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The Influence of Financial Transparency and Accountability on Muzaki Trust, with Service Quality as a Moderating Variable: A Case Study of Dompet Dhuafa

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A B S T R A C T

This study systematically reviews literature on the influence of financial transparency and accountability on muzaki (zakat donor) trust, with service quality (SERVQUAL) as a moderating factor in the context of Dompet Dhuafa, Indonesia. Using interdisciplinary databases and applying inclusion–exclusion criteria, we synthesized findings through thematic analysis. Results indicate that transparency and accountability generally increase donor trust, although some studies report mixed or even negative effects depending on institutional factors. Service quality—particularly reliability, responsiveness, and empathy—was found to strengthen the positive relationship between transparency, accountability, and trust. Signaling theory and stewardship theory help explain these dynamics, were transparency and accountability signal trustworthiness and service quality shapes donor interpretation. The review highlights limited research specific to Dompet Dhuafa and suggests further empirical studies to deepen understanding.

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INTRODUCTION

Zakat, as one of the five pillars of Islam, represents a mandatory form of wealth redistribution designed to alleviate poverty and promote social equity. In Indonesia the world's largest Muslim-majority nation zakat's theoretical potential is enormous: the National Zakat Board (Baznas) estimated in 2016 that total zakatable assets could reach approximately Rp442 trillion, yet actual collections amounted to only Rp4.4 trillion (1% of potential). This stark discrepancy underscores a critical challenge: despite widespread religious commitment, institutional zakat mobilization remains surprisingly low.

Scholars and practitioners consistently point to donor (muzaki) confidence as a primary barrier to higher collection rates. Surveys reveal that many muzaki hesitate to channel their obligatory contributions through formal institutions due to perceived opacity in financial management and weak accountability mechanisms. In particular, reports of misallocation, delayed disbursements, or unverified impact claims have sown public skepticism. As a result, a significant portion of zakat is distributed informally—directly by donors to recipients—circumventing institutional channels and limiting the scale and sustainability of relief programs.

Within this context, Dompet Dhuafa stands out as a noteworthy case. Established in 1993, this national Amil Zakat Institution (LAZ) has grown into one of Indonesia's most recognized non-profit organizations, receiving the 2016 Ramon Magsaysay Award in part for its commitment to "scrupulous transparency and full accountability in financial and governance systems" . Dompet Dhuafa's integrated model—combining traditional zakat collection with empowerment programs in education, healthcare, and microfinance—exemplifies how robust governance can underpin transformative social impact. Yet even for Dompet Dhuafa, questions remain about how and to what extent transparency and accountability practices translate into muzaki trust.

Despite abundant advocacy for open financial reporting and rigorous audit procedures, empirical evidence detailing the precise mechanisms by which these governance practices foster donor confidence is scattered and sometimes contradictory. For example, while several studies confirm a positive link between transparency and donation intent, others find that poorly communicated disclosures can paradoxically erode trust when donors misinterpret complex figures. Similarly, accountability—encompassing external audits, Shariah supervisory board reviews, and stakeholder feedback channels—is widely celebrated as essential for legitimacy, yet its measured impact on donor behavior varies across institutional contexts.

LITERATURE REVIEW

Financial Transparency

Financial transparency in zakat institutions encompasses the proactive disclosure of financial information—ranging from annual financial reports and audit findings to detailed budgets and program impact statements—via accessible platforms such as institutional websites, social media channels, and printed brochures. Zeghal and Ahmed (1990) conceptualize transparency as an organization's willingness to reduce information asymmetry by making financial data both available and comprehensible to stakeholders. In the zakat context, this translates to muzaki (donor) access to clear breakdowns of zakat collection, allocation to mustahik (recipients), administrative costs, and any surplus or deficit balances.

Signaling theory (Connelly et al., 2011) explains why transparency matters: by voluntarily sharing credible information, an institution signals its integrity and competence, thereby reducing perceived risk among potential donors. Empirical studies in Indonesia corroborate this mechanism. Abidin (2011) reports that transparency “aims to build trust and confidence” by ensuring muzaki can verify financial flows themselves. In a large survey of over 400 donors, Takidah and Pratiwi (2018) find that the presence of publicly accessible audited financial statements correlates with a 35% increase in trust ratings ($p < .001$). Mukhibad et al. (2022), using a sample of 250 urban donors, show a strong positive correlation ($r = .68$, $p < .01$) between donors’ perception of transparency—measured by frequency of report updates and clarity of language—and their trust in zakat management. Dompet Dhuafa exemplifies best practices: since 2015, it has published an interactive dashboard displaying real-time zakat inflows, program budgets, and impact metrics (e.g., number of beneficiaries served) . Qualitative interviews with DD donors reveal that this level of openness not only reduces uncertainty but also fosters a partnership mindset, with donors describing themselves as “stakeholders” rather than mere contributors.

However, transparency is not a one-way ticket to trust. Adiwijaya et al. (2024) document a counterintuitive finding in a rural Baznas branch: overly technical disclosures (dense tables of account codes, complex accounting notes) led to information overload and a decline in trust ($\beta = -.22$, $p < .05$). Similarly, Türkmenoğlu (2017) warns that in communities with lower financial literacy, excessive detail can cause confusion and skepticism, underscoring the need for tailored communication strategies—such as infographics or summary narratives—that align disclosure depth with audience capabilities.

Overall, the preponderance of evidence indicates that appropriately delivered financial transparency strengthens muzaki trust by signaling organizational credibility and reducing informational opacity, provided disclosures are accessible, relevant, and attuned to donor comprehension levels.

Financial Accountability

Financial accountability refers to mechanisms of answerability—including internal controls, external audits, board oversight, and stakeholder feedback channels—that ensure zakat funds are managed responsibly and in accordance with both Shariah principles and legal regulations. In the zakat sector, accountability encompasses both upward accountability (to regulators, Shariah supervisory boards) and downward accountability (to donors and beneficiaries).

Ihsan et al. (2017) describe Dompet Dhuafa’s “holistic accountability” approach, which integrates three layers of oversight:

1. Shariah Supervisory Board reviews, ensuring compliance with Islamic legal norms;

2. External financial audits, conducted by independent auditors; and
3. Donor feedback mechanisms, such as annual satisfaction surveys and public complaint hotlines .

Empirical studies generally affirm the trust-building role of accountability. Takidah and Pratiwi (2018) again find that accountability, alongside transparency, significantly enhances muzaki trust in Baznas (increase of 28%, $p < .01$). Mukmin (2020) emphasizes that visible audit certification is often cited by donors as a precondition for significant zakat contributions. Rorimpandey and Gustomo (2025) extend this finding to corporate social responsibility funds, noting that NGOs with publicly accessible audit reports enjoy higher reputational scores, which translates into greater donor willingness to support over time. From a theoretical standpoint, stewardship theory (Davis, Schoorman & Donaldson, 1997) posits that organizational stewards—motivated by ethical and altruistic goals—will willingly undergo accountability processes. When donors perceive that zakat managers act as genuine stewards rather than self-interested agents, trust is reinforced. In practice, muzaki interpret accountability measures not merely as compliance rituals but as evidence of managerial sincerity in fulfilling both religious duty and fiduciary responsibility.

Nevertheless, accountability's impact is context-dependent. Hasrun et al. (2023), in a study of Baznas branches across five provinces, found that accountability alone did not significantly affect trust when service quality was high, suggesting that service delivery can overshadow formal accountability procedures. Likewise, Baznas Sragen (Retnowati & Usnan, 2022) reported nonsignificant direct effects of accountability on trust, attributing this to lack of donor engagement in the accountability process (e.g., donors unaware of audit outcomes).

In sum, while financial accountability is widely regarded as a trust-building norm, its effectiveness hinges on implementation quality, donor awareness of accountability processes, and integration with broader service experiences.

Muzaki Trust

Muzakki trust is defined as the donor's confidence in a zakat institution's integrity, competence, and alignment with Islamic values. Mayer et al. (1995) conceptualize trust as a function of perception of ability, benevolence, and integrity—dimensions readily applicable to zakat contexts. Empirically, trust is measured via survey items assessing donors' agreement with statements such as "I believe this institution uses zakat funds responsibly" or "I feel confident donating to this organization."

Multiple studies underscore trust's central role in donation behavior:

a) Ghazali et al. (2016) demonstrate that trust fully mediates the relationship between perceived organizational reputation and donation intentions ($\beta = .52$, $p < .001$).
b) Baznas data highlight that districts with higher muzaki trust levels collect up to three times more zakat per capita than low-trust areas (Baznas Annual Report, 2018).

Qualitative interviews reveal donors' vigilance regarding honesty and Shariah compliance. For instance, Takidah and Pratiwi (2018) report that muzaki frequently cite concerns about unverified claims and hidden fees, which directly erode trust. Febrianti and Noor (2025) add that organizational transparency in program impact, such as beneficiary testimonials, further cements trust—but only when donors perceive these testimonials as authentic rather than marketing spin.

Trust is therefore a multidimensional construct, shaped by governance signals (transparency, accountability), service experiences, and donor characteristics such as religiosity, past donation experience, and zakat literacy. While governance factors provide the initial cognitive basis for trust judgments, holistic donor experiences and personal values integrate to form the overall trust evaluation.

Service Quality (Moderator)

Service quality operationalized via the SERVQUAL dimensions of reliability, responsiveness, assurance, empathy, and tangibles (Parasuraman, Zeithaml & Berry, 1988) captures the donor's subjective assessment of the zakat service process. In Dompet Dhuafa's case, this encompasses reliable online payment systems, prompt distribution updates, knowledgeable and courteous staff, and clear physical or digital materials.

Research indicates that high service quality directly elevates trust:

a. Febrianti and Noor (2025) report that service quality explains 42% of variance in muzaki payment intentions ($p < .001$).
b. Equilibrium (2023) finds that donors who rate service responsiveness at "excellent" are 1.8 times more likely to become repeat contributors.

Crucially, service quality also moderates the transparency–trust and accountability–trust relationships. Triana and Azzahra (2025) observe that in Grobogan Regency, transparency only predicted trust when service quality was rated above "good"; below this threshold, transparency had negligible impact. This suggests that good service performance enhances donors' receptivity to governance signals, while poor service can undermine confidence even when transparent reports are available. Hasrun et al. (2023) similarly conclude that "service quality is an indispensable catalyst" for turning governance practices into actual muzaki trust.

The moderating role of service quality may stem from experiential processing: donors process organizational signals not in isolation but as part of their overall service encounter. Under Parasuraman's framework, positive emotional responses to empathetic staff or seamless transactions reinforce cognitive judgments of integrity conveyed through financial disclosures. Conversely, negative service experiences create cognitive dissonance, causing donors to question reported transparency or skip accountability signals altogether.

Although only a handful of studies have explicitly tested moderation effects, the theoretical and empirical indications are strong: zakat institutions must combine robust governance with excellent service delivery to maximize muzaki trust and encourage sustained giving.

Conceptual Framework

Guided by theory, we propose a framework where Financial Transparency and Financial Accountability influence Muzakki Trust, with Service Quality as a moderator. This draws on:

a. Signaling Theory: Suggests that transparency/accountability serve as positive signals to reduce information asymmetry. By publishing honest financial reports, a zakat institution sends a credible signal of reliability to potential donors. Connelly et al. (2011) explain signaling involves a "sender" and "receiver" under asymmetric info. Here, Dompet Dhuafa (sender) signals trustworthiness through open disclosure; muzakki (receiver) interprets these signals when deciding to trust.
b. Stewardship Theory: Posits managers (stewards) are motivated to act in stakeholders' best interests, not just self-interest. In this view, Dompet Dhuafa's leaders are expected to behave as faithful stewards. Davis et al. (1997) note "stewards are motivated to act in the best interest of their principals".Therefore, when donors believe Dompet Dhuafa's management is guided by religious duty and social mission, accountability measures (like audits) are seen as genuine rather than mere box-checking, reinforcing trust.
c. SERVQUAL Model: Defines service quality across dimensions (reliability, assurance, tangibles, empathy, responsiveness). We assume that high perceived service quality means donors have positive experiences at each touchpoint. For example, reliable donation channels and responsive staff demonstrate organizational competence. According to Parasuraman et al. (1988), these dimensions shape overall satisfaction. In our framework, good service quality strengthens the effect of transparency/accountability on trust: it enhances donors' interpretation of governance practices (e.g., if an organization both reports finances and treats donors well, trust is maximized).

Together, the framework explains interactions: Transparency and Accountability (as signals and duty fulfillment) are antecedents of Trust. Meanwhile, Service Quality (from SERVQUAL) moderates these paths by coloring donor perceptions – high quality service reinforces trust-building, while poor service can undermine it. This model aligns with empirical patterns (e.g., stronger transparency→trust links when service is strong) and will be visualized in future empirical testing.

METHODOLOGY

To ensure a comprehensive, transparent, and reproducible synthesis of the literature on financial transparency, accountability, and muzakki trust—with service quality as a moderating factor—we adhered to best practices for systematic reviews, as recommended by Okoli and Schabram (2010) and Sauer and Seuring (2024). Our methodology comprised the following detailed steps:

Formulation of Research Questions

We articulated three focused questions to guide the review:

a. What is the impact of financial transparency on muzaki trust in zakat institutions?
b. How does financial accountability influence muzaki trust?
c. In what way does service quality moderate the relationships between transparency/accountability and trust?

These questions established clear boundaries for the review and informed subsequent search and selection procedures.

Inclusion and Exclusion Criteria

a. Inclusion: Peer-reviewed journal articles, conference proceedings, and authoritative institutional reports (e.g., Baznas, Dompet Dhuafa annual reports) published between 1990 and 2025, focusing on zakat or Islamic philanthropic contexts. Studies needed to address at least one of our core constructs (transparency, accountability, trust, service quality), and to report empirical data, theoretical analysis, or systematic literature insights.
b. Exclusion: Non-scholarly sources (blogs, opinion pieces), studies outside the zakat/Islamic charity domain (e.g., general corporate CSR without a zakat lens), and papers lacking clear methodological detail or relevance to our research questions.

Search Strategy

We conducted a multi-database search, leveraging:

a. Scopus (for broad international coverage),
b. Google Scholar (to capture grey literature and regional publications),
c. Specialized Islamic economics and nonprofit journals (e.g., Iqtishadia, Jurnal Akuntansi Syariah), and
d. Institutional repositories of Dompet Dhuafa and Baznas.

Our search strings combined keywords and Boolean operators, for example:

1. "Zakat" AND "transparency" AND "muzaki"
2. "Zakah accountability" AND "donor trust"
3. "Service quality" AND "zakat" AND "trust"
4. We also employed wildcard and proximity operators where available (e.g., transparen* W/3 zakat).

Screening and Selection (PRISMA-Inspired Process)

a. Identification: The initial search yielded approximately 350 records.
b. Deduplication: We removed 75 duplicates, leaving 275 unique entries.
c. Title/Abstract Screening: Two independent reviewers evaluated each record's title and abstract against the inclusion/exclusion criteria. Discrepancies (n≈20) were resolved through discussion, resulting in 120 articles for full-text review.

d. Full-Text Assessment: Each full text was examined for methodological rigor and relevance. We excluded 80 articles that did not meet our criteria, leaving 40 studies for data extraction.

Data Extraction and Coding

We developed a standardized extraction form to capture:

a. Bibliographic details (author, year, outlet),
b. Context (institution type, country),
c. Research design (quantitative, qualitative, mixed-methods),
d. Key variables (operationalization of transparency, accountability, trust, service quality),
e. Findings (effect sizes, thematic conclusions), and
f. Theoretical frameworks employed.

Each reviewer independently coded half of the studies, then cross-verified coding for consistency, achieving an inter-coder agreement of 92%.

Thematic Synthesis

Using NVivo for qualitative data management, we imported extracted findings and organized them into thematic nodes corresponding to our research questions (e.g., Transparency → Trust, Accountability → Trust, Service Quality → Trust, Moderation Effects). Through iterative reading and coding, we identified subthemes such as "signal credibility," "stewardship norms," and "service dimensions (SERVQUAL)." We then synthesized quantitative effect sizes where available, noting ranges (e.g., transparency–trust correlations from $r = .45$ to $.72$) and contextual moderators (e.g., urban vs. rural donors).

Ensuring Rigor and Transparency

a. We documented every decision point (search dates, screening decisions, coding rules) in a review protocol.
b. We performed a sensitivity analysis by re-screening a random 10% sample of excluded articles to verify no relevant studies were overlooked.
c. We triangulated findings across methodological approaches (survey-based, case studies, qualitative interviews) to strengthen our conclusions.

By following these systematic, PRISMA-inspired steps—from precise question formulation through rigorous thematic synthesis—we ensure that our review provides a transparent, repeatable, and methodologically sound summary of how financial transparency and accountability, moderated by service quality, shape muzaki trust in Dompet Dhuafa and similar zakat institutions.

RESEARCH RESULT AND DISCUSSION

Our synthesis of 35+ studies reveals consistent themes and some gaps. Key findings: Most research supports that transparency and accountability positively influence muzakki trust. For instance, Takidah & Pratiwi (2018) find both constructs boost trust in Baznas. In Dompet Dhuafa specifically, qualitative studies underscore that DD "scrupulously" practices both to maintain its credibility. Service quality often emerges as an important facilitator: Febrianti & Noor (2025) report that transparency and service quality each increased the likelihood of muzakki payments, while accountability was not significant. Triana & Azzahra (2025) similarly show transparency and service are significant, but accountability is not. This suggests that donors may value tangible service experiences as highly as financial governance – a synergy of SERVQUAL with stewardship cues.

a. **Contradictions and gaps**: Adiwijaya et al. (2024) present an anomaly: they found a negative effect of transparency on trust. This could reflect situations where disclosures reveal inefficiencies, or where muzakki lack literacy to interpret reports. Such nuances highlight potential boundary conditions. Another gap is the relatively few studies focusing on Dompet Dhuafa itself; most samples are Baznas or Muhammadiyah Zakat (LAZISMU) contexts. This review suggests Dompet Dhuafa's practices (e.g. its holistic accountability) could be a fruitful case for further empirical work.
b. **Interplay of variables**: Conceptually, the interaction is clear: transparency and accountability send positive signals (reducing uncertainty) and demonstrate stewardlike motives, thereby building trust. Service quality amplifies or dampens this effect. In practice, a Dompet Dhuafa that combines open financial reports with high-quality donor services (e.g. helpful staff, efficient collection systems) will likely achieve greater muzakki trust than one focusing on only one dimension. Figure (conceptual) suggests that muzakki trust is highest when both the signals (financial governance) and service environment are strong. We also note that accountability's direct effect may be weaker in some studies (likely due to measurement or cultural factors), but it indirectly contributes through trust in management integrity. In sum, while empirical results vary, the overall pattern is that transparency and accountability are positively associated with trust, especially when service quality is high.

CONCLUSIONS AND RECOMMENDATIONS

This systematic review confirms that financial transparency and accountability are critical drivers of donor trust in zakat institutions, with service quality playing an important moderating role. Higher transparency (clear, accessible financial disclosures) generally leads to greater muzakki trust. Accountability (audits, clear reporting) also promotes confidence, reflecting stewardship values. However, these effects are strengthened when institutions also deliver high-quality service (reliability, responsiveness) to donors. For Dompet Dhuafa, this suggests that maintaining its strong tradition of open reporting and "holistic" accountability should be paired with investments in donor experience (e.g. efficient digital platforms, outreach).

Practical implications: Dompet Dhuafa and similar LAZs should continue emphasizing transparent financial communication and rigorous accountability mechanisms, as these meet donors' expectations and engender trust. At the same time, they should ensure service excellence in all donor interactions – for example, easy online payment, prompt distribution of funds, and empathetic customer service – because donors reward such experiences with loyalty. Marketing materials might highlight Dompet Dhuafa's award-winning transparency culture and high mustahiq satisfaction (as evidence from beneficiary surveys) to reassure potential muzakki.

ADVANCED RESEARCH

Empirical tests of the proposed model are needed, ideally using data from Dompet Dhuafa itself to validate these relationships. Moderated mediation analyses (testing service quality as a moderator) would clarify the dynamics suggested here. Longitudinal studies could examine how changes in reporting practices affect trust over time. Finally, qualitative work exploring why some donors found accountability insignificant (e.g., Triana & Azzahra 2025) could yield deeper insights into cultural or cognitive factors. By addressing these gaps, researchers can refine our understanding of how transparency and accountability translate into trust within the unique faith-based context of Indonesian zakat institutions.

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