.2. Variable measurement

The research instrument was adopted from Beshi and Kaur (2020) and Nurriszkiana et al. (2017) to measure accountability, transparency and public trust in the village governments. Meanwhile, the instrument for the quality of COVID-19 handling services was adopted from Parasuraman et al. (1988). All measurement variables had previously been validated by related experts and pilot

tested. However, the related research was conducted in normal conditions (i.e., not during a pandemic). Hence, to adjust the instrument to the pandemic context as the purpose of this study, three inter-researchers focus group discussions were held. Then, a five-point Likert scale was used to measure the variables for all statements, with the responses ranging from 1 = “Strongly disagree” to 5 = “Strongly agree”.

3.3. Analysis technique

This study used descriptive statistics and variant-based Partial Least Squares-Structural Equation Modelling (PLS-SEM) for the data analysis and hypothesis testing. The choice of PLS was motivated by the non-parametric nature of the Likert scale and to avoid multicollinearity (Akbar et al., 2012). PLS was also deemed appropriate for the current research as it requires only minimal data assumptions and relatively small sample size (Chin et al., 2003). Chin et al. (2003) also highlighted that using a theoretical basis that is not too strong favours PLS over Covariant-Based Structural Equation Modelling (CB-SEM).

4. Results and discussion

4.1. Sample and respondent demographics

Table 1 shows the sample and demographic characteristics of the respondents based on their gender, position, and education level.

4.2. Bias test and descriptive statistics

Due to the self-reported nature of survey research, there is a possibility of a normative bias called Common Method Bias (CMB). Hence, related bias testing by using Harman’s single factor was performed. According to Podsakoff and Organ (1986), the general bias method is problematic if one latent factor accounts for more than 50%. The test result showed that the highest latent factor accounted for only 43.34% of the variance. Therefore, test bias did not pose a serious threat to the results of this study.

Table 2 presents the results of descriptive statistics. In general, the transparency of the village government regarding the funds’ management for handling COVID-19 was at a moderate level, as was the level of public trust. Meanwhile, accountability for funds management for handling COVID-19 was at a high level.

4.3. Validity test

The validity test was conducted using convergent and discriminant tests. In the first convergent validity test, several items did not meet the rule-of-thumb requirement for the loading score, namely Acc1, Acc3 and Acc5. The researchers, therefore, removed these items to enable retesting.

AVE: Average Variance Extracted

Table 3 reveals the second test results and confirms that the general requirements for convergent validity were met, as evidenced by scores greater than 0.5 on the loading factor and AVE (Hair et al., 2014). The discriminant validity test in this study was also concluded as valid. It was evidenced by the Fornell-Larcker analysis result (Tables 4), in which the root of the AVE score for each construct was higher than its correlation to other constructs (Fornell & Larcker, 1981).

4.4. Reliability test

The reliability test results showed that Cronbach’s alpha scores were greater than 0.6, and composite reliability scores ranged from 0.817 to 0.963 or higher than 0.7. (Table 5). It also indicates that the measurer was reliable (Hair et al., 2014).

Table 1. Sample and respondent demographics

Characteristic	Regency				Total	%
	Sleman	Bantul	Kulon Progo	Gunung Kidul		
Village Details of Respondent	26	25	30	35	116	100.00
Gender of Respondents						
Male	75	92	89	58	314	77.72
Female	29	18	12	12	90	22.28
Total	104	110	120	70	404	100.00
Position of Respondents						
Village head	3	4	8	22	37	9.16
Village secretary	10	8	14	8	40	9.90
Treasurer	1	2	0	0	3	0.74
Unit head	25	40	40	1	106	26.24
Member of Village Representative Council	52	55	50	34	202	50.00
Not mentioned	13	1	8	5	16	3.96
Total	104	110	120	70	404	100.00
Education Level of Village Employees						
Junior high school	0	0	0	1	1	0.24
Senior high school	40	31	23	33	127	31.44
Bachelor's degree	53	72	57	26	208	51.49
Other	11	7	30	8	56	13.86
Not mentioned	0	0	10	2	12	2.97
Total	104	110	120	70	404	100.00

Table 2. Descriptive statistics

Items	Accountability	Transparency	Quality of COVID-19 handling service	Public Trust
Min	2.0	1.5	1.7	1.8
Max	5.0	5.0	5.0	5.0
Mean	4.10	3.81	4.03	3.84
SD	0.73	0.68	0.71	0.72

N = 116 village governments

4.5. Hypotheses testing

Table 6 exhibits the hypotheses testing results, while Figure 2 displays the path analysis testing results.

5. Discussion

The results uncovered that accountability had a direct negative association with public trust, while transparency was not directly or indirectly associated with public trust. These findings illustrate that the two elements of good governance, both accountability and transparency, might not be

Table 3. Convergent validity results

Construct	Code	Loading	Item	AVE
Accountability of COVID-19 response budget	Acc2	0.676	Honesty and openness of information	0.697
	Acc4	0.968	Information sufficiency	
Transparency of COVID-19 response budget	Tran1	0.740	Informative	0.665
	Tran2	0.758	Open access	
	Tran3	0.907	Periodic openness of activities	
	Tran4	0.845	Disclosure	
Quality of COVID-19 handling services	ServCov2	0.926	The expertise of officers/apparatus in using assistive devices	0.810
	ServCov3	0.929	Providing the right service	
	ServCov4	0.784	Response to complaints	
	ServCov5	0.933	Guaranteeing on-time service	
	ServCov6	0.920	Consistently non-discriminatory	
Public trust	Trust2	0.940	Working for the benefit of the people	0.866
	Trust3	0.926	Society participation	
	Trust4	0.946	Community satisfaction with work	
	Trust5	0.909	Obedience to the rules	

Table 4. Fornell–Larcker test result

Construct	Acc	Qual	Trust	Trans
Accountability of COVID-19 response budget	0.835			
Quality of COVID-19 handling services	0.267	0.900		
Public trust	0.177	0.897	0.930	
Transparency of COVID-19 response budget	0.142	0.122	0.067	0.815

*Diagonals (in italic bold) represent the root of the AVE, while the other entries represent the squared correlations.

Table 5. Cronbach’s alpha test result

Construct	Measurement Item	Cronbach’s Alpha	Composite Reliability	Loading Range	Number of Items ^a
Accountability of COVID-19 response budget	Acc2, Acc4	0.639	0.817	0.676–0.968	2 (5)
Transparency of COVID-19 response budget	Tran1, Tran2, Tran3, Tran4	0.839	0.887	0.740–0.907	4 (4)
Quality of COVID-19 handling services	ServCov2, ServCov3, ServCov4, ServCov5, ServCov6	0.940	0.955	0.915–0.966	5 (6)
Public trust	Trust2, Trust3, Trust4, Trust5	0.948	0.963	0.909–0.946	4 (5)

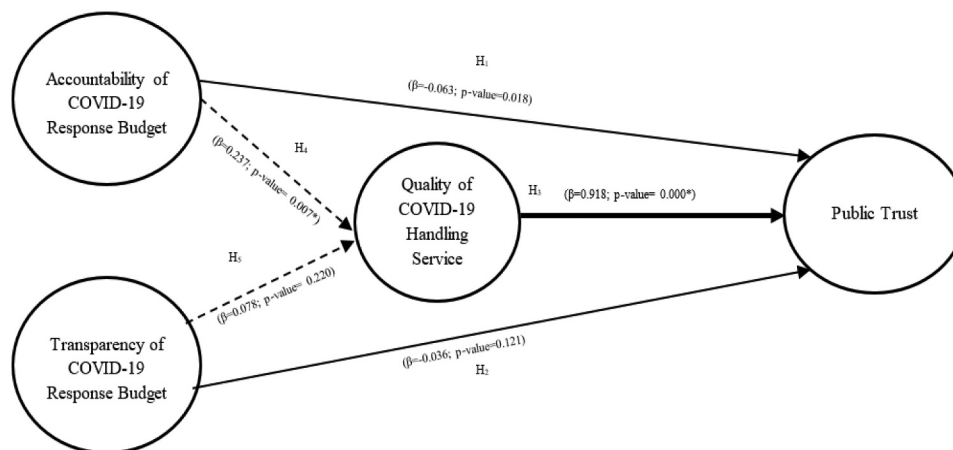
^afinal number of items (initial numbers)

Table 6. Hypotheses testing for the direct and indirect effects

Hypotheses	Hypo.	Coef.	Supported
Panel A. Direct Effect			
Accountability → Public trust	H ₁	−0.063**	No
Transparency → Public trust	H ₂	−0.036	No
Quality of COVID-19 handling services → Public trust	H ₃	0.918*	Yes
Panel B. Indirect Effect			
Accountability → Quality of COVID-19 handling services → Public trust	H ₄	0.237*	Yes
Transparency → Quality of COVID-19 handling services → Public trust	H ₅	0.078	No

* $p < 0.01$, ** $p < 0.05$

Figure 2. Path analysis test results.



the focus of public concern during the pandemic. Instead, high accountability on the part of the village government was found to lead to a decrease in public trust. This finding may reflect the impact of the news in the mass media related to the fraudulent use of the COVID-19 relief aid fund involving the Indonesian Minister of Social Affairs. Due to this issue, it was very difficult for the public to trust the government; instead, they became increasingly sceptical and suspicious of reports of high accountability when events in the field contradicted this scenario. As a result, in this context, the higher the accountability, the lower the public's trust in the village government in terms of managing funds for the COVID-19 response.

Furthermore, the quality of COVID-19 handling services was positively associated with public trust directly. In this case, during the pandemic, the community desperately needs service from the health sector (Broadbent, 2020) alongside economic assistance (Kim, 2020). By meeting community expectations, the village government could gain trust and legitimacy from the community (C. M. Deegan, 2019). Susanti et al. (2017) noted that the higher the quality of the service (education, health, security & population sectors), the more public trust would grow. In addition, it has been found that the quality of COVID-19 handling services could mediate the relationship between accountability and public trust. The result indicates the intervening role of the quality of COVID-19 handling services. Thus, it can be concluded that public trust will only grow if the accountability of village governments in managing the COVID-19 response budget is accompanied by concrete evidence in the form of quality COVID-19 handling services. In other words, the quality of COVID-19 handling services can change the relationship between accountability and trust from directly negative to positive through this variable. This finding aligns with and extends the research of Beeri et al. (2019), which found that public satisfaction triggered by excellent-quality public services would further increase public trust in the government.

From a theoretical perspective, these findings extend legitimacy theory. Specifically, this study proposes that in the context of a pandemic, the legitimacy framework should consider service quality elements as an intervening variable in the relationship between accountability and public trust. It is consistent with Broadbent (2020), who highlighted that one of the main strategies of government institutions in maintaining public trust is not only to show a willingness to take responsibility but also to deliver quality services to the community in concrete ways. During a pandemic, it becomes a necessity. As proposed by Heald (2018), service quality is a form of real accountability in the respective field and will increase public trust and subsequently build legitimacy in the eyes of the public. Nevertheless, this result does not align with the proposal by Wang et al. (2019) that accountability will easily translate into trust in village communities with communal norms. In fact, during a pandemic and in a country with a high prevalence of corruption cases, such as Indonesia, accountability can reduce public trust if it is not accompanied by quality services related to handling the pandemic.

Lastly, in this study, transparency was not directly or indirectly associated with trust during the COVID-19 pandemic. It might be because, during the pandemic, the government was more demanding in providing quality services (Johnson et al., 2020), not information disclosure.

6. Conclusion

This study aimed to examine the effect of accountability and transparency in managing COVID-19 response funds on the trust of village communities through the quality of COVID-19 response services as an intervening variable. In summary, the study found that accountability for managing COVID-19 response funds had a direct negative relationship with public trust but had a positive relationship with the quality of COVID-19 response services. Meanwhile, transparency in managing COVID-19 response funds was not associated with public trust, either directly or indirectly.

This study provides essential theoretical and practical contributions. Theoretically, this research extends the theory of legitimacy. It highlights that the most important instrument of legitimacy for public institutions during a pandemic is service quality instead of strengthening governance. Therefore, this study practically suggests that government agencies should strengthen the quality of pandemic handling services during a pandemic to build public trust and legitimacy rather than focusing on accountability and transparency. It is not to say that the last two aspects should be completely ignored. In fact, efforts to encourage accountability alone, taken in the absence of any measures to enhance the quality of pandemic handling services, may reduce public trust amid a corruption scandal involving pandemic aid funds. Moreover, the results of this study may provide a source of reflection for developing countries, especially countries that have granted autonomy to their villages and where those villages as institutions are involved in managing the COVID-19 pandemic.

Finally, in addition to its contributions, this research, naturally, has some limitations. The scope of the research was limited to village governments in the Yogyakarta Special Region Province, Indonesia. Therefore, it is not suggested to generalise the results in a wider context. Thus, the researchers suggest conducting similar studies in various regions, especially in Indonesia or even in different countries. This study also did not explore the means of implementing accountability and transparency practices related to refocusing village funds for the COVID-19 response. Instead, it examined only the effect of village management accountability and transparency on community trust during the pandemic. Therefore, this issue presents a research gap, with further research suggested to address it.

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