

The Role of Service Quality in Moderating the Effect of Financial Transparency and Accountability on Muzakki's Trust

Meilya Evita Syari, M. Irsan Nasution

Abstract

This study systematically reviews the literature on the relationships among financial transparency, financial accountability, service quality, and muzakki (zakat donor) trust. Following PRISMA guidelines, 32 peer-reviewed studies published between 2013 and 2025 were screened and analyzed using a structured extraction protocol. Most studies ($\approx 65\%$) employed quantitative methods (SEM/PLS) and were contextually concentrated in Southeast Asia and the Middle East. Synthesis of the evidence indicates that both financial transparency and financial accountability have consistent, positive effects on muzakki trust; institutions that provide clear financial disclosures supported by accountable practices (e.g., audits, sharia compliance reporting) tend to secure higher donor confidence. Preliminary but convergent findings also show that service quality amplifies these governance–trust relationships: high-quality service (responsiveness, reliability, assurance, empathy) enhances the credibility and emotional reception of financial disclosures, thereby strengthening trust. Notwithstanding these insights, empirical tests of moderation remain limited, cross-country comparative research is scarce, and longitudinal evidence is lacking. The paper concludes with theoretical integration (agency, stakeholder, and service-quality frameworks) and offers methodological recommendations for future research—calling for robust moderation testing, longitudinal or experimental designs, dimension-level analyses of service quality, and validated context-specific measurement scales. Practical implications for zakat institutions and policymakers include combining transparent reporting, accountable governance, and service-improvement strategies to sustain muzakki trust.

Keywords: *Financial Transparency, Financial Accountability, Service Quality, Muzakki Trust, Systematic Literature Review.*

Meilya Evita Syari
Master of Accounting, Universitas Pembangunan Panca Budi, Indonesia
e-mail: meilyaevita05@gmail.com

M. Irsan Nasution
Master of Accounting, Universitas Pembangunan Panca Budi, Indonesia
e-mail: irsan@dosen.pancabudi.ac.id
2nd International Conference on the Epicentrum of Economic Global Framework (ICEEGLOF) Theme: Navigating the Future: Business and Social Paradigms in a Transformative Era.
<https://proceeding.pancabudi.ac.id/index.php/ICEEGLOF/issue/view/9>

Introduction

Zakat plays a vital role in promoting social welfare and reducing economic inequality within the Muslim community. As the management of zakat funds becomes increasingly institutionalized, public trust (muzakki's trust) toward zakat institutions is crucial for ensuring sustainable participation and compliance.

However, recent studies and reports indicate that many zakat organizations still face challenges in building and maintaining this trust. Key factors influencing trust include financial transparency, financial accountability, and service quality.

Financial transparency ensures that muzakki can clearly observe how their contributions are collected, allocated, and utilized. Accountability, on the other hand, reflects the institution's responsibility in reporting and managing zakat funds according to sharia and governance principles. Meanwhile, service quality—including responsiveness, reliability, and empathy—may strengthen or weaken the impact of transparency and accountability on trust.

Given these dynamics, this paper aims to systematically review existing literature to understand how service quality moderates the relationship between financial transparency, accountability, and muzakki's trust. By adopting the Systematic Literature Review (SLR) approach, this study synthesizes current findings, identifies gaps, and proposes directions for future empirical research.

Literature Review

2.1 Financial Transparency

Financial transparency refers to the openness and clarity with which organizations disclose their financial activities. In the context of zakat management, it involves publishing reports on zakat collection, allocation, and utilization. Studies (e.g., Huda et al., 2019; Hasanah, 2021) have shown that transparent reporting increases the confidence of muzakki by reducing information asymmetry and perceived risk.

2.2 Financial Accountability

Financial accountability relates to the obligation of zakat institutions to justify their actions and outcomes. It includes compliance with sharia rules, adherence to accounting standards, and regular audits. Research (Abdullah & Suhaimi, 2020) highlights that accountability enhances trust by signaling integrity and reliability.

2.3 Service Quality

Service quality in zakat institutions encompasses responsiveness, assurance, empathy, and reliability in serving muzakki. High service quality fosters satisfaction and emotional connection, which in turn strengthens trust (Parasuraman et al., 1988; Mutmainah, 2020).

When service quality is high, the positive effects of transparency and accountability on trust may be amplified—suggesting a moderating effect.

2.4 Muzakki's Trust

Muzakki's trust refers to the willingness of zakat payers to rely on the institution's integrity, competence, and benevolence. Trust encourages consistent zakat payment through formal institutions rather than direct giving (Mustafa et al., 2022).

2.5 Conceptual Framework

Based on the reviewed literature, the conceptual model proposes that:

Financial transparency → increases muzakki's trust

Financial accountability → increases muzakki's trust

Service quality → moderates the relationship between transparency/accountability and trust

Thus, service quality acts as a strengthening mechanism that enhances the influence of good governance on trust.

Research Methodology

3.1 Research Design

This study applies the Systematic Literature Review (SLR) method to synthesize and evaluate existing research. The SLR approach ensures comprehensive, transparent, and replicable data collection and analysis, following PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines.

3.2 Data Sources and Search Strategy

Data were collected from academic databases such as Scopus, Web of Science, Google Scholar, and ScienceDirect.

The search terms used were combinations of:

“financial transparency,” “financial accountability,” “service quality,” “trust,” “zakat institutions,” and “muzakki.”

Inclusion period: 2013–2025.

Language: English and Indonesian.

Document types: peer-reviewed journal articles, conference papers, and academic theses.

3.3 Inclusion and Exclusion Criteria

Inclusion:

Research focused on transparency, accountability, service quality, and trust in Islamic philanthropy or zakat.

Empirical and conceptual papers.

Exclusion:

Non-academic publications, duplicates, or articles lacking methodological clarity.

3.4 Data Extraction and Analysis

Selected papers were reviewed for:

Authors, year, journal

Context and objectives

Research methods

Key findings and theoretical implications

A qualitative thematic analysis was then conducted to identify dominant patterns and relationships among variables.

3.5 Quality Assessment

Each article was evaluated on:

Relevance

Rigor

Theoretical contribution

Scores (Low–Medium–High) were used to maintain consistency and validity of synthesis.

Results

4.1 Overview of Selected Studies — composition and characteristics

After screening and quality assessment, 32 studies met the inclusion criteria. Several persistent patterns emerged from these studies:

1. Publication timeline

The majority of studies were published between 2018 and 2024, indicating a rising scholarly interest in zakat governance, financial transparency/accountability, and muzakki trust during recent years. This increase is likely driven by: (a) the digitalization of zakat services, (b) regulatory and good-governance initiatives, and (c) growing public demand for institutional transparency.

2. Methodological approaches
 - a. Approximately 65% of the reviewed studies used quantitative methods, with Structural Equation Modeling (SEM) and Partial Least Squares (PLS) being the dominant analytical techniques for testing direct, mediating, or moderating relationships.
 - b. The remaining studies were qualitative, conceptual, case studies, or mixed-method works that explored organizational contexts and stakeholder perspectives in depth.
 - c. Most quantitative studies used cross-sectional survey designs with self-reported measures from muzakki, institutional staff, or other stakeholders.
3. Geographic and sample contexts
 - a. Research was largely concentrated in specific national or regional contexts (e.g., Indonesia, Malaysia, some Middle Eastern countries). Cross-country comparative research is scarce, so many findings are context-bound and influenced by local regulatory and cultural factors.
 - b. Typical samples consisted of muzakki (donors), while a smaller portion included zakat institution managers or other stakeholders.
4. Variables and measurement
 - a. Core constructs measured across studies included financial transparency, financial accountability, service quality (often based on SERVQUAL or adaptations), and trust.
 - b. Measurement of trust varied: some studies operationalized trust as a unidimensional construct, while others distinguished cognitive and affective trust.
 - c. Interpretation: The body of literature shows a clear empirical interest, but it remains an evolving field. The dominance of cross-sectional, single-country studies suggests a need for comparative and longitudinal research to strengthen external validity.

4.2 Findings on Financial Transparency and Accountability — synthesis of main results

Synthesis of the selected literature yields consistent findings as well as meaningful variations.

1. Consistent findings
 - a. Positive effect of transparency on muzakki trust

Most studies report that financial transparency—such as accessible financial reports, clear disclosure of fund allocation, and publicly available audit results—has a positive relationship with muzakki trust. Transparency reduces information asymmetry and perceived risk, making donors more comfortable to give through formal institutions.
 - b. Accountability as a signal of integrity

Financial accountability—including compliance with sharia principles, adherence to accounting standards, internal control mechanisms, and external audits—is consistently identified as a strong predictor of trust. Accountability signals that an institution is responsible and reliable in managing funds.
 - c. Synergistic governance effects

Transparency and accountability frequently act together. Transparency without genuine accountability can appear superficial, while accountability without visible transparency is difficult for the public to verify. Studies that examine both dimensions report stronger trust outcomes when both are present.
2. Variations and contextual moderators
 - a. Institutional and contextual conditions

In contexts with low financial literacy or low baseline trust in institutions, the effect of transparency on trust is attenuated. This suggests contextual moderators (e.g., culture, public trust baseline, literacy) influence how disclosure is interpreted.
 - b. Measurement differences

Results depend on how transparency and accountability are measured. Broad, behaviorally anchored measures (e.g., frequency and clarity of public communication) often show stronger effects than narrow measures (e.g., mere existence of documents).
 - c. Methodological caveats

A majority of studies are cross-sectional, which limits causal interpretation. Many studies also rely on single-source, self-reported data, raising the possibility of common method bias.

3. Practical implications from these findings

Zakat institutions should pursue both transparency and accountability: publish clear, comprehensible reports and back them with audits, verification, and stakeholder feedback channels.

Financial disclosure should be tailored to donor literacy — use visual summaries, dashboards, and plain-language explanations to increase the usability of disclosed information.

4.3 Findings on the Moderating Role of Service Quality — discussion of moderation evidence

Research on service quality as a moderator is less abundant but indicative.

1. Empirical and conceptual evidence

Relatively few studies explicitly test service quality as a moderator. Among those that do (e.g., conceptual syntheses and some empirical works), the reported evidence generally supports the hypothesis: service quality strengthens the positive effect of transparency and accountability on muzakki trust.

Many other studies report a direct positive effect of service quality on trust but stop short of testing interaction effects.

2. Theoretical mechanisms for moderation

Several mechanisms explain why service quality moderates governance → trust relationships:

a. Credibility enhancement

High-quality service (reliability, responsiveness, assurance, empathy) provides tangible experience that validates financial disclosures, making reports feel more credible.

b. Emotional assurance

Service quality fosters affective trust—feelings of being valued and secure—which complements cognitive trust generated by financial transparency.

c. Signal amplification

Service excellence amplifies governance signals: an institution that both reports transparently and treats donors well sends a stronger overall signal of integrity.

3. Conditions that strengthen or weaken the moderating effect

a. Digital vs. face-to-face contexts: In digital channels, usability, speed of response, and user experience are crucial moderators. In traditional, interpersonal service models, assurance and empathy play larger roles.

b. Institutional reputation: For well-established institutions with strong reputations, incremental improvements in service quality may have smaller marginal effects compared to less known institutions where service quality can significantly shift donor perceptions.

4. Limitations of current moderation evidence

The moderation literature is limited in quantity and often treats service quality as a global moderator. Few studies analyze the five SERVQUAL dimensions separately to see which dimensions drive moderation effects.

5. Recommendations for future moderation research

Employ robust moderation testing methods such as latent interaction modeling, multi-group SEM, and present interaction plots and simple slopes.

Test individual SERVQUAL dimensions (e.g., responsiveness vs. assurance) as distinct moderators.

Conduct experimental or longitudinal studies to establish causal pathways and observe how service improvements change the governance–trust relationship over time.

4.4 Theoretical Implications — integration of theory and conceptual contributions

The SLR findings support and extend several theoretical frameworks in the context of zakat management.

1. Agency Theory — reducing information asymmetry

Transparency functions as an agency mechanism that reduces informational asymmetry between institution managers (agents) and muzakki (principals). The positive transparency–trust link is consistent with agency-theoretic expectations: increased disclosure reduces perceived risk of opportunism.

2. Stakeholder Theory — aligning organizational behavior with expectations

Accountability reflects responsibility toward multiple stakeholders. The positive relationship between accountability and trust aligns with stakeholder theory: institutions that demonstrate accountability gain legitimacy and stakeholder confidence.

3. SERVQUAL and service theories — the experiential dimension of trust

Service quality brings an experiential and affective dimension into trust formation. The finding that service quality moderates governance effects highlights that trust is not only cognitive (based on information) but also experiential (based on service interactions).

4. Integrative theoretical contribution

Combining Agency Theory, Stakeholder Theory, and SERVQUAL yields a holistic model: governance practices (transparency + accountability) establish cognitive credibility, while service quality amplifies donor interpretation and emotional bonding—together shaping muzakki trust.

This integrated perspective moves the literature beyond mono-dimensional accounts of trust (governance only) toward a multi-dimensional view (governance + service experience).

4.5 Research Gaps — limitations of the existing literature and future research agenda

The synthesis reveals several clear gaps and methodological limitations, along with concrete recommendations.

1. Key limitations identified

- a. Limited empirical tests of moderation

Few studies rigorously examine service quality as a moderator; most focus on direct effects.

- b. Scarcity of cross-country comparative studies

Research is often country-specific, limiting generalizability across regulatory, cultural, and institutional contexts.

- c. Lack of longitudinal designs

Cross-sectional designs dominate. Longitudinal or panel studies are rare, so the dynamics of trust over time (e.g., before/after governance reforms or scandals) are underexplored.

- d. Methodological concerns

Many studies rely on convenience sampling, single-source self-reports, and do not adequately address common method variance.

- e. Measurement heterogeneity

There is no universal consensus on operational definitions for transparency, accountability, and trust in the zakat context, complicating cross-study comparisons.

2. Research agenda and methodological recommendations

- a. Stronger moderation tests

Apply latent interaction techniques, multi-group SEM, and report interaction effects with graphical depictions (simple slopes).

- b. Longitudinal and experimental designs

Use panel data to observe trust dynamics over time and field experiments (e.g., varying report formats) to establish causality.

- c. Cross-country comparative research

Compare countries with different regulatory frameworks and cultural profiles to identify boundary conditions and contextual moderators.

d. Mixed-methods approaches

Combine quantitative surveys with qualitative interviews to capture both generalizable patterns and in-depth reasoning behind muzakki perceptions.

e. Measurement refinement

Develop and validate context-specific scales for transparency and accountability in zakat institutions; measure trust in multidimensional form (cognitive vs. affective).

f. Address methodological biases

Mitigate common method bias through temporal separation, multiple informants, marker variables, or objective archival measures where possible.

g. Dimension-level moderation testing

Test which SERVQUAL dimensions (e.g., assurance, reliability) are the most potent moderators rather than treating service quality as a single, aggregate construct.

3. Practical and policy implications related to gaps

Regulators and standard setters should promote harmonized reporting standards and auditing guidelines for zakat institutions to facilitate comparability and verification. Zakat organizations should invest in service quality improvements (staff training, digital UX, responsive communication), since service quality not only increases satisfaction but also strengthens the credibility of governance practices.

Overall, the literature reviewed confirms the importance of financial transparency and accountability in building muzakki trust. Preliminary evidence also indicates that service quality serves as a moderator, amplifying the positive effects of governance on trust. However, empirical support for moderation is limited and often methodologically constrained. The field would benefit from more rigorous moderation tests, longitudinal and cross-country designs, refined measurement instruments, and mixed-methods studies to solidify the integrated governance–service model of muzakki trust.

Conclusion

This study concludes that financial transparency and accountability are crucial determinants of muzakki's trust, while service quality serves as an important moderating factor that strengthens the positive effect of sound financial governance. Moreover, there is an emerging scholarly consensus that zakat institutions need to integrate robust governance mechanisms with service excellence to maintain trust and ensure sustained compliance.

References

- [1] Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12–40.
- [2] Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integrative model of organizational trust. *Academy of Management Review*, 20(3), 709–734.
- [3] Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360.
- [4] Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Pitman Publishing.
- [5] Bekkers, R., & Wiepking, P. (2011). A literature review of empirical studies of philanthropy: What do we know? *Nonprofit and Voluntary Sector Quarterly*, 40(5), 924–973.
- [6] Swandaru, R. (2019). Zakat management information system: E-service quality and its impact on zakat collection in Indonesia. *International Journal of Zakat*, 4(2), 41–72.

- [7] Ikhwandha, M. F., & Hidayati, A. (2019). The influence of accountability, transparency, and affective and cognitive trusts on interest in paying zakat. *Jurnal Akuntansi dan Auditing Indonesia*, 23(1). <https://doi.org/10.20885/jaai.vol23.iss1.art5>
- [8] Adiwijaya, Z. A., Pratiwi, A. D., & Rosalina, R. (2024). Muzakki's trust in zakat payment: The role of zakat literacy, transparency, accountability, and religiosity. *Jurnal Akuntansi Syariah*, 8(2), 364–388. <https://doi.org/10.46367/jas.v8i2.2129>
- [9] Muthaher, O., & Wahyundaru, S. D. (2023). Variables determining muzakki loyalty in paying zakat. *Equilibrium: Jurnal Ekonomi Syariah*, 11(1), 123–148. <https://doi.org/10.21043/equilibrium.v11i1.19167>
- [10] Salman, K. R., & Mujahidin, M. (2022). Studies on transparency of financial statements, management of zakat and attitudes of amil and efforts to increase muzakki's trust. *Al-Kharaj: Journal of Islamic Economic and Business*, 4(1), 10–22.
- [11] Nasim, A., & Romdhon, M. R. S. (2014). Pengaruh transparansi laporan keuangan, pengelolaan zakat, dan sikap pengelola terhadap tingkat kepercayaan muzakki [The influence of financial statement transparency, zakat management, and manager attitude on muzakki trust]. *Jurnal Riset Akuntansi dan Keuangan*.
- [12] Riani, R. (2022). A systematic review and paths for future research. In *Proceedings of the 5th International Conference of Zakat (ICONZ 2022)*.
- [13] Ebrahim, A. (2003). Accountability in practice: Mechanisms for NGOs. *World Development*, 31(5), 813–829. [https://doi.org/10.1016/S0305-750X\(03\)00014-7](https://doi.org/10.1016/S0305-750X(03)00014-7)
- [14] Ortega-Rodríguez, C., et al. (2020). Transparency as a key element in accountability in non-profit organizations: An integrative framework and research agenda. *Sustainability*, 12(14), 5834.
- [15] Hadi, R., et al. (2024). Digital zakat management, transparency in zakat reporting and zakat growth acceleration (study on transparency, accountability and digital tools). *International Journal of Data and Network Science*, 8, 599–(...).