

**THE INFLUENCE OF MANAGERIAL LEADERSHIP  
AND NEW PUBLIC MANAGEMENT ON COMMUNITY  
WELFARE IN KAIMANA REGENCY MEDIATED BY GOOD  
GOVERNANCE AND LOCAL GOVERNMENT PERFORMANCE**

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**Abstract**

*This study discusses The Influence of Managerial Leadership and New Public Management on Community Welfare in Kaimana Regency Mediated by Good Governance and Local Government Performance. The approach used with two research designs (mixed method), namely: explanatory (quantitative method) and exploratory (qualitative method). The research sample consisted of 241 people. The quantitative data analysis method uses Structural Equation Modeling (SEM) with the help of the Amos program version 24.0 and qualitative analysis uses interactive models. The research results show that: (1) Managerial leadership has a positive and significant effect on good governance. (2) Managerial leadership directly and indirectly through good governance has a positive and significant effect on government performance. (3) Managerial leadership directly and indirectly through government performance has a positive and significant effect on people's welfare, while through good governance it is not significant. (4) New public management has a positive and significant effect on good governance. (5) New public management directly and indirectly through good governance has a positive and significant effect on government performance. (6) New public management directly has a positive and insignificant effect on people's welfare, while indirectly through good governance and government performance it has a positive and significant effect. (7) Good governance has a positive and significant effect on government performance. (8) Good governance directly has a positive and insignificant effect on community welfare, while indirectly through government performance it has a positive and significant effect. (9) Government performance has a positive and significant effect on community welfare.*

**Keywords:** *Managerial Leadership, New Public Management, Good Governance*

## **1. INTRODUCTION**

The reform era marked a shift in the dynamic between the central government and local administrations. Legislation such as Law Number 32 of 2004, later revised by Law of the Republic of Indonesia Number 9 of 2015 on regional governments and Law Number 33 of 2004 on Fiscal Balance between the Central Government and Local Administrations, lay the foundation for regional autonomy, with a primary focus on decentralization. Decentralization, in this context, encompasses not only the transfer of power from the central government to local authorities, but also the delegation of certain governmental responsibilities to the private sector through privatization (Mardiasmo, 2016). Granting regional autonomy and decentralization that is comprehensive, genuine, and accountable to the regions is a crucial move for Indonesia for two main reasons. Firstly, it serves as a solution to the local challenges faced by the nation, such as the risk

of national disintegration, poverty, unequal development, poor quality of life for society, and issues with human resource development. Secondly, it acts as a strategic measure for Indonesia to embrace the age of global economic integration by reinforcing the economic foundation of various regions. The aim of implementing regional governance is to hasten the enhancement of community welfare through improved services, empowerment, and participation, as well as to enhance regional competitiveness by upholding the values of democracy, fairness, justice, and the uniqueness of each region within the framework of Indonesia's Unitary State.

The concept of regional autonomy grants significant power and genuine accountability to local administrations in relation to the management, allocation, and exploitation of national resources, whether financial or natural. There will be efforts made by both the central government and local authorities to establish an equitable financial equilibrium between the national government and regional administrations (Bastian, 2006). Enhanced power needs to be matched with enhanced efficiency and responsibility of local government representatives. Regarding this matter, the significance of the regional leader cannot be overstated, as they hold a crucial and strategic position within the regional governance structure. According to Noer (2014), in order to increase regional potential and reliable human resources, regional heads are needed who have high capabilities and competencies in organizing regional government. Upper echelon theory according to Hambrick & Mason (1984), says that the capabilities of leaders (top managers) can be shown by education, experience and tenure and age. With a high level of education, mature age and sufficient work experience can open the insight of regional executives to adapt to changes that occur and be able to create new innovations so that optimal government performance can be achieved (Sutaryo, 2013).

In the context of the development of an increasingly globalized region, a regional head is required to have the ability to lead and at the same time have managerial skills. A regional head can play two different roles, namely as a leader and as a manager depending on the needs according to the existing situation. In the role of a leader, the regional head must be able to mobilize the community and existing apparatus to be actively involved in every development program that is carried out. Meanwhile, as a manager, regional heads are required to be able to produce development programs based on the potential and strategic advantages of the region. This is what Nanus (1985) call a Managerial Leader.

According to Kanyangale & Pearse (2014), two important indicators in the success of managerial leadership of a regional head, namely leader competence and leadership skills. Leader competence is a combination that includes the knowledge, skills and behavior of the leader, so that the framework will lead to organizational goals, have work targets, and be responsible for the future sustainability of the organization. According to Firdaus (2024) leadership skills both interpersonal, technical and conceptual will help leaders determine policies and strategies appropriately. Competent leadership will have an impact on organizational success which is characterized by organizational sustainability (Hiller et al., 2016).

Additionally, New Public Management (NPM) is a strategy for managing public sector organisations that is implemented in government agencies and public services, at both the local and national scale. Mardiasmo (2018) states that New Public Management prioritises performance-driven management in the public sector, rather than focusing on

policy development. According to Ferlie (1996), New Public Management is a conceptual model that is a driver of efficiency, streamlining and decentralization, in search of excellence and oriented towards public services. Speaking of good governance, according to Kaufmann et al. (2003), governance involves the control and management of authority, including: a) the method in which leaders are chosen, held responsible, and supervised, b) the ability of leaders to handle resources effectively and deliver services, as well as create and enforce effective policies and regulations, c) the recognition of the institutions that oversee economic and social interactions. From the definition mentioned, it is evident that the monitoring of accountability is crucial to ensure that government organizations fulfilling their duties are closely observed by both the public and the parliament.

Performance measurement is an important element in modernizing local government to achieve prosperity and equity. Performance indicators will identify best practices, thereby encouraging local governments to improve performance (Boyle, 2000), with an increase in performance expected to form good governance. Mardiasmo (2018) In the realm of regional autonomy, it is proposed that cost-effectiveness serves as a pathway for empowering local authorities to attain effective governance. The welfare system in Indonesia operates on the principle that 'welfare is a fundamental entitlement for all citizens'. According to this principle, impoverished individuals in Indonesia are entitled to the same level of welfare as all Indonesians in general. They have the right to a life of abundance, which includes meeting their material, spiritual, and social needs in order to live comfortably, thrive, and fulfill their societal responsibilities.

Good leadership of the Regional Head will have an impact on a better standard of living for the community, which is achieved through development programs based on the needs of the community itself. Regarding the relationship between new public management and welfare, there are several opinions that contradict each other. Bovaird et al. (2003) state that the proper implementation of new public management will have a positive impact on welfare. This means that the improvement of community welfare is one of the factors causing the implementation of new public management in the public sector. In contrast, Hartati (2020) in her research, found that new public management has no effect on welfare. Based on the opinions and research findings mentioned above, it is known that there is a gap, which is one of the reasons for conducting this research. This gap or gap is then filled using the mediating variables of good governance and local government performance.

Furthermore, this research is also driven by the phenomenon of problems with government performance in public services and community welfare issues. In addition to problems with local government performance in terms of public services, there are also several problems related to community welfare, including; (1) poverty; (2) unequal income distribution; (3) low average years of schooling. Regarding poverty, it appears that there are still many people in Kaimana Regency who fall into the category of the poor, totaling 10,110 people or 15.29%. Education problems can be seen in the average years of schooling for both male and female residents. In Kabupaten Kaimana, the average years of schooling for males is 10.18 years and for females is 7.77 years. These figures are lower than the average expected years of schooling, which is 12.49 years for males and 12.38 years for females. Furthermore, problems related to the distribution of population income are examined based on the distribution of income using the Gini ratio. The distribution or distribution of population income in West Papua Province is uneven.

This can be seen in the average gini ratio above 0.30. The distribution of income in Kaimana Regency is uneven. This is indicated by a gini ratio of 0.43.

## **2. LITERATURE REVIEW**

### **2.1. Definition of Leader and Leadership**

Adebakin and Gbadamusi (1996), that a leader is a person who inspires others to work willingly to achieve a goal through the application of maximum ability and quality. Furthermore, House (1996), defines a leader as what a person does above and beyond what their position requires, involving individual persuasion and innovation of ideas and decision-making. Based on the above definitions, it can be concluded that a leader is someone who has the ability to influence, direct and mobilize others to make an effort to achieve a certain goal.

According to Adebakin and Gbadamusi (1996), leadership involves guiding and motivating members of a group to work towards common goals within an organization. Stephen (1996) state that Leadership involves guiding a group towards attaining their objectives. In simple terms, leadership is about influencing and guiding others towards a common goal. A good leader should have the skills to influence, modify, and steer the actions of their team members or followers towards reaching set goals.

### **2.2. Definition of Managerial Leader and Managerial Leadership**

Yukl (1982) defines managerial leaders as global thinkers, movers and shakers. Furthermore, Nanus (2012) Managerial leaders are individuals who have the ability to adjust their roles and responsibilities based on the circumstances in order to reach the objectives of the organization. According to Nanus (2012), managerial leaders are regarded as adaptable, modest, and approachable individuals. They must be able to switch between autocratic, democratic, or laissez-faire leadership styles depending on the situation, place emphasis on conceptual abilities, and have the capability to shift between being a manager and a leader as required. Trust, integrity, and respect are key components of managerial leadership. Managerial leadership entails a leader's capacity to influence team members or subordinates through various managerial procedures, such as planning, coordinating, assigning tasks, executing actions, preparing budgets, and overseeing or monitoring with the aim of inspiring a high level of motivation so that team members or subordinates are motivated to adhere to the leader's direction to achieve shared objectives.

### **2.3. Definition of New Public Management**

According to Mardiasmo (2016), New Public Management (NPM) is a Management Theory that assumes that public sector organizations must be managed professionally. Basically, this concept focuses on organizational performance, not on policy. So that with the NPM concept, the public management system that was originally rigid and bureaucratic can become more flexible. According to Andrisani et al. (2002), New Public Management (NPM) is a decentralized management system with management tools such as controlling and benchmarking that apply private sector work practices to the public sector to create good governance and produce efficiency and effectiveness of local government performance so as to create public welfare. According

to Haynes (1984) and Pollitt (1990), New Public Management (NPM) is the implementation of management ideas from business and the private sector into public services.

#### 2.4. Definition of Good Governance

Bovaird et al. (2003) define governance as the process by which stakeholders collaborate to shape public policy results. Effective governance involves creating and enforcing both official and unofficial regulations that govern the realm where the government, businesses, and societal entities engage in decision-making (Olowu & Sako, 2002).

Lynn Jr et al. (2000), explain that Effective governance involves guiding, managing, and aligning individuals or groups that have varying degrees of independence to work towards common goals. It is believed that good governance is a framework that establishes clear direction for an organisation through its structures and procedures, and ensures accountability within the organisation to achieve its objectives. While other governance principles hold significance, accountability stands out as a crucial aspect in many situations.

#### 2.5. Definition of Performance and Local Government Performance

According to Mangkunegara (2013) the achievement of a worker in fulfilling their assigned tasks is determined by the quality and quantity of their work performance. According to James et al. (1997), Performance is a means of evaluating how well tasks and responsibilities assigned by an organisation have been carried out within a specific timeframe, and can be used to assess overall work or organisational efficiency. According to Prawirosentono (1999), performance is what can be attained by an individual or a team in a workplace, as per their designated roles and duties, to reach the organisation's objectives lawfully, without breaching any regulations and in line with ethical principles.

According to Rahman (2017), Local Government Performance refers to evaluating how well an activity/program/policy aligns with an organization's strategic goals, objectives, mission, and vision. It can be seen as the level of success reached within a specified timeframe. According to Chabib (2011), local government performance is the success or failure of the goals and objectives set previously in order to realize the vision and mission of the organization / or region, as well as the positive and negative impacts of operational policies that have been taken by local government agencies.

#### 2.6. Definition of Welfare and Public Welfare

Welfare, according to the Big Indonesian Dictionary, refers to a situation that is safe, secure, and prosperous. Safe means free from danger and disturbance. A safe life signifies a life free from all difficulties and disasters. Thus, a peaceful life is living in an atmosphere of security, peace and no chaos. In a broader sense, welfare is the release of a person from the bondage of poverty, ignorance and fear so that he or she obtains a safe and secure life outwardly and inwardly (Sodiq, 2015). In KBBI, society is a number of people who are bound by a culture that they consider the same. According to Charles Horton (in Soekanto (2006)), society is something comprehensive that includes various parts that are systematically-functionally related. The well-being of society relies on meeting fundamental requirements, such as having suitable housing, clothing, and food,

as well as access to affordable yet high-quality education and healthcare. It also entails creating an environment where individuals can make the most of their resources within their financial constraints, and where their physical and spiritual needs are satisfied.

### **3. RESEARCH METHODS**

In conducting research, it is important to have a method that is used (Patmasari, 2024; Patmasari, 2022). The method used in this research is mixed methods, namely explanatory (quantitative) and exploratory (qualitative) methods. According to Creswell (2015), mixed research is a research approach that combines quantitative and qualitative research. In the opinion of Sugiyono (2013), highlights the significance of utilising a combined research method known as mixed methods, which involves the integration of both quantitative and qualitative approaches in order to gather more thorough and credible data. The focus of the study is on the residents of Kaimana Regency who are expected to have a clear understanding of the research objectives. The sampling frame serves as a tool to identify and select elements from the target population. It should be noted that to obtain data for quantitative analysis, 200 questionnaires will be distributed. Subsequently, the perceptions of respondents will be analyzed according to the number of questionnaires based on the questionnaires collected. It is expected that the number of returned questionnaires will not be less than 200 to meet the assumptions underlying the use of structural equation modeling. Sampling for the quantitative analysis used a multistage sampling technique in several stages. In the first stage, the population was clustered by district. In the second stage, the districts were clustered by wards and villages.

To obtain good and accurate information for qualitative research, key informants need to be selected based on their involvement and capacity with the research subject. The determination of informants (samples) for qualitative analysis uses a purposive sampling technique, namely determining informants with certain considerations. The informants in this study are regional leaders in Kaimana district, community leaders, traditional leaders, religious leaders and other community members in the district. The selection of informants considers the capacity and capability of the person concerned in terms of communication skills and the possession of information needed for the research study.

Based on the type of data, this research uses quantitative data obtained using questionnaires and qualitative data obtained through in-depth interviews with a number of informants. According to the data source, this research consists of primary data and secondary data. Primary data was obtained directly from interviews conducted with community members as respondents. The primary data intended in this study are data on community perceptions (respondents) about managerial leadership, new public management, good governance, local government performance, and community welfare. Secondary data in this study is in the form of data available at the Kaimana Regency government, among others; reports on development programs, data related to community welfare, such as; data on poverty levels, income distribution, health, education, population and government administration. In collecting the data needed to analyze the problems in the Kaimana Regency of West Papua Province, the following techniques were used: Interviews, Questionnaires, and Observations.

## 4. RESULTS AND DISCUSSION

### 4.1. Research Results

#### 4.1.1. The Effect of Managerial Leadership on Good Governance

Descriptive analysis of the managerial leadership variable shows that the average respondent's perception of 2.58 is in the unfavorable category (Sugiyono, 2018). The average value indicates that respondents gave a low assessment of the leadership of the regional head of Kaimana Regency. This means that respondents considered that the leadership of the Regional Head related to the ability to lead themselves and others; ability to communicate with others; ability to provide strategic focus; results oriented; (5) technical skills; and (6) conceptual skills have not met expectations. The results of the analysis also show that the average results-oriented indicator (X1.4) is the lowest compared to other indicators, which is 2.44, including the category of not good. This means that related to the following matters; The regional head prioritizes results over processes; prioritizes benefits over targets; evaluates the work of the apparatus in service to the community; and encourages the apparatus to continue to make improvements to work results are still far from community expectations.

The results of the descriptive analysis above are strengthened by qualitative findings through interviews with religious figures, traditional figures, community leaders, members of the Regional People's Representative Council, business actors, teachers, and journalists. The results of the interview with religious figure Mr. Hasan Achmad (informant 1) showed that the leadership of the current regional head is very far from expectations. This is evident in the implementation of development projects that are only centered on the Regent and his cronies, income from the project is only enjoyed by a few people, so that it has a real impact on the income and purchasing power of the community which is getting lower (ratio from 0.31 to 0.39). Funds from various projects are taken out of Kaimana Regency, resulting in high capital outflow. A similar opinion was expressed by traditional figure Isak Werfete (informant 2), that the current leadership is not suitable for the lives of the people in Kaimana Regency. According to the person concerned, the regional head does not side with the common people, the large amount of money or funds disbursed from the central government are not enjoyed by the common people.

In line with the two figures above, Frans Amerbay (informant 3) as a community leader revealed that the leadership of the current Regional Head is not running well, this is evident in the inequality in budget distribution policies. Development funds are directed to physical activities that benefit the Regent and his cronies, Development projects are implemented by the Regent using the name of the indigenous Kaimana community. This has an impact on the absence of income distribution to the lower classes, so that the community's purchasing power has decreased. In addition, the Regent cannot cooperate with the DPRD, resulting in the determination of the APBD often exceeding the deadline. A similar view was expressed by Anwar Kamakaula (informant 4), as a member of the Kaimana Regency DPRD (Regional People's Representative Council) for the 2009-present period, that the current leadership is very substandard, marked by the leader's inability to organize his subordinates well. The programs are not in line with what is stated in the RPJMD. In addition, the development approach is more prioritized on physical

development, which in fact has been completed in the previous leadership period. According to this DPRD member, development should be directed towards non-physical. For example; in the field of education, development should be prioritized on improving the quality of teachers and students, not building schools. The choice of physical development is solely aimed at seeking profit from the project side. Furthermore, it was added that based on statistical data from the Central Statistics Agency (BPS) of Kaimana Regency, it is known that the Gini ratio of Kaimana Regency has increased from 0.31 to 0.39. This indicates that the distribution of community income is increasingly uneven as an impact of the control of development projects by certain groups of people. The qualitative results above provide an indication of the low perception of respondents (the public) regarding the leadership factor, namely managerial leadership.

Furthermore, the results of the measurement model test using confirmatory factor analysis proved that the 6 (six) indicators used to measure the managerial leadership construct, namely; (1) leading oneself and others; (2) communicating with others; (3) providing strategic focus; (4) being results-oriented; (5) technical skills; and (6) conceptual skills are valid and reliable measuring tools. This means that, managerial leadership can be measured through these indicators and the measurement results will be consistent, so that they can provide a guarantee that these indicators can be used to conduct structural tests related to the influence between constructs.

Hypothesis testing of the influence of managerial leadership on good governance has successfully proven that there is a positive and significant influence between the two variables. Based on the results of this hypothesis test, it can be said that changes in managerial leadership will have a real impact on changes in good governance. Improved managerial leadership will lead to improved good governance. Conversely, poor managerial leadership will result in poor good governance. Empirically, the findings of this study are in line with the research of Bambang Istianto and Albertus Wahyurudhanto (2022), the results found a significant or real influence of public leadership in building positive perceptions of good governance.

#### **4.1.2. The Direct and Indirect Influence of Managerial Leadership Through Good Governance on Government Performance**

Hypothesis testing of the direct influence of managerial leadership on government performance proves that there is a positive and significant influence of managerial leadership on government performance. The results of this test indicate that changes in managerial leadership will have a real impact on government performance. A positive influence indicates that improving managerial leadership will have an impact on improving government performance. Conversely, poor managerial leadership will cause poor government performance.

The findings of this study are in line with research Siti Aisyah Karmizi Enni Savitri (2014), who found that leadership has a positive influence on local government performance. Furthermore, testing the indirect influence hypothesis proves that managerial leadership has a positive and significant effect on government performance through good governance. The results of the study indicate that good managerial leadership can produce good government performance through good governance. The findings of this study confirm Rafiq (2018), which states that good leadership will have

an impact on improving good governance, then improving good governance will also produce good government performance.

#### **4.1.3. The Influence of Managerial Leadership Directly and Indirectly Through Good Governance and Government Performance on Community Welfare**

Results of testing the direct influence hypothesis managerial leadership towards community welfare shows that managerial leadership has a positive and significant influence on community welfare. This means that managerial leadership is getting better in terms of ability to lead oneself and others; ability to make focused strategies; connect/communicate with others; result-oriented; have technical skills; and have conceptual skills to be able to improve community welfare. The results of this study are in line with the research of Amalia (2022) which shows that leadership has a positive and significant effect on community welfare.

The results of the indirect influence hypothesis test prove that managerial leadership indirectly through good governance is able to have a significant and positive influence on community welfare. The findings of this study successfully confirmed the opinion. Yukl (1982), which states that managerial leadership in institutions is very influential and has the potential to make changes to create effective institutions, and is able to improve institutional performance.

#### **4.1.4. The Influence of New Public Management on Good Governance**

Descriptive analysis of the new public management variable shows an average value of 2.78. This average value indicates that respondents gave a sufficient assessment (Sugiyono, 2018), meaning that according to respondents, the implementation of new public management in the Kaimana Regency government is only at a sufficient level. In addition, the descriptive results also illustrate that the average indicator Public Bureau Disaggregation (X2.1) the lowest is seen at an average value of 2.57 and is in the bad category. This means that, according to respondents, matters relating to the role of government unification of similar functions into an integrated service organization; unification of similar functions helps the community in accelerating the service process; The integration of functions to assist the public in consuming government services and the separation between public service providers and public financing does not meet public expectations.

In terms of items, it is known that the lowest average is 2.46 at items "unifying similar functions in an integrated service organization to facilitate services to the community (X2.1.1)" is included in the bad category (Sugiyono, 2018). There are also several items with an average perception in the bad category and some are also approaching the bad category (2.60). The items in question are; The local government uses contract workers to support service performance (X2.2.1) with an average of 2.49; item pThe integration of functions helps the community in consuming government services (X2.1.3) with an average of 2.58, the local government item separates public service providers from public financing (X2.1.4) with an average of 2.61, the local government item appreciates high-performing officials (X2.2.3) with an average of 2.62, and the item of giving awards to officials can encourage a competitive spirit to serve the community (X2.2.4) with an average value of 2.63. The description of the low average value shows that for the community, the items referred to in the implementation of new

public management are still far from expectations. In order to confirm the truth of the quantitative facts above, the researcher conducted a qualitative study by interviewing several sources who had information about the problem in question. Interview with informant 2, Mr. Isak Werfete showed that new public management has not been implemented properly and correctly. From the interviews conducted, it can be seen that it was concluded that the implementation of new public management in Kaimana Regency was not in accordance with the objectives of new public management itself.

In addition to the interview with informant 2, an interview was also conducted with informant 3 (Mr. Frans Amerbay) where information was obtained that "The Regent could not cooperate with the DPRD, so that the determination of the APBD passed the deadline". Then an interview with informant 8, Yohanes Dasantos, where it was conveyed that a lot of the budget was drained on programs that were not priorities. The current Regional Head does not understand the priority scale in the short, medium and long term development periods, the government focuses more on matters related to its interests rather than the interests of the community; the programs implemented are not programs proposed by the community; and the local government never asks for input from the community. The results of interviews with several figures above confirm the results of the quantitative study which shows a low average value.

Results of testing the hypothesis of the influence of new public management towards good governance shows that new public management has a positive and significant influence on good governance. This indicates that new public management is progressing in terms of: breaking down public agencies; promoting competition and market structures; implementing efficiency measures; prioritising appropriate management practices from the private sector; focusing on user needs; and assessing performance and outputs to enhance good governance. The results of this research provide theoretical backing to the assertion that new public management represents a considerable shift in public sector administration from the traditional rigid, bureaucratic, and hierarchical approach to a more adaptable model that is responsive to market dynamics. This transformation is not minor or straightforward. It has altered the role of the government, particularly in terms of its interaction with society. In terms of empirical evidence, this study corroborates the findings of Putri and Ikhsan (2015) that new public management has a substantial impact on good governance.

#### **4.1.5. The Direct and Indirect Influence of New Public Management Through Good Governance on Government Performance**

Results of testing the hypothesis of the direct influence of new public management on government performance shows that new public management has a positive and significant impact on government performance. This means, new public management getting better at; disaggregation of public agencies; competition and markets; efficiency strategies; emphasis on appropriate management/private practices; user orientation; and performance/output measurement are able to improve government performance. The results of this study confirm the theoretical view put forward by Barzelay (2001), which states that the new public management paradigm is a collection of tactics and strategies that seek to improve public sector performance in improving the ability of government agencies and non-profit organizations to produce results. Along with the focus on results

and using various mechanisms to achieve them, the main difference is the theoretical basis underlying economics and private management.

Empirically, this study supports research by Wardhani and Riharjo (2015) which states that new public management has a significant influence on organizational performance. The results of the indirect influence hypothesis test prove that new public management indirectly through good governance has a positive and significant effect on government performance. This means that good governance is able to mediate the relationship between new public management and government performance. Substantially, it can be said that disaggregation of public bureaus; competition and markets; efficiency strategies; emphasis on appropriate management/private practices; user orientation; and improved performance/output measurement are able to improve good governance and subsequently improve government performance.

#### **4.1.6. The Direct and Indirect Influence of New Public Management Through Good Governance and Government Performance on Public Welfare.**

The results of the hypothesis test of the direct influence of new public management on public welfare show that new public management has a positive but insignificant influence on public welfare. This means that new public management is getting better in terms of; disaggregation of public agencies; competition and markets; efficiency strategies; emphasis on appropriate management/private practices; user orientation; and performance/output measurement can improve people's welfare, but the increase in question is insignificant. The research results are in line with research by Hartati (2020), entitled "Implementation of the New Public Management (NPM) Model in Bureaucratic Reform in Indonesia", where the results of the study show that the NPM concept in Indonesia has not been implemented by all government institutions/agencies, so it has not had an impact on public welfare because corruption is increasing and the institutional structure of the government is poor in function but rich in structure.

The results of the hypothesis test of the indirect influence of new public management on public welfare through good governance show that new public management has a positive but insignificant influence on public welfare. This means that better new public management can improve public welfare through good governance, but the increase in question is insignificant. It appears that good governance is unable to mediate the relationship between new public management and public welfare. This can happen because in terms of direct influence, both new public management and good governance do not significantly affect public welfare.

Research findings confirm the opinion Notoatmojo in Mangkunegara (2000), on performance in relation to good governance as follows, the need for accountability of state administration performance to be efficient, effective and responsive to the aspirations of the community and the environment, transparent, encouraging community participation so that government administration becomes credible. The above opinion is in line with the principles of new public management (NPM), namely; the implementation of service work or service to the community must be oriented towards the principles of efficiency, effectiveness, and economy. The new paradigm that views bureaucracy as a government organization is no longer merely carrying out government tasks for public goods, but also providing encouragement and motivation for the growth and development of community participation.

Furthermore, testing the hypothesis of the indirect influence of new public management on public welfare through government performance shows that new public management has a positive and significant influence on public welfare through government performance. This means that improving new public management can improve public welfare through government performance. In other words, government performance has been proven to be able to mediate the relationship between new public management and public welfare. This study has succeeded in proving that in order to improve public welfare, new public management must be able to improve government performance first.

#### **4.1.7. The Influence of Good Governance on Government Performance**

Descriptive analysis of respondents' perceptions of good governance shows an average value of 2.74. According to Sugiyono (2018), the magnitude of the average value is in the fairly good category. Although the average variable shows a fairly good category, there are several items with an average value approaching 2.60 (not good category / 1.81 - 2.60). The item in question is Y1.2.1, namely; The regional government guarantees legal certainty in the implementation of regional government with an average of 2.58; item Y1.2.2, namely the regional government has implemented the law fairly without the conflict of interest and Y1.2.3 namely regional regulations and public policies are prepared in the interests of society with an average value of 2.61 respectively. Additionally there is item Y1.3.1, local government provides information on the process of formulating and implementing public policy with an average of 2.64, and item Y1.3.2, namely local government provides easy access to information for the public with an average of 2.63.

The low average value of several items of good governance variables in quantitative analysis can be explained by qualitative analysis based on the results of interviews with several informants. Through an interview with informant 1, Mr. Hasan Achmad, it was found that good governance in Kaimana Regency is not in accordance with the principles of good governance. This can be seen from the low level of community involvement in planning, implementing and evaluating development activities. In addition, community participation is very limited and can even be said to be non-existent, especially in the implementation of development programs. There is no openness or transparency, especially in budget management. The community does not know about the allocation of development funds in accordance with the RPJMD (Regional Medium Term Development Plan). This was reinforced by informant 2, namely; Mr. Isak Werfete that related to governance in terms of finance or budget there is no transparency. Agreeing with the two informants above, Yahya La Upe Rado as informant 9 stated that related to good governance, law enforcement in Kaimana Regency is not running as it should. There is unfair treatment of certain members of the community, especially those who are not in line with the current government. In addition, the community is not involved in development activities because it is monopolized by the government. The government is not efficient and effective in carrying out government management.

Hypothesis testing of the influence of good governance on government performance has successfully proven that there is a positive and significant influence of good governance on government performance. This result indicates that, increasingly

good governance is able to improve government performance. Substantially it can be said that, if there is an improvement in good governance in terms of participation, supremacy of law, transparency, responsiveness, consensus orientation with justice, efficiency and effectiveness, accountability, and strategic vision there will be an increase in government performance. On the other hand, if good governance gets worse, the government's performance will also get worse.

The research findings support the view of Priansa (2018), that the implementation of the concept of good governance in local government will provide benefits in the form of facilitating the decision-making process, increasing efficiency and creating a healthier work culture so that the performance of local government will increase. The implementation of good governance principles optimally will be able to realize a good governance system so that it can automatically improve economic performance, efficiency and effectiveness (value for money).

#### **4.1.8. The Direct and Indirect Influence of Good Governance Through Government Performance on Public Welfare**

Testing the hypothesis regarding the direct impact of good governance on public welfare reveals that while good governance does have a beneficial effect on public welfare, this effect is not considered significant. It suggests that improvements in good governance, such as increased participation, adherence to the rule of law, transparency, responsiveness, consensus-building with fairness, efficiency, effectiveness, accountability, and strategic planning, may lead to enhancements in public welfare, but not to a substantial degree. In other words, alterations in good governance are only moderately influential on changes in public welfare.

The findings of this research did not support the idea put forth by the United Nations Development Program in 1999 that good governance involves effective management of government affairs with the participation of various stakeholders in economic, socio-political, and resource utilization activities for the benefit of society. This concept is based on principles like justice, equality, efficiency, transparency, and accountability. Governance encompasses all the systems, procedures, and institutions through which citizens and community groups voice their concerns, exercise their legal rights, fulfill their responsibilities, and bridge their differences. It can also play a significant role in achieving effective political governance, which necessitates transparent government processes, the efficient implementation of public policies, and the effective management of human resources to enhance the well-being of the people.

#### **4.1.9. The Influence of Government Performance on Community Welfare**

Government performance measurement is carried out through systematic assessments not only of input, but also of output, benefits, and the impacts that arise. Descriptive analysis of respondents' perceptions of government performance showed an average value of 2.78. According to Sugiyono (2018), the magnitude of the average value in question is in the fairly good category. Based on the indicators, the data proves that the indicator with the lowest average value is the input indicator with an average of 2.67, which is included in the fairly good category but is at a low level approaching the poor category (2.60). In terms of items, it is known that there are 3 items with an average value in the poor category (<2.60), namely Y2.5.3, namely "pexisting development programs

according to community expectations". These results indicate that according to respondents, the development programs currently being run by the government do not match their expectations. This means that the community expects development in certain areas but the government is carrying out development in other areas. Furthermore, which is also included in the bad category, namely item Y2.1.4, "The regional government utilizes the budget appropriately in implementing development programs". This illustrates that according to the respondents, in utilizing the development budget, the government is doing it inappropriately. It can be assumed that the development budgets by the government are allocated to programs that are not in accordance with the needs of the community. The following are other items that fall into the category of not good based on the respondents' assessment, namely Y2.2.2, namely; "The local government carries out budget equalization for each program according to needs". This low average value explains that the budget equalization referring to the needs of the community by the Kaimana Regency government is not carried out properly. There are indications that the development budget is not directed at activities or programs that can increase the level of community welfare.

In order to strengthen the truth of the quantitative findings above, the researcher used a qualitative approach by conducting in-depth interviews with several informants who were believed to have good knowledge and understanding of the performance of the Kaimana Regency government. Based on the results of interviews with informant 4 (Mr. Anwar Kamakaula, Member of the Kaimana Regency DPRD) it is known that the government's performance is low. This can be seen from the Kaimana Regency Gini ratio which increased from 0.31 to 0.39. This means that the distribution of community income is becoming increasingly uneven because wealth only increases or increases in one particular small group while the majority of other community groups do not experience a significant increase in income. The Gini ratio should be close to zero because it shows that income distribution is becoming more even, conversely if the Gini coefficient approaches one, it means that income distribution is becoming more uneven (Sukirno, 2020). The worsening of the Gini coefficient in Kaimana Regency was triggered by the fact that the work on development projects was only carried out by a certain small group so that the project revenue funds were only enjoyed by a few people... the project revenue did not flow to the wider community. This caused the accumulation of wealth in only a few people. This was explained by Mr. Hasan Achmad (informant 1), Mr. Frans Amerbay (informant 3), you Jonmer Efendi Busira. (informant 7)

Confirmatory factor analysis explains that the indicators used to measure the construct/variable of government performance are the right measuring tools. This is proven by the loading factor value  $> 0.70$  and the probability value (p value)  $< 0.05$ . It is known that the output indicator (Y2.3) contributes the most with a loading value of 0.934. The output indicator contributes the most indicating that there is a stronger relationship with the government performance construct compared to other indicators. This means that the greatest contribution to changes in performance variables which then affect community welfare comes from output indicators. Substantially, it can be explained that things related to output indicators, such as; the quality of local government services through human resources according to community desires quantity of service by human resources according to the wishes of the community, the determination of output

achievements in terms of service is quite appropriate, and local government services carried out on time are something more than other items of government performance variables.

The results of the hypothesis test on the influence of government performance on public welfare prove that government performance has a positive and significant effect on public welfare. This means that better government performance in terms of input, process, output, results, benefits, and impacts can improve public welfare. Empirically, the results of this study are in line with the research of Sanjaya (2017) with the title of the study: "The Influence of Regional Government Performance on Community Welfare in Regencies/Cities 2012-2014". The results of the study indicate that regional government performance has a positive and significant influence on community welfare, regional development activities have a negative influence on community welfare.

#### 4.2. Discussion

Following the completion of tests on the connection between various elements in this research, the following findings were discovered: Effective management leadership plays a crucial role in promoting effective governance. These results suggest that strong management leadership can enhance governance quality. Conversely, inept management leadership could lead to subpar governance. Management leadership directly influences the performance of local government in a positive manner. This implies that enhanced management leadership can result in improved local government performance. Conversely, poor management leadership is likely to result in inadequate local government performance. Moreover, management leadership also indirectly impacts the performance of local government through governance quality. This suggests that enhancing management leadership has the potential to enhance local government performance through good governance.

Managerial leadership directly has a significant and positive effect on public welfare. This means that better managerial leadership will have an impact on improving public welfare. Conversely, poor managerial leadership will have an impact on worsening public welfare. Indirectly, managerial leadership has no significant effect on public welfare through good governance. This means that improving managerial leadership has proven unable to improve public welfare through good governance. Furthermore, indirectly, managerial leadership has a significant effect on public welfare through local government performance. This means that improving managerial leadership has proven able to improve public welfare through local government performance.

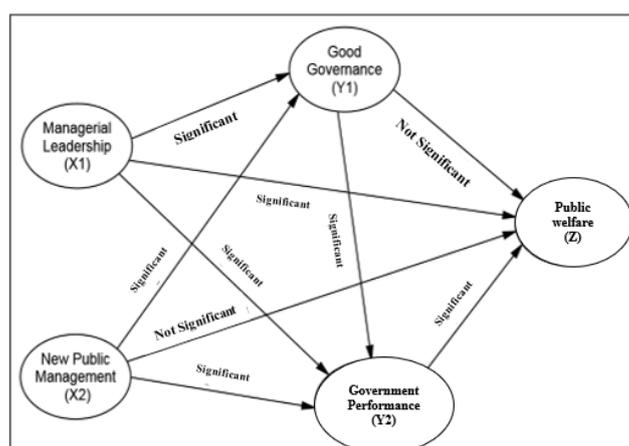
New public management is shown to have a beneficial impact on effective governance. Research suggests that implementing new public management can enhance governance standards. In contrast, inadequate implementation of new public management can lead to a decline in governance quality. Improved new public management directly contributes to the better performance of local authorities. This suggests that enhancing new public management can positively influence the effectiveness of local governments. Conversely, ineffective new public management can result in poor government performance. New public management also indirectly affects government performance through its impact on good governance. Enhancing new public management can therefore lead to improvements in local government performance through better governance

practices. Conversely, ineffective new public management can result in subpar performance of local authorities through poor governance measures.

New public management directly has no significant and positive effect on public welfare. This means that better new public management does not have a real impact on improving public welfare. Conversely, poor new public management does not have an impact on worsening public welfare. Indirectly, new public management has no significant effect on public welfare through good governance. This means that improving new public management has proven unable to improve public welfare through good governance. Furthermore, indirectly, new public management has a significant effect on public welfare through local government performance. This means that good new public management has proven able to improve public welfare through local government performance.

Effective governance has a considerable and beneficial impact on the performance of local authorities. These findings suggest that effective governance has been shown to enhance the performance of local government bodies. In contrast, poor governance will also detrimentally affect the performance of local government entities. Directly, effective governance does not have a substantial and positive impact on the well-being of the public. This implies that enhancing effective governance has been demonstrated to be ineffective in enhancing public welfare. Conversely, deteriorating governance does not truly influence public welfare. On an indirect level, effective governance has a noteworthy and beneficial impact on public welfare through good governance practices. This indicates that enhancing effective governance has been proven to enhance public welfare through the performance of local authorities.

The effectiveness of local government has a notable impact on the well-being of the public. Enhancements in local government performance have been shown to enhance public welfare. Conversely, inadequate local government performance directly correlates with diminished public welfare. The outcomes of the hypothesis testing in the research show the following results.



**Figure 1. Research Findings on the Relationship between Managerial Leadership, New Public Management, Good Governance, Local Government Performance and Public Welfare**

## 5. CONCLUSION

Managerial leadership significantly influences good governance, demonstrating that effective leadership—characterized by the ability to lead oneself and others, create focused strategies, communicate effectively, and maintain a results-oriented mindset—enhances governance outcomes. This improvement in managerial leadership not only directly boosts government performance but also does so indirectly through good governance mechanisms. However, while managerial leadership positively impacts public welfare both directly and through government performance, its effect through good governance remains insignificant. Similarly, new public management practices, which include disaggregation of public bureaus and user orientation, also play a critical role in enhancing good governance and government performance, although their direct impact on public welfare is not significant. In contrast, good governance is shown to have a significant effect on government performance but does not directly improve public welfare, instead relying on government performance to realize that effect.

In Kaimana Regency, the regional head's leadership does not align with community expectations, particularly regarding the distribution of development funds and community involvement in projects. New public management practices are inadequately implemented, evidenced by misalignment in employee placements within the government organization. Governance in Kaimana Regency lacks adherence to good governance principles, such as transparency and community participation. Consequently, the government performance remains low, failing to address the community's actual needs. Recommendations for improvement include fostering fair distribution of development projects, enhancing community involvement in planning and execution, ensuring transparency in governance, and aligning development programs with community needs. Additionally, it is essential to match employee placements with their educational backgrounds and skills to optimize organizational performance and governance efficacy.

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