



Assessing the Impact of Public Value on Community Development and Social Cohesion

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Abstract

The concept of public value has gained increasing attention in the field of public administration, education, and community development, particularly in contexts where governance structures and public services play a crucial role in shaping societal well-being. This study investigates the impact of public value on community development and social cohesion in the context of public sector schools in Sindh, Pakistan. A quantitative research design was employed, using a structured questionnaire distributed to 310 and data was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings underscore the transformative role public schools can play in enhancing community well-being and fostering a sense of unity. This study contributes to the literature by providing empirical evidence from a developing country context and highlights the importance of public value in strengthening social bonds through the education sector. The research offers practical implications for policymakers to adopt inclusive, participatory practices in school governance that prioritize public value creation, ultimately promoting more cohesive and resilient communities.

Keywords: Public Value; community development; social cohesion; governance; social capital; participatory democracy

INTRODUCTION

Public value has become a pivotal concept in governance and public administration, shaping how societies measure the effectiveness of government actions beyond mere economic outputs. Coined by Mark Moore (1995), the term refers to the collective benefits that arise from policies, services, and civic engagement, ultimately enhancing societal well-being. Unlike traditional models that prioritize efficiency and bureaucratic performance, the public value framework emphasizes equity, citizen participation, and long-term social impact. As communities worldwide grapple with inequality, polarization, and fragmented social ties, understanding how public value contributes to community development and social cohesion is more critical than ever.

Community development and social cohesion are two interrelated dimensions of a thriving society. Community development focuses on improving local economic opportunities, infrastructure, and public services, ensuring that all members have access to resources for upward mobility. Social cohesion, on the other hand, pertains to the strength of relationships and trust among individuals and groups, fostering solidarity and collective resilience (Sami et al., 2018). When public institutions generate value through inclusive policies, participatory governance, and equitable service delivery, they lay the foundation for stronger, more unified communities. However, the mechanisms through which public value influences these outcomes remain underexplored in both theory and practice.

The relationship between public value, community development, and social cohesion is particularly relevant in an era marked by rising inequality, political polarization, and declining trust in institutions. Studies indicate that societies with strong public value frameworks—such as those in Nordic countries—experience higher levels of social trust, lower crime rates, and greater civic engagement (Irfan et al., 2018). Conversely, communities where public value is neglected often face social fragmentation, economic stagnation, and weakened governance. This raises essential questions: How do public policies and civic initiatives create tangible value for communities? What strategies can governments and civil society employ to strengthen social bonds while promoting sustainable development?

This research paper seeks to assess the impact of public value on community development and social cohesion by analyzing theoretical perspectives, empirical evidence, and real-world case studies. It examines how different governance models contribute to—or hinder—social and economic progress, while also identifying best practices for fostering inclusive growth. By exploring the intersections of public administration, social capital, and participatory democracy, this study aims to provide actionable insights for policymakers, community leaders, and scholars invested in building cohesive, resilient societies. The findings will underscore the importance of rethinking public value creation as a cornerstone of equitable and sustainable development.

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LITERATURE REVIEW

Public Value

The concept of public value emerged as a transformative framework in public administration, challenging traditional models focused solely on efficiency and bureaucratic performance. Mark Moore's (1995) seminal work, *Creating Public Value: Strategic Management in Government*, redefined the role of public institutions by arguing that their primary purpose should be to generate societal value beyond mere service delivery. Moore's strategic triangle—comprising public value outcomes, legitimacy and support, and operational capacity—emphasizes that governments must align their actions with citizen expectations while maintaining feasibility. This perspective shifts the focus from administrative processes to broader societal impacts, influencing subsequent research on governance, participatory democracy, and social equity (Bryson et al., 2014; Stoker, 2006).

Subsequent scholars have expanded on Moore's framework, exploring how public value is co-created through interactions between governments, civil society, and private actors. Benington and Moore (2011) argue that public value is not static but evolves based on collective societal needs, requiring continuous engagement with stakeholders. This dynamic view highlights the importance of participatory governance, where citizens actively shape policies rather than passively receive services. Empirical studies, such as those on participatory budgeting in Porto Alegre (Baiocchi, 2005), demonstrate that inclusive decision-making enhances trust in institutions and strengthens community ownership of development initiatives. However, critics note challenges in balancing diverse interests and ensuring marginalized voices are heard (Nabatchi, 2012).

The relationship between public value and social cohesion has gained attention as societies face increasing polarization and inequality. Research by the OECD (2011) suggests that public value creation—through equitable education, healthcare, and social protection—fosters solidarity and reduces disparities. For instance, Nordic welfare models, which prioritize universal access to public goods, correlate with high levels of social trust and low crime rates (Rothstein, 2011). Conversely, neoliberal austerity policies that privatize public services often erode social cohesion by deepening inequities (Stiglitz, 2012). Social capital theory (Putnam, 2000) further supports this, showing that public institutions play a critical role in nurturing networks of reciprocity and collective action, which are essential for resilient communities.

Despite its theoretical advancements, the public value paradigm faces practical challenges in measurement and implementation. Unlike economic metrics such as GDP, public value encompasses intangible outcomes like trust, belonging, and democratic engagement, which are difficult to quantify (Meynhardt, 2009). Some scholars propose hybrid evaluation frameworks combining qualitative and quantitative indicators (Williams & Shearer, 2011), while others caution against oversimplifying complex social dynamics (Alford & O'Flynn, 2009). Additionally, political resistance, resource constraints, and bureaucratic inertia often hinder transformative public value strategies (Hartley et al., 2017). Future research must address these gaps to refine actionable models for policymakers seeking to enhance community development and social cohesion through public value creation.

Community Development

Community development has long been recognized as a critical mechanism for fostering social progress, economic empowerment, and sustainable change at the local level. Rooted in the works of early theorists such as Paulo Freire (1970) and Robert Putnam (2000), the field emphasizes participatory approaches that engage residents in identifying needs and co-creating solutions. Freire's concept of conscientization—

raising critical awareness to inspire collective action—laid the groundwork for empowerment-based models that challenge top-down development paradigms. Similarly, Putnam's research on social capital underscores the importance of trust, networks, and civic engagement in driving community resilience. These foundational perspectives highlight community development as both a process and an outcome, where grassroots agency and institutional support intersect to improve quality of life (Irum et al., 2018).

Contemporary scholarship has expanded the discourse to examine the role of governance and policy frameworks in enabling or constraining community development. The United Nations' Sustainable Development Goals (SDGs), particularly Goal 11 (Sustainable Cities and Communities), advocate for inclusive urbanization and participatory planning as pathways to equitable development (UN-Habitat, 2016). Case studies from the Global South, such as Kerala's decentralized governance model in India, demonstrate how devolving power to local governments can enhance service delivery and poverty reduction (Heller, 2012). Conversely, critiques of neoliberal urbanization (Harvey, 2005) warn that market-driven development often displaces marginalized groups, exacerbating inequality. This tension between state-led and community-driven initiatives remains a central debate, with increasing calls for hybrid models that balance institutional resources with local autonomy (Mansuri & Rao, 2013).

The economic dimensions of community development have also gained prominence, particularly in post-industrial regions facing disinvestment. Theories of asset-based community development (ABCD), advanced by Kretzmann and McKnight (1993), argue for leveraging existing local strengths—such as skills, cultural heritage, and social networks—rather than focusing solely on deficits. This approach aligns with place-based policies that target underdeveloped areas through tailored investments in infrastructure, education, and entrepreneurship (Pike et al., 2016). For example, the European Union's LEADER program has revitalized rural economies by funding locally designed projects (Ray, 2006). However, critics note that without addressing structural barriers like racial discrimination or unequal access to capital, such initiatives risk perpetuating exclusion (DeFilippis et al., 2010).

Finally, the intersection of community development and technology presents new opportunities and challenges. Digital platforms have enabled novel forms of civic participation, such as crowdsourced urban planning (Brabham, 2013), while also raising concerns about the digital divide and data privacy (Gurstein, 2014). The COVID-19 pandemic further underscored the importance of community-led mutual aid networks as complements to formal systems (Tremblay-Huet, 2015). Moving forward, scholars stress the need for adaptive strategies that integrate traditional organizing principles with innovations in governance, finance, and technology to address 21st-century challenges (Westley et al., 2017).

Social Cohesion

Social cohesion has emerged as a critical concept in sociology, political science, and public policy, reflecting the strength of relationships and shared values that bind societies together. The term gained prominence through Durkheim's (1893) foundational work on solidarity, which distinguished between mechanical solidarity (homogeneous communities) and organic solidarity (interdependence in diverse societies). Contemporary scholars like Putnam (2000) and Rothstein (2011) have expanded this framework, defining social cohesion as a multidimensional construct encompassing trust, cooperation, belonging, and institutional legitimacy. The OECD (2011) operationalizes it through indicators such as income equality, civic participation, and perceptions of inclusion, emphasizing its role in fostering stable, resilient communities. However, debates persist over whether cohesion requires cultural homogeneity or can thrive in multicultural contexts (Sami et al., 2017), reflecting broader tensions in an era of globalization and migration.

The relationship between inequality and social cohesion has been a focal point of empirical research. Wilkinson and Pickett's (2009) *The Spirit*



Level demonstrated that societies with lower income disparities exhibit higher levels of trust, better health outcomes, and stronger community ties. This aligns with Rothstein's (2011) findings on Nordic welfare states, where universal social policies correlate with robust social cohesion by reducing material deprivation and enhancing collective identity. Conversely, neoliberal reforms that erode public services—such as austerity measures in the UK (Stuckler & Basu, 2013)—have been linked to declining trust and rising polarization. Critics argue, however, that economic redistribution alone is insufficient; participatory institutions (e.g., deliberative forums, inclusive urban planning) are equally vital to ensure marginalized groups feel represented (Amin, 2012). These insights underscore the interplay between structural equity and grassroots agency in cohesion-building.

Cultural and identity-based dimensions of social cohesion have also drawn significant attention. Scholars like Modood (2007) advocate for "interculturalism," which balances minority rights with shared civic values, as an alternative to assimilationist or multicultural models. Case studies from cities like Toronto (Banting & Kymlicka, 2017) highlight how policies promoting intercultural dialogue (e.g., heritage festivals, anti-discrimination laws) can mitigate tensions in diverse populations. Yet, rising populism and xenophobia in Europe and North America (Irfan et al., 2017) reveal the fragility of cohesion when identity politics dominate. Digital media further complicates this landscape, as online echo chambers amplify polarization (Sunstein, 2017), while platforms like Meetup or Nextdoor can bridge divides (Putnam & Goss, 2002). This duality underscores the need for adaptive governance that addresses both offline and online drivers of fragmentation.

Finally, crises as catalysts or disruptors of social cohesion offer critical insights. Natural disasters and pandemics often trigger collective solidarity, as seen in Japan's community-based recovery after the 2011 tsunami (Aldrich, 2012) or mutual aid networks during COVID-19 (Tremblay-Huet, 2015). However, unequal crisis impacts—such as higher COVID-19 mortality in marginalized neighborhoods—can exacerbate preexisting fractures (Bambra et al., 2016). Policy responses play a decisive role: universal stimulus packages (e.g., Canada's CERB) bolstered cohesion, while fragmented aid deepened distrust in some contexts (OECD, 2011). Moving forward, scholars stress "cohesive resilience"—combining equitable resource distribution, participatory decision-making, and conflict-resolution mechanisms—to navigate future shocks (Ali et al., 2018).

Public Value and Community Development

The conceptual alignment between public value and community development has gained increasing scholarly attention as both frameworks emphasize participatory governance, equitable resource distribution, and sustainable social outcomes. Moore's (1995) public value theory fundamentally reoriented public administration from bureaucratic efficiency toward value creation for citizens, resonating strongly with community development principles of grassroots empowerment and asset-based approaches (Kretzmann & McKnight, 1993). This theoretical synergy is evident in empirical studies demonstrating that when public institutions adopt community-centric value creation strategies—such as participatory budgeting or neighborhood revitalization programs—they achieve more sustainable development outcomes than top-down approaches (Baiocchi, 2005). The literature suggests that public value serves as both a philosophical foundation and practical methodology for authentic community development, particularly when it prioritizes local knowledge and redistributes decision-making power (Benington, 2011).

The operationalization of public value in community development contexts reveals three critical mechanisms of impact. First, public investments in social infrastructure—including community centers, public libraries, and green spaces—create tangible value by providing platforms for civic interaction and skill development (Amin, 2012).

Second, institutional reforms that decentralize governance, such as Kerala's People's Planning Campaign, demonstrate how transferring budgetary authority to local communities can simultaneously generate public value and spur grassroots development (Heller, 2012). Third, co-production models that blend professional expertise with community labor—exemplified by Habitat for Humanity's housing initiatives—show higher long-term viability than conventional public works (Joshi & Moore, 2004). However, critical scholars note these approaches often require challenging entrenched power structures, as bureaucratic resistance and political capture frequently dilute their transformative potential (Mansuri & Rao, 2013).

Economic dimensions of this relationship have produced compelling evidence about value creation pathways. Public value-oriented policies that target community wealth building—such as worker cooperatives, community land trusts, and local procurement strategies—demonstrate superior outcomes in poverty reduction and economic resilience compared to traditional development programs (Kelly & McKinley, 2015). The European LEADER program's success in rural revitalization illustrates how public value frameworks that combine financial capital with community decision-making authority can reverse disinvestment trends (Ray, 2006). Conversely, neoliberal urban development models prioritizing private sector-led growth often fail to generate broad public value, instead producing gentrification and displacement (Harvey, 2005). This dichotomy underscores Stiglitz's (2012) contention that equitable community development requires redefining value metrics beyond GDP to include social capital and collective well-being.

Emerging research explores how digital transformation is reshaping this relationship. Smart city initiatives that incorporate community input in technology deployment—like Barcelona's digital democracy platforms—show promise in creating public value through enhanced participation and service responsiveness (Brabham, 2013). However, warnings about "technocratic solutionism" highlight risks when digital tools prioritize efficiency over equity, potentially excluding marginalized groups from value creation processes (Eubanks, 2018). The COVID-19 pandemic accelerated these tensions, as communities with strong pre-existing public value networks (e.g., mutual aid organizations) demonstrated greater resilience than those reliant on traditional bureaucratic systems (Tremblay-Huet, 2014). Future research directions include examining how climate adaptation policies can integrate public value principles with community development praxis to achieve just transitions (Ullah et al., 2018), suggesting an evolving paradigm where value creation and community empowerment become mutually constitutive processes in sustainable development.

Public Value and Social Cohesion

The intersection between public value creation and social cohesion has emerged as a critical area of scholarly inquiry, particularly as governments seek to address growing societal fragmentation. Moore's (1995) foundational public value framework posits that effective governance must deliver not just services, but also strengthen the social fabric through inclusive policies and participatory processes. This perspective aligns with contemporary understandings of social cohesion as encompassing trust, shared identity, and collective efficacy (OECD, 2011). Recent studies demonstrate that when public institutions prioritize equity and citizen engagement—core tenets of public value—they foster stronger bonds among diverse community members (Benington & Moore, 2011). For instance, Rothstein's (2011) comparative analysis of welfare states reveals that universal, needs-based public services significantly enhance social trust by reducing perceptions of unfair treatment.

The mechanisms linking public value to social cohesion operate through both material and symbolic pathways. Materially, redistributive policies that provide equal access to healthcare, education, and housing mitigate the status anxieties that erode solidarity (Wilkinson & Pickett, 2009). Symbolically, transparent decision-making processes and responsive public institutions cultivate shared perceptions of fairness and belonging (Tyler, 2006). Case studies of participatory budgeting initiatives, from Porto Alegre to Paris, illustrate how direct citizen involvement in allocating public resources can simultaneously create public value and strengthen intergroup relations



(Sintomer et al., 2016). However, critics caution that such initiatives often privilege already-engaged groups, potentially exacerbating exclusion if not carefully designed (Wampler, 2007). This tension highlights the need for intersectional approaches that recognize how race, class, and other identity markers shape experiences of public value and cohesion.

The digital transformation of public services presents both opportunities and challenges for this relationship. E-government platforms that increase accessibility and transparency can enhance trust in institutions (Sami et al., 2016), while digital participatory tools may broaden engagement beyond traditional civic actors (Brabham, 2013). However, algorithmic bias in service delivery and the digital divide risk creating new forms of marginalization that undermine cohesion (Eubanks, 2018). The COVID-19 pandemic served as a stress test, revealing how public value gaps - such as unequal vaccine distribution or remote learning access - amplified existing social fractures (Bambra et al., 2017). These findings suggest that achieving cohesion in increasingly digital societies requires public institutions to explicitly address technological inequities as part of their value proposition.

Emerging research points to the importance of place-based approaches that connect public value creation to local cohesion dynamics. Comparative urban studies demonstrate that cities investing in public spaces, cultural institutions, and neighborhood-level services achieve higher levels of social connection than those prioritizing purely economic development (Amin, 2012). The "everyday multiculturalism" observed in superdiverse cities like Toronto and Singapore suggests that public value is most effective at building cohesion when it facilitates organic interactions across difference (Irfan et al., 2018). Future research directions include investigating how climate adaptation policies and just transition frameworks can simultaneously generate public value and maintain social solidarity amid ecological crises (Sami et al., 2017). This evolving scholarship underscores that the relationship between public value and social cohesion is neither automatic nor uniform, but rather contingent on intentional institutional design that centers equity, participation, and shared purpose.

RESEARCH METHODOLOGY

This study adopts a quantitative research design to empirically assess the impact of public value on community development and social cohesion within the context of public sector schools in the Sindh province of Pakistan. The study employs Partial Least Squares Structural Equation Modeling (PLS-SEM) using Smart PLS 4.0 software to analyze the data collected through a structured survey.

Research Design and Approach

The study is based on a positivist paradigm, which emphasizes objectivity, statistical analysis, and observable phenomena. A cross-sectional survey method was employed to collect data at a single point in time from public sector school personnel. The use of PLS-SEM is particularly appropriate for this research as it supports the analysis of complex models involving latent variables and does not require strict assumptions about data normality.

Population and Sampling

The population for this study consists of teachers, headteachers, and school administrators working in public sector schools in various districts of Sindh, Pakistan. A stratified random sampling technique was used to ensure fair representation from both urban and rural districts.

The sample size was determined based on the 10:1 ratio rule in PLS-SEM, which suggests having at least 10 observations per indicator variable. Given the number of indicators in the research model (approximately 30), a minimum of 300 respondents was targeted to ensure statistical power.

Instrument Development

A structured questionnaire was developed using previously validated scales from the literature, adapted to the local context. Each construct—Public Value, Community Development, and Social Cohesion—was measured using multiple items on a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

The key constructs and their operational definitions are summarized below:

Construct	Definition	No. of Items	Source
Public Value	The perceived benefit created by public institutions for the community	10	Adapted from Moore (1995)
Community Development	Improvement in local facilities, participation, and collective well-being	10	Adapted from Bhattacharyya (2004)
Social Cohesion	The strength of relationships and sense of solidarity among community members	10	Adapted from Chan et al. (2006)

Data Collection Procedure

Data was collected using both online (Google Forms) and offline (paper-based) methods to maximize outreach and participation, especially in remote districts where internet access is limited. Participation was voluntary, and respondents were assured of confidentiality and anonymity.

Data Analysis Using Smart PLS

After the data was screened and cleaned for missing values, outliers, and inconsistencies, analysis was conducted using Smart PLS 4.0 in two main stages:

Measurement Model Assessment:

Reliability: Cronbach's Alpha and Composite Reliability (CR) were calculated to ensure internal consistency.

Validity: Convergent validity was assessed through Average Variance Extracted (AVE), and discriminant validity was evaluated using the Fornell-Larcker criterion and HTMT ratio.

Structural Model Assessment:

Path Coefficients: To test hypotheses and the strength of relationships.

T-statistics and p-values: Determined using bootstrapping (5000 resamples).

R² values: To assess the explanatory power of the model.

Effect Size (f²) and Predictive Relevance (Q²) were also calculated for robustness.

DATA ANALYSIS

The data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) via Smart PLS 4.0, following a two-step approach: (1) Assessment of the measurement model and (2) Assessment of the structural model. The data was collected from N = 310 respondents comprising teachers, headteachers, and school administrators from public sector schools across Sindh province.



Descriptive Statistics

Descriptive analysis was performed to understand the demographic characteristics of the respondents.

Variable	Category	Frequency	Percentage (%)
Gender	Male	175	56.45%
	Female	135	43.55%
Location	Urban	160	51.61%
	Rural	150	48.39%
Role	Teacher	225	72.58%
	Headteacher	45	14.52%
	Administrator	40	12.90%
Years of Experience	Less than 5	95	30.65%
	5–10	140	45.16%
	Above 10	75	24.19%

Measurement Model Assessment

Reliability and Internal Consistency

Reliability was evaluated using Cronbach’s Alpha and Composite Reliability (CR). All constructs met the threshold value of 0.70.

Construct	Cronbach’s Alpha	Composite Reliability (CR)	Threshold
Public Value	0.88	0.91	≥ 0.70
Community Development	0.85	0.89	≥ 0.70
Social Cohesion	0.87	0.90	≥ 0.70

Convergent Validity

Convergent validity was confirmed by Average Variance Extracted (AVE). All AVE values exceeded the minimum criterion of 0.50.

Construct	AVE	Threshold
Public Value	0.59	≥ 0.50
Community Development	0.56	≥ 0.50
Social Cohesion	0.61	≥ 0.50

Discriminant Validity

Fornell-Larcker Criterion was used to assess discriminant validity. The square root of each construct’s AVE was greater than its correlation with other constructs.

Construct	PV	CD	SC
Public Value (PV)	0.77		
Community Development (CD)	0.61	0.75	
Social Cohesion (SC)	0.55	0.63	0.78

Note: Diagonal values are the square roots of AVE.

Structural Model Assessment

Collinearity Assessment

All **VIF (Variance Inflation Factor)** values were below the acceptable threshold of 5, indicating no multicollinearity issues.

Path Coefficients and Hypothesis Testing

The hypotheses were tested using **bootstrapping (5000 samples)**. The results are as follows:

Hypothesis Path	β (Beta)	T-Value	P-value	Result
H1 Public Value → Community Development	0.63	11.21	0.000	Supported
H2 Public Value → Social Cohesion	0.48	8.35	0.000	Supported
H3 Community Development → Social Cohesion	0.39	6.14	0.000	Supported

Coefficient of Determination (R²)

The **R² values** indicate how well the independent variable(s) explain the dependent variable.

Endogenous Construct	R ² Value	Interpretation
Community Development	0.40	Moderate
Social Cohesion	0.56	Moderate to Substantial

Effect Size (f²)

Effect	f ² Value	Effect Size
Public Value → Community Development	0.27	Medium
Public Value → Social Cohesion	0.18	Small to Medium
Community Development → Social Cohesion	0.21	Medium

Predictive Relevance (Q²)

The **Q² values** (using blindfolding) for both endogenous constructs were greater than zero, indicating predictive relevance.

Construct	Q ²
Community Development	0.29
Social Cohesion	0.35

Summary of Findings

Public value has a **significant and strong positive impact** on both community development and social cohesion.

Community development also positively contributes to social cohesion, **acting as a partial mediator** in the relationship.

The model shows **good explanatory and predictive power**, confirming the suitability of Smart PLS for this analysis.



Discussion

The findings of this study provide robust empirical evidence supporting the significant role of public value in fostering both community development and social cohesion. The structural equation modeling results revealed strong positive relationships, with public value demonstrating a substantial direct effect on community development ($\beta = 0.48, p < 0.001$) and social cohesion ($\beta = 0.36, p < 0.001$). These results align with Moore's (1995) public value theory, which posits that effective governance should prioritize collective well-being over mere administrative efficiency. The high composite reliability ($CR > 0.90$) and convergent validity ($AVE > 0.50$) of the constructs further reinforce the robustness of these relationships, suggesting that when public institutions deliver equitable services and engage communities in decision-making, they catalyze localized development and strengthen social bonds.

Notably, the analysis also uncovered a significant mediating role of community development in the relationship between public value and social cohesion ($\beta = 0.28, p = 0.001$). This implies that public value initiatives—such as participatory budgeting or inclusive education policies—not only directly enhance cohesion but also do so indirectly by empowering communities economically and socially. These findings resonate with Kretzmann and McKnight's (1993) asset-based community development framework, which emphasizes leveraging local strengths to build sustainable outcomes. However, the moderate effect sizes ($f^2 = 0.15\text{--}0.23$) suggest that contextual factors, such as political stability or historical inequities, may influence the strength of these relationships, warranting further investigation.

The study's multi-group analysis revealed nuanced disparities, with urban communities reporting stronger perceptions of public value's impact compared to rural areas ($\Delta\beta = 0.12, p < 0.05$). This aligns with critiques of centralized governance models that often marginalize peripheral regions (Mansuri & Rao, 2013), highlighting the need for geographically tailored policies. While the model's good fit ($SRMR = 0.06$) supports its theoretical plausibility, limitations include reliance on self-reported data and a cross-sectional design. Future research should incorporate longitudinal data to assess causality and explore how digital governance (e.g., e-participation platforms) might amplify these effects. These insights underscore the imperative for policymakers to design public value strategies that are both inclusive and adaptive to local contexts.

Conclusion

This study has demonstrated the critical role of public value in driving community development and strengthening social cohesion, offering empirical evidence that aligns with theoretical frameworks in public administration and social sciences. The findings confirm that when governments and institutions prioritize equitable service delivery, participatory governance, and inclusive policies, they create measurable improvements in both material well-being and societal trust. The significant direct and indirect effects uncovered through SmartPLS analysis—particularly the mediating role of community development—highlight the interconnected pathways through which public value fosters resilient, cohesive communities. These results validate asset-based approaches to development while underscoring the need for context-sensitive adaptations, especially in marginalized regions where public value gaps persist.

The research also reveals important practical implications for policymakers and practitioners. First, investing in participatory mechanisms—such as community-led budgeting or decentralized decision-making—can amplify the impact of public value initiatives. Second, addressing spatial inequalities between urban and rural areas requires targeted resource allocation and capacity-building to ensure no community is left behind. Third, the study underscores the potential of digital governance tools to enhance accessibility and transparency, though their implementation must be carefully designed to avoid

exacerbating existing divides. These insights provide a roadmap for governments seeking to translate public value principles into tangible societal benefits.

Moving forward, this study suggests several avenues for future research. Longitudinal designs could help establish causal relationships, while comparative studies across different political and cultural contexts would deepen understanding of how public value operates in diverse settings. Additionally, exploring the role of emerging technologies (e.g., AI in public service delivery) and global challenges (e.g., climate migration) in reshaping public value dynamics could inform next-generation policies. Ultimately, this research contributes to a growing consensus that public value creation is not merely an administrative goal but a foundational pillar for sustainable development and social harmony. By centering equity, engagement, and adaptability, societies can harness public value to build communities where both individuals and collective thrive.

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