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Selective Disclosure: Exploring Web-Based Accountability Strategies of Charitable NPOs in Indonesia

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Abstract

Technological advancements have transformed how organizations deliver accountability. This study investigates how Indonesian charitable Non-Profit Organizations (NPOs) utilize their websites for accountability. Analyzing 33 zakat institutions, the study focuses on five dimensions: accessibility, engagement, financial disclosure, operational disclosure, and governance, using 35 indicators. Applying Social Exchange Theory, the study reveals varied accountability levels, with higher levels in online-specific dimensions and selective sharing in traditional areas, especially financial disclosure, which may be influenced by concerns over misinterpretation and criticism. This implies that NPOs might prioritize information perceived as beneficial for reciprocal relationships, potentially leading to reluctance in full financial transparency. Despite government mandates to submit financial reports, many NPOs chose not to display this information on their websites, indicating a possible selective accountability approach. This study fills a gap in the literature on web-based accountability for charitable NPOs in emerging countries, particularly religious-based institutions, offering insights into their accountability practices and enriching the non-profit sector discourse.

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Introduction

Charitable non-profit organizations (NPOs) are pivotal in strengthening societal resilience and cohesion, especially during crises and emergencies (Hyndman, 2020; Meyer et al., 2021). Through their work, these organizations play a crucial role in mitigating the impact of humanitarian crises and supplementing essential public services, such as basic needs, healthcare, education, housing, and child protection.

While charitable NPOs make significant societal contributions, the level of accountability they provide to their stakeholders often does not align with these contributions. Research by Dhanani and Connolly (2012, 2015) suggests that the motivation behind some charities' accountability practices is more about legitimizing their activities and presenting a positive image rather than a normative sense of responsibility for their outcomes. Yet, accountability in charitable NPOs is essential to ensure transparency, build donor trust, and enhance the effectiveness of their programs. Becker (2018) highlights that obtaining voluntary accountability certification can markedly improve an NPO's reputation and perceived quality. Furthermore, Farwell et al. (2019) identified a link between the increasing demands for accountability from charitable NPOs and a decline in trust levels, underscoring the complex dynamics between transparency, trust, and perception in the charitable sector.

In the context of charitable religious NPOs, Ikhwanda and Hidayati (2019) found that in zakat institutions—an example of charitable Islamic-based NPOs—accountability fosters trust, which in turn

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increases individuals' willingness to contribute. Complementing this, Masruki et al. (2022) argue that external stakeholders of charitable Islamic-based NPOs prioritize accountability to contributors or donors, whereas internal stakeholders tend to focus more on fulfilling obligations to governments or regulators. This contrast highlights the complexity of accountability practices within religious NPOs, suggesting that a single approach may not fully satisfy the differing expectations of external and internal stakeholders.

The digital era has catalyzed a notable shift towards online accountability, fundamentally altering how NPOs engage with their stakeholders (Clark et al., 2016; Dumont, 2013b). While recent studies have focused on the rising importance of social media in online accountability (Alexander et al, 2023; Amelia & Dewi, 2021; &Valentini, 2020; Nguyen et al., 2024), websites remain a unique and critical platform. Unlike other forms of online media, websites provide NPOs with a customizable space to strategically prioritize and share information. Initially, Kang and Norton (2004) observed that NPOs lacked effective strategies for utilizing websites to achieve their objectives. However, as Saxton and Guo (2011) highlight, the internet has since evolved into a powerful tool for demonstrating and enhancing accountability. With a significant portion of the global population having internet access, including 45.8% in rural areas (Meltwater, 2023), websites have become a key medium for organizations to communicate with their stakeholders.

Research on web-based accountability in NPOs has predominantly focused on Western developed countries. Studies have been extensively conducted in the United States and a range of developed European nations (Cooley, 2020; Dainelli et al., 2013; Dumont, 2013a; Saxton & Guo, 2011; Sillah et al., 2020; Slatten et al., 2016; Stevens et al., 2018; Tremblay-Boire & Prakash, 2015), as well as in developed countries in Oceania like Australia (Chu & Luke, 2023) and New Zealand (Lord, 2017). However, despite the significant mobile connectivity in Asia (Meltwater, 2023), research in this region, particularly in emerging countries, remains limited.

This research aims to delve into the web-based accountability practices of charitable NPOs in Indonesia, with a particular focus on charitable religious-based NPOs. Indonesia, as the world's largest Muslim-majority country, consistently ranks the highest on the World Giving Index, reflecting a strong culture of philanthropy driven by religious practices (Charities Aid Foundation, 2022). This prominence underscores the vital role of charitable religious-based NPOs in managing and distributing charitable funds within the country. These institutions also contribute meaningfully to broader social development goals (SDGs), including efforts to increase the economic resilience of microenterprises and marginalized communities (Rifan & Wahyudi, 2023).

At the same time, accountability in religious-based NPOs has increasingly become a focal point of research (Jayasinghe & Soobaroyen, 2009; Saqib et al., 2017; Yasmin et al., 2014). For instance, Mardian et al. (2024) conducted a case study of a small mosque and observed that simple mechanisms of both vertical and horizontal accountability were practiced. Nonetheless, studies indicate the reliance on trust-based mechanisms and the presence of hierarchical structures within religious-based organizations tend to restrict the level of stakeholder participation (Yasmin et al., 2014). Given this context, there is an urgent need to examine the accountability practices of charitable religious-based NPOs in Indonesia, contributing valuable insights to this evolving area of study. While Abidin et al. (2014) made an early effort by evaluating the content of zakat institutions' websites—a type of charitable religious-based NPO—they did not address these findings within the framework of accountability.

Additionally, the growing interest of the younger generation in philanthropy, coupled with the proliferation of digital giving platforms (Charities Aid Foundation, 2022; Konstantinou & Jones, 2022), signals a pivotal shift towards modern methods of philanthropic engagement. This shift is particularly notable in emerging countries, which are experiencing a demographic bonus. This changing scenario presents an opportune moment to delve into web-based accountability practices, especially in the context of these emerging nations. Our study aims to fill the existing research gap by examining how web

platforms are being leveraged for accountability in the charitable sectors of emerging countries, shedding light on a crucial aspect of modern philanthropy. In addition, the study offers practical value for charitable religious-based NPOs, particularly zakat institutions as the focus of the study, and the broader Islamic welfare sector by mapping current web-based accountability practices. This study can serve as a reference for these institutions to evaluate the extent and type of information they disclose and to consider adjustments that may enhance public confidence. Improving digital transparency can help formal zakat channels remain relevant and effective in a rapidly evolving philanthropic landscape and potentially support broader goals such as achieving the Sustainable Development Goals (SDGs).

Literature Review

Web-based Accountability in NPOs

Ebrahim (2003) developed a foundational framework for Non-Profit Organization (NPO) accountability, which encompassed mechanisms like reports and disclosure statements, performance assessments, participation, self-regulation, and social audits. A significant aspect of his work was the highlighting of a trend where NPOs prioritize upward and external accountability towards donors, often neglecting internal accountability mechanisms. This framework has had a considerable impact on subsequent research in the field of accountability, influencing various studies (such as in Dang et al., 2021; Harsh et al., 2010; Nguyen et al., 2015) and extending its relevance to the domain of web-based accountability.

Adapting Ebrahim's framework to the digital realm, Saxton and Guo (2011) examined the online platforms of US community foundations, particularly their websites. They found these platforms to be effective for disclosing financial and performance information. In a similar vein, Lord (2017) observed that international aid NPOs in New Zealand prominently featured financial disclosures on their websites. However, contrasting findings emerged in other studies. Stevens et al. (2018) reported a significant lack of financial disclosure among environmental protection NPOs in the US, while Chu and Luke (2023) noted deficiencies in both financial and social performance disclosures among Australian NPOs, despite the availability of relevant information on government websites.

The determinants of web-based accountability have also been a subject of interest. Research by Dainelli et al. (2013) across various countries suggested that donor power significantly influences accountability levels in museums. In Texas, Sillah et al. (2020) focused on fiscal transparency, disclosure of performance information, and responsiveness in NPOs, finding that board size was a critical factor influencing performance disclosure. Additionally, Slatten et al. (2016) identified regulatory control as a primary driver for web-based accountability in US arts and culture NPOs.

Alongside traditional accountability measures, unique dimensions specific to online platforms have also been identified. For example, Lord (2017) has expanded the accountability framework to include website-specific elements, such as design and transactional interactivity. Dumont (2013) introduced a virtual accountability index emphasizing accessibility and engagement, tailored for Illinois-based NPOs. Building on this, Uygur and Napier (2023) applied Dumont's dimensions to international non-governmental organizations, finding that during the COVID-19 crisis, there was an increase in accessibility and engagement, while accountability in areas like performance, governance, and mission remained constant. These findings suggest that in response to the pandemic, these organizations strategically enhanced certain aspects of their online presence, particularly accessibility and engagement, as a means to uphold their legitimacy and secure funding. This adaptation also highlights their efforts to effectively utilize digital platforms for broader stakeholder outreach during challenging times.

Moreover, Tremblay-Boire and Prakash (2015) noted particularly low disclosure levels in US religious NPOs. This tendency towards limited disclosure may stem from the enhanced trust inherent within religious communities, which can lead to reduced self-disclosure (Tremblay-Boire & Prakash,

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2015). This observation underscores the importance of gaining a deeper understanding of web-based accountability practices in religious-based NPOs, especially considering the unique trust dynamics at play.

Social Exchange Theory

The diverse accountability practices observed across different NPOs indicate that these entities strategically assess the potential benefits of their accountability measures. Social Exchange Theory, as posited by Blau (1964), underscores that mutual bonds and expectations are essential in social interactions, leading to social exchanges that differ fundamentally from economic exchanges. In social exchanges, the nature of the return is often unspecified, usually delayed (Lai et al., 2020; Windzio, 2018), and predominantly based on trust (Erdogan et al., 2004; Konovsky & Pugh, 1994). This contrasts with economic exchanges, where returns are typically immediate and clearly defined. Gould-Williams and Davies (2005) apply this theory to the employer-employee context, where the treatment of employees by the employer is expected to be reciprocated, whether through financial or non-financial means.

In a similar vein, accountability within NPOs can be understood as part of a reciprocal relationship. Here, NPOs weigh the potential benefits and costs associated with their accountability practices. This perspective implies that when NPOs decide how and what to disclose in terms of accountability, they are not only considering the act of disclosure itself but also anticipating what they will receive in return, such as increased trust, support, or resources from their stakeholders. For instance, the process of obtaining accreditation or labels for NPOs, while costly, is often undertaken with the understanding that these credentials serve as a deterrent against 'bad' NPOs (Bekkers, 2010; Stötzer et al., 2023). Thus, obtaining such accreditation is perceived as a means to secure future benefits. This indicates that the decision to pursue certain accountability measures is influenced by a strategic consideration of long-term advantages. This reciprocal dynamic is integral to the decision-making process of NPOs as they navigate their accountability strategies.

Research Method

This study employs a content analysis approach to examine the websites of charitable NPOs in Indonesia, a method widely used in NPO accounting and reporting research, as evidenced by studies like Dhanani and Connolly (2015) and Pärl et al. (2022). According to Krippendorff (2018), content analysis is a technique that involves the classification, tabulation, and evaluation of key symbols and themes within communicated material to infer their meaning and potential effects.

An exploratory analysis was conducted, focusing on five key dimensions of accountability: accessibility, engagement, governance, operational disclosure, and financial disclosure. These dimensions, adapted from the frameworks of (Dumont, 2013a) and Chu and Luke (2023) and supplemented with additional indicators pertinent to Indonesia's regulatory context, guided the qualitative analysis of website content. The incorporation of regulatory requirements as a reference point was crucial, as mandatory compliance is expected to drive the provision of such information to stakeholders. In total, 35 indicators were used: nine for accessibility, seven for engagement, four for financial disclosure, nine for operational disclosure, and six for governance. The full list of indicators, along with their corresponding results, is presented in the figures for each accountability dimension within the results section.

Data collection for this study was conducted in 2021, focusing on the web presence of 33 national-level zakat institutions—Islamic charitable organizations—in Indonesia, to examine their accountability practices. At that time, BAZNAS, the national zakat authority, was responsible for recommending the operational status of zakat institutions at the national, provincial, or regency/city levels. To ensure consistency and comparability across institutions, only those operating at the national level were included in the analysis. Table 1 presents the list of zakat institutions used in this study.

Table 1. Zakat Institutions Included in This Study

No.	LAZ
1	LAZ Dompet Dhuafa (DD)
2	LAZ Mandiri Amal Insani (MAI)
3	LAZ Inisiatif Zakat Indonesia (IZI)
4	LAZ Muhammadiyah (MU)
5	LAZ Bangun Sejahtera Mitra Umat (BSMU)
6	LAZ Nu Care-LAZISNU (NU)
7	LAZ Rumah Zakat (RZ)
8	LAZ Baitulmaal Muamalat (BMM)
9	LAZ Nurul Hayat (NH)
10	LAZ Griya Yatim & Dhuafa (GYD)
11	LAZ Panti Yatim Indonesia (PYI)
12	LAZ Yayasan Kesejahteraan Madani (YAK)
13	LAZ Rumah Yatim (RY)
14	LAZ PPPA Daarul Quran (DQ)
15	LAZ Yatim Mandiri (YM)
16	LAZ Al-Azhar (AZH)
17	LAZ Mizan Amanah (MA)
18	LAZ Wahdah Inspirasi Zakat (WIZ)
19	LAZ Baitul Maal Hidayatullah (BMH)
20	LAZ Dewan Da'wah Islamiyah Indonesia (DDII)
21	LAZ Yayasan Dana Sosial Al Falah (YDSF)
22	LAZ Daarut Tauhid Peduli (DT)
23	LAZ Pusat Zakat Umat - PERSIS (PZU)
24	LAZ Djalaludin Pane Foundation (DPF)
25	LAZ Hadji Kalla (HK)
26	LAZ Elzawa (EL)
27	LAZ Lembaga Manajemen Infak (LMI)
28	LAZ AQL (AQL)
29	LAZ LAGZIS Peduli (LP)
30	LAZ Global Zakat-ACT (GZ)
31	LAZ Membangun Keluarga Utama (MKU)
32	LAZ Sahabat Yatim (SY)
33	LAZ Al Irsyad (AI)

The Dumont scale (2013), which ranges from "0 to 3" or "0 or 3," was used for assessment. For example, the presence of financial statements, as an indicator of financial disclosure, could score from 0 (no statements available) to 3 (statements available for 2020 and the previous two years). Despite using a graded scale, the approach remains qualitative and exploratory, aiming for understanding charitable NPOs' web-based accountability practices. Following Kracauer (1952) rationale, a small size of investigated objects is considered appropriate for such analysis, as also seen in Hoffman et al. (2008).

To ensure consistency and reliability in the analysis, two coders were involved: coder 1 as the primary coder and coder 2 to verify intercoder reliability. The results of their analysis were categorized into five levels, ranging from 'bad' to 'excellent.' This categorization was based on a model developed by the Indonesia National Zakat (Islamic Charity) Agency (BAZNAS) for evaluating zakat management (BAZNAS Center of Strategic Studies, 2016), as detailed in Table 2.

Table 2. Five Categories for Evaluating Web-based Accountability

No.	Percentage	Category
1	0 - 20%	Bad
2	21% - 40%	Poor
3	41% - 60%	Fair
4	61% - 80%	Good
5	81% - 100%	Excellent

Source: BAZNAS Center of Strategic Studies (2016)

Results and Discussion

Accessibility

Accessibility holds a unique and crucial role in the sphere of online accountability, extending beyond its significance in offline contexts as highlighted by Dumont (2013). Online, accessibility becomes more apparent and directly influences user interaction with websites. A website that is difficult to navigate or not user-friendly can quickly deter users, impeding effective information exchange. Figure 1 illustrates the implementation of various accessibility indicators by charitable NPOs on their websites.

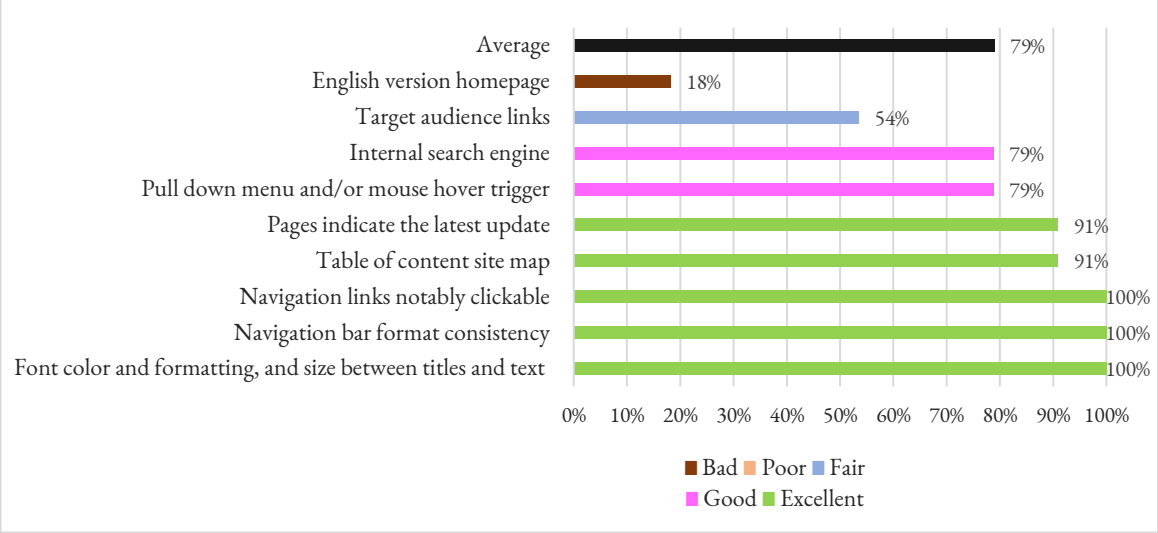

Figure 1. Accountability Level of Accessibility Indicators

The analysis revealed that all evaluated NPOs' websites exhibit a consistent color scheme, clear text formatting, and user-friendly navigation with clickable elements. This dedication to accessibility reflects a strategic choice informed by Social Exchange Theory. By creating an accessible and intuitive website, charitable NPOs likely aim to foster a reciprocal relationship in which ease of information access leads to increased user trust and engagement. Such reciprocity underscores the vital role of accessibility in bolstering the overall accountability and transparency of the organization.

However, it is important to note that while internet accessibility can facilitate information availability, it does not automatically guarantee enhanced transparency and accountability (Ferreira et al., 2022), as also evidenced in studies of e-government (Pina et al., 2010). Thus, while accessibility is a crucial component, it is part of a broader set of factors that influence web-based accountability.

Furthermore, Figure 2 demonstrates that all charitable NPOs uniformly regard accessibility as a crucial dimension of accountability. Notably, none of the NPOs fall into the 'bad' or 'poor' categories, with a majority (55%) being categorized as 'excellent'. This indicates a consensus among the NPOs on the importance of providing stakeholders with easy access to disclosed information.

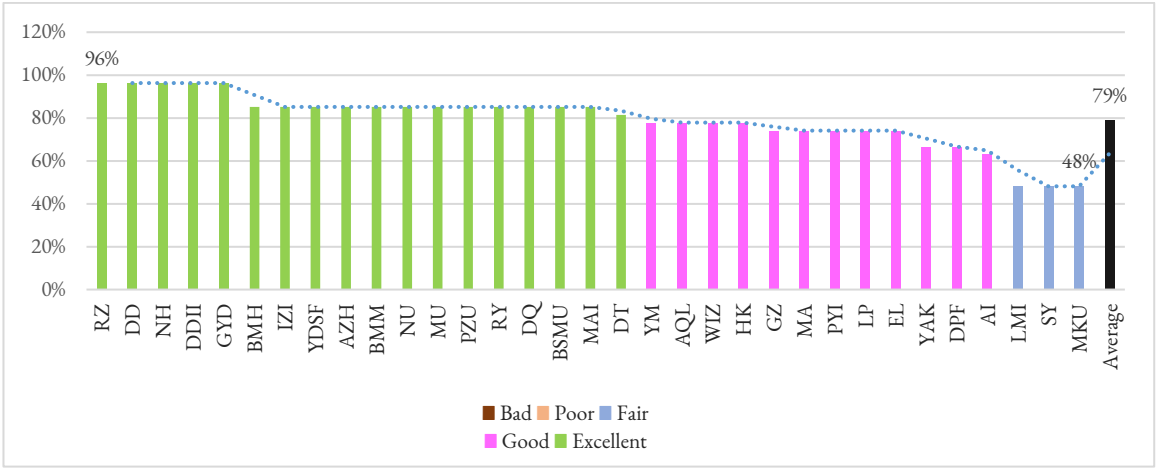

Figure 2. Accountability Level of Accessibility Dimensions for Each NPO

Engagement

Engagement stands out as the second critical dimension in assessing the online accountability of NPOs, which facilitates interaction between users and the NPOs and enables stakeholders to actively participate in the NPOs' activities. A notable observation from our analysis is that providing contact details is the most fulfilled engagement indicator among the NPOs studied. Additionally, many NPOs offer references to their presence on other media platforms, further expanding the avenues for engagement.

However, a gap was identified in the provision of Frequently Asked Questions (FAQs) sections – only 30% of the charitable NPOs include such a feature on their websites (see Figure 3). FAQs are instrumental in assisting users to quickly find answers to common queries, enhancing the user experience and potentially increasing stakeholder engagement. The limited availability of FAQs suggests a missed opportunity for some charitable NPOs to streamline stakeholder interactions.

It is possible that charitable NPOs have strategic reasons for this omission. While FAQs are designed to reduce the volume of direct contacts to an organization's team (Gallemard, 2020), many may prefer that stakeholders engage through direct contact methods provided on the website, fostering more personalized and relevant conversations. Such relationships can lead to a richer exchange of value and information, ultimately enhancing mutual benefits.

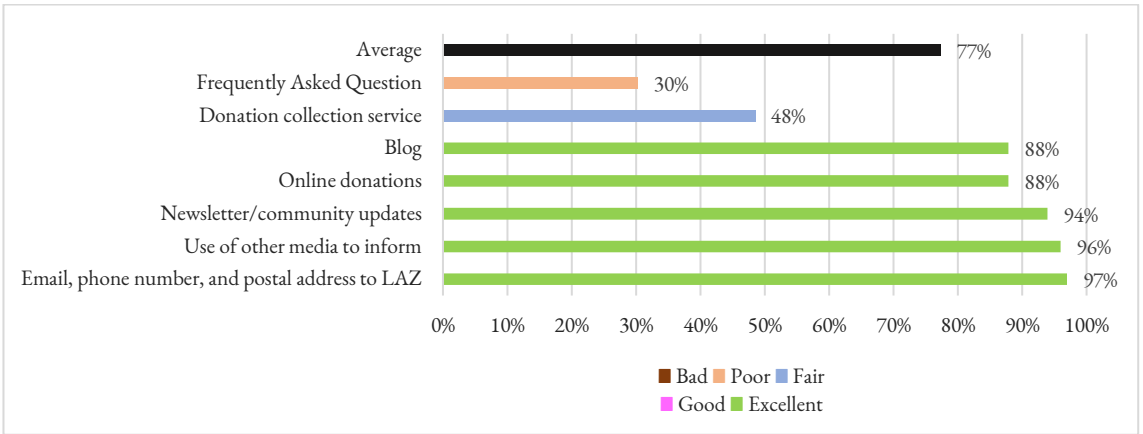

Figure 3. Accountability Level of Engagement Indicators

The majority of charitable NPOs recognize engagement as a crucial dimension that must be addressed online, as evidenced by the data in Figure 4. Only one NPO is rated as 'poor' in this aspect. Similar to the

findings on accessibility, it can be considered that there is a uniform acceptance of the importance of the engagement dimension across the charitable NPOs under study.

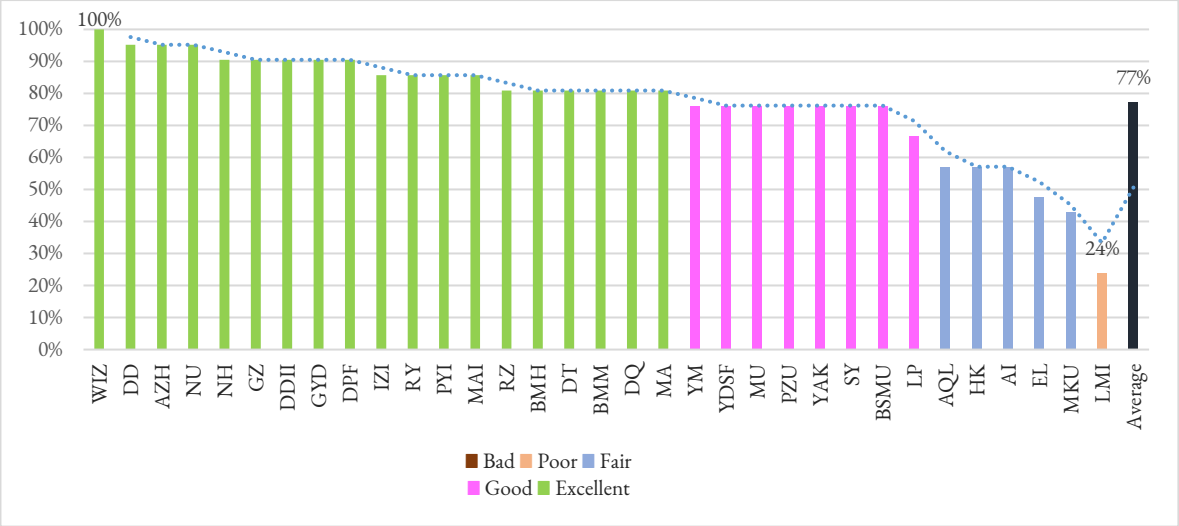

Figure 4. Accountability Level of Engagement Dimensions for Each NPO

Financial Disclosure

Financial disclosure stands as a critical accountability dimension for NPOs, often deemed the most essential disclosure on their websites (Anderson, 2009; Chu & Luke, 2023; Lee & Joseph, 2013). This dimension typically includes financial statements and auditors' reports. Yet, our analysis, illustrated in Figure 5, shows that the overall level of financial disclosure among the studied NPOs is notably low, with most falling into the 'poor' category.

Figure 5. Accountability Level of Financial Disclosure Indicators

A striking finding, as detailed in Figure 6, is that 15 out of 33 NPOs did not disclose any financial indicators. This trend aligns with the findings of Connolly and Kelly (2020), who noted a similar omission of financial documents in their study, as the investigated organizations focus primarily on meeting the minimum legal requirements. These omissions can be viewed through the lens of Social Exchange Theory, indicating a strategic choice by the NPOs. They likely balance the potential drawbacks of full disclosure, such as misinterpretation or criticism, against its perceived benefits. This balance suggests a nuanced approach to financial transparency, aimed at safeguarding donor trust and support.

Notably, four NPOs in our study were rated 'excellent' in financial disclosure. These organizations evidently place high value on financial transparency, considering it as a fundamental element for establishing trust with stakeholders, aligning with Lord's (2017) findings. Despite potential risks like attracting criticism, they seem to consider financial disclosure a strategic investment in fostering stakeholder relationships. However, this emphasis on accountability in financial disclosure, as exemplified by these four NPOs, is not a universally held view. While 7 other NPOs are rated as 'good' or 'fair', a significant portion (22 out of 33, or 66%) either do not disclose financial information at all or disclose very little, and are thus categorized as "bad" or "poor".

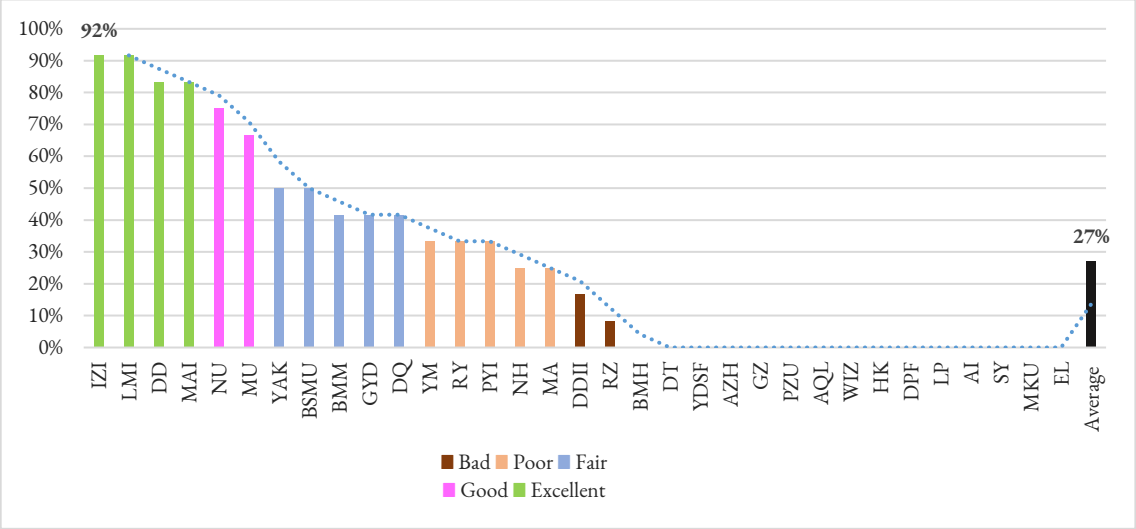

Figure 6. Accountability Level of Financial Disclosure for Each Charitable NPO

In their study of Malaysian NPOs, Zainon et al. (2014) discovered that external auditor presence leads to improved information disclosure. However, it is noteworthy that the zakat institutions in our study are already subject to financial statement audits by external auditors, a requirement enforced by the government. Even though audited financial statements are submitted to the government, there may be a perception among these NPOs that disclosing sensitive financial information could potentially not result in a positive exchange. This possibility suggests a cautious approach to public disclosure, even when external audits are mandated and conducted.

Additionally, Tremblay-Boire and Prakash (2015) have noted that the inherent trust characteristic of religious-based NPOs might reduce the perceived need for detailed self-disclosure. Our study aligns with these findings yet offers a unique perspective. We observe that not all NPOs exhibit low levels of financial accountability. Applying Social Exchange Theory provides a clearer explanation: different NPOs perceive varied potential benefits from disclosing financial information. This variation suggests that religious-based organizations may calculate the potential reciprocal advantages of financial transparency, which could lead to different levels of disclosure.

Operational Disclosure

Operational disclosure is a crucial channel through which NPOs can promote their activities and goals (Chu & Luke, 2023). This dimension typically includes the organization's vision and mission statements, as well as documentation of their programs and activities. As illustrated in Figure 7, a significant majority of the charitable NPOs in our study recognize the importance of providing detailed documentation of their activities and programs as a form of accountability. Additionally, 91% of these organizations transparently communicate their vision and mission, showcasing their commitment to articulating long-term objectives.

However, a notable gap is observed in the context of religious-based NPOs, as these NPOs need to adhere to Islamic principles. Despite the general openness in operational disclosures, these NPOs do not typically include reports on their compliance with Sharia or Islamic law on their websites. This omission may stem from a perception that information on religious compliance is sensitive and could potentially complicate the process of mutual exchange between the NPOs and their stakeholders. This observation is mirrored in the context of Islamic banks, where Masruki et al. (2020) found that disclosures affirming Sharia compliance are often lacking and require improvement. Charitable religious-based NPOs may assess that revealing detailed information about religious compliance could introduce complexities that might not align with the expected benefits of this exchange. Therefore, while operational transparency is high in certain areas, it falls short in terms of disclosing religious compliance.

It is important to acknowledge that, in addition to the mandate for audited financial statements, the government requires these zakat institutions to submit annual activity or performance reports. Moreover, they are also subject to Sharia compliance audits conducted by the Ministry of Religious Affairs. Despite these regulatory requirements, the provision of Sharia compliance reports and performance reports on their websites is not prioritized as a form of accountability by these NPOs.

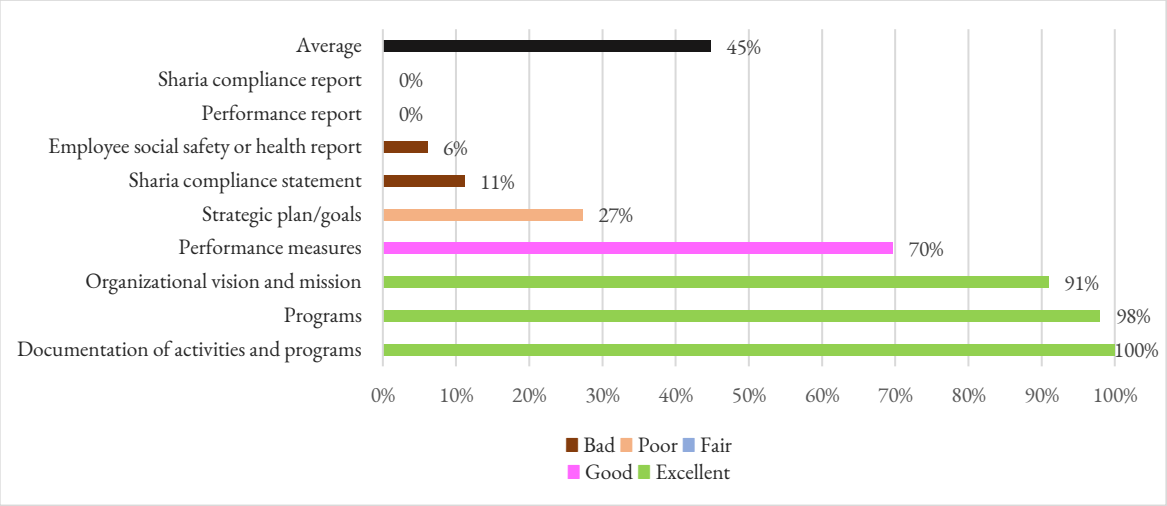

Figure 7. Accountability Level of Operational Disclosure Indicators

Further, we examined the level of operational disclosure for each charitable NPO, as shown in Figure 8. The results are relatively uniform, with the majority (61%) of the NPOs being categorized as 'fair'.

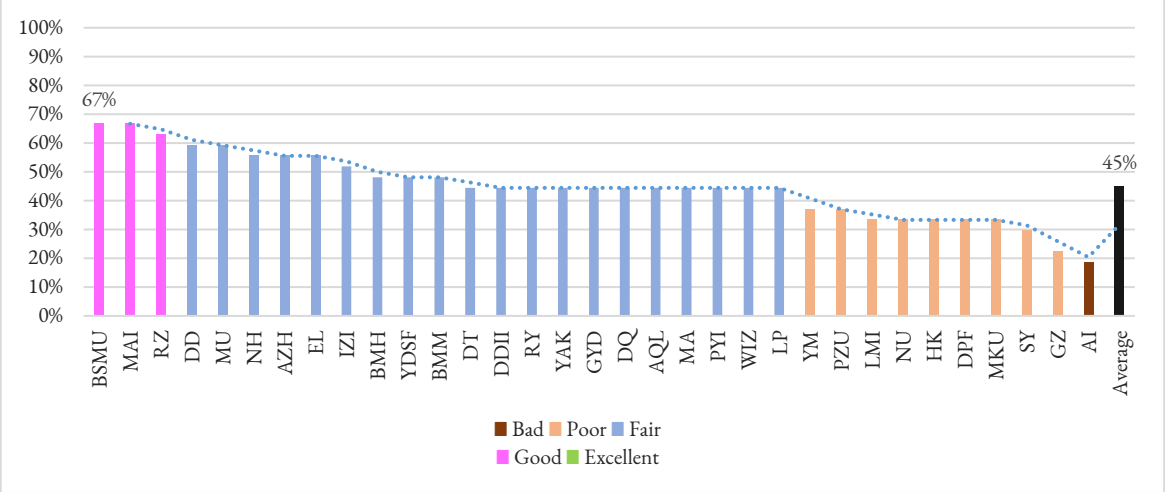

Figure 8. Accountability Level of Operational Disclosure for Each Charitable NPO

Governance

Governance represents the final dimension of accountability in our study of NPOs. High standards of governance are instrumental in ensuring effective management of donations and fostering trust among stakeholders. Robust control mechanisms within NPOs can enhance organizational efficiency (Benito-Esteban et al., 2024; De Andrés-Alonso et al., 2016; Ebrahim et al., 2014). Therefore, having clear and transparent governance structures not only helps in building a positive reputation for NPOs but also plays a significant role in attracting and maintaining a steady inflow of donations.

Despite the recognized importance of governance, our findings indicate a cautious approach by charitable NPOs in disclosing detailed governance information. As depicted in Figure 9, only a small percentage (3%) of the charitable NPOs provide minutes or summaries from their board of directors' meetings. This finding echoes the observations of Darmadi (2013), who noted the lack of detailed board meeting information in Islamic banks' annual reports.

A similar pattern observed in both financial and operational disclosures is also evident in the governance dimension. The existence of regulatory mandates does not necessarily translate into high levels of web-based accountability for the public. In Indonesia, these charitable NPOs are required by the government to submit opinions from their Sharia supervisory boards, indicating the presence of such boards. However, our study finds that only 55% of these NPOs provide information about their Sharia supervisory boards on their websites. This indicates a gap between regulatory requirements and the transparency in governance among these organizations.

This finding reflects a selection in the public disclosure of governance-related information by NPOs. Echoing the tendencies observed in operational disclosure, these organizations tend to share only general governance details. This approach provides stakeholders with enough information to form a basic understanding, while carefully avoiding the revelation of sensitive internal processes. Such a strategy represents a delicate balance between transparency and the need for confidentiality. While governance details are crucial for ensuring accountability, an excess of information might pose risks or provoke concerns that might adversely affect the organization's operations or its relationships with donors. By doing so, NPOs might aim to maintain a balanced exchange with stakeholders, ensuring that the flow of information aligns with both organizational integrity and stakeholder expectations.

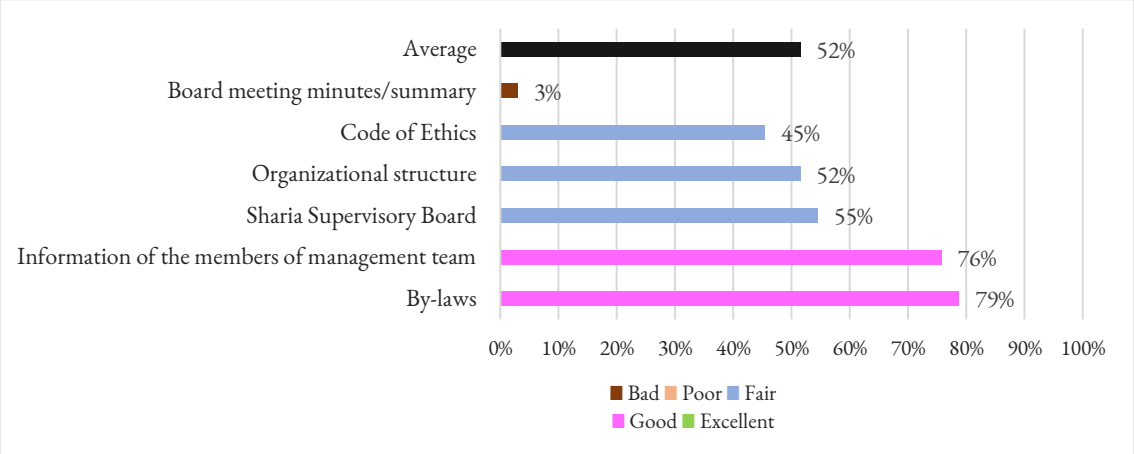

Figure 9. Accountability Level of Governance Indicators

The level of accountability for governance dimension in each charitable NPO varied, ranging from 'bad' to 'excellent', while two NPOs provided no items indicated as governance accountability on their websites (see Figure 10). This varied approach highlights the diversity within the sector, indicating that perceptions of the benefits and risks or reciprocal benefits associated with governance may differ markedly across NPOs.

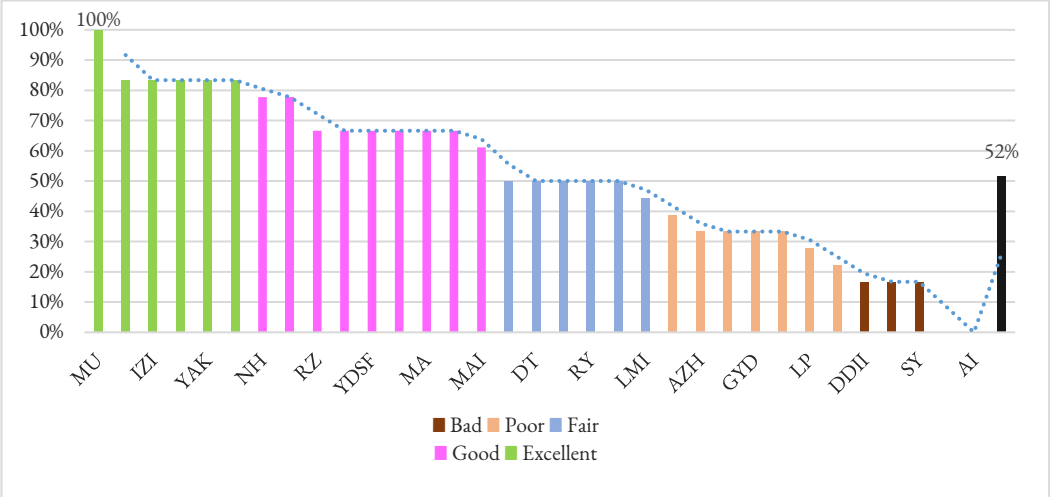

Figure 10. Accountability Level of Governance Dimension for Each Charitable NPO

Overall Accountability

Figure 11 offers an overview of web-based accountability across multiple dimensions for charitable NPOs. Notably, these organizations place significant emphasis on website accessibility, which is vital for effective information dissemination to stakeholders. High scores in engagement and accessibility on their websites support Dumont's (2013) findings. From the perspective of Social Exchange Theory, these NPOs likely view the provision of accessible and engaging content as a way to foster reciprocal benefits with stakeholders, including donors, beneficiaries, and the general public, with the expectation of cultivating trust, loyalty, and ongoing support. Furthermore, the focus on accessibility is particularly noteworthy as it facilitates the dissemination of information in other accountability dimensions.

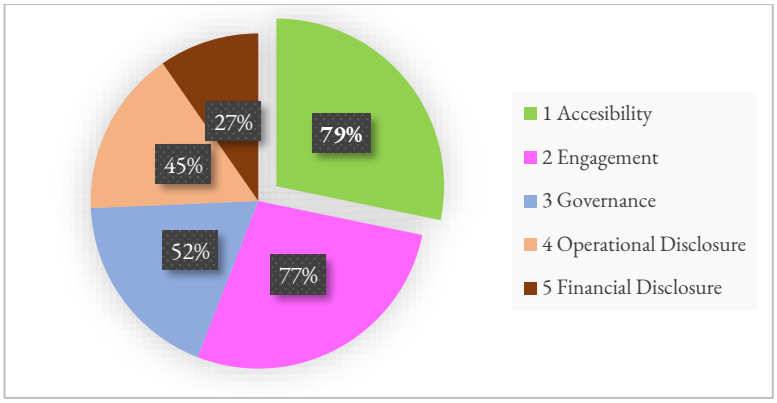

Figure 11. Overall Web-based Accountability for Each Dimension

Moderate levels in governance and operational disclosure seemingly represent a strategic equilibrium. Charitable NPOs may share just enough governance information to meet perceived expectations for transparency and legitimacy, while possibly avoiding excessive details that could invite increased scrutiny or operational complexities.

Financial disclosure is identified as the weakest dimension of accountability, aligning with Chu and Luke's (2023) observations of generally weak financial accountability among NPOs, particularly when such information is disseminated through NPOs' websites. Despite the mandatory requirement for financial statements and audit reports, their frequent absence on Indonesian charitable NPOs' websites implies a reliance on alternate reporting channels to regulatory authorities. This is notable, considering studies like

Blouin et al. (2018) and Rossi et al. (2020), which suggest that financial disclosures can attract more donations. This finding indicates a potential mismatch between the perceived risks and benefits of financial disclosure among the NPOs studied. Plaisance (2023) further supports this, noting a positive correlation between accountability practices and financial effectiveness.

Conclusion

This study reveals that zakat institutions, as a form of charitable religious NPOs, utilize websites as part of their accountability framework to stakeholders, providing insights into existing literature by employing Social Exchange Theory. Notably, the unique dimensions of online accountability, which are accessibility and engagement, are relatively higher compared to the more 'traditional' dimensions such as financial, operational, and governance disclosures. This elevated level of accountability can be attributed to technological advancements, which facilitate easier access to information and more effective stakeholder engagement.

However, a lower level of accountability in the 'traditional' dimensions suggests a strategic approach by these NPOs. They seem to selectively share information that is perceived as 'safe' and likely to generate reciprocal benefits between them and their stakeholders. Particularly, the reluctance to fully disclose financial information on websites raises concerns. This selective approach to accountability may be more about crafting a positive image rather than providing comprehensive transparency. Such a strategy could potentially affect stakeholder relationships if it is perceived as avoiding full disclosure, especially concerning financial matters.

Furthermore, while our findings reinforce previous research by Stevens et al. (2018) and Chu and Luke (2023) regarding the limited financial disclosures among NPOs' websites, they also reveal a broader range of financial accountability practices, from non-existent to excellent. Most notably, the majority of NPOs provide no financial disclosure. Expanding on the observations of Tremblay-Boire and Prakash (2015), our study suggests the possibility that the low level of financial accountability in religious-based NPOs may not be solely due to trust-based relationships. Instead, it seems more related to concerns over potential criticism and the perceived risks associated with providing financial information, rather than the benefits that such transparency might bring.

It is crucial to note that a government's mandatory requirements do not necessarily translate into voluntary public disclosure by NPOs, even though websites provide an easy means for disseminating information. While these NPOs are obliged to meet these requirements to maintain their legal status, they often view web-based disclosure as a voluntary action. This perspective is particularly adopted when the benefits of such disclosure, in terms of positive exchange, are unclear. As a result, this leads to a situation where accountability is constrained and not fully extended to all stakeholders. This results in constrained accountability that does not fully extend to all stakeholders, reflecting a selective rather than comprehensive commitment to transparency and accountability.

To maintain public trust, a shift in approach may be needed to demonstrate that charitable NPOs are deserving of this trust, potentially obviating the need for increased governmental regulation. Nonetheless, our findings indicate a hesitancy to provide certain types of accountabilities, which could prompt government authorities to advocate for more comprehensive disclosure practices, particularly regarding financial information, on NPO websites.

This study is not without limitations. In the current digital era, institutions often use various online media platforms, not just websites, to convey accountability. Charitable NPOs may also engage stakeholders through social media, particularly to connect with younger demographics, an aspect not covered in this research. Furthermore, this study focuses on identifying patterns in disclosure but does not directly explore the underlying reasons behind those practices. Additional research, both quantitative and qualitative, is necessary to gain deeper insights into the drivers of selective accountability among NPOs. Given the special role of trust in religious-based NPOs, there is also a need for further examination

of how they can optimally balance transparency and stakeholder trust in their accountability practices. Notably, while this study discusses zakat institutions as a form of charitable NPOs, it is important to note that these organizations operate under Islamic law (*sharia*), which shapes accountability within an Islamic framework. However, the concept of Islamic accountability is not addressed in this study and should be considered in future research to better capture the unique dimensions of web-based accountability in zakat institutions.

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