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A Legal Perspective on Social and Business Conflicts of Interest: Ethics Enforcement in GOTO

Muhammad Hermansyah[1], Endang Fatmawati[2], Yanti Mulia Roza[3], Tekat Sukomardojo[4]

[1]Universitas Yudharta Pasuruan
[2]Universitas Diponegoro
[3]UIN Mahmud yunus Batusangkar
[4]Politeknik Penerbangan Surabaya
*Corresponding Author E-mail: m.hermansyah@yudharta.ac.id

Abstract

This study examines the conflict between corporate profit and social responsibility within GOTO's business model, specifically analyzing how commission and fare deduction policies create legal and ethical dilemmas. Using a qualitative research approach, the study employs a legal analysis framework grounded in corporate governance principles, alongside literature reviews, document analysis, and stakeholder interviews. Findings reveal that prioritizing profitability through these policies results in decreased income and growing dissatisfaction among driver partners, thereby intensifying conflicts of interest. Although GOTO has initiated measures such as the establishment of an Ethics Committee and driver support programs, these steps fall short of fully addressing the legal and ethical gaps. The study concludes that reinforcing specific legal regulations—particularly those ensuring accountability and equitable stakeholder treatment—is crucial for resolving these conflicts. These results underscore the urgent need for adaptive legal policies that better balance corporate profit motives with broader social responsibilities in the digital economy.

Keywords: Conflict of interest, Corporate ethics. Law, Ethics enforcement, Business law

Abstrak

Studi ini meneliti konflik antara laba perusahaan dan tanggung jawab sosial dalam model bisnis GOTO, khususnya menganalisis bagaimana kebijakan komisi dan potongan tarif menciptakan dilema hukum dan etika. Dengan menggunakan pendekatan penelitian kualitatif, studi ini menggunakan kerangka analisis hukum yang didasarkan pada prinsip tata kelola perusahaan, di samping tinjauan pustaka, analisis dokumen, dan wawancara pemangku kepentingan. Temuan penelitian mengungkapkan bahwa memprioritaskan profitabilitas melalui kebijakan ini menghasilkan penurunan pendapatan dan meningkatnya ketidakpuasan di antara mitra pengemudi, sehingga meningkatkan konflik kepentingan. Meskipun GOTO telah memulai langkah-langkah seperti pembentukan Komite Etik dan program dukungan pengemudi, langkah-langkah ini belum sepenuhnya mengatasi kesenjangan hukum dan etika. Studi ini menyimpulkan bahwa memperkuat peraturan hukum tertentu—terutama yang memastikan akuntabilitas dan perlakuan yang adil bagi pemangku kepentingan—sangat penting untuk menyelesaikan konflik ini. Hasil ini menggarisbawahi kebutuhan mendesak akan kebijakan hukum adaptif yang lebih menyeimbangkan motif laba perusahaan dengan tanggung jawab sosial yang lebih luas dalam ekonomi digital.

Kata kunci: Konflik kepentingan, Etika perusahaan. Hukum, Penegakan etika, Hukum bisnis

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INTRODUCTION

Companies are often faced with a fundamental dilemma between the goal of achieving maximum profit (profit-oriented) and fulfilling their social responsibility (social responsibility) in carrying out

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business activities. This conflict arises because, naturally, every Company operates to gain profit for its shareholders, and amidst increasing public awareness of the importance of corporate social responsibility (CSR), companies can no longer operate only with financial goals without considering the social and environmental impacts of their activities (Mahaputra & Saputra, 2021; McCartney, 2023). The main dilemma facing companies is how to balance the goal of profitability with the obligation to maintain social and environmental sustainability. The higher the market pressure and investor expectations for profit, the greater the tendency for companies to ignore or reduce social responsibility efforts. Various stakeholders, such as local communities, governments, and non-governmental organizations (NGOs), also demand that companies minimize the negative impacts of their operations and contribute to social welfare (Chowdhury et al., 2022; Hasibuan, 2022).

Extractive industries such as mining, oil, and gas are one concrete example of this dilemma. Companies in this sector are often faced with pressure to increase production and profitability, especially since the commodities they produce have high economic value in the global market. Their activities often have significant negative impacts on the environment and surrounding communities, such as forest destruction, water pollution, land degradation, and human rights violations. Mining activities often cause serious environmental degradation; for example, land clearing for mining exploration can result in massive deforestation, which ultimately impacts local ecosystems and worsens the global climate crisis. Water pollution from mining waste can also damage vital water resources for local communities, this environmental damage not only causes long-term damage to the ecosystem but also affects the sustainability of the lives of communities that depend on natural resources around the Company's operational areas (Bialous, 2021).

11 *Conflicts of Interest in the Industrial World and Laws in Several Countries*

Country	Regulations	Case Example	Impact
United States	Sarbanes-Oxley Act, Dodd-Frank Act	Enron Case: fraud and company bankruptcy	Stricter law enforcement, increased transparency and accountability
European Union	Transparency Regulations, Corporate Governance Directive	Volkswagen Case: emissions manipulation	Enhanced ethical policies and compliance programs in companies
Japan	Corporate Governance Code	Nissan Scandal: conflict of interest involving former CEO	Increased awareness of the importance of good governance
Indonesia	Company Law, OJK Regulations	Corruption cases in State-Owned Enterprises (BUMN)	Push for greater transparency and accountability
Australia	Corporations Act	Crown Resorts Case: influence of conflicts of interest	Emphasis on stricter law enforcement

Figure 1. Conflict of Interest in the Industrial World

Source: data proceed

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Local communities living around extractive industry areas often face a decline in their quality of life due to irresponsible exploitation of natural resources. The presence of large companies often creates sharp social inequality, where a small portion of the population benefits while the majority of local communities feel the negative impacts. In some cases, land evictions occur without adequate compensation, triggering social conflicts between companies and indigenous or local communities; working conditions in this sector often trigger violations of workers' rights, including dangerous and inadequate working conditions (Czeisler, 2020).

Companies operating in the extractive sector often face global market pressure to increase production in line with high commodity demand. Investors and shareholders also tend to expect a high return on investment (ROI), which forces company management to focus on productivity improvement and cost reduction strategies. In such conditions, resource allocation for CSR programs or investment in environmentally friendly technologies is often considered an additional burdensome cost, so it is not a priority. An example also occurs in the oil industry because large companies are often faced with a dilemma between adopting more expensive, clean, and environmentally friendly technologies or continuing to use conventional production methods that are cheaper but more environmentally damaging, this choice is often influenced by market pressure to maintain or increase profit margins so that aspects of social responsibility tend to be ignored or minimized (Kalogiannidis, 2020).

One example of a case study in Indonesia is Gojek, a large technology platform that provides transportation, food delivery, and digital payment services. Although Gojek has managed to achieve huge profits and become one of the unicorns in Indonesia, the Company has faced criticism regarding its user data privacy policies. In 2020, Gojek was criticized due to concerns that users' data, including transaction and location data, could be accessed and used without adequate consent. This case raised questions about how sensitive data such as travel history and consumer preferences can be misused by third parties, including advertisers and business partners, for commercial purposes without clear transparency. This criticism reflects public concerns about the impact on privacy rights and personal data protection, especially in the rapidly growing digital ecosystem in Indonesia. Although Gojek has made improvements to its data security policies and systems, this case highlights the importance of stricter privacy regulations and stronger legal protection for user rights in Indonesia.

The conflict between business profits and social responsibility is part of a broader challenge facing modern companies in an increasingly complex global business environment. In today's digital and globalized era, companies are not only required to generate profits but also to consider aspects of transparency, ethics, and social responsibility. The increasing public expectations of companies in terms of social and environmental concerns have created additional pressure, where companies must operate with higher moral standards. This change is driven by a more critical society, as well as technological advances that allow for rapid access to information. In conditions like this, companies that fail to respond to these social demands often experience a serious reputation crisis, which has a direct impact on consumer trust and business continuity.

Corporate ethics plays an important role as a moral guideline that helps companies make decisions that are in line with social norms and values. Corporate ethics encompass the principles that companies should adopt in conducting business responsibly, both for employees, consumers, society, and the environment (Baird et al., n.d.). Companies are expected to not only focus on profitability, but also comply with social standards such as human rights, social justice, and environmental protection. Although many companies have adopted internal codes of ethics, the implementation of these ethics is often ineffective without clear legal regulations. Companies may claim to follow business ethics, but in practice, loopholes in policies and supervision allow them to ignore these responsibilities for the sake of profit (Bany Mohammad et al., 2022; Lehmer et al., 2022).

This is where business law plays a vital role in bridging the gap between ethical principles and business practices. Laws provide a framework for how companies should act in a manner consistent with expected social norms. Without strict regulation, corporate ethics often becomes a mere formality, a slogan to build a positive image, but not implemented in real action. Business law ensures that ethical standards are not just considered as voluntary commitments but as legal obligations that companies must comply with. Strong regulation holds companies accountable for the social and environmental impacts of their activities, providing greater protection for consumers and society while ensuring that ethical principles are truly upheld in every aspect of business operations (Makharoblishvili, 2022; Radun, 2023). Pay attention to the following data:

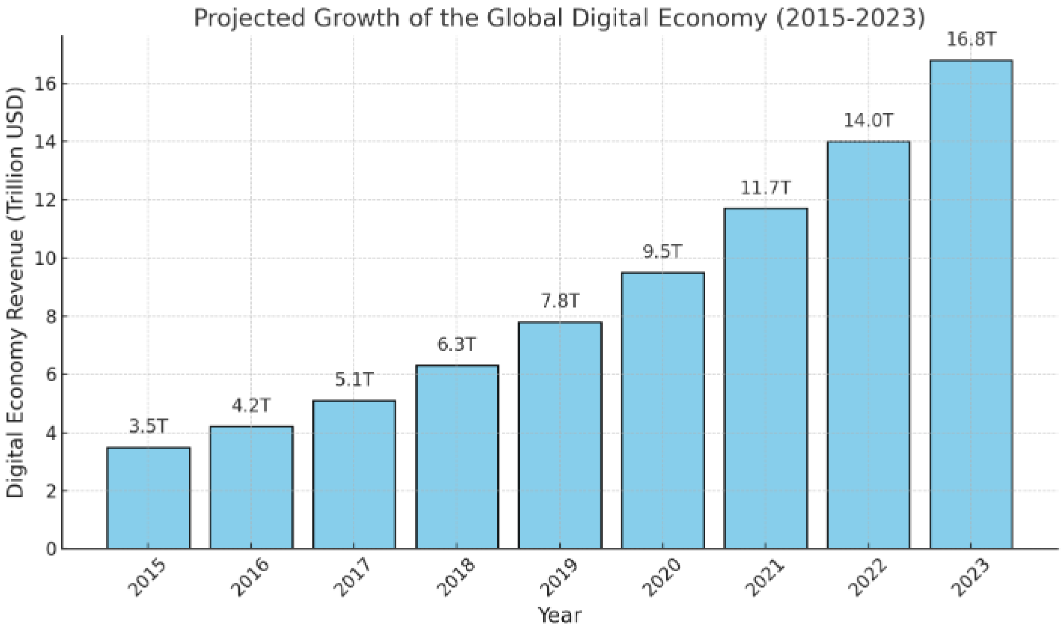

Figure 2. Projected Growth of the Global Digital Economy

Source: data proceed

The growth of the global digital economy from 2015 to 2023 shows a significant upward trend, as illustrated in the bar chart. In 2015, the digital economy revenue was estimated to reach 3.5 trillion USD, reflecting the early stage of digital industry development with limited technology adoption. Along with increasing internet penetration, use of digital platforms, and technology-based business transformation, the digital economy revenue continues to grow rapidly. In 2020, the value of the digital economy almost tripled to 9.5 trillion USD, driven by changes in consumer behavior and the massive expansion of application-based services such as e-commerce, fintech, and online transportation.

A significant surge occurred during the 2020-2023 period, where the digital economy continues to grow to reach 16.8 trillion USD in 2023. The COVID-19 pandemic is one of the main factors that accelerates digitalization in various sectors, resulting in increased dependence on digital services, including e-commerce, digital payments, and remote work systems. Platform-based companies such as GOTO, Uber, and Grab play an important role in this digital ecosystem, although on the other hand, their business models pose various challenges related to conflicts of interest between company profits and the welfare of work partners.

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Business law plays an important role in mediating the interests between the profitability goals of a company and its social responsibility to society. As a regulatory tool, business law provides a clear framework to ensure that companies can carry out their operations while still paying attention to social, environmental, and human rights impacts. Business law not only regulates the commercial and economic aspects of a company but also functions as a balancing mechanism that connects business interests and social interests.

First, business law acts as a tool to mediate business and social interests, and it allows for a more balanced dialogue between business stakeholders and society with regulations governing corporate social responsibility. Laws requiring companies to implement corporate social responsibility (CSR) programs ensure that companies do not only focus on profitability but also consider the impact of their operations on society and the environment. Business law is an effective tool to bridge the conflict between economic and social interests, creating space for companies to continue operating while respecting the rights of society.

Second, business law maintains a balance between corporate objectives and the protection of community rights. Without adequate regulation, companies can tend to ignore social and environmental aspects for the sake of profit. However, through strict application of laws, such as environmental laws, consumer protection laws, and labor laws, business law ensures that a company's economic activities are not carried out at the expense of the basic rights of the community. For example, in industries that have the potential to damage the environment, such as mining or manufacturing, business law plays a role in protecting the community from pollution, labor exploitation, or other human rights violations.

Third, business law ensures corporate accountability for unethical actions. In many cases, companies can be tempted to take unethical shortcuts, such as hiding the negative impacts of operations or deceiving consumers. and through regulations and legal mechanisms, companies are required to be transparent and accountable for their actions. The law allows affected parties, such as consumers or local communities, to hold companies accountable if violations occur. An example is the case of data privacy violations by technology companies, where privacy laws give users the right to sue companies if their data is misused (Tavera Romero et al., 2021).

Legal regulations on corporate social responsibility still need to be improved in many countries. Many regulations are voluntary or need strong enforcement mechanisms. Hence, enforcing corporate ethics is often the responsibility of companies themselves, and this creates uncertainty in the implementation of social responsibility, where large companies with large resources may be able to avoid their responsibilities by exploiting legal loopholes or creating cosmetic CSR programs (Salterio, 2022). This challenge is especially pronounced for communities negatively impacted by unethical business practices, such as environmental destruction or labor exploitation, because they only sometimes have access to adequate legal channels to assert their rights.

Strengthening business laws governing corporate social responsibility is crucial to protect social interests and ensure that business profits are not achieved at the expense of public welfare. Companies also have to deal with legal regulations that require them to comply with environmental and social standards amidst pressures to achieve maximum profits. For example, in some developing countries, environmental laws are not always strictly enforced, allowing mining companies to operate without considering their negative impacts. In countries with stricter regulations, companies can engage in greenwashing practices, which is manipulating their public image by pretending to care about the environment when, in fact, the actions they take are not commensurate with the claims they make. The purpose of this study is to analyze how conflicts of interest between social and business interests can be resolved through the enforcement of corporate ethics from a legal perspective. This study also aims to identify the role of law in preventing and resolving conflicts of interest that often arise in business practices and to evaluate the effectiveness of corporate ethics enforcement in encouraging corporate social responsibility. The scope of the study includes a case study of the Gojek company which experienced a conflict of interest, a study of legal regulations related to business ethics, and an analysis of the social and business impacts of enforcing these ethics in the context of applicable law in Indonesia.

LITERATURE REVIEW

Conflict of Interest Theory

Conflict of interest theory refers to situations in which an individual or entity has a personal interest that may influence their professional or business decision-making. In general, a conflict of interest occurs when there is a mismatch between personal goals and supposedly objective professional interests. According to (Basheer et al., 2021), a conflict of interest is a condition that arises when an individual or organization is faced with two or more conflicting interests, and the decisions taken have the potential to benefit one party disproportionately. Types of conflicts of interest can be classified into several categories, including financial conflicts, where decisions are made based on personal economic gain; professional conflicts, where business considerations and work ethics clash; and social conflicts, which occur when unethical business practices threaten the interests of the general public.

Previous studies have shown the negative impacts of conflicts of interest on companies, including a decline in the Company's reputation, loss of public trust, and the Company's inability to maintain its operational sustainability. A study by (Jafari Nia et al., 2022) stated that conflicts of interest that are not managed properly can reduce the quality of management decisions and create a business environment that is vulnerable to scandals. Another study by (Ganson et al., 2022) showed that conflicts of interest that occur in the financial sector tend to trigger violations of business ethics and cause major losses for investors and shareholders. Both of these studies emphasize the importance of strong regulation and enforcement of corporate ethics to reduce the risk of conflicts of interest. Good regulation can help ensure that conflicts of interest are identified early and handled appropriately so that companies can avoid greater negative impacts in the future. It can be concluded that conflicts of interest, if managed properly, will help corporate governance through the analysis of these studies, and companies need to adopt effective internal mechanisms and coordinate with legal authorities and regulators in addressing and preventing conflicts of interest (Tang et al., 2020; Yang et al., 2020).

Corporate Ethics

Corporate ethics is a set of principles and values that guide a company's behavior in interacting with stakeholders, including employees, customers, communities, and governments. Ethical principles in business serve as moral guidelines that encourage companies to operate fairly, transparently, and responsibly. According to (Check, 2022), business ethics include aspects of social responsibility, honesty, integrity, fairness, and respect for individual rights. These principles form the basis for company decisions to achieve a balance between profitability and social interests. The existence of a code of ethics in a company is also an important tool for communicating expected standards of behavior and ensuring that the actions taken by the Company are in line with the ethical values adopted (Gadinis & Miazad, 2020; Weisbrod et al., 2023).

Corporate ethics enforcement is essential to ensure that ethical principles are not only formal statements but also implemented in daily practice. Research by (David-Barrett, 2020) highlighted that when corporate ethics are enforced seriously, it can improve the Company's reputation and build public trust. Effective enforcement requires commitment from all levels of management, from executive to operational levels, to consistently enforce ethical standards. In addition, strong internal and external audit mechanisms are needed to ensure that ethical violations are promptly identified and acted upon. Research by (Adinugraha et al., 2021) also emphasized that companies that fail to enforce corporate ethics tend to face significant legal and reputational risks, as well as loss of trust from stakeholders.

Several studies have shown that companies that consistently implement corporate ethics are more likely to survive in the long term. Research by (Carroll, 2021) on the pyramid model of corporate social responsibility (CSR) outlines that companies must fulfill economic, legal, ethical, and philanthropic responsibilities as part of their commitment to ethics. This model emphasizes that business sustainability depends not only on a company's ability to generate profits but also on its contribution to society and the environment. In a further study by (Marina et al., 2023) showed that companies that adhere to corporate ethics tend to have a more positive organizational climate, which ultimately increases employee productivity and loyalty.

The analysis of these studies confirms the importance of enforcing corporate ethics in maintaining public trust and achieving long-term success. Although the implementation of ethics often faces challenges, such as conflicts of interest and pressures to maximize profits, these studies emphasize that a commitment to ethical values can help companies better face these challenges. Companies that successfully uphold corporate ethics are not only able to avoid scandals and legal violations, but they are also able to build a strong foundation for sustainable growth.

Legal Perspective

Regulations related to conflict of interest and business ethics from a legal perspective play an important role in maintaining the balance between corporate interests and public interests. In general, these regulations are designed to prevent individuals or entities in decision-making positions from exploiting their positions for personal gain that could harm the organization or other stakeholders (Schrempf-Stirling & Van Buren III, 2020; Shadduck et al., 2023). Various countries have developed specific laws to address the issue of conflict of interest. In Indonesia, for example, there is Law No. 40 of 2007 concerning Limited Liability Companies, which emphasizes the importance of business ethics and the requirement for companies to operate with the principles of good corporate governance. This law also highlights the importance of transparency and accountability in decision-making, especially when it comes to conflicts of interest.

International regulations also provide a strong legal framework for enforcing business ethics. International organizations such as the OECD (Organisation for Economic Co-operation and Development) have developed the OECD Guidelines for Multinational Enterprises, which guide business ethics for multinational companies, including how to handle conflicts of interest. This document encourages companies to maintain transparency, integrity, and responsibility in their business activities worldwide. Research by (Caruana et al., 2021) emphasizes that such international regulations can help overcome differences in ethical standards across countries and ensure that multinational companies operate responsibly across jurisdictions.

Previous research has shown that legal regulation has a significant impact on preventing conflicts of interest and improving ethical standards in business. A study conducted by (Gusti et al., 2021) found that strong laws related to business ethics, including those regulating the fiduciary obligations of corporate management, have helped reduce the number of business scandals in several developed countries. The study highlighted case examples, such as in the United States with the Sarbanes-Oxley Act of 2002, which was issued after major scandals such as Enron and WorldCom. This law created new standards in terms of financial transparency and management oversight, including strict enforcement of conflicts of interest in (Dmytriyev et al., 2021).

Research by (Hess & Belletto, 2023) also shows that harmonized regulations between countries can strengthen the enforcement of business ethics; this study highlights how international agreements, such as the United Nations Global Compact, help shape global norms and standards in terms of corporate ethics, including human rights, the environment, and anti-corruption. This initiative emphasizes the importance of the involvement of various parties, including governments, companies, and civil society, to jointly ensure that conflicts of interest and violations of business ethics can be minimized at the global level.

The analysis of these studies confirms that regulations related to conflicts of interest and business ethics, both at the national and international levels, are effective instruments in enforcing higher ethical standards in the business world. Although their implementation often faces challenges, such as differences in legal interpretations in different countries or conflicting business interests, strong regulations and commitment from related parties can provide a stable foundation for maintaining corporate integrity. Companies that comply with these regulations can not only avoid legal risks but can also increase public trust and competitiveness in the global market (Mahmood & Bashir, 2020; Schanzenbach & Sitkoff, 2020).

Corporate Governance Principles

Corporate Governance Principles serve as a critical theoretical foundation for understanding the mechanisms and structures that guide organizations toward ethical and effective management practices. These principles emphasize transparency, accountability, fairness, and responsibility in business decision-making, ensuring that corporate strategies align with the interests of all stakeholders, including shareholders, employees, customers, and the broader community. The principles of corporate governance offer an essential theoretical framework for understanding how conflicts of interest are managed within organizations. Corporate governance, particularly its focus on accountability, transparency, and fairness, plays a critical role in identifying and addressing ethical dilemmas, such as those arising from conflicts between business objectives and social responsibilities, these principles help establish the mechanisms through which ethical behavior is promoted, ensuring that both social and business interests are balanced in decision-making processes (Dmytriyev et al., 2021).

Corporate Governance Principles refer to the set of rules, practices, and processes by which companies are directed and controlled. These principles are grounded in the fundamental objectives of ensuring accountability, fairness, transparency, and responsibility within an organization. At its core, corporate governance provides a structure that aligns the interests of various stakeholders—such as shareholders, management, employees, and the broader community—while safeguarding against conflicts of interest and promoting long-term organizational success. The theoretical basis of corporate governance is rooted in agency theory, which emphasizes the relationship between principals (shareholders) and agents (management), where potential conflicts of interest may arise. Agency theory highlights the necessity for mechanisms that align the interests of managers with those of the shareholders, ensuring that managers act in the best interest of the company. Additionally, stakeholder theory broadens this perspective by acknowledging that a company's responsibilities extend beyond just its shareholders to include employees, customers, suppliers, and the community (Gusti et al., 2021). This theory emphasizes that ethical decision-making and value creation must consider the well-being of all stakeholders.

Corporate governance is operationalized through the establishment of clear governance structures, such as a board of directors, internal controls, risk management frameworks, and ethics committees. These structures help ensure that business decisions are made in a manner that is both accountable and transparent. The board of directors, for instance, plays a crucial role in overseeing management and ensuring that strategic decisions align with the company's long-term goals and ethical obligations. Regular audits and the establishment of compliance programs further bolster corporate governance by ensuring that companies adhere to legal and regulatory standards (Caruana et al., 2021).

RESEARCH METHOD

This study employs a qualitative case study approach, focusing on GOTO as the primary subject to explore corporate ethics enforcement and conflicts of interest in the digital platform industry. The qualitative method is chosen over a mixed-methods approach because it allows for an in-depth understanding of subjective experiences, regulatory challenges, and institutional responses that cannot be fully captured through quantitative analysis. By using interviews and document analysis, this study aims to provide a rich, interpretative perspective on how GOTO navigates ethical and legal complexities in its business operations. The research is grounded in corporate governance principles, particularly the OECD Principles of Corporate Governance and Indonesia's Law No. 40 of 2007 on Limited Liability Companies, which outline fiduciary duties and corporate responsibility. Business ethics theories, such as Stakeholder Theory and Agency Theory, serve as analytical lenses to assess conflicts of interest between company management, investors, and gig workers. The study also incorporates legal regulations, including Law No. 5 of 1999 on Anti-Monopoly and Unfair Business Competition and international ethical standards like the United Nations Global Compact (UNGC) and ISO 26000 on Social Responsibility.

To ensure a comprehensive analysis, the study collects data from multiple sources. First, a literature review is conducted to establish a theoretical foundation on conflict of interest, business ethics, and corporate law. Second, legal documents related to Indonesian corporate governance and international business ethics standards are analyzed to contextualize the regulatory framework governing GOTO. Third, semi-structured interviews with key stakeholders—including company management, legal experts, and regulatory authorities—are conducted to gain insight into the implementation of ethics policies and conflict resolution mechanisms within the company. Lastly, company reports, such as annual reports, sustainability disclosures, and governance documents, are examined to assess GOTO's internal policies on ethical compliance. The data is then analyzed using thematic analysis, where key themes related to corporate ethics enforcement, regulatory compliance, and business decision-making impacts are identified. By linking empirical findings with governance principles, legal frameworks, and business ethics theories, this study provides a nuanced understanding of how GOTO manages conflicts of interest while balancing business profitability and social responsibility.

RESULTS AND DISCUSSION

Case Analysis

GOTO as a leading technology company resulting from the merger between Gojek and Tokopedia, faces one of the major challenges in managing conflicts of interest between business and social interests. As a company engaged in ride-hailing, e-commerce, and fintech, GOTO faces pressure from various stakeholders, including investors, government, customers, and local communities. One of the cases of conflict of interest that emerged was when GOTO was in the spotlight because of internal policies related to driver-partner commissions and pricing policies for their ride-hailing services.

The Company is faced with demands to increase shareholder profits and optimize profits, but on the other hand, there is pressure to maintain the welfare of driver partners and consider aspects of social responsibility, especially after the COVID-19 pandemic which has increased the economic burden on informal sector workers. This conflict of interest has sparked criticism from the public and relevant regulators because there is an assumption that GOTO prioritizes its business interests over its social responsibility to the wider community, especially driver partners who play an important role in the Company's operations, this case examines how GOTO balances business interests with corporate ethical commitments and enforcement of existing regulations.

In an interview with one of the driver partners, he stated, "We understand that the Company needs profit, but with the increasingly large cuts, our income is not enough for our daily needs. The Company should also think about our welfare because we are part of their operational wheels." Similar criticism also came from the ride-hailing workers association, which filed a protest regarding the policy, demanding transparency in profit sharing and a fairer balance between the interests of the Company and workers.

An interview with one of the informants, a GOTO executive who chose to remain anonymous, provided a different perspective. He said, "We have to make difficult decisions, especially amidst increasingly fierce competition and demands from investors. This commission cut and rate increase are strategic steps to maintain the Company's financial stability and provide good results for shareholders, we remain committed to finding the best solution to maintain the welfare of driver partners."

Conflicts of interest also occur regarding compliance with government regulations. GOTO often has to deal with government policies regarding the determination of upper and lower tariff limits. Although these regulations aim to protect consumers and ensure affordable services, the Company feels limited in terms of price flexibility to compete in the market. This conflict illustrates the clash between the Company's commercial interests and the obligation to comply with regulations and consider the social impact of business decisions.

An interview with a government regulator in Jakarta revealed that "We appreciate the big role that tech companies like GOTO play in the economy, but they also have to comply with regulations that are made to protect the wider community. This conflict of interest often arises when companies prioritize business growth over the welfare of users and workers, and enforcement of regulations remains important to maintain balance." From these interviews and analysis, it is clear that the conflict of interest at GOTO encompasses the complexity between the ever-growing business needs and social responsibilities towards driver partners and consumers, which tests the Company's ability to uphold business ethics.

Corporate Ethics Enforcement

In the face of conflicts of interest involving driver-partner welfare and fare policies, GOTO has taken several steps to uphold corporate ethics and demonstrate its commitment to social responsibility. One of

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the main actions taken by the Company is the establishment of an ethics committee tasked with reviewing internal policies related to the welfare of workers and other stakeholders. The committee consists of representatives from management, business ethics experts, and representatives drivers-partners, and its purpose is to create a more open communication platform where various interests can be discussed transparently and fair solutions can be reached.

GOTO also introduced a transparency reporting initiative, where the Company regularly reports on policies taken related to the welfare of driver partners, including commission schemes and pricing policies. The reports are published on the Company's website, allowing public access and providing a direct assessment of the impact of these policies. This is done to increase corporate accountability and provide a clearer picture of the Company's commitment to ethical standards. This step also emphasizes the importance of transparency as part of enforcing ethics, which is considered important by various stakeholders, including regulators and consumers.

GOTO seeks to minimize the impact of policies that are detrimental to driver partners by launching financial support and skills training programs. This program is designed to help driver-partners increase their income through service diversification, such as delivery and partnerships with e-commerce services. In addition, the Company introduced a performance bonus scheme as a form of incentive for drivers who achieve certain targets. This action was taken as part of GOTO's efforts to show concern for driver partners' welfare while maintaining its business's sustainability.

Another action taken is an active dialogue with the government and relevant regulators to ensure that the Company's policies are in line with applicable regulations. GOTO works with the government to review tariff and commission policies and seek joint solutions that can benefit both the Company and the drivers; this reflects the Company's collaborative approach to upholding business ethics and complying with legal regulations. And through these steps, GOTO seeks to balance business demands and broader social interests. Enforcing corporate ethics, in this case, is not only limited to fulfilling legal obligations but also represents a real commitment of the Company to building sustainable relationships with stakeholders. Although there is still criticism of the effectiveness of some policies, GOTO shows that they are trying to address conflicts of interest more transparently and responsibly.

The legal aspect plays a key role in ensuring that the Company's actions are by applicable regulations in resolving conflicts of interest that occur in GOTO. Various regulations related to business ethics and conflicts of interest in Indonesia have been implemented to ensure transparency and accountability within the Company. One of the main regulations used in this context is Law No. 40 of 2007 concerning Limited Liability Companies (UUPT). This law regulates corporate governance, including the obligations of directors and boards of commissioners to act in the interests of the Company and shareholders while still prioritizing the principles of transparency and accountability. In the case of GOTO, the UUPT requires the Company to ensure that strategic decisions, such as tariff and commission policies, do not only benefit one party but also consider the impact on all stakeholders, including driver partners.

Minister of Transportation Regulation No. 118 of 2018 concerning the provision of special rental transportation also has relevance in resolving the conflict faced by GOTO. This regulation regulates the upper and lower limit rates for ride-hailing services, which aims to protect consumers from excessive prices while ensuring minimum income for driver-partners. In some cases, conflicts arise when companies try to adjust their tariff policies to meet market and shareholder demands but are limited by these tariff regulations; GOTO must negotiate with regulators to ensure that their business policies remain by applicable regulations.

International legal aspects are also relevant in addressing conflicts of interest in multinational companies such as GOTO. The OECD Guidelines for Multinational Enterprises, widely adopted by many global companies, guide ethical standards in corporate operations. These guidelines cover corporate social responsibility, transparency, and conflict of interest management, all of which play a role in creating a sustainable and responsible business environment. GOTO, as a technology company with a wide network, including foreign investors, is expected to comply with these international standards to maintain its global reputation.

Legal analysis in the GOTO case shows that although companies have the freedom to formulate business policies, they must do so within a strict regulatory framework, both at the national and international levels. The successful resolution of this conflict of interest depends largely on the Company's ability to comply with applicable regulations while maintaining a balance between commercial and social interests, such as the Company Law and transportation sector regulations; GOTO is encouraged to ensure that every business action they take is in line with legal and ethical principles with strong regulations.

Although this regulation provides a clear legal framework, challenges still need to be addressed in implementation. For example, in an interview with the regulator, it was stated that "There is still a gap between the policies implemented by the company and the reality on the ground, especially related to the protection of driver partners." This shows that even though the regulation is in place, more intensive efforts are still needed from GOTO to enforce ethical standards that are by the rule of law, as well as strengthen supervision and law enforcement in this sector.

The legal regulations applied in conflict resolution at GOTO reflect the importance of balancing business interests and corporate social responsibility. Companies are expected to comply with existing rules, including in terms of transparency, accountability, and the welfare of work partners, to create a more ethical and sustainable business environment, if simplified in a flowchart as shown in the image below (Figure 3):

Figure 3. Conflict of Interest in GOTO

The social response to the conflict of interest that occurred at GOTO showed a significant level of concern from the community, especially from driver-partners and advocacy groups. Many driver partners expressed dissatisfaction with the commission cut policy and the fare increase, which were considered burdensome. They expressed their concerns through various social media platforms, campaigns, and

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online petitions calling on the Company to reconsider the policy for their welfare. This response reflects deep concern for their working conditions and income, which are increasingly under pressure due to the Company's more profit-oriented decisions.

Advocacy groups concerned with workers' rights also stepped in by organizing demonstrations and protests, urging GOTO to implement fairer and more transparent policies. They demanded that the Company implement better incentive schemes and take driver-partner input into account in decision-making. This action managed to attract media attention, which then brought the issue to the public, raising awareness about the challenges faced by driver-partners in the ride-hailing industry.

Table 1. Comparison of GOTO's Practices with Similar Companies

Aspect	GOTO	Uber	Grab
Commission and Fare Deduction Policies	Implements dynamic pricing and fare deductions, with commission rates that fluctuate based on location and demand. Many drivers have raised concerns about reduced earnings due to high commission fees and opaque fare structures.	Faces similar criticisms worldwide. In countries like the U.S. and U.K., Uber drivers have protested against low wages after commission deductions, often demanding minimum wage guarantees.	In Southeast Asia, Grab also deducts commissions from driver earnings, leading to regulatory pushback and occasional driver strikes.
Transparency and Ethical Oversight	Has an Ethics Committee and sustainability programs, but implementation is often questioned due to insufficient transparency in decision-making processes.	Introduced transparency measures, such as trip fare breakdowns, but still faces accusations of opaque algorithmic pricing that disadvantages drivers.	Implemented driver support programs, but transparency concerns remain regarding commission cuts and pricing models.
Legal and Regulatory Compliance	Operates under Indonesian regulations but faces challenges in aligning with labor laws regarding gig worker protections.	Frequently involved in legal battles over worker classification (independent contractors vs. employees), especially in the U.S., U.K., and EU.	Faces similar regulatory scrutiny in Southeast Asia, with some governments pushing for better labor protections.

Source: Data proceed

The conflict of interest issues faced by GOTO are not isolated—they reflect broader industry challenges seen in other ride-hailing and digital platform companies worldwide. The lack of transparency, commission-based profit models, and labor-related disputes indicate that this is a systemic issue rather than a company-specific problem. However, some countries have stronger regulatory frameworks (e.g., China) that enforce greater transparency and fairer wage structures, while others (e.g., Indonesia, U.S.) are still debating the best approach to balance corporate interests and worker rights. This comparison suggests that more adaptive legal frameworks are needed to ensure that platform companies operate ethically while maintaining business sustainability.

Several legal steps were also taken amidst widespread public backlash. Driver partner associations filed complaints with relevant regulators, demanding a review of the fare and commission policies that were considered detrimental. They hoped that existing regulations could be enforced more strictly to protect their rights. In several cases, worker organizations have sued GOTO in court to request enforcement of laws related to the protection of workers' rights that were deemed violated. This legal response shows that public dissatisfaction is not just a demonstration but also continues to the legal path to seek justice.

With the strong public response and legal action taken, GOTO is facing increasing pressure to improve its policies and commit to its social responsibilities. This social response creates an important space for dialogue between the Company, workers, and the community and highlights the need for transparency and fairness in a business operating in a dynamic environment. GOTO needs to respond to these challenges with concrete actions to ensure continued good relations with its stakeholders while rebuilding public trust that the conflict may have damaged.

Discussion

The conflict of interest theory posits that competing interests among stakeholders can lead to ethical dilemmas and operational challenges within organizations. In the context of GOTO, this theory is vividly illustrated as the Company navigates the tension between maximizing profits for shareholders and ensuring fair treatment for driver-partners, while theoretical frameworks emphasize the importance of transparency, accountability, and ethical governance, the real-world scenario at GOTO reveals complexities that often challenge these ideals (Allen et al., 2021; Khanjankhani et al., 2023).

The theory suggests that effective communication and stakeholder engagement are crucial in mitigating conflicts. The dissatisfaction expressed by driver-partners highlights a gap in GOTO's approach to stakeholder involvement. The Company's commission cut policy and tariff adjustments, aimed at enhancing profitability, inadvertently marginalized the voices of its driver partners, leading to protests and calls for greater equity. This divergence from theoretical principles underscores the necessity for companies to implement robust mechanisms for stakeholder feedback and participatory decision-making.

The regulatory frameworks, such as Law No. 40 of 2007 and Minister of Transportation Regulation No. 118 of 2018, provide a structured approach to addressing conflicts of interest. Theoretically, adherence to these regulations should promote ethical conduct and protect stakeholder interests. The challenges faced by GOTO in aligning its business practices with these legal requirements reveal that compliance alone is insufficient. It emphasizes the need for a proactive ethical culture that goes beyond mere adherence to regulations, integrating ethical considerations into the core business strategy.

The case of GOTO exemplifies the interplay between theory and practice in conflict-of-interest scenarios. While theoretical models provide valuable insights into managing competing interests, real-world dynamics reveal the importance of context, communication, and a commitment to ethical governance. This comparison highlights that a nuanced understanding of both theoretical and practical elements is essential for organizations striving to navigate conflicts of interest effectively and responsibly.

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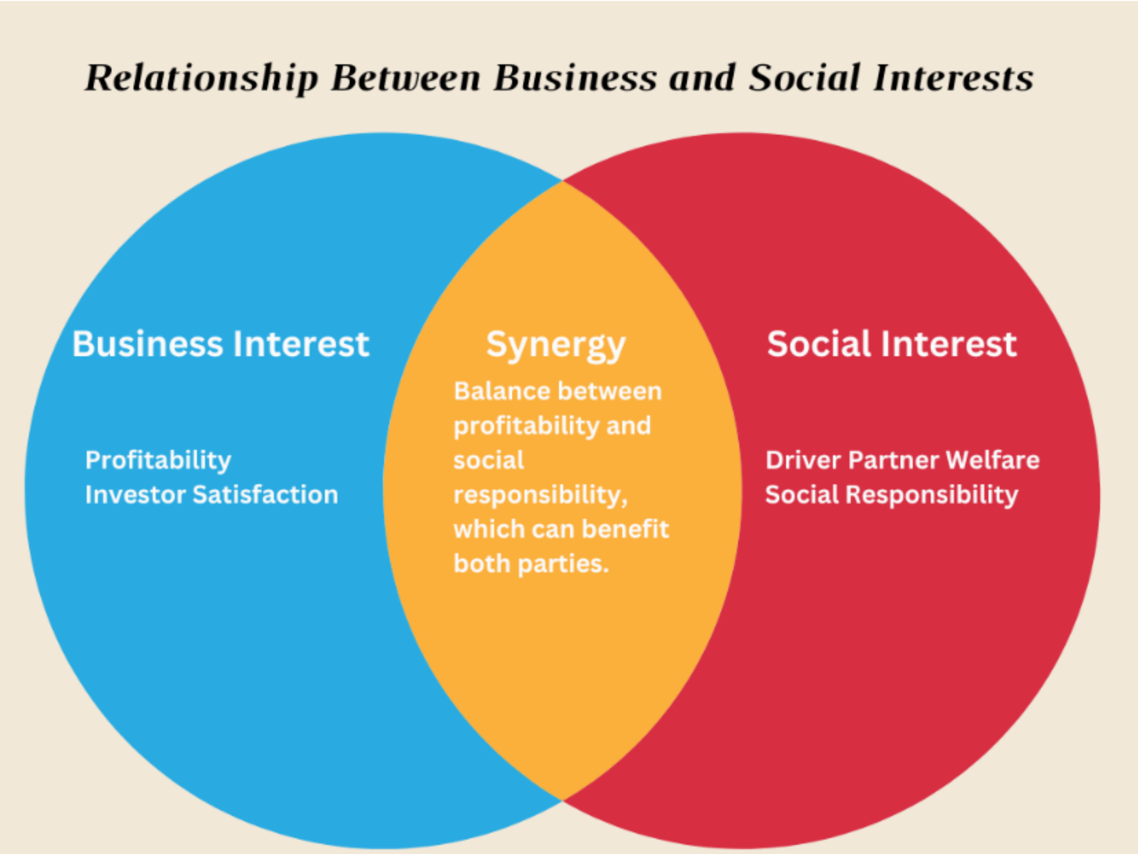

Figure 4. Relationship between Business and Social Interest

The ethics enforcement in the GOTO case shows some significant weaknesses and strengths. One of the strengths is the Company's effort to form an Ethics Committee, which aims to involve driver-partners in the decision-making process. This step reflects GOTO's intention to increase transparency and create better communication channels with stakeholders. In addition, the training and support programs provided to driver partners have the potential to improve their welfare while building trust between the Company and its partners.

Some weaknesses need to be addressed because although GOTO has taken steps to enforce ethics, the implementation of the policy often feels inconsistent and ineffective. Many driver partners still feel that their voices need to be heard, and the commission cut policy that is implemented continues to cause dissatisfaction. This shows that despite the existence of a structure and good intentions, the lack of concrete actions that are responsive to feedback from driver-partners can erode the effectiveness of ethics enforcement. It is important for GOTO to not only formulate an ethics policy but also ensure that its implementation reflects a real commitment to the welfare of all stakeholders.

The role of law is crucial in preventing and resolving conflicts of interest in companies like GOTO. Through clear regulations, such as Law No. 40 of 2007 concerning Limited Liability Companies and Regulation of the Minister of Transportation No. 118 of 2018, the law sets standards that companies must comply with in carrying out their business practices. These regulations provide a framework that forces companies to be transparent and accountable to all stakeholders, including driver partners. With strict regulations, companies are expected to be able to identify potential conflicts of interest early on and take necessary preventive measures, such as involving stakeholders in decision-making related to tariff and commission policies (Gazzola et al., 2020; Thompson et al., 2021).

To optimize the role of law in preventing conflicts of interest, stricter law updates and enforcement are needed in the future. Implications for legal policy include the need to revise regulations to be more adaptive to dynamic changes in the industry, especially in the technology and digital services sectors. Strengthening the supervision and enforcement mechanisms is essential to ensure that companies not only meet legal requirements but are also committed to sustainable, ethical practices (Pfajfar et al., 2022). The law not only functions as a preventive tool but also as an instrument that encourages companies to be socially responsible and maintain integrity in carrying out their business operations.

Indonesia's current enforcement mechanisms for addressing conflicts of interest and corporate ethics in the digital platform industry remain inadequate due to significant legal, regulatory, and labor protection gaps. Existing corporate governance regulations, such as Law No. 40 of 2007 on Limited Liability Companies and Law No. 5 of 1999 on Anti-Monopoly and Unfair Business Competition, primarily regulate traditional business structures and do not sufficiently accommodate the unique challenges posed by platform-based business models like GOTO. These laws lack specific provisions on algorithmic pricing transparency, commission fairness, and gig worker protections, allowing companies to operate in a regulatory gray area with minimal accountability. Furthermore, enforcement agencies such as the Financial Services Authority (OJK) and the Business Competition Supervisory Commission (KPPU) have limited jurisdiction over digital platform ethics, resulting in reactive rather than preventive regulatory actions. Although discussions on new gig economy labor regulations are ongoing, the classification of gig workers as independent contractors rather than employees prevents them from accessing minimum wage guarantees, social security benefits, and formal labor rights. This absence of legal recognition leaves gig workers vulnerable to income instability, opaque algorithmic management, and unfair business practices. While voluntary social security schemes have been introduced, participation remains low, and there are no binding regulations ensuring equitable treatment of gig workers. In comparison to jurisdictions such as the United Kingdom and China, where governments have introduced minimum wage protections and commission transparency regulations, Indonesia's approach remains fragmented and insufficient. Therefore, to ensure corporate accountability and a balance between business interests and worker rights, Indonesia must adopt stronger legal adaptations that address platform governance, enforce ethical compliance, and provide labor protections tailored to the digital economy.

CONCLUSION

The GOTO case shows that strict enforcement of ethics and regulations plays an important role in creating a balance between business and social interests in dealing with conflicts of interest. Although the steps taken by the Company, such as the establishment of the Ethics Committee and support programs for driver-partners, show good intentions, challenges in implementation and communication remain obstacles that must be overcome. The role of law as a regulator and supervisor must be addressed because clear regulations and strict enforcement can prevent conflicts of interest and protect the rights of all stakeholders. A more adaptive and responsive legal policy to the dynamics of the industry will be needed to ensure that companies not only operate legally but also commit to ethical principles that support sustainability and fairness in business practices. To strengthen corporate ethics enforcement in digital platforms, policymakers should consider establishing clearer legal definitions and frameworks that specifically regulate gig economy platforms, algorithmic transparency, and commission policies.

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Regulatory bodies must be empowered with greater oversight capabilities to ensure fair business practices, prevent exploitative commission structures, and mandate transparent pricing mechanisms.

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