



Research Article

Agency Relation in Online Charity Crowdfunding: The Role of Transparency to Attract Donation

Ignatius N. HARIWIBOWO, Chrissentia E. WULANDARI and Djoko B. SETYOHADI

Universitas Atma Jaya Yogyakarta, Yogyakarta, Indonesia

Correspondence should be addressed to: Ignatius N. HARIWIBOWO; novianto.wibowo@uajy.ac.id

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Abstract

The purpose of this study was to examine the agency relationship in online charity crowdfunding. This study investigates the role of transparency in attracting intention to donate using agency theory, which has been unexplained in the previous research. The effect of transparency on intention to donate was examined using SEM PLS. The mediation test was conducted to test the extent to which transparency attracts online donations through the quality and credibility of the website. In addition, 208 questionnaires were sent via Instagram on an Indonesian charity crowdsourcing platform. The finding showed an agency relationship in online charity crowdfunding because all hypotheses were supported. Partial mediation analysis revealed poor transactional relationships in social organizations that reduced the desire for governance. This study supported agency theory, in which transparency was essential to attract donor intentions to reduce information asymmetry. This study found that transparency has developed into a new way of the influential social campaign in crowdfunding. In this way, charity crowdfunding organizations could attract donations from donors.

Keywords: Website quality, Transparency, Trust, Intention to Donate.

Introduction

Many social organizations quickly created websites to obtain donations to provide humanitarian assistance (Salido-andrés *et al.*, 2019). This phenomenon has encouraged many donors to donate to social organizations. Despite its popularity and growing public attention, some crowdfunding initiatives have failed to reach their pre-set financial goals within the allotted period (Liu, Suh & Wagner, 2018). As a public fund manager, social organizations are responsible for providing transparent reports because of agency relations that occur in online donation or online charity crowdfunding. Agency theory explains that information asymmetry underlies the need for report transparency (Joloko & Audu, 2019; Lacruz, De Moura & Rosa, 2019). The problem appears when organizations indirectly become an agent mandated by donors to carry out social activities. Therefore, as the principal, the donors entrust their money to the organization implementing social activities according to the campaign objectives (Hoegen, Steininger & Veit, 2018). In this case, there may be information asymmetry because the donor does not know how the organization uses the funds.

Information asymmetry is more likely to occur in nonprofit social organizations due to the donation's altruism (Cecere, Guel, & Rochelandet, 2017). Moreover, a high religiosity in the community where the social organization is located could weaken the demands for transparency and accountability (Taha *et al.*, 2017). Altruism and religiosity encourage people to do good without any precautions. A donation is a good act from someone's religious value, implying that people do not need a formal accountability system. People feel happy when they realize the values they believe in (Cecere, Guel & Rochelandet, 2017). In this case, they think they have achieved their goals and no longer need formal reports. This condition encourages social organizations to pay less attention to the importance of transparency reporting. The high information asymmetry could lead to misuse of funds, resulting in a loss of trust in organizations that carry out social crowdfunding

(Taha *et al.*, 2017). Minimizing information asymmetry would increase trust because it reduces the potential misuse of donations as public funds.

Public trust is essential for social organizations because they stand on trust to attract donations through transparency, which increases trust (Corrêa *et al.*, 2017). Furthermore, transparency plays an essential role in maintaining online-based nonprofit social organizations and encourages trust in donation action (Valencia, Queiruga & Gonzalez-Benito, 2015; Farwell, Shier & Handy, 2019). However, the effect of transparency on the intention to donate has not been sufficiently explained based on online crowdfunding (Lacruz, De Moura & Rosa, 2019; Salido-andrés *et al.*, 2019; Zhou & Ye, 2021). Previous research is dominated by donation in the religiousness, personality context such as altruism and motivation, information technology (Choy & Schlagwein, 2015), but now the internet can facilitate donation in the agency relation. Specifically, Liu, Suh, and Wagner (2018) have examined more comprehensive factors that can build credibility in online donations, like personal factors and technology; they did not explain the agency relationship in online charity crowdfunding. The internet plays a significant role as a communication medium to attract donations in the crowdfunding context. Examining the effect of transparency on an online donation would explain the critical role of financial or activity reports in minimizing asymmetric information and attracting donations which are unapparent in the previous research. Transparent information shapes public fund accountability in the agency relationship (Hoegen, Steininger & Veit, 2018). In this case, the internet is the primary media for accountability reports as a social campaign in online crowdfunding. The website is the leading media for communication with donors.

This research examines the effect of transparency on the intention to donate online. This study develops a transparency relationship that minimizes asymmetric information to attract donations based on agency theory, which has not been explained before (Alom, 2018). This study synthesizes the literature on the factors of charity

crowdfunding donation behavior in the agency relationship context to address this research gap. Then, using the agency theory, this study examines the factors that can attract an individual's intention to donate to a charitable crowdfunding campaign. The agency theory serves as a theoretical foundation upon which decisions in the online donation can be made in the agency context by tying together a subset of underlying website mechanisms relevant to reveal how trust is created in online charity crowdfunding.

Academics benefit from this study by a better understanding of individual decisions on how an individual responds to the online information to donate to charity crowdfunding. The study model can aid researchers in gaining a better understanding of the transparency factor to attract donation by offering practical explanations for the interactions between technology and campaign social project aspects that affect decision donation. For practitioners, the research provides a proper understanding of how campaign tactics are made for online charity crowdfunding to encourage individuals' donation behavior in Indonesia.

Literature Study

Crowdfunding Phenomenon in Indonesia

Indonesia is one of the countries experiencing an increase in donations in the world. It is supported by the survey from the Charity Aid Foundation (CAF 2018), which shows that the country was the most generous in 2018. The high religiosity could influence the high donations. The study by the Pew Research Center on July 20, 2020, showed that Indonesia is among the top ten most religious countries worldwide (Tamir *et al.* 2020). Religiosity is one factor that encourages someone to make donations (Taha *et al.*, 2017; Joloko & Audu, 2019). With more than 200 million people and high religiosity, Indonesia has the potential for donation growth. There are three social crowdfunding activities in Indonesia, including kitabisa.com, wujud.com, ayopeduli.id (Freischlad, 2015). Freischlad (2015) stated that charity crowdfunding

had increased online donations by 2.5% in 2018. This condition indicates the potential growth of online social crowdfunding in the future.

Intention to Donate in the Charity Crowdfunding

Crowdfunding is fundraising to fund a large project through broad small contributions. It could be equity-based, reward-based, lending-based, and donation-based crowdfunding (Beaulieu, Sarker, & Sarker, 2015). In donation, the donor is not refunded based on charity crowdfunding because it is selfless attention driven by empathy. Donations to crowdfunding charities lead to financial assistance to those in need through social organization projects (Merriam-Webster, 2015). Altruism theory explains that donations are a form of concern for others' welfare. The term altruism shows awareness of cognitive activity to help others (Kim *et al.*, 2016). In this digital environment, one's empathy drive is influenced by campaigns through the website.

Agency Theory in the Charity Crowdfunding

Agency theory describes relationships as a contract under one or more principals, involving an agent or party to carry out several services for the principal (Lacruz, De Moura & Rosa, 2019). Donors trust nonprofit organizations to carry out social activities according to the intended project. However, agency problems arise because of the information gap between social project managers and donors (Huang *et al.*, 2020). As an agent, managers are morally responsible for carrying out tasks according to the purpose of donations. However, the manager is also interested in generating funds for the organization's welfare or themselves (Taha *et al.*, 2017). The nonprofit organization management could increase their remuneration by reducing the social benefits that donors do not realize. As a result, risk due to the information asymmetry in a nonprofit organization is challenging to measure. Therefore, transparency in a nonprofit organization is needed to improve the quality and quantity

of service providers (Hoegen, Steininger & Veit, 2018).

Development of Hypotheses and Research Models

Transparency in Nonprofit Organizations

Transparency is related to information accessibility. In this case, lack of access to information indicates a lack of transparency. The agency theory explains that transparency is a form of information disclosure (Zhou & Ye, 2021). It shows essential information related to organizational performance and activities on the use of public funds. However, presenting information is not the same as transparency. More than just information, transparency implies final accountability and trust (Ruijter, 2017). Organizational awareness to disclose information is a form of good organizational governance that shows the credibility and ability of the organization to manage public funds (Corrêa *et al.*, 2017). Previous research has shown that credibility is an important factor in increasing donation participation. However, previous research has not demonstrated the role of transparency which is an integral part of efforts to build credibility (Zhou & Ye, 2019). In the context of agency theory, transparency has an essential role in overcoming information asymmetry. Therefore, this study examines the role of transparency in encouraging intention to donate.

Social organizations need transparency in managing public funds through donations. Clear and comprehensive information with a complete picture fully describes how the organization uses public funds. Moreover, correcting and exciting information about social projects helps people make a donation decision because of a transparent and reputable project. Accountability in transparency encourages trust from donors (Kim *et al.*, 2016). Trust promotes public involvement in organizations (Corrêa *et al.*, 2017; Jameel, Asif & Hussain, 2019). Furthermore, transparency in social organizations encourages various parties to engage in activities through donations.

From this explanation, the hypotheses made are:

H1a: Transparency positively affects intention to donate online

H1b: Transparency positively affects donor trust

Based on agency theory, the information gap should be reduced or even eliminated. In this case, transparency in activities and financial information is the key to convincing donors that the funds provided have been used accordingly (Alom, 2018). Moreover, transparency in finances minimizes information asymmetry (Li & Cao, 2021). Social organizations have more significant opportunities to increase transparency on activities and financial information in this digital age. Internet technology helps organizations to convey information more efficiently and earn donor trust through quality websites. In this case, website quality is supported by technical matters and its information (Zhou & Ye, 2019). Therefore, it is essential to explain the influence of transparency on the website to increase trust and encourage donations.

The website is the leading media for online donations. Therefore, it should accommodate donors' needs related to information transparency on the social organization's activities. Website quality focuses on visual appearance as a medium and is affected by the information displayed (Beier & Wagner, 2015; Liang & Yuan, 2016). Furthermore, web conditions influence the decision to donate because donors need reliable information. Therefore, transparency improves organizational websites' quality through reliable information (Valencia, Queiruga & Gonzalez-Benito, 2015). The hypothesis made from this concept is:

H1c: Transparency positively affects website quality.

Website Quality

Website quality is a measurement of whether it meets its users' expectations. It is technically manifested in the website's appearance and features (Candiwan & Wibisono, 2021). Based on WebQual 4.0,

quality websites are assessed from information quality, service interaction, and usability (Donie, Prihantoro & Lestari, 2019). Additionally, it creates more personal feelings and assurance that promises delivered would be kept (Kwak, Ramamurthy & Nazareth, 2019).

Agency theory explains that quality reporting is crucial. As a new medium to publish reports, the website plays a role in communicating the organization's activity (Salido-andrés *et al.*, 2019). It has transformed as the representative of the organization. As a result, nonprofit organizations can show and introduce themselves to attract potential donors online. As an organization representative, website quality is essential (Kwak, Ramamurthy & Nazareth, 2019). A good website quality creates confidence or belief in its information or source (Zhou & Ye, 2021). Also, a well-designed website interface produces constructive emotional and cognitive evaluations of crowdfunding projects. For instance, the visual appeal induces intense emotion amongst audiences. Several studies explain the website characteristics (Choy & Schlagwein, 2015), internet technology features (Sura, Ahn & Lee, 2017), and information control and web accreditation (Kim *et al.*, 2016). These characteristics influence people's intentions for online transactions, including donations. A high-quality website would increase individuals' confidence in a crowdfunding project and its perceived reputation. From this explanation, the hypotheses made are:

H2a: Website quality positively affects donor trust

H2b: Website quality positively affects intentions to donate online

Online donations are strongly supported by proper web design. An attractive website increases one's trust (Choy & Schlagwein, 2015). Therefore, a social campaigner needs an attractive website design for the public to receive its contents thoroughly. In the agency context, the website makes it easier to reach many prospective donors, affecting their interest to donate. As a result, it increases donations received by

campaigners. However, the factors influencing website content are still unclear. Several studies explain the website characteristics (Choy & Schlagwein, 2015), internet technology features (Sura, Ahn & Lee, 2017), and information control and web accreditation (Kim *et al.* 2016). These characteristics influence people's intentions for online transactions, including donations. Therefore, studies explain the website's quality in cognitive acceptance based on technology (Liu, Suh & Wagner, 2018). However, they have not explained what affects the website's quality to influence people's intention to donate online (Kumar *et al.*, 2018). In this case, transparency is essential in improving websites' quality as a medium for social campaigns (Zhou & Ye, 2019). The research suggested that information transparency enhances the website's quality, increasing donors' intention. This means that the website's quality would mediate transparency with trust and intention to donate. However, the role of quality as a mediation website has not been explained in these studies.

One element of website quality is the accuracy and depth of the information (Donie, Prihantoro & Lestari, 2019). This measurement underlies the meaning of transparency, which is full disclosure and accessibility. High transparency increases detailed and accurate information, facilitating donors to make more efficient decisions. As a digital communication tool, the website has an essential role in attracting donors through the information that clearly and accurately reflects the organization's image (Kumar *et al.*, 2018; Kwak, Ramamurthy & Nazareth, 2019). In any endeavour, the organization's image is essential to maintain its operational continuity. Moreover, in nonprofit organizations that move based on public trust, website quality increases their credibility through its image, minimizing asymmetric information (Lacruz, De Moura & Rosa, 2019). Therefore, the hypothesis is developed as follows:

H2c: Website quality mediates the effect of transparency on online donation intentions.

Trust in donation

Trust is a psychological condition that accepts something based on positive expectations and conclusions from a belief. Factors influencing beliefs include being generous, reliable, competent, honest, and open (Kumar *et al.* 2018; Farwell, Shier & Handy, 2019; Jameel, Asif & Hussain, 2019). Trust in public organizations could be caused by reliable governance, standards, services, and information. Internet technology helps social organizations increase donors' positive expectations by providing truthful and complete information on their websites. As a result, transparency is realized, and asymmetric information is minimized or even eliminated. This method increases trust and encourages donors to provide money (Farwell, Shier & Handy, 2019; Lacruz, De Moura & Rosa, 2019). Previous research showed that trust is the key to making transactions online. Therefore, the hypothesis developed is:

H3a: Trust positively affects intention to donate

Trust is an essential factor influencing donation intentions (Zhao *et al.*, 2017). Also, social organizations depend on public trust and empathy to attract donations

(Liu, Suh & Wagner, 2018). However, trust is also driven by the transparency of financial information, which has increased confidence in public organizations. The internet's presence through websites has facilitated organizational transparency by delivering accurate and comprehensive information. Therefore, transparency affects the intention to donate online through trust (Farwell, Shier & Handy, 2019). Previous research showed the role of mediating trust factors in decision-making for online crowdfunding transactions (Kang *et al.*, 2016). Therefore, it is important to explain the purpose of mediating trust to understand its role in donating decisions.

H3b: Trust mediates the effect of transparency on intentions to donate online

Using the agency theory as a foundation, this research investigates that information asymmetry can happen without transparent information. Therefore, transparency has a significant role in reducing asymmetric information, which is facilitated by an informative website as a medium of communication (Liu, Suh & Wagner, 2018; Farwell, Shier & Handy, 2019). Using this consideration, the study can evaluate the role of web quality in mediating information to build trust in an online donation. Clearly, the research relies on all described hypothesis, and the detail of the relation among the variables are figured in Figure 1 based on all the hypotheses.

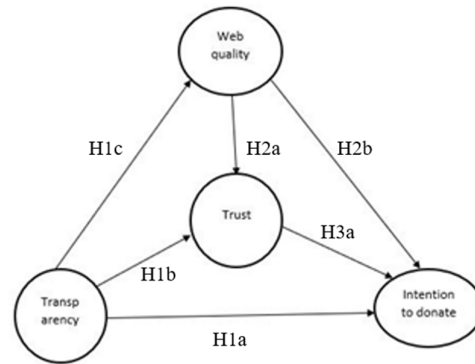


Figure 1: Research Hypothesis Development

Research Methods

Data Collection Design and Variable Measurement

This study used a survey method to reveal online donation phenomenon. The survey was conducted on one of the online crowdfunding charities on Instagram. This charity is a union or group of persons concerned or a follower of the social activity in crowdfunding organizations. The questionnaires were distributed to respondents by sharing the google form link on Instagram. The respondent criteria were also announced in the link. The study

instruments were developed on a scale of 1 to 5. In this study, the intention to donate online is a person's encouragement to give social organizations (donations) through its website (Liu, Suh, & Wagner, 2018; Mittelman & Mendez, 2018). Trust is a positive belief in a social organization that it would carry out the activities stated on its website (Zhou & Ye, 2019, 2021). Website quality measures the extent of website use, information, and the quality of interactions (Donie, Prihantoro & Lestari, 2019). Transparency is honesty and openness of social organization information on the website (Corrêa *et al.*, 2017). The complete development of research instruments is in table 1.

Table 1: Questionnaire Development

Constructs	Elements	Measures	Reference
Intention to donate	Attractiveness Intention Ability to donate Desire to donate next	1 question 1 question 1 question 1 question	Adapted from Liu, Suh, and Wagner (2018); Mittelman & Mendez (2018)
Trust	Reputation Credibility Public/social orientation	1 question Two questions 1 question	Adapted from Farwell <i>et al.</i> (2019); Zhou & Ye (2019)
Website quality	Information Quality Service Interaction Usability	Six questions Six questions Six questions	Adapted from WebQual 4.0 (Donie, Prihantoro & Lestari 2019)
Transparency	Complete information Clear process Accessibility	Two questions 1 question 1 question	Adapted from (Corrêa <i>et al.</i> 2017; Kumar <i>et al.</i> 2018; Jameel, Asif & Hussain, 2019)

Tools and Analysis Method

This study consists of two steps of testing. The first is hypotheses testing using Partial Least Square (PLS). The analysis is carried out using WarpPLS 6.0. This tool is chosen because WarpPLS 6.0. provides values to test the goodness of fit and p-values directly, which is important in PLS method, and it is not provided easily in another tool. Before testing the hypotheses, reliability and validity testing are conducted to determine the instrument's appropriateness. Second, the mediation effect is conducted in this study. The mediation effect is seen from the

significance of the indirect relationship for mediation testing. When the p-value of the

indirect link is at 0.05, it indicates an indirect relationship or the potential for mediation variables. Furthermore, this

study's mediation testing used two steps (Nitzl, Roldán & Cepeda Carrión, 2016; Hair

et al., 2017). Step one is directly testing the effect of the transparency variable on donating intention and then comparing the

coefficient values between the direct test (transparency on the intention to donate) and indirect test. Step two is comparing the p-value of the indirect effect and direct effect. The value of indirect effect means that the website's quality and trust mediate transparency's effect on online donating.

Analysis and Research Results

Description of Respondents

This study was conducted online, and questionnaires were distributed for one month to online donors through Instagram. During the allotted time, 208 Instagram followers of one of charity crowdfunding became respondents. Figure 2 describes that online charity crowdfunding is dominated by young people of productive ages who live in urban areas. This result makes sense because young people in the urban area are more familiar with the technology. This description shows that the market of online charity crowdfunding is young people with a digital lifestyle.

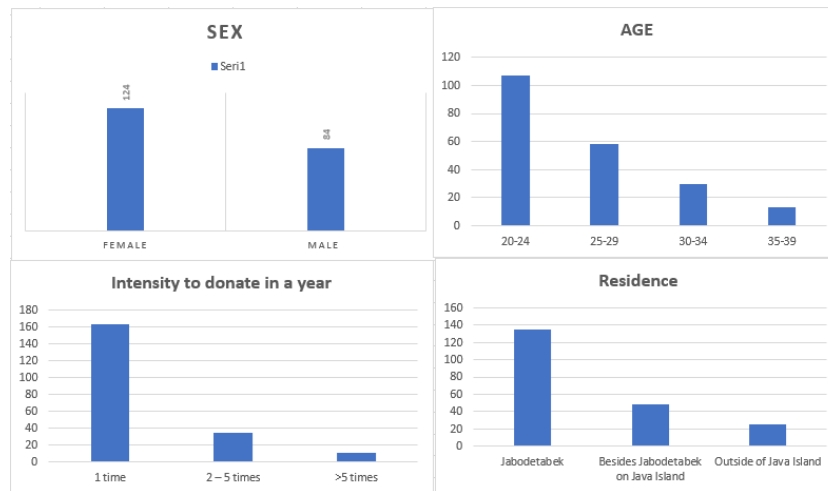


Figure 2: Respondent Information (Source: questionnaire data (2020))

Reliability and Validity

The reliability test used Cronbach's alpha and composite reliability with acceptable

values above 0.7. The data processing results with WarpPLS 6.0 produced Cronbach's alpha coefficients and composite reliability. Therefore, each variable met

the reliability criteria. The validity score was tested using the values of cross loading factor and Average Variance Extracted (AVE). Variables are valid if each indicator's value in the cross-loading factor is equal to or above 0.7 and the value for AVE is equal to or above 0.5. From the validity test, all indicators were valid. It was ob-

tained after several indicators below 0.7 were deleted. The indicators eliminated were derived from web quality variables. There were 11 indicators eliminated from 17 indicators. The AVE values from data processing are above 0.5. All of the validity and reliability test results can be seen in the tables below.

Table 2: Reliability Test

Variable*	Cronbach's alpha	Composite reliability
Trans	0.755	0.845
WeQ	0.861	0.896
Trust	0.824	0.883
IntD	0.858	0.904

*Trans: transparency; WeQ: web quality; Trust: trust; IntD: intention to donate

Table 3: Average Variance Extracted (AVE)

Trans	IntD	WeQ	Trust
0.577	0.702	0.591	0.655

Table 4: Cross Loading Factor

	Trans	WeQ	Trust	IntD
TR1	0.780	-0.117	0.231	-0.099
TR2	0.750	-0.082	-0.005	0.008
TR3	0.794	-0.018	-0.252	0.812
TR4	0.713	0.234	0.033	-0.804
WQ1	-0.368	0.715	-0.058	0.167
WQ3	-0.014	0.753	-0.106	-0.223
WQ7	0.055	0.810	-0.054	0.067
WQ11	0.019	0.748	0.084	-0.145
WQ14	0.254	0.788	-0.075	0.035
WQ15	0.019	0.794	0.203	0.094
TU1	-0.338	0.037	0.807	0.245
TU2	0.229	0.114	0.821	-0.409
TU3	-0.097	-0.090	0.834	0.043
TU4	0.214	-0.063	0.773	0.132
ID1	0.337	-0.018	-0.252	0.870
ID2	-0.080	-0.090	0.098	0.835
ID3	-0.182	0.039	0.140	0.824
ID4	-0.093	0.071	0.027	0.820

Resource: Data processed (2020)

The Goodness of Fit Test

The goodness of fit test was conducted to assess the feasibility of the model built in this study. The value of goodness of fit used the APC (Average Path Coefficient), ARS

(Average R-squared), AVIF (Average Variance Inflation Factor), and AFVIF (Average Full Collinearity Variance Inflation Factor). Therefore, the goodness of fit requirements has been fulfilled.

Table 5: GoodnessOf Fit Test

	Value	Criteria
APC	< 0.01	Ideal
ARS	< 0.01	Ideal
AVIF	< 3.3	Ideal

Hypothesis Testing

Hypotheses were tested using a significance level of 5% and were accepted when the p-value was below 5% or 0.05 (table 6).

The data processing results in Table 6 show that the value of all hypotheses is significant below 0.05. Therefore, the hypotheses H1a, H1b, H1c are supported. Moreover, the hypothesis test results show that transparency positively affects website quality, trust, and intention to donate. This

result is in line with Kim *et al.* (2016), indicating that information transparency ties up the website’s quality, trust and attracts online donations.

The results also showed that H2a and H2b were supported. Therefore, website quality

increases the trust and intention to donate online (Zhou & Ye, 2019). It includes information quality, service interaction, and usability. Therefore, these results explain the website quality’s influence on trust and intention to donate. Furthermore, a quality or more informative website encourages trust from donors towards social organizations and people’s intention to donate online.

The H3a hypothesis is supported, meaning that trust positively affects the intention to donate. Therefore, trust is essential in encouraging people to donate online (Valencia, Queiruga & Gonzales-Benito, 2015). All study hypotheses were accepted, indicating an indirect relationship between transparency and the intention to donate mediated by website quality and trust.

Table 6. Hypotheses Testing

Hypothesis	Coefficient	P-Values	Result	
H1a	Trans-IntD	0.511	<0.001	supported
H1b	Trans-Trust	0.516	<0.001	supported
H1c	Trans-WeQ	0.719	<0.001	supported
H2a	WeQ-Trust	0.234	<0.001	supported
H2b	WeQ-IntD	0.211	<0.001	supported
H3a	Trust-IntD	0.186	0.003	supported

Resource: Data processed (2020)

This study provides an overview of how agency relationships also occur in social fundraising in Indonesia. The existence of information asymmetry is a situation inherent in the agency relationship between donors and social organizations as distributors of funds or implementing activities. All of the hypothesis supported in this study indicates an agency relationship in social organizations, so formal reporting is needed as a form of governance (Kim *et al.*, 2016). In online charity crowdfunding, a transparent website is a form of communication that delivers clear information (Liu, Suh & Wagner, 2018). Website quality becomes a new way to make digital communication, reducing information asymmetry and transaction risk (Pejcal, 2020). Furthermore, the website created trust from donors, which published the activity and financial information from the organization. It shows that the organization is reliable to handle social projects, and it builds a trusting attitude which is a positive response from perceptions of social organizations' credibility (Kwak, Ramamurthy & Nazareth, 2019).

Mediation Testing

The mediation test was conducted to assess the significant mediation's role in influencing the independent variables, as developed in hypothesis H2c and H3b. It was performed by examining the indirect relationship between the models built. These research hypotheses (H2c and H3b) show that transparency on donating intentions is mediated by trust and web quality. The calculation results in table 7 show an indirect relationship between transparency's effect on donating. These results show a mediating variable between the effect of transparency on the intention to donate. Furthermore, the indirect effect test results in Table 7 show that trust and web quality are mediating variables that influence

transparency in donating. However, there is no indirect effect between website quality and intention to donate because the p-value is 0.187, higher than 0.05. Therefore, the trust variable does not mediate the relationship between website quality and intention to donate. However, the significance of the mediating influence of trust and web quality variables on the relationship between transparency and intention to donate could still be studied further. The coefficients of direct and indirect influence of transparency on the intention to donate were compared to determine the significant effect of mediation. WapPLS 6.0 results show that trust does not mediate the influence of website quality on donating. Table 6 shows that the p-value of website quality toward donation intention is 0.187 or above 0.05. This means that there is no indirect effect of website quality on intention to donate.

The coefficient comparison values of the direct and indirect effects of transparency on intention to donate are shown in table 8. The direct effect explains the regression of transparency toward intention to donate without any variables. It is compared with the indirect effect, which explains the regression of transparency toward intention to donate with mediating variables. Table 8 shows that the indirect effect coefficient value is 0.5, lower than the direct effect (0.79), though the p-value is still significant. This means that trust and website quality variables partially mediate the relationship between transparency and intention to donate. Therefore, trust and website quality are not the only variables mediating the relationship between transparency and donation intention. This implies that hypotheses H2c and H3b are supported. Transparency attracts online donations better when the organization has a quality website and trust is realized (Farwell, Shier & Handy, 2019).

Table 7: Indirect Effect from The Model

Indirect effect	P-Value	Indication
Trans - IntD	<0.001	Indirect effect
Trans - Trust	<0.001	Indirect effect
WeQ-IntD	0.187	No indirect effect

Table 8: Coefficient Comparison: The Effect of Transparency on Intention to Donate

	Direct	Indirect
Coefficient	0.79	0.51
P value	<0.001	<0.001

The results indicate that the mediation relationship is partial. This result means that website quality and trust are not strong mediating variables in attracting people to donate online. Therefore, people would still donate online whether there is a modern website or not. Moreover, the indirect relationship test results in table 7 show that website quality is not a mediation to increase trust. Therefore, the

trust could still be formed even without a website, and people would still donate online without a strong trust (Cecere, Guel & Rochelandet, 2017). These results show that all the hypotheses in this study are supported. The overall results of the research test are in Figure 3.

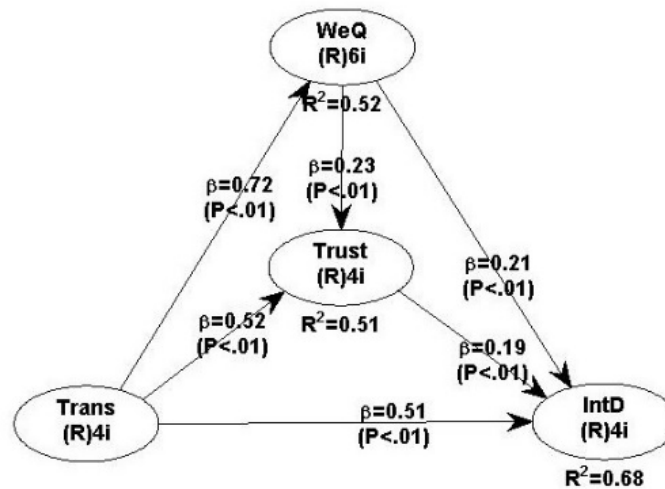


Figure 3. Study test result

From figure 3, all p-values are significant, and R^2 is 0.68, which is higher than 0.5. It means that all the variables reveal 68% of the factors affecting the intention to donate. Figure 3 shows that transparency is the dominant factor that encourages intention to donate. It is shown by the value

of the transparency coefficient on intention to donate (0.51), trust (0.52), and website quality (0.72). The finding means that a website developed built with transparency is more informative and an effective communication medium between organizations and donors.

Discussion

This study develops a framework for testing the factors influencing people's intention to donate online through charity crowdfunding. The results indicate that all hypotheses are supported, which means that transparency, website quality, and trust influence people to make donations online. This study shows that transparency affects the website's quality and trust in the social organization. These results are supported by previous research, which showed that transparency influences online donations and attracts donors by building trust in the social organization through information in website media, which the greater access to the community's information has an impact to the higher the public's trust in the organization (Jameel, Asif & Hussain, 2019). The amount of information access shows the openness of the organization. In previous research, this openness increases the trust between organizations and donors to social campaigns, which is proven when some respondents donated more than once (Lacruz, De Moura & Rosa, 2019; Rodriguez-ricardo, Sicilia & López, 2019).

Furthermore, transparency is an adequate capital to improve the website quality that can be accommodated by transparency principles in the website design that enhances its quality. In this way, websites can be a suitable communication medium between organizations and donors. Transparency information enhances the organization's positive image by delivering information on implementing social activities, utilizing public funds, and reporting on the activities carried out (Valencia, Queiruga & Gonza'lez-Benito, 2015; Zhou & Ye, 2021). Subsequently, this positive image convinces donors about the success of social activities carried out in the future. Therefore, organizational transparency and positive image through website quality increase people's intention to donate online. In the agency context, online charity crowdfunding successfully attracts donations by minimizing information asymmetry through the website.

Efforts to achieve accountability through information transparency are lofty moral obligations, but they are not backed up by a knowledge of reporting requirements or publication restrictions for online charity crowdfunding (Taha *et al.*, 2017). On the other hand, the complexities of financial reporting based on accounting standards are not easily understood by the general public. It is probable that costs associated with transparency as a form of accountability, such as audit fees, will be incurred. However, social organizations that can increase their transparency will garner greater donor attention and trust because of the reality that sufficient information is available to enable online donation decisions (Hoegen, Steininger & Veit, 2018).

On the other hand, although all of the hypotheses are supported, the results of the mediation test show that there is a partial effect of mediation. This result becomes interesting findings in this study. It means that website quality and trust are not the most factors that mediate online charity crowdfunding. This result is supported by previous research that indicates a more complex agency relationship in donation (Kwak, Ramamurthy & Nazareth, 2019; Zhou & Ye, 2019, 2021). It may be happening because donations are not formal investments. In the agency theory, these results imply that the governance of nonprofit organizations is weak due because of the weak transactional value in donation activities. It is because the donors do not need the return from the donation. The absence of a rate of return demanded by donors indicates a low-risk perception of online charity crowdfunding. Besides that, online crowdfunding usually provides an opportunity for donors to participate in small amounts, so this value is not very meaningful for donors. This perception can lead to low credibility demands on the organization of charity crowdfunding (Farasat Ali *et al.*, 2020; Pratono *et al.*, 2020).

The low demand for credibility can make a low demand for detailed donation reports, especially for people with high religious

and cultural backgrounds (Walczak & Krupa, 2020). The complexity of the donation decision is possible because social culture, altruism, and religious values cannot be assessed only transactionally (Lacruz, De Moura & Rosa, 2019). Previous research supports that social values, sympathy, and empathy are inseparable factors that affect the intention to donate (Liu, Suh & Wagner, 2018). The partial website and trust mediation testing shows that trust may be formed from a person's social values, empathy, and religiousness confirmed by a social campaign (Rodriguez-Ricardo, Sicilia & López, 2019). In this case, altruism and religiousness motivate people to act in a selfless manner. A donation becomes a charitable gesture motivated by a person's religious values, emphasizing that individuals do not require an excellent accountability structure in the website. Previous research explains that when individuals actualize the values they believe, they experience joy (Cecere, Guel & Rochelandet, 2017). Additionally, donors believe they have accomplished their objectives and no longer need return. This circumstance leads social groups to overlook the critical nature which affects intention to donate, including trust (Taha *et al.*, 2017).

Partial mediation shows that demands for organizational governance are not a major concern in charity crowdfunding. Partial mediation result indicates that transparency in crowdfunding becomes a social project campaign to attract formal and legal donations but not organizational governance (Lacruz, De Moura & Rosa, 2019). These results indicate that agency theory confirms the uniqueness of agency relationships in social crowdfunding, in which a transparent report is a form of formal and legal communication. Previous research shows that donation expresses someone's kindness; however, this study shows that transparent report as a formal interaction is needed in online charity crowdfunding (Zhou & Ye, 2021). Donors need a formal relationship with reporting as a medium of communication and accountability (Cecere, Guel & Rochelandet, 2017; Farwell, Shier & Handy, 2019; Joloko & Audu, 2019). The bigger the

organization, the organization tends to use formal the interaction. In this case, the report is a formal language to communicate. Therefore, a new social organization needs to establish a relationship with donors because informal communication no longer convinces people to donate for a large-scale social project and online charity crowdfunding. Informal accountability would be more formed in old and small social organizations because of their close relationship with donors, but in large organizations with a broad operational reach, donor relationships are built with formal accountability (Taylor, 2018). The audit report is an example of formal information that encourages trust when published on the organization's website (Pejcal, 2020). It can be understood that transparency as a formal communication emerged as a campaign strategy itself in online charity crowdfunding (Zhou & Ye, 2019, 2021).

The partial mediation results of the website quality also can be interpreted as internalization adoption of information technology in society. In this case, the website is no longer a new medium. It is seen as a medium such as newspapers and television, which facilitate the donor's altruism to donate through the internet (Fedotov *et al.*, 2018). In the context of social fundraising, the content on social issues or campaigns becomes the centre of attention more than the media used (Liu, Suh & Wagner, 2018). The strategies to attract a potential donor have changed. However, transparency is still crucial as the beginning way to build a donor relationship. The more information an organization are disclosed on its website; the more donations could be received. Transparency of information as a campaign has been recommended as key to organizational effectiveness. Additionally, organizations need to inform donors that such information is available online and attract them to follow the campaign. With the help of the internet, organizations could transform their transparency and accountability into a campaign medium, showing their accountability uniquely.

Conclusions

These findings support the aim to examine the effect of transparency on intentions to donate. Furthermore, this study examined the factors mediating the effect of this relationship. All the hypotheses were accepted, meaning that the intention of people to donate is influenced by transparency. However, this impact is stronger when supported by a transparent website and trust. The technology could facilitate one's goodness to donate with transparency as a campaign. In this case, altruism, culture, and religiosity are the factors that may not be separated in charity crowdfunding. This research was conducted on an Indonesian charity crowdfunding society with high religiosity. However, transparency as a formal report is crucial for the charity crowdfunding campaign.

The application of technology needs to be supported by transparency. Online charity crowdfunding has shown transparency in developing its website, making the organization have high donor support. Therefore, the same approach could be extended in case similar organizations increase community donations. The results indicate that a transparent website is a new manner to communicate in charity crowdfunding. In the agency theory, transparency is an essential factor in online donations for a sustainable project as a campaign, but not for governance. The theoretical finding is that the weakness of nonprofit organizational governance is caused by weak transactional relations between donors and managers. Moreover, the strength or weakness of this transactional relationship may be influenced by the social or religious values in certain groups of society. Therefore, future research needs to examine the governance patterns in nonprofit organizations related to the social values of society. Based on descriptive respondent, future research can investigate the pattern of young people in making donation. For practical impact, the information to be conveyed is the realization of the resources, and financial report information should be submitted in social campaigns to attract donors.

This research has several weaknesses. First, it focused on crowdfunding in social organizations, meaning the results need to be understood in the context of the social organization. Different organizations may have other effects. Second, it only used one independent variable to assess the effect of information transparency on donation intention. There may be other factors that could affect transparency or trustworthiness in online donations.

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