

Siti Khadijah Ab. Manan
Fadilah Abd Rahman
Mardhiyyah Sahri *Editors*

Contemporary Issues and Development in the Global Halal Industry

Selected Papers from the International
Halal Conference 2014

 Springer

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ISBN 978-981-10-1450-5 ISBN 978-981-10-1452-9 (eBook)
DOI 10.1007/978-981-10-1452-9

Library of Congress Control Number: 2016940334

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Part I
Halal Standard and Policy

Chapter 1

Does Performance and Transparency Matter to Individual Donors' Giving in Malaysia?

**Abd Halim Mohd Noor, Nurul Amyra Mat Isa,
Hamidah Muhd Irpan, Hasan Bahrom, Arifin Md Salleh
and Abdul Rahim Ridzuan**

Abstract The recently released World Giving Index (https://www.cafonline.org/PDF/WorldGivingIndex2013_1374AWEB.pdf, 2013) reports that despite the fall in the growth rate of the global economy, the average percentage of people donating continue to increase. However, nonprofit organizations (NPO) were urged to be more transparent and inform the public about their work. This concurs with concern over NPO's impact and its subsequent effects on donor's behaviors. With indices of donor performance abound that lead to ranking of donor allocative performance, this may influence donor behavior. As such, this paper seeks to investigate the influence of performance on charitable giving decisions by donors. Performance in NPO is complex and difficult to measure. This paper focuses on the influence of NPO's performance on charitable decisions of individual donors in Malaysia. Individual donors were chosen since various studies identify them as one of the main contributors to charities. Online survey was conducted requesting information on respondents' demography and psychographic. The survey also

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requested information from respondents on various criteria of NPO when deciding to donate. Based on the survey, performance though important is not the major consideration for individual donors when donating to NPOs.

Keywords Individual donors · Not-for-profit organizations · Nonprofit organizations performance · Performance measurement

1.1 Introduction

The recently released World Giving Index 2013 reports that despite the fall in the growth rate of the global economy, the average percentage of people donating continue to increase. This is evident in Malaysia, when individual donors fulfill their charitable obligations and show their caring for others regardless of difference in culture, ethnicity, and religions. Not only limited to festive seasons, Malaysian individual donors are now more generous in giving donations to the disadvantage, the poor and for other cause (Cogswell 2002). These developments augur well for the concern organizations, i.e., nonprofit organizations (NPO). Increase in charitable giving leads to similar increase in growth and influence of NPO; thus, the need for the sector to be accountable, transparent, and performance meets the expectations of the donors and other stakeholders (Hyndman 2013; Chung Ming Wong 1998). NPO had attracted a multiplicity of stakeholders with different expectations of what organizations should achieve (Knapp 2000).

NPOs depend on donors' contribution to their survival and growth. As such, it is imperative for NPOs to be in communication with their donors; however, Hyndman (2013) argue that donor often must rely on formal communication from NPOs' representative for information on performance of organizations, for example. According to Kinnunen (2008), the performance of NPO can influence donor behavior. Similarly, Andy Neely (1997) in her study of designing performance measurement postulates that human will modify their behavior in an attempt to ensure positive output or outcome. (Iwaarden et al. 2009), for example, found that donors were not happy with the performance by the NPO although there are larger amounts of charitable giving made by them.

Though there are studies that had analyzed donor decisions, however, few have examined relationship between donors' decision and organization's performance; fewer still were conducted in the Asian region. This paper focuses on the influence of NPO's performance on charitable decisions of individual donors in Malaysia. Individual donors were chosen since various studies identify them as one of the main contributors to charities. The paper is organized as follows. The following section discusses concerns transparency and performance of NPO. This is then followed by sections on data collection and research findings. A conclusion ends the paper.

1.2 Demographic Profile

Marriage allows two adults to share in several marriage-specific public goods, including charitable giving. Married couples usually make joint earning in making decisions. According to Andreoni et al. (2011), when married couples make decisions, 68 % is on men preference and another 26 % is female preference. Marriage may also require that persons with distinct preferences devote resources to negotiating expenditure patterns, and this too extends to charitable donations. Note that couples can differ in three ways: whether they give, how much they give, and to what types of organizations they give (Andreoni et al. 2001). To know the differences within the marriage for all three dimensions of giving. Thus, the gender differences will explain it further. Pharoah and Tanner (2006) stated that there is no significant impact on the number of household toward the level of donations. The decline in charity giving is due to the increasing of income and changes in the role of charitable organizations (Pharoah and Tanner 2006).

According to Dvorak and Toubman (2013), gender is an important variable when trying to measure the characteristic of charitable donations. Women are more likely to donate to charitable causes, but men are more generous in terms of the amount given (Piper and Schnepf 2008). Single women tend to give more donations than single men. Victoria (2013) had argued this, she had mentioned that men are likely to donate more than women; this is because women feel more pressured to give money when they want to. According to Piper and Schnepf (2008), men will give more donations than female for religious organizations. He also stated that there are small differences in gender toward the environment, religious organizations, and mental health causes. This had been supported by Kasri (2013) through his study; he states that there are no differences in giving behavior between men and women.

Through previous research, Kasri (2013) state that there are positive effects of income on an individual's level of charitable giving. People who donate the greatest percentage of their income mostly come from the people that who least affords to give (Stern 2013). In addition to, it is not necessary that individual with higher income will donate more to charities (Kasri 2013). Most of the wealthy individual will prefer to donate more on and support for universities, arts organizations, and museums, while the poor tend to donate to religious organization and social service charities (Stern 2013).

There was also a significant relationship between the higher level of individual education and the intention to donate to the charities (Kasri 2013). Bekkers and Wiepking (2011) also state in his study that there is positive relationship between education level and level of charitable giving. According to Turcotte (2012), those whose highest level of education was degree will make more charitable donations compared to those who in high school diploma level of educations. In Austria, donation to animal protection, development aid, and human rights is positively related with education level (Bekkers and Wiepking 2011). However, Bekkers and Wiepking (2011) also mention that there is negative relationship between education and charitable giving in Taiwan and Korea.

1.3 Transparency and Performance of Not-For-Profit Organizations

NPO were urged to be more transparent and inform the public about their work. This concurs with concern over NPO's impact and its subsequent effects on donor's behaviors. With indices of donor performance abound that lead to ranking of donor allocative performance, this may influence donor behavior. According to Iwaarden et al. (2009), donors are now more concern about what is happening to their contributions. The primary purpose of nonprofit organization financial statement is to provide information to satisfy the external stakeholders to show them an organization's ability to effectively and efficiently and how the organizations discharge their responsibilities (Bruce 2010). It is clear that there are many people who have come to regard the measurement of charity effectiveness and transparency as far more important over the past decade (Iwaarden et al. 2009). Thus, the performance of charities is becoming more important; however, measuring performance of charities seems to be more difficult than measuring performance of profit organizations.

Measuring performance differs according to the perspective of the stakeholders, society, donors, and staff of the organizations. Donors, for example, may prefer outreach to the targeted recipients, the number of recipients, and quality program will indicate organizations are efficient in delivering their services. While staff might consider, the intuitions have performed well if it achieved financial sufficiency. Measurement of charity organizations is difficult, and many are skeptic on the attempt. Traditionally, performance measures have been seen as means of quantifying the efficiency and effectiveness of actions (Andy Neely 1997). Neely (2002) in studies of a framework of the factors affecting the evolution of performance measurement system also stated that although it has long been recognized that performance measurement has an important role to play in the efficient and effective management of organizations, it remains a critical and debated issues. In order to examine the complexity associated with measuring the performance of charities, measures of internal efficiency and external effectiveness are now considered.

Internal efficiencies measure the ratio of fund raising administrative cost compare to expenditure on programs. Efficient organizations are expected to have low ratios. In addition, internal efficiency is the internal operation of an organization relating to avoidance of wastages through the use of resources that are available to the organization at a given time (Abdulkareem, n.d.). In other words, internal efficiency is a measurement of the use of resources to achieve the desired results. According to Sudzina (2012) and Henri (2006), the internal measurements of organization include the organizations' strategy, structure, size, organizational politics, management commitments, resistance to change. In addition, according to Iwaarden et al. (2009) and Steinberg (1990), there are two performance indices that are the program service ratio and fundraising ratio. Bowman (2006) in his study stated that these ratios are not easy to make it as a solution to the problem of

measuring the NPO. There is another popular ratio used across sectors that focus on their efficiency in raising funds. This ratio compares the expenditure on fundraising with the amount of the contribution that is realized.

On the other hand, external effectiveness measures how successful are the organizations at achieving its mission. This, however, could also pose problems since effectiveness of programs by organizations will not necessarily be the same as effectiveness of the organization as a whole. According to Renz (1998), the theory of organizational effectiveness has a complex history. In brief, it may be summarized as the development of alternatives to or modifications of what has been called the goal model of effectiveness. It is very important for funders to know how successful an organization is in accomplishing the goals (Niksa Alfirevic 2014). According to Renz (1998) and Niksa Alfirevic (2014), through the project or program evaluation, the performance measurement in the nonprofit sector is complex. Some charities refuse to undertake research to find out how effective their expenditure of funds might have been since they argue that such research would cost too much money (Iwaarden et al. 2009). Lastly, according to Iwaarden et al. (2009), the advantage, of attempting to measure charity effectiveness, is that it measures the whole reason they exist. The disadvantages are of course that it is very difficult and that few of these measures will be comparable. But for the thinking donor, there is no substitution for at least examining how the charity attempts to measure its effectiveness.

1.4 Data Collection

A questionnaire was constructed for the purpose of the study and posted online. There are three sections in the structured questionnaire. The first section is the respondent profile that consists of respondent gender, age, marital status, income per month, level of education, and number of household. While the second section asked about the respondent behavior toward charity. Third section solicits respondent psychographic profile such as respondent satisfaction, transparency, and accountability of not-for-profit organizations. The target respondents are Malaysian individual donors.

1.5 Findings and Discussion

In total, 556 useable questionnaires were obtained from the direct questionnaire and online survey. Table 1.1 outlines the demographic profiles of respondents who participated in the study. 55 % of the respondents are female, and half of respondents are single. In terms of household income, 51.6 % of the respondent's monthly income is between MYR2000 and MYR4000 while 53.4 % are having four to six numbers of household. Majority of the respondents have a tertiary education.

Table 1.1 Demographic profile

Demographic	Scale	Percentage (%)	Scale	Percentage (%)
Gender	Male	45.0	Female	55.0
Marital status	Single	50.4	Married	49.6
Household income per month (MYR)	<2000	26.3	2000–4000	51.6
	>4000	22.1		
Level of education	High school	24.1	Diploma	28.1
	Degree	36.2	Master+	11.7
Number of persons in household	<3	35.1	4–6	53.4
	>6	11.5		

Table 1.2 Parties that often donated

Criteria	Frequency	Percentage
Mosque/other worship houses	389	70.0
Orphanage	240	43.2
Education/School	140	25.2
Poor and needy	262	47.1
Association/political party/NGO of choice	73	13.1
Calamities/war	246	44.2
Health	2	0.4

Table 1.2 shows the parties that respondents often donated. For this question, respondents can choose more than one answer. Figures shown in Table 1.2 are based on the multiple answers feedback, so the frequency will be more than 556 respondents in total. Percentage calculated according to each party in the question. Mosques/other worship houses are the main recipients of respondents' donation (70.0 %). 47.1 % of respondents donate to the poor and needy, and 43.2 % donate to the orphanage. Other than that, donations were also given for those who suffered in war and other calamities (44.2 %). This is probably because religion plays a central role in lives of Malaysians and religions, in general, promote their followers to be philanthropic. In addition, a significant number of orphanage houses and assistance rendered to the poor and needy still rely on the helping hand of the donors.

As far as reasons for donation, overwhelmingly, own satisfaction/religious requirement registered 72.7 % of the respondents cited as the reason for giving donation. This finding again concurs with earlier findings in Table 1.2. Other reasons such as family upbringing, accessibility, and media awareness came a distant second as far as reasons for respondents' donation. Table 1.3 illustrates various reasons why respondents donate. For this question, respondents can choose

Table 1.3 I make a donation because of ...

Criteria	Frequency	Percentage
Peer influence	90	16.2
Influenced by surrounding	122	21.9
Upbringing from family	215	38.7
Conveniently accessible	91	16.4
Own satisfaction/religious requirement	404	72.7
Media awareness/campaign/aware of current issues	179	32.2

Table 1.4 Reason for choosing an organization for donations

Criteria	Frequency	Percentage
To meet common goal	112	20.1
Involve in decision-making process in the organization	60	10.8
Experience concurred with the donor desire	103	18.5
Organization meet expectation of donors	82	14.7
Based on trust	303	54.4
Satisfied with the performance of the organization	112	20.1

more than one answer. Figures shown in Table 1.3 are based on the multiple answers feedback so the frequency and percentage will be more than 556 respondents in total. Percentage calculated according to each criterion in the question.

Table 1.4 illustrates that many respondents donate to organizations based on trust (54.4 %). For this question, respondents can choose more than one answer. Figures shown in Table 1.3 are based on the multiple answers feedback so the frequency and percentage will be more than 556 respondents in total. Percentage calculated according to each reason in the question. Performance-related reasons, however, accounted low percentage of respondents' choices for choosing organizations when donating. Despite the importance of performance in ensuring organizations accountability and achieved its targets, it seemed donors preferred trust when giving donation.

Based on the result in Table 1.5, 79.9 % of respondents are not satisfied with the organization performance. Chi-square test was done separately for satisfaction with tendency to donate every month and satisfaction with donate more now compared to the last five years. Summary of chi-square result is shown in Table 1.6. Somehow, chi-square test in Table 1.6 reveals that this issue of satisfaction on organization performance does not give significant impact on the tendency to donate every month (p -value = 0.376) and amount of donation by individual donor

Table 1.5 Satisfaction on organization performance by individual donor

Satisfaction	Frequency	Percentage
Yes	112	20.1
No	444	79.9

Table 1.6 Chi-square tests

	Toward		Exact sig. (2-sided)	Exact sig. (1-sided)
Satisfaction on performance by organization	1	Tendency to donate every month	0.700	0.376
	2	Donate more now compared to the last five years	0.573	0.324

Table 1.7 Satisfaction of organization performance and monthly donation cross-tabulations

		Satisfied with organization performance		Total
		Yes	No	
Donate every month	Yes	90	348	438
	No	22	96	118
Total		112	444	556

Table 1.8 Organizations transparency required by donors

		What should the organizations include:	No (%)	Yes (%)
Basic information	1	The name and address of the organizations	9.8	90.2
	2	Phone numbers and email address for the organization	8.8	91.2
	3	Background about the mission and goals of the organizations	8.0	92.0
	4	Description of the organizations projects	7.7	92.3
People	5	A list of the people serving on the board of directors	16.5	83.5
	6	A list of the officers of the organization	17.4	82.6
	7	Photos and short bios of the people who do work for the organization	31.2	68.8
Accounting	8	Annual financial summaries	24.9	75.1
	9	Annual reports of the assets and investments held by the organizations, listing individual securities held	37.7	62.3

compared to 5 years ago (p -value = 0.324). This is supported by finding in Table 1.7 where 348 out of 444 respondents who were not satisfied with the performance of organizations still make a donation every month.

As far as transparency is concerned, respondents required only basic information on the organizations and the peoples involved. Less than 75 % of the respondents require details on bios of people working for the organization and financial summaries and reports on assets and investments of the organizations. Table 1.8 illustrates details of organizations transparency required by donors.

1.6 Conclusions

Overall, the findings of this study show that organizations preferred by donors are those linked with religious factors, the disadvantage, and the poor. This is further corroborated by the reason that donors donate due to fulfilling religious purpose and own satisfaction. In choosing the organizations to donate, donor relied on trust. Transparency, despite being one of the importance contributors to performance of organizations, only basic information on organizations, and people involved were required by donors. This probably explains why performance of the organization, despite its importance, was not the main reason for choosing an organization when donating. Further studies are required to understand the behavior of individual donors' giving toward not-for-profit organizations.

Acknowledgments The authors would like to acknowledge the grant provided by the Accounting Research Institute and Universiti Teknologi MARA Malaysia for this study. Grant reference No: 600-RMI/ARI 5/3 (17/2013).

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Chapter 2

Donor's Expectations Toward Transparency Features in Websites of Malaysia Charity Organizations

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Abstract This paper investigates the donor's perspective on the element of transparency and accountability needed to display in the website by the charity organizations (COs) in Malaysia. This is achieved through the survey of various literatures and study undertaken concerning the foundation. The study was done based on the fact that there is a very limited study on the topic especially in Malaysia based on the context of website or Internet communication technology (ICT). Thus, this study is able to provide an insight toward the readers on the view and how it leads toward trust in donation among donor. The respondents are randomly selected, and the questionnaire is based on online survey. A total of 556 respondents are collected from this research. The ability of potential stakeholder to access organization-specific information concerning the operations of non-profit organization is important for donation decision. It is hoped by this study that the public and more importantly the foundations to see how transparency display in the COs' website can play a crucial role in encouraging more people to donate and

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increase their fund. COs depend on people's donations to continue their mission to help their beneficiaries sufficiently. A long-term goal for this study is for the foundation to see how transparency can help to create a philanthropy society, a society that practises continuous charity and philanthropy in their lives rather than just charity society and a society that elects to donate based on demand and on timely basis.

Keywords Accountability · Transparency · Philanthropy

2.1 Introduction

Islam is a religion that based its foundation on five pillars of faith and practices. The fourth pillar of Islamic faith is to give alms or zakat. Zakat is given twice a year, on annual basis (annual zakat) and during fasting month (zakat fitrah). Therefore, giving charity is strongly linked to the fourth Islamic pillars as Islam encourages its follower to do good deeds beyond the requirement of faith. Muslims see the act of giving alms and charity as an action to cleanse their properties and assets, as well as a community spirit, an act for the betterment of the society in the future. In charity, one must take great deal in choosing the organization he or she wishes to donate to. Apart from personal preference, other factors that are taken into consideration are transparency and accountability. These features are seen to be important as it ensures the foundation is organized and operated for charity purposes and it does not use the fund for private benefits. Transparency and accountability are two of the central pillars of good governance. Accountability is an obligation or willingness by a charity to explain its actions to its stakeholders, while transparency is an obligation or willingness by a charity to publish and make available critical data about the organization. The examples of the transparency which cover both financial and non-financial statements displayed in the website are annual financial summaries, descriptions of the organization website, and detailed financial transaction log, showing the dates and amounts for individual payments made by the organization and many others. These features are usually scrutinized by the corporate who wishes to donate in order to establish the credibility and trustworthiness of the organization, but it is not as critical from the public's point of view. Some people do not take this feature to be important factors to donate, while others may look into certain features before proceeding to donation.

Concerns regarding the accountability and transparency of COs are not considered new in research field, and one of its lingering concerns is whether these organisations have managed to report openly their financial flow of their work to the public and stakeholders. This study examines the view of public toward detailed information which covers both financial information such as financial statement and cash flow statement and non-financial information such as organization background, number of employees, and others that should be displayed by the COs through their website for the public references. COs play a significant role in the

country's economy and social system as it covers various sectors such as education, health care, disaster relief, social work, humanitarian aid, and others (Brody 2001). In order to earn trust from the public, they have to exercise accountability and transparency in managing their day-to-day basis and it is important for COs to be accountable toward the public indirectly (Kilby 2006). In recent years, many COs have used their website to publish their report or statement to the public. Open access on these reports or statement to the public is important for smooth capital flow and for well-informed donation decisions (Senate 2004). Moreover, Bushman et al. (2004) suggest information availability is perhaps a key determinant in the efficiency of resource allocation. According to Leather and Younger (2011), the survival of COs depends highly on donation from government, business, corporations, foundations, institutions, individuals, fees, and lending. As such, COs have to be accountable with all the funds they have obtained from diverse sources (Mohd Nasir et al. 2009). They also have to ensure they have executed quality programs not only to gain profit for themselves, but to channel those profit for the benefit of others (Dillon 2004). In the UK, the most common concern among the donors is that they felt that most of their donation is channeled to production and administration cost (Miller 1997) when they have no clear knowledge of how the donations are being properly channeled. Public usually have a desire to know how charity fund-raising organizations spend their fund, money, and resources that they have obtained. Information from COs is also important to potential donors in making decisions whether to continue their contribution to the COs. Studies in COs argued that the transparency and accountability can only be achieved if NPO and COs are serious in submitting their annual reports and consistent with its format and structure (Mohd Nasir et al. 2009 and Ali et al. 2012). In Malaysia, COs can be registered either under Companies Commission of Malaysia (CCM) or under Registrar of Society (ROS) under the Ministry of Home Affairs. All COs are required by law, to submit to the ROS a set of annual reports after they have been approved at an annual general meeting within 60 days after the end of each calendar year. In Malaysia, charities generally use funds donated by the public and enjoy tax-exempt status. Thus, they have a responsibility to clearly report how their resources have been used. The most common way to access the financial and non-financial statements of the COs is through their website. The aim of this research is to find out the element of transparency in the COs' website that the donor likes to seek for building up the trust toward these organizations.

2.2 Past Studies

Most researchers agreed with Saloman et al.'s (1996) view on the meaning of COs. The authors defined non-profit sector by five conditions: formal organizations, private which means separated from government, not-for-profit distributing, self-governing, and voluntarily. The conditions listed indicate that COs should be independent formal organizations. This set of conditions effectively says that the

essence of COs is that they are restricted by non-profit distribution condition and they are at least partially supported by volunteer activities and donation. Dhanani (2009) has examined accountability practices of charities in England and Wales by focusing on information disclosure as a mechanism of accountability. The authors analyzed the trustees' annual report of 73 of the largest UK COs. The study found out that charities are more willing to provide descriptive information rather than information they may held to or questioned about. Disclosures were reflective of wider internal operations in which programs and outcome measures play a limited role. Connolly and Dhanani (2009), on the other hand, consider the extent to which various initiatives have led to improved charity accountability by analyzing the use of the Internet as a mechanism for discharging accountability and reporting the views of key charity personnel. The authors have analyzed annual reports and annual reviews of the 75 charities that supply these documents, by examining the website of each of the top 104 UK charities, and conducted 12 semi-structured interviews with senior personnel from 11 charities. They have found out that there is a general acceptance by public that charities are accountable to both their upward (funders, donors, and supporters) and downward (beneficiary and client groups) stakeholders. To summarize, annual reports are aimed at upward stakeholders and the public at large, while annual reviews are typically targeted at downward stakeholders. A recent study by Saxton et al. (2011) provides further understanding on the factors influencing voluntary financial disclosure. Using data gathered on the population of not-for-profit medical institutions in Taiwan during a period where the government encouraged but did not require disclosure on a centralized website. Their results show that voluntary disclosure is more likely in organizations that are smaller, have lower debt/assets ratios, and rerun by larger boards with more inside members.

2.3 Research Method

The main objective of this research is to examine the views of public toward the information needed to display by the COs in Malaysia through their website. Specifically, this study aims to examine:

1. The donation behavior, satisfaction, attitude, and perception of the respondents;
2. The correlation between donation behavior and the accountability of the COs;
3. Transparency factors that significantly affect the donation behavior.

Sample selection

A total of 556 respondents are collected from this research. The respondents are randomly selected from different states in Malaysia who donate their money occasionally. They are answering the questionnaire through online.

Data Collection

At first, questionnaire was developed. The question is divided into few sections. Later the questionnaire was transformed into online survey to make it easily accessible to the respondent. The questionnaire is divided into three sections. Section A is about respondent profile. Section B is about respondent behavior to donate. Section C would emphasize on the list of accountability features that are considered to be important for donor for their references.

Methodology

Analysis was carried out using descriptive, correlation, and logistic regression. For logistic regression analysis, dependent variables are donor and non-donor. Donor and non-donor were classified as those who donate less and more than 6 times on previous 12 months.

2.4 Results and Discussion

2.4.1 Respondent Profile

Based on Table 2.1, 55 % of respondents are female. 43.9 % of them are in the age group of 21–30 years, and only 6.5 % respondents are in the age group of more than 51 years. About half of them are married, have 4–6 number of households, and earned in the middle of RM2000 to RM4000. Most of them have tertiary education.

Table 2.1 Statistics of respondents' profile

Item	Category	N	%
Gender	Male	250	45.0
	Female	306	55.0
Age group	<21	66	11.9
	21–30	244	43.9
	31–40	125	22.5
	41–50	85	15.3
	>51	36	6.5
Marital status	Single	280	50.4
	Married	276	49.6
Income group	<2000	146	26.3
	2000–4000	287	51.6
	>4000	123	22.1
Education	Certificate/STPM/SPM/PMR	134	24.1
	Diploma	156	28.1
	Degree	201	36.2
	Master and above	65	11.7
No. of households	<3	195	35.1
	4–6	297	53.4
	>6	64	11.5

2.4.2 Behavior

Based on Tables 2.2 and 2.3, on average, the respondents donate nine times in a year or 24 times in a 5-year period. The respondents are considered as an occasional respondent because they assumed not donating their money through direct debit.

Table 2.2 Statistics of respondents' behavior

No.	Item	Mean	Min	Max
1	Donate < 12 months	120	1	9
2	Donate < 5 years	24	1	500

Table 2.3 Donation behavior of respondents

No.	Item	Category	%
1	Donate more now?	Yes	16.9
		No	83.1
2	Often donate to	Mosque	70.0
		Orphanage	43.3
		Education	25.0
		Poor and needy	27.3
		NGO	13.1
		War	44.4
		Health	0.4
3	Donate to other than the most often	Yes	89.4
		No	10.6
4	Donate to other than the most donated (RM)	Yes	87.3
		No	12.7
5	Donate every month	Yes	79.0
		No	21.0
6	Donate using online banking	Yes	56.7
		No	43.3
7	Donate because of	Peer	16.2
		Surrounding	21.8
		Upbringing	38.8
		Accessibility	16.4
		Religious	72.7
		Campaign	32.2
		Others	4.3
8	Reason to choose organization to donate	To meet goals	20.3
		Decision makers	11.0
		Past experience	18.5
		Meet expectation	14.7
		Trust	98.1
		Performance	20.1
		Others	7.7

Nevertheless, Sargent and Woodlife (2007) did not find evidence that regular donors are more committed to an organization that occasionally donates. From the table, the study has shown that the respondents prefer to donate for the betterment of the community and also for religious purposes. The largest donation goes to mosque (70.0 %), war (44.4 %), orphanage (43.3 %), poor and needy (27.3 %), NGO (11.8 %), education (25 %), and health (0.4 %). This is seen by their preferences of choosing establishments that served community such as mosque and orphanage, while establishment of public institutions such as education and health is less preferred. This can be explained by most of the community establishment such as mosque and orphanage needs the contribution to strive while in their opinion, non-profit health and education organizations should be deemed to be not sustainable due to lack of funding, will not affect them much because there are schools and hospitals that are systematically funded that will govern the health and education of the community. In this study, the donors highly prefer donation through online banking which contributes to 56.7 % from the respondent as compared to direct donation (43.3 %). With the decline in the level of donations from traditional donors, the Internet has been recognized as a potential channel through which non-profits can reach new donors (Johnson 1999). Most of the direct donation in Malaysia is made for mosque whereby most Muslims will put in their donations in the mosque's fund-raisers' box, and this is done commonly after Muslims perform solat in the mosque. Direct donation is also famous for orphanage collection, particularly in Malaysia where they placed donation box at restaurants and in front of ATM vestibules. Therefore, they opted to donate to these organizations when they received the change for their meals after they have made withdrawal from the ATM. While the participants in this study are seen to donate more on community establishments, there is one global cause that seems to have high preference among donors to donate: war. This can be explained by the result in the study that shows that there among the respondents, the highest reason for them to make donation is for religious purpose (72.7 %). Mosques are definitely connected to religious practices, and donation for poor people and orphanages is highly commendable in Islam. Religious purpose also enhanced the moral obligation of the donor. When people have a high moral obligation, they see it as important to help other people. This is supported by Cheung and Chan (2000) who stated that moral obligation is important for donating behavior, especially because the donor and the beneficiary do not know each other. As for war, this can be seen in the current situation where there is unrest in Muslim region, specifically in Syria, Palestine, and Rohingya, Myanmar. This attracts donors in this study to donate (44.4 %) as they see that this action is the way to help their Muslim community to compensate their limitation to engage in the war itself. Based on the last question on section B table, 98.1 % of the respondents choose to donate at their preferred charity organization because of trust. Trust is important for the existence and success of COs. According to Sargeant and Lee (2004), trust is the foundation of COs. When people do not have trust in COs, the organizations will not be able to collect sufficient resources to help their beneficiaries. Gefen and Straub (2004) have noted that people reduce uncertainty by relying on the trust they have in a person or organization.

Table 2.4 Result of satisfaction among donor on COs

No.	Statements	Not satisfied (%)	Satisfied (%)
1	I was appropriately thanked for my contribution(s)	11.7	88.3
2	I was thanked for my contribution(s) in a timely manner	1.9	98.1
3	The organization asks me for appropriate gift amounts	44.9	55.1
4	The organization does not ask me for donations too often	22.1	77.9
5	The organization cares about my needs as a donor	30.3	69.7
6	The fund-raising office has responded to my requests in a timely manner	36.6	63.4
7	The organization is in touch with me outside of requests for financial support	47.6	52.4
8	The organization effectively informs me about the impact of my gift(s)	36.6	63.4
9	I would recommend the organization to my family, friends, and associates as an organization to financially support. In what way could we increase your level of satisfaction as a supporter of the organization?	10.0	90.0

2.4.3 Satisfaction

Section C evaluates the level of satisfaction of donor based on the feedback given by the COs. Based on Table 2.4, all 556 respondents are satisfied with almost all items displayed in the table except items 3 and 7 where about half of them do not satisfied enough on the issue of appropriate gift amount asked by COs and relationship besides the request for financial support. These issues should be highlighted to understand the need of donor and hence encourage donor to donate more in the future. These issues are important to build up higher level of satisfaction to the donor as well as deepening the trust both in the short run and in the long run. While charitable organisations perform a vital role in society by providing support to those in need, they continue to rely heavily on public donations to fund their activities.

2.4.4 Transparency and Accountability

Section C result in Table 2.5 shows the suggested list of information that represents the accountability features of the COs in their website. It is divided into several aspects such as (1) basic information on the organization, (2) the number of employees, (3) financial statement, (4) notes, (5) public access, (6) publication, and (7) governance. As a donor, the most important information that they would like it to appear in the website is the basic background information on the COs. This info

Table 2.5 Results of transparency and accountability issues

Category	Does the website should include		No (%)	Yes (%)
I. Organization profile	1	The name and address of the organization?	27.0	73.0
	2	Phone numbers and email addresses for the organization?	25.4	74.6
	3	Background about the mission and goals of the organization?	27.2	72.8
	4	Descriptions of the organization’s projects?	26.6	73.4
II. People	5	A list of the people serving on the board of directors?	43.4	56.7
	6	A list of the officers of the organization?	46.0	54.0
	7	A list of all of the employees?	61.7	38.3
	8	Photographs and short bios of the people who do work for the organization?	47.1	52.9
III. Accounting	9	Annual financial summaries?	47.9	52.2
	10	Annual reports of the assets and investments held by the organization, listing individual securities held?	50.6	49.5
	11	Detailed financial transaction logs, showing the dates and amounts for individual payments made by the organization?	54.8	45.1
	12	A website that offers links to the websites of any other organizations that receive grants from this organization and links to the websites of any organizations that provide services that this organization pays for?	56.1	43.9
IV. Meeting notes	13	Copies of meeting agendas and meeting minutes for all meetings of the board of directors?	60.6	39.4
	14	Copies of meeting agendas and meeting minutes for all of the “all hands” or general staff meetings?	70.5	29.5
	15	Copies of meeting agendas and meeting minutes for department-level staff meetings?	68.2	31.8
V. Public access	16	A public subscribe to any mailing lists about the organization’s work and post messages to those mailing lists?	62.0	37.9
	17	Add content to the site, post messages, and attach comments to the material published by the organization itself?	59.8	40.1
	18	A website that allows outside volunteers to do real work for the organization, <i>beyond just fund-raising and activism (letter writing, etc.)</i> , by signing up for tasks listed on the site and then doing the work and possibly delivering a finished work product to the site?	59.0	41.0

(continued)