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Redefining Justice: How Mismanaged Village Funds Threaten Community Well-Being

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ABSTRACT

This study examines the influence of opportunistic behavior driven by the love of money on village fund management and its impact on the prosperity of village communities, particularly in the distribution of Direct Cash Assistance (BLT). Misuse of funds, such as data manipulation and fund reduction, undermines the effectiveness of aid and promotes social injustice. Using a mixed method (quantitative and qualitative) and path analysis with SmartPLS, 104 samples were collected from villages in two sub-districts of Lamongan Regency. The findings reveal that opportunistic behavior and love of money significantly affect village fund management and community prosperity. Furthermore, village fund management significantly mediates the relationship between these variables and community prosperity. These results highlight the importance of strengthening supervision, transparency, and accountability in managing village funds. Effective collaboration between the government, communities, and oversight institutions is essential to prevent fund misuse and ensure that village funds are used fairly and efficiently to sustainably improve community welfare.

Keywords: *Community Prosperity; Financial Transparency; Opportunism in Administration; Village Fund Management; Village Fund Misuse.*

ABSTRAK

Penelitian ini mengkaji pengaruh perilaku oportunistik yang didorong oleh kecintaan terhadap uang terhadap pengelolaan dana desa dan dampaknya terhadap kesejahteraan masyarakat desa, khususnya dalam penyaluran Bantuan Langsung Tunai (BLT). Penyalahgunaan dana seperti manipulasi data penerima dan pengurangan jumlah bantuan mengurangi efektivitas program serta menciptakan ketidakadilan sosial. Penelitian ini menggunakan metode campuran (kuantitatif dan kualitatif) dengan analisis jalur melalui SmartPLS, serta melibatkan 104 sampel dari desa-desa di dua kecamatan di Kabupaten Lamongan. Hasil penelitian menunjukkan bahwa perilaku oportunistik dan kecintaan terhadap uang berpengaruh signifikan terhadap pengelolaan dana desa dan kesejahteraan masyarakat desa. Selain itu, pengelolaan dana desa mampu memediasi hubungan antara perilaku oportunistik dan kecintaan terhadap uang terhadap kesejahteraan masyarakat. Temuan ini menegaskan pentingnya penguatan pengawasan, transparansi, dan akuntabilitas dalam pengelolaan dana desa. Kolaborasi antara pemerintah, masyarakat, dan lembaga pengawas sangat diperlukan agar dana desa digunakan secara adil dan efisien demi meningkatkan kesejahteraan masyarakat secara berkelanjutan.

Kata kunci: Kesejahteraan Masyarakat, Transparansi Keuangan, Oportunisme dalam Administrasi, Pengelolaan Dana Desa, Penyalahgunaan Dana Desa.

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INTRODUCTION

Village fund management is one of the most important aspects of efforts to improve the welfare of village communities, especially in the context of direct cash assistance (BLT) distributed by the government. During the COVID-19 pandemic, BLT is expected to mitigate the economic hardship of the affected communities, but in practice, the distribution of BLT funds often encounters obstacles, one of which is the misuse of funds by village officials who are responsible for data collection and aid distribution. This can be seen in several situations, such as when the village head takes money from the BLT and only gives Rp 400,000 to each family (Inge, 2020) or when money that was supposed to go to cross-subsidies for the poor but wasn't recorded in the data of BLT recipients is stolen (Pradana, 2022). This phenomenon reflects poor village financial management, which leads to social injustice and reduces the effectiveness of assistance that is supposed to improve community welfare.

Opportunistic behavior, which is motivated by personal gain, frequently triggers the misuse of village funds, particularly BLT. The misconduct is primarily fueled by financial self-interest, reflecting weak ethical standards among officials. which manifests in data manipulation and reduced fund allocation. This psychological factor leads to actions that exceed social norms for personal benefit, even if it is contrary to the public interest. A similar case occurred in Maos, Cilacap, where a former village chief embezzled approximately $784 million in village funds for self-enrichment, illustrating the broader issue of weak financial governance in rural administrations. Weak village fund management and suboptimal supervision increase the possibility of opportunistic behavior in utilizing village funds for personal interests. So, the main question of this study is how does opportunistic behavior influence the management of village funds, particularly in the distribution of Direct Cash Assistance (BLT), and how does it impact transparency, accountability, and fairness?

Opportunistic behavior refers to actions taken by individuals or groups to exploit a situation for personal gain without paying attention to its impact on other parties or violations of applicable norms (Laili et al., 2024; Cuadrado-Ballesteros & Bisogno, 2021; Cui, 2025; Hossain et al., 2025; Indira et al., 2024; Liu et al., 2025; Putro et al., 2023, 2024; Zhou et al., 2025). In the context of BLT fund management, village officials involved in data collection and distribution can manipulate data or cut funds for personal gain. Love of money is an excessive love of money that encourages individuals to commit actions that violate norms to gain financial gain (Alvi et al., 2024; Alwi et al., 2021; Putro et al., 2022; Putro & Wany, 2021; Su'Un et al., 2023; Tang et al., 2022; Wickramasinghe, 2023). In the management of village funds, this factor is a driver of opportunistic behavior that can damage transparency and fairness in the distribution of BLT funds (Kusumo et al., 2022; Oktafiyanti & Auliyah, 2024; Sugihyanto et al., 2024; Wahyudi et al., 2022).

Village fund management includes the entire process involving planning, data collection, allocation, and distribution of funds for the benefit of the village community (Fajri et al., 2023; Pamungkas & Rofiqoh, 2025; Prasetya et al., 2024; Safitri et al., 2024; Sessy & Wandi, 2022; Shaleh et al., 2020; Supiani, 2020; Yuanita & Dewi, 2021). Good management must follow the principles of transparency, accountability, and fairness to ensure that the funds disbursed are on target and not misused. This study aims to examine the potential influence of opportunistic behavior, possibly driven by a love of money, on the management of village funds, particularly in the distribution of BLT. The main focus of this study is to explore how individual psychological factors, such as the love of money, can encourage behaviors that harm society and cause injustice in the distribution of aid funds.

Planned Behavior Theory is used in this study to explain how individual psychological factors (such as love of money) affect opportunistic behavior in village fund management. The SDGs state that individual behavior is influenced by attitudes, subjective norms, and perceived behavioral control (Ajzen, 1991). In this context, love of money can influence the attitude of village officials towards the management of BLT funds, encouraging them to act opportunistically for personal gain, even if it is contrary to applicable social norms. Using the SDGs, this study examines how personal attitudes toward money can affect decision-making in the distribution of funds, as well as their impact on more transparent and accountable management of village funds.

Some previous studies that contain problems of love of money, opportunistic behavior, financial management, and the prosperity of village communities (Aini & Rahayu, 2022; DeGrave et al., 2021; Fajri et al., 2024; Putro & Fajri, 2023; Safitri et al., 2024; Sessy & Wandi, 2022; Sholehah & Ishak, 2022; Yuanita & Dewi, 2021). In addition, previous studies, such as those conducted by Sholehah & Ishak (2022), have discussed the management of village funds but emphasize more on institutional and procedural aspects, without paying attention to individual psychological factors. Ari et al. (2023), It focuses on aspects of collusion and fraud in the management of village funds but does not include psychological factors such as a love of money. This research bridges this gap by highlighting the role of individual factors in village fund management, a topic not extensively explored in previous literature.

Although there are several studies that discuss village fund management, there have been no studies that explicitly link love of money and opportunistic behavior in the context of BLT fund management at the village level. Most previous studies have focused more on institutions and accountability without investigating the influence of individual psychological factors on decisions in the distribution of BLT funds. Therefore, this study fills the research gap by examining the influence of love of money on opportunistic behavior in BLT fund management. While previous studies have examined technical or institutional factors in village fund mismanagement, this

study contributes a new perspective by integrating psychological constructs specifically love of money to explain behavioral deviations in public fund governance, particularly in rural Indonesia during BLT distribution. To the best of the author's knowledge, no prior study has specifically examined the role of love of money in shaping opportunistic behavior in the context of village fund management and BLT distribution. Previously, most of the research focused more on institutional factors, while this study highlighted a psychological dimension that was rarely discussed, providing a new perspective in understanding the misuse of village funds.

This study aims to examine the extent to which greedy behavior, which may be driven by an individual's love of money, influences the management of BLT funds. Specifically, it investigates how such behavior affects openness, accountability, and fairness in the distribution process. The study also aims to propose strategies to enhance transparency and accountability in village fund governance. This study helps us learn more about how love of money affects village fund management, especially when it comes to giving out BLT. It also gives us ideas on how to make village fund management more open and accountable so that money doesn't get wasted. These ideas can be used to make government policies that improve village fund management and make sure that BLT funds get to people who need them. This research is expected to provide a more profound insight into individual behavior in village fund management and how love of money affects decision-making in the distribution of BLT funds.

LITERATURE REVIEW

Theory of Planned and Behavior

The Theory of Planned Behavior (TPB) explains that an individual's behavior is influenced by intentions formed from attitudes, subjective norms, and perceived behavioral control (Ajzen, 1991). In the context of village fund management, this theory can help understand how opportunistic behavior and love of money may affect the decisions of fund managers (Koropp et al., 2014). Opportunistic behavior, which arises when managers feel there is insufficient oversight or social pressure, may lead to the misuse of village funds for personal gain. Similarly, love of money can drive managers to allocate funds inefficiently for personal benefit. In this case, negative attitudes toward transparent management, weak social norms, and perceived behavioral control pose risks to the prosperity of the village community, as funds that should be used for collective welfare may be misappropriated. Some of the studies that use this theory include (Jain et al., 2017; Park & Blenkinsopp, 2009; Taing & Chang, 2021; Yadav & Pathak, 2017; Yoon, 2011).

Opportunistic Behavior and Village Fund Management

Opportunistic behavior in village fund management refers to actions that prioritize personal gain, such as misusing funds for personal benefit, which harms the

collective interest. The Theory of Planned Behavior (TPB) explains if fund managers have an attitude that sees fund misuse as acceptable, or if social norms are not strong enough to support transparency, opportunistic behavior is more likely to occur. Additionally, if managers feel they are not being monitored or have full control over the funds, they are more likely to act opportunistically. Research shows that opportunistic behavior significantly affects village fund management, as found by Sholehah & Ishak (2022) and Supiani (2020), who stated that this behavior hinders transparency and accountability, leading to resource waste and the failure of development programs.

H1: *Opportunistic behavior has an influence on the village fund management*

Love of Money and Village Fund Management

Love of money in village fund management refers to an excessive desire for financial gain, which may drive individuals to prioritize personal wealth over the collective good of the community. This inclination can lead to unethical practices, such as embezzling funds, misallocating resources, or manipulating financial data for personal benefit. The Theory of Planned Behavior (TPB) helps explain if a fund manager views accumulating wealth through village funds as acceptable or desirable, they are more likely to engage in opportunistic behavior. Additionally, if there is a lack of strong social pressure or norms against financial misconduct, the individual may feel less compelled to act ethically. Lastly, if the manager believes they can avoid detection or consequences, they may misuse the funds for personal gain. Research by Fransiska and Sri (2024) and Mardani and Helmy (2023), shown that love of money can significantly impact village fund management, often leading to corruption and mismanagement, as managers may focus on personal profit rather than the intended community welfare. Strengthening ethical attitudes, social norms, and oversight can reduce the negative effects of love of money on village fund management.

H2: *Love of Money has an influence on the village fund management*

Opportunistic Behavior and the Prosperity of Village Communities

Opportunistic behavior in village communities refers to actions taken by individuals or groups that prioritize personal gain, often at the expense of the collective good. In the context of village fund management, this behavior can lead to the misuse or embezzlement of funds, misallocation of resources, or the exploitation of power for personal benefit. The Theory of Planned Behavior (TPB) helps explain if individuals believe that taking advantage of village resources is acceptable or will go unnoticed, they are more likely to engage in opportunistic behavior. Additionally, if there are weak social norms or limited community pressure to act ethically, there is less incentive for individuals to prioritize the collective good. Lastly, if individuals perceive that they have control over the resources and can avoid detection, they may feel empowered to exploit the system for personal gain. Research by Abidin and Sutikno (2018) and Sholehah dan Ishak (2022), shows that opportunistic behavior can undermine the prosperity of village communities by diverting resources away from

essential development projects, eroding trust in leadership, and hindering social and economic progress. Strengthening community norms, increasing transparency, and improving oversight are essential steps in reducing opportunistic behavior and ensuring that resources are used effectively for the welfare of the community.
H3: *Opportunistic behavior has an influence on the prosperity of village communities*

Love of Money and the Prosperity of Village Communities

Love of money in village communities refers to an excessive desire for financial gain, which can drive individuals to prioritize personal wealth over the collective well-being of the community. In the context of village fund management, such an attitude can lead to unethical practices such as embezzling funds, misallocating resources, or manipulating financial systems for personal profit. The Theory of Planned Behavior (TPB) helps explain why people may be more likely to take advantage of opportunities if they think that getting rich by using village resources is a good thing to do. Furthermore, if social norms in the community do not strongly discourage financial misconduct or prioritize ethical behavior, individuals may feel less pressure to act in the community's best interest. Lastly, if individuals believe they can avoid consequences or detection, they may feel empowered to exploit resources for personal gain. Research by Indartuti (2022) and Sholehah and Ishak (2022), shown that love of money can hinder the prosperity of village communities by diverting resources from essential development initiatives and fostering corruption. Strengthening ethical attitudes, reinforcing social norms, and enhancing oversight are crucial to ensuring that financial resources are used effectively for the benefit of the entire community.
H4: *Love of money has an influence on the prosperity of village communities*

Village Fund Management and the Prosperity of Village Communities

Village fund management is crucial for ensuring the prosperity of village communities, as it directly influences the allocation of resources to development projects and services that enhance the community's well-being. Effective management of village funds enables improvements in infrastructure, healthcare, education, and other essential services. However, poor financial management, including corruption, misallocation of resources, and inefficiency, can hinder these goals, preventing the village from achieving sustainable development. The Theory of Planned Behavior (TPB) helps explain if village fund managers have a positive attitude toward ethical financial practices and view the community's prosperity as their responsibility, they are more likely to manage the funds effectively. Conversely, if there is a lack of strong social norms around accountability or if the managers perceive weak oversight, financial mismanagement becomes more likely. Research by Ningsih and Zaidi (2024) and Sholehah and Ishak (2022), shown that when village fund management is transparent and accountable, it leads to better resource allocation and greater community prosperity. Strengthening ethical attitudes, reinforcing social norms, and

improving oversight are essential to ensure that village funds are used effectively for the benefit of the entire community.

H5: *The village fund management has an influence on the prosperity of village communities*

Opportunistic Behavior on Prosperity of Village Communities through Village Fund Management

Opportunistic behavior in village fund management refers to actions taken by individuals or groups that prioritize personal gain over the collective good, often leading to the misuse or misallocation of funds. This behavior can include embezzlement, manipulation of financial data, or diversion of resources meant for community development and public services. Such actions undermine the primary objectives of village fund management, which are to improve the well-being of the village and promote sustainable development. The Theory of Planned Behavior (TPB) helps explain if fund managers view using village funds for personal gain as acceptable or beneficial, they are more likely to engage in opportunistic behavior. Moreover, weak social norms and a lack of pressure to act ethically may reduce the motivation to manage funds transparently and responsibly. Additionally, if there is little oversight or control, fund managers may feel empowered to exploit the funds for personal advantage. Research by Abidin and Sutikno (2018) and Sholehah and Ishak (2022), shown that such behavior can significantly hinder the prosperity of village communities by diverting resources from vital development projects. Strengthening ethical attitudes, improving social norms, and enhancing transparency and oversight are essential to ensure that village funds are used effectively for the benefit of the community.

H6: *Village fund management is able to mediate opportunistic behavior on the prosperity of village communities*

Love of Money on Prosperity of Village Communities through Village Fund Management

Love of money in village fund management refers to an excessive desire for wealth, which can lead individuals to prioritize personal financial gain over the collective well-being of the village. This drive for personal profit can result in unethical practices such as embezzling funds, misallocating resources, or manipulating financial systems to benefit oneself. When individuals are motivated by love of money, they may undermine the goals of village fund management, which include improving infrastructure, public services, and the overall prosperity of the community. The Theory of Planned Behavior (TPB) helps explain if fund managers view accumulating wealth from village funds as acceptable or desirable, they are more likely to engage in corrupt behavior. Additionally, if social norms in the community do not strongly discourage financial misconduct, individuals may feel less pressure to act ethically. Last but not least, fund managers may misuse the resources for their

benefit if they think they can evade fines or detection. Research by Sholehah and Ishak (2022) and Viverita et al. (2022), shown that love of money can significantly impact the prosperity of village communities by diverting resources from essential development projects and fostering corruption. Strengthening ethical attitudes, reinforcing social norms, and enhancing oversight and transparency are essential for ensuring that village funds are used effectively for the benefit of the community.

H7: *Village fund management is able to mediate opportunistic behavior on the prosperity of village communities*

Conceptual Framework

This study proposes a structural model in which love of money and opportunistic behavior are treated as independent exogenous variables. Their influence on the prosperity of village communities is hypothesized to be indirect, mediated through the effectiveness of village fund management. Thus, village fund management functions as a mediator, capturing the behavioral impact of personal values and ethical deviations on public resource outcomes. According to the Theory of Planned Behavior (TPB), an individual's actions are shaped by their attitudes, subjective norms, and perceived behavioral control. In this context, the love of money can drive fund managers to develop positive attitudes toward misusing funds for personal gain. When individuals perceive that taking advantage of village resources is acceptable, or when social norms do not strongly discourage such behavior, they are more likely to act opportunistically. The lack of effective oversight or control over their actions further enables them to exploit the funds for personal benefit, thereby undermining village fund management. According to studies by Sholehah & Ishak (2022) and Supiani (2020) when financial management is not clear, people often act in an opportunistic way and do bad things with money. This causes resources to be misdirected and makes it harder for village fund initiatives to reach their goals.

This significantly impacts the prosperity of village communities. Effective village fund management requires transparent, accountable, and responsible decision-making, but when influenced by opportunistic behavior, funds are misallocated, leading to inefficiency and corruption. This aligns with TPB's explanation that weak subjective norms (community pressure) and low perceived behavioral control (lack of oversight) can encourage unethical practices. The mismanagement of funds hinders development programs, delays infrastructure projects, and affects essential services, ultimately impacting the community's welfare. Sholehah & Ishak (2022) and Fransiska & Sri (2024) emphasize that the absence of stringent norms and oversight in village fund management leads to detrimental consequences for community welfare. Strengthening ethical attitudes, reinforcing social norms, and enhancing oversight can counteract opportunistic behavior and

ensure that resources are managed effectively, thereby supporting the overall prosperity of the village.

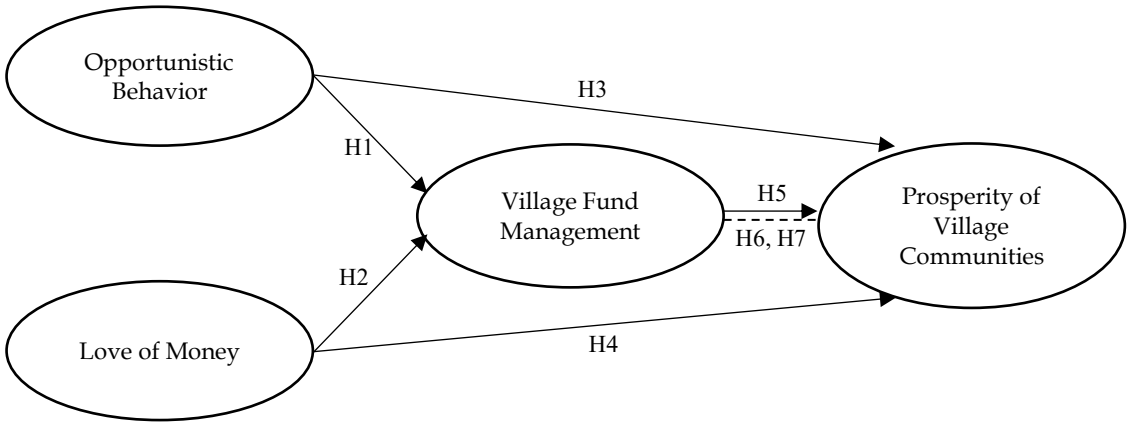

Figure 1. Conceptual Framework

METHOD

This study uses mixed methods (quantitative and qualitative) to analyze the relationship between opportunistic behavior and a love of money in village fund management and its impact on the prosperity of village communities. More than one path analysis technique, along with SmartPLS software, will be used to test the causal relationship between the research variables in a quantitative way. Meanwhile, a qualitative approach was used to provide more in-depth insight into the factors affecting village fund management, which was obtained through interviews with village officials and community members. The combination of these two approaches quantitative and qualitative is expected to provide a more comprehensive understanding of the issue. The quantitative approach is applied first to identify statistical relationships between variables using survey data. This is followed by the qualitative approach, which involves in-depth interviews to explore the underlying motivations and contextual factors behind the observed patterns. The integration of both methods allows for triangulation and enhances the validity and sustainability of the findings by offering both generalizable results and contextual insights that can inform long-term policy and practice.

The population in this study comprises village apparatus in Karanggeneng and Kalitengah Districts, Lamongan Regency. For the quantitative phase, the respondents include village heads, secretaries, treasurers, and relevant staff involved in BLT management. For the qualitative phase, the informants were purposively selected based on the following criteria: (1) directly involved in BLT implementation; (2) have at least two years of experience in their current role; and (3) able to provide detailed

insights into fund management practices. This study's sample comprises all village officials from the two sub-districts previously mentioned. The sampling technique used was cluster sampling, where all village apparatus in each sub-district was used as a sample for this study, so that 104 research samples were obtained. The selection of this sample is based on the consideration that village heads, village secretaries, and village treasurers play a strategic and direct role in the management of village funds, particularly in data collection, budgeting, decision-making, and the distribution of Direct Cash Assistance (BLT). Their involvement provides firsthand insights and relevant experiences that are essential for assessing the influence of individual behaviors (such as love of money and opportunistic behavior) on the effectiveness, transparency, and fairness of village fund management. The data in this study were collected through two main techniques:

1. Quantitative Survey: Quantitative data was collected using a questionnaire distributed to all village officials (village head, village secretary, and village treasurer) who were selected as samples. This questionnaire consists of items that measure the perception of village officials regarding opportunistic behavior, love of money, village fund management, and the prosperity of the village community.
2. Qualitative Interviews: Qualitative data were collected through in-depth interviews with village officials and several community members to dig deeper into the dynamics of village fund management, transparency, and challenges faced in achieving village prosperity.

These two techniques will provide a more holistic picture of the factors that affect village fund management and their impact on community prosperity. Contains methods and strategies used in answering research problems.

The data obtained from quantitative questionnaires and qualitative interviews will be analyzed by path analysis using SmartPLS. The model used in this analysis consists of two structural equations, which are:

Equation 1: $Y1 = \beta Y1,X1X1+\beta Y1,X2X2+e1$

Equation 2: $Y2 = \beta Y2,X1X1+\beta Y2,X2X2+\beta Y2,Y1Y1+e2$

Where:

X1 : Opportunistic Behavior
X2 : Love of Money
Y1 : Village fund management
Y2 : Prosperity of Village Communities
e1 and **e2** **:** Residual in each equation

To measure each variable in this study, indicators that have been adjusted to the relevant theory are used. Here is a table of variable measurements:

Table 1. Variable Measurement

Variable	Indicator	Measurement Scale	Source
Opportunistic Behavior (X1)	Manipulation of BLT recipient data, fund cuts, misappropriation of funds	Likert 1-5	Conner & Prahalad, 1996; Fan et al., 2025; Wang et al., 2025.
Love of Money (X2)	Motivation to acquire money, attitude towards wealth, use of money for personal interests	Likert 1-5	Alvi et al., 2024; Su'Un et al., 2023.
Village Fund Management (Y1)	Transparency in financial statements, accountability in the use of funds, effectiveness of BLT distribution	Likert 1-5	Shaleh et al., 2020
Prosperity of Village Communities (Y2)	The level of economic welfare, access to public services, community satisfaction with village funds	Likert 1-5	Kusumo et al., 2022; Wahyudi et al., 2021.

Source: Author, 2025

RESULT AND DISCUSSION

RESULT

Table 2 Construct Validity and Reliability Test

Variable	Cronbach's Alpha	Rho_A	Composite Reliability	AVE
Opportunistic Behavior	0,816	0,850	0,818	0,754
Love of Money	0,986	0,997	0,973	0,793
Village Fund Management	0,950	0,955	0,979	0,827
Prosperity of Village Communities	0,944	1,370	0,935	0,718

Source: Primary data, 2025

Based on the results of Table 2, it shows that Cronbach's Alpha, Rho_A, Composite Reliability, and AVE are worth more than 0.7. This indicates that the results of outer loading in each indicator carried out by the research have met the validity of the construct.

Table 3 Coefficient of Determination

Variabel	R-Square
Village Fund Management	0,570
Prosperity of Village Communities	0,610

Source: Primary data, 2025

Based on Table 3, it shows that there are 2 endogenous variables that have a value of 0.570 for village fund management and 0.610 for the prosperity of the village

community. This explains that the endogenous variable of village fund management has an influence of 57%, and the remaining 43% is influenced by other factors outside the related variables. Meanwhile, the endogenous variable of village community prosperity has an influence of 61%, and the remaining 39% is influenced by other factors outside the related variables.

Table 4 Hypothesis Test (Direct Influence)

Variable	Original Sample	T-Statistik	P-Value	Result
Opportunistic Behavior -> Village Fund Management	0,151	0,728	0,000	Accepted
Love of Money -> Village Fund Management	0,444	3,651	0,000	Accepted
Opportunistic Behavior -> Prosperity of Village Communities	0,064	0,343	0,021	Accepted
Love of Money -> Prosperity of Village Communities	0,126	0,418	0,014	Accepted
Village Fund Management -> Prosperity of Village Communities	0,115	0,764	0,000	Accepted

Source: Primary data, 2025

Based on the results from Table 4, it shows that all five hypotheses are accepted. This is evidenced by a P-value of less than 0.05.

Table 5 Indirect Influence

Variable		Z-SOBEL	Result
Opportunistic Behavior^ Village Fund Management -> Prosperity of Village Communities	0	0,9467387	Indirectly able to mediate
Love of Money^ Village Fund Management -> Prosperity of Village Communities	0.00122	1,1346733	Indirectly able to mediate

Source: Primary data, 2025

Based on Table 5, it shows that there is an indirect and significant influence between opportunistic behavior and love of money on the prosperity of village communities through village fund management. In support of this, the qualitative findings obtained through interviews with village heads, secretaries, and treasurers revealed that personal financial motives and weak internal control often drive behaviors that compromise transparency and fairness in BLT distribution. Informants also highlighted that poor fund governance contributes to distrust and unequal access to aid, ultimately hindering community welfare.

DISCUSSION

Opportunistic Behavior on Village Fund Management

The results of the first hypothesis indicate a significant influence between opportunistic behavior and village fund management, with a P-value of 0.000. This finding aligns with the Theory of Planned Behavior (TPB), which posits that behavior is the result of intention, shaped by attitude toward the behavior, subjective norms, and perceived behavioral control. In the context of this study, opportunistic behavior among village officials may stem from a favorable attitude toward personal gain, weak social norms discouraging corruption, and perceived low risk of detection or punishment. These factors collectively influence their intentions to engage in misappropriation, which then manifests in discrepancies between budgeted and actual expenditures in village fund management. The impact on village fund management is significant because such behavior can result in misappropriation of funds or mark-ups, ultimately destabilizing the village's finances, which are meant to serve the community's needs. This behavior undermines the effectiveness of financial management and creates a risk of funds being used for improper purposes rather than benefiting the village. This finding aligns with the studies by Sholehah and Ishak (2022) and Supiani (2020), which also found that opportunistic behavior significantly affects village fund management.

Love of Money on Village Fund Management

The second hypothesis shows a significant influence between love of money and village fund management, with a P-value of 0.000. According to the Theory of Planned Behavior, an excessive love for money by village officials can lead to unethical actions, including embezzling village funds for personal gain. This behavior is intentional, as it involves the deliberate planning of actions to take village money to satisfy personal needs. This kind of financial mismanagement disrupts proper financial operations, leading to a lack of budgeting, poor financial record-keeping, and financial instability. According to Fransiska and Sri (2024) and Mardani and Helmy (2023), effective financial management is essential to avoid leading individuals towards excessive consumption behavior, which can be harmful in both personal and

public financial contexts. This reinforces the importance of ethical financial practices and the necessity of adhering to budgeting and financial recording systems.

Opportunistic Behavior on the Prosperity of Village Communities

The third hypothesis shows that opportunistic behavior significantly affects the prosperity of village communities, with a P-value of 0.021. This result is consistent with the Theory of Planned Behavior, which explains that opportunistic behavior is a planned action aimed at gaining personal benefits through manipulative tactics. When village officials engage in such behavior, it often results in the diversion of funds, which leads to financial deficits in the village budget. This deficit hinders development projects, which directly impacts the well-being and prosperity of the community. As a result, the quality of life for village residents appears to decline, as confirmed by in-depth interviews with village officials and community members. They described various challenges such as non-transparent fund allocation, elite capture in decision-making, and delayed or unequal BLT distribution, which have contributed to public dissatisfaction and hindered the realization of village prosperity. This finding aligns with the research by Abidin and Sutikno (2018) and Sholehah dan Ishak (2022), which shows that opportunistic behavior negatively affects the prosperity of village communities.

Love of Money on the Prosperity of Village Communities

The fourth hypothesis reveals a significant influence between love of money and the prosperity of village communities, with a P-value of 0.014. The Theory of Planned Behavior supports this, as it explains that an excessive love of money leads to behavioral changes in village officials. Initially focused on community development, these officials may become driven by greed, which motivates them to plan fraudulent activities and exploit their positions to acquire money through unethical means. The misallocation of funds not only undermines development efforts but also deepens socio-economic gaps in the village. Qualitative findings from in-depth interviews reveal that villagers and local officials perceive fund management as being prone to favoritism and lacking accountability, which in turn disrupts efforts to achieve village prosperity. This result is in line with the study by Indartuti (2022) and Sholehah and Ishak (2022), also found that love of money significantly affects the prosperity of rural communities.

Village Fund Management on Village Community Prosperity

The fifth hypothesis shows a significant influence between effective village fund management and the prosperity of the village community, with a P-value of 0.000. According to the Theory of Planned Behavior, prosperous villages are the result of sound financial management by village officials. Responsible fund management by village officials builds institutional trust and ensures that public resources are used in

accordance with collective priorities. However, as indicated by interview data, when financial decisions are driven by greedy motives, the system becomes prone to manipulation—such as misreporting, favoritism in aid distribution, and the concealment of fund misuse. These actions not only distort budgetary accuracy but also compromise the village's long-term financial stability and undermine governance credibility. This finding is consistent with the research Ningsih and Zaidi (2024) and Sholehah and Ishak (2022), which demonstrated that good financial management plays a crucial role in promoting the prosperity of village communities.

The Indirect Influence of Opportunistic Behavior on the Prosperity of Village Communities Through Village Fund Management

The results of the sixth hypothesis test indicate an indirect influence of opportunistic behavior on the prosperity of village communities through village fund management, with a Sobel Z value of (0), which is less than 1.96, indicating a significant influence. According to the Theory of Planned Behavior, opportunistic behavior exhibited by village officials, such as greed and manipulation for personal gain, can negatively affect village fund management. Such behavior often involves the diversion of funds that should be used for community development and welfare, leading to intentional manipulation of financial reports to conceal these actions.Thus, poor financial management, characterized by a lack of transparency and accountability, can result in the misappropriation of funds intended for public benefit, ultimately undermining the village's financial stability. This, in turn, hampers development projects that are meant to improve the welfare of the community. The findings of this study align with research Abidin and Sutikno (2018) and Sholehah and Ishak (2022), which states that opportunistic behavior often exploits short-term opportunities without considering the long-term consequences, thereby harming public interest. Financial report manipulation, aimed at covering up such actions, exacerbates the issue. Therefore, it is essential to involve the community in the financial management process and strengthen the oversight system to ensure that village funds are used as intended.

The Indirect Influence of Love of Money on the Prosperity of Village Communities Through Village Fund Management

The results of the seventh hypothesis test indicate an indirect influence of love of money on the prosperity of village communities through village fund management, with a Sobel Z value of (0.9467387), which is less than 1.96, indicating a significant influence. According to the Theory of Planned Behavior, an excessive love of money can lead village officials to take funds meant for public use for personal gain. When village officials prioritize personal profit over community welfare, it disrupts the stability of village fund management, and funds that should be allocated for community empowerment may be misused or even lost. As a result, funds intended

for empowerment programs or village infrastructure will not be used effectively, which negatively impacts the quality of life and prosperity of the village community. This finding aligns with the research by Sholehah and Ishak (2022) and Viverita et al. (2022), which indicates that love of money is a personal trait that can lead to unethical behavior in managing public funds. Although village funds are often allocated in large amounts, this behavior threatens the sustainability of those funds if village officials are influenced by personal desires to fulfill their needs illegally.

CONCLUSION

Based on the results of the study, it can be concluded that Based on the results of the study, both quantitative and qualitative findings confirm that opportunistic behavior and love of money significantly influence village fund management, which subsequently affects the prosperity of village communities. The quantitative analysis demonstrates that these individual-level factors negatively impact transparency and accountability in managing and distributing village funds, particularly BLT. To deepen the analysis, in-depth interviews were conducted with village officials and community members. These interviews revealed real-world practices such as the manipulation of financial decisions for personal benefit, lack of community involvement, and minimal oversight. These findings directly address the research objectives and provide a clearer understanding of the behavioral roots of mismanagement. The novelty of this study lies in incorporating psychological constructs, especially love of money, into the discourse of public fund governance at the village level offering fresh insights rarely explored in rural accountability studies. In addition, there is a significant indirect effect between opportunistic behavior and love of money on community prosperity through village fund management.

This study is contextually limited to two sub-districts in Lamongan Regency, which were intentionally selected based on their high volume of village fund allocation and reported governance issues. While this focus provides in-depth insights, it may limit the generalizability of the findings to other regions. In addition, the study prioritizes core behavioral variables, such as love of money and opportunistic behavior, to maintain a clear and focused model. Future research may expand the variable set to include institutional or cultural factors to enrich the analysis. Further research is recommended to expand the research object and add related variables, such as community participation and government policies, to produce more accurate findings. Suggestions for village officials are to improve supervision, transparency, and accountability in the management of village funds and provide training to reduce opportunistic behavior. Community participation also needs to be increased to ensure that village fund management is on target. The implications of this study are the importance of stricter policies in the management of

village funds and more effective supervision to prevent misuse of funds and ensure that the benefits are felt by the community.

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