

## Reconstructing the Roles and Responsibilities of Directors and Business Actors in Online Transactions in Star Up Companies Based on Justice Values

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### *Abstract*

The development of science and technology in the current era has brought many changes to society's social life. Online transactions is one of the most impact of this effect. In online transactions, consumers doesn't get clear and accurate information and their data privacy not save. So, the roles and responsibilities of directors and business actors become very important. The purpose of this study to seek the responsibilities of Directors and Business Actors in online transactions based on justice values. This research uses a qualitative method. The findings of this study demonstrate that the reconstruction of the roles and responsibilities of the company's board of directors in conjunction with its business actors is essential in order to update data security policies and ensure transparency with regard to consumer information. This, in turn, should facilitate the creation of a fair and ethical business environment in accordance with all applicable regulations.

## **I. Introduction**

The development of science and technology in the current era has brought many changes to society's social life. One of the biggest influences is seen in the technology and information sector. Currently, technology and information greatly influence people's social lives, which is clearly visible with the presence of the internet. The internet has a big influence because it accelerates the transfer of information between people, so it seems as if there are no more territorial boundaries between countries since the advent of the internet (Nadiah Azizatunnida & Mochammad Najib. 2017). And the development of information and communication technology has brought significant changes in various aspects of life, including in the business world.

In the past, buying and selling was carried out between individuals directly through face-to-face civil relations. Now, buying and selling transactions have evolved from initially only being able to be done with direct meetings to being able to be done without having to meet the seller and the buyer (Nasir, Haryanto. 2017). This buying and selling transaction via the internet is known as e-commerce. E-commerce is a modern business model that does not require physical presence (non-face) and does not require an original signature (non-sign). In e-commerce transactions, business transactions are created that are more practical without paper (paperless) and without direct meetings (face-to-face) between the parties to the transaction. Therefore, e-commerce can be considered as a new economic driver in the field of technology (Subagyo Ahmad. 2018).

One of the most obvious impacts of this development is the emergence of digital-based start-up companies. These start-up companies often offer services and products that can be accessed online, making it easier for consumers to transact without time and place restrictions. In this context, the roles and responsibilities of directors and business actors become increasingly complex and crucial, especially in ensuring that online transactions carried out meet the principles of justice.

Online transactions in start-up companies involve various parties, including directors who are responsible for the company's strategic policies and business actors who interact directly with consumers. Both have interrelated roles in creating a fair and transparent business environment. Directors are responsible for establishing policies that ensure fairness in every transaction, while business actors must implement these policies with integrity and responsibility (Wijayanto Doni. 2018).

However, in practice, there are still many challenges in ensuring that every online transaction in start-up companies is based on fair values. For example, issues of data security, information transparency and consumer protection are often issues that require special attention (Kiwe Lauma. 2018). Therefore, it is important to reconstruct the roles and responsibilities of directors and business actors in order to improve the quality of online transactions that are fair and sustainable.

In this modern era, many young Indonesian entrepreneurs are famous for their start-up businesses. The term start-up company is no longer foreign in Indonesia. The development of start-ups in Indonesia continues to increase from year to year. In the first quarter of 2015, Indonesia became one of the most highlighted countries. The growth of start-up businesses in Indonesia shows an increasing trend. Start-up companies that use sophisticated information technology infrastructure have made it easier for people to meet their daily needs. Several start-up companies have even succeeded in changing the conventional business landscape to become internet-based. Start-up businesses continue to grow even though many fail.

Almost every time new start-ups emerge from all over the world, including Indonesia, which is a very interesting market but has not yet been fully optimized. Internet users in Indonesia have reached 133 million, and this number will continue to increase every year. Apart from that, people's purchasing power also increases along with rising per capita income. This indirectly affects the development of the digital industry. The background to the importance of the value of fairness in online transactions in start-up companies is becoming increasingly relevant in the digital era. Digital-based start-up companies often offer innovative products and services, but also face various challenges related to fairness in transactions. This value of justice covers various aspects, starting from information transparency, protecting consumer data, to fair treatment of all parties involved in transactions (Ardiansyah. 2019).

Information transparency is one of the important pillars in ensuring justice. Consumers must get clear and accurate information about the products or services offered, including prices, features and transaction terms. Apart from that, consumer data protection is a crucial issue, considering the large amount of personal data that must be managed by start-up companies. The security and privacy of consumer data must be strictly maintained to avoid misuse and privacy violations.

In this context, the roles and responsibilities of directors and business actors become very important. The Board of Directors is responsible for establishing strategic policies that ensure fairness in every aspect of the company's operations. This includes formulating consumer protection policies, establishing

business ethical standards, and ensuring compliance with applicable regulations. In addition, the board of directors must also supervise the implementation of these policies and take corrective action if violations occur (Yustisia, Putu. 2020). Law Number 2 of 2017 concerning Construction Services plays an important role in national development with social justice based on Pancasila and the 1945 Constitution. This Law does not only focus on the PUPR sector, but also covers all construction work in Indonesia. Construction Services Business Actors include individuals or business entities, whether legal or not.

Contracts in construction projects, known as engineering contracts, are legally valid documents of mutual agreement. The first party provides services and materials, while the second party pays a certain amount of money in return. Contracts must be fair to both parties and distribute risks appropriately, so as not to harm either party. Understanding the contract well is important to avoid problems in the future. Article 67 of Law Number 2 of 2017 concerning Construction Services states that "Service Providers and/or Service Users are obliged to provide compensation in the event of Building Failure as intended in article 65 paragraphs (1), (2), and (3)." Article 98 states that "Service Providers who do not fulfill their obligations to replace or repair building failures are subject to administrative sanctions."

Based on this provision, any legal settlement related to building failure in a construction project is resolved civilly and administratively. The lack of regulation regarding construction failure in this law means that no sanctions can be given if construction failure occurs. Therefore, it is necessary to reconstruct this law by including an article that regulates provisions regarding construction failure and the sanctions that can be imposed. Similar changes also need to be made to PP Number 22 of 2020 concerning Implementing Regulations of Law Number 2 of 2017 concerning Construction Services (Marviel Richard, 2017).

Business actors, who interact directly with consumers, also have a big responsibility. They must carry out the policies set by the board of directors with integrity and responsibility. This includes providing honest and transparent information to consumers, maintaining data security, and ensuring that every transaction is conducted fairly. Business actors must also be ready to handle complaints and problems that may arise, and find solutions that are satisfactory for all parties.

By understanding these roles and responsibilities, start-up companies can be better prepared to face various existing challenges. Reconstructing the roles and responsibilities of directors and business actors can help create a fairer and more ethical business environment, which will ultimately increase consumer confidence and encourage sustainable business growth in the digital era. This

research will focus on, efforts to overcome these challenges will not only benefit individual companies, but will also contribute to better business practices overall in terms of fairness values.

In this regard, it is important to note that a consumer's right to a fair and equitable settlement of a dispute is guaranteed by Act 8 of 1999 on Consumer Protection. UUPK regulates a number of rights that should be obtained by consumers and the responsibilities that should be carried out by business actors. Moreover, the government has also enacted the UUPK as a basic standard for parties to determine rights and obligations during electronic transactions, as well as legal remedies that can be taken if consumer rights are violated. consumer rights are violated.

To achieve the intended purpose of law, it is essential that its three fundamental objectives are balanced in unison. These objectives are legal certainty (Rechtssicherheit), fairness (Gerechtigkeit), and practicality (Zweckmäßigkeit). When viewed through the prism of Gustav Radbruch's theory of law enforcement as expressed in the Idee des Rechts, it becomes clear that law enforcement must align with these three guiding principles. Primarily, the law must serve to provide justice. Justice is a unifying force in a moral society. Laws are enacted for the purpose of regulating conduct in such a way that every community and government is compelled to take the necessary actions to maintain social cohesion and achieve collective goals. It is only when justice is upheld that order can be maintained within society.

### 1. Theory of Justice in Business

Justice theory in business emphasizes the importance of fair and equal treatment of all stakeholders, including consumers, employees and shareholders. John Rawls, in his book "A Theory of Justice", put forward two principles of justice: the principle of equal freedom and the principle of difference. The principle of equal freedom states that everyone has the same rights to the broadest basic freedoms, while the principle of differences states that social and economic inequalities should be regulated in such a way as to benefit those who are least advantaged (Kiwe Lauma. 2018).

In the context of start-up companies, the application of justice theory means that all online transactions must be carried out in a fair and transparent manner, ensuring that no party is harmed or treated unfairly. This includes fairness in pricing, transparency of information, and protection of consumer data.

### 2. The role of the Board of Directors in the Company

The Board of Directors is the highest organ in the company which is responsible for establishing strategic policies and ensuring that the company operates in accordance with law and business ethics. According to agency theory, directors act as agents for

shareholders and must manage the company in a way that maximizes shareholder value, but within a fair and ethical framework (Normalita Destyarini. 2023).

In online transactions, the role of directors includes establishing policies that ensure fairness in every transaction. This includes information transparency, data security, and consumer protection policies. The Board of Directors is also responsible for overseeing the implementation of this policy and ensuring that the company complies with applicable regulations.

### 3. Responsibilities of Business Actors

Business actors, who interact directly with consumers, play a key role in implementing policies set by the board of directors. According to organizational behavior theory, individual behavior in organizations is greatly influenced by organizational policies and culture (Muga Prasada Bhakti. 2024).

Business actors must ensure that every online transaction is carried out in a fair and transparent manner. They must provide accurate and honest information to consumers, maintain data security, and handle consumer complaints effectively. Apart from that, business actors must also be committed to running their business with integrity and complying with the ethical standards set by the company.

### 4. Data Security and Privacy

Data security and privacy are crucial aspects of online transactions. According to information security theory, the protection of personal data is the primary responsibility of the company that manages that data. Companies must implement strict security measures to protect consumer data from unauthorized access and misuse.

Directors must establish a comprehensive data security policy, while business actors must implement this policy carefully. This includes the use of encryption technology, strict access regulations, and employee training on the importance of data protection (Tukinah. 2020).

### 5. Information Transparency

Information transparency is key to ensuring fairness in online transactions. According to organizational communication theory, information transparency increases consumer trust and encourages loyalty. Directors must establish policies that ensure that all information provided to consumers is accurate, clear and easy to understand.

Business actors must comply with this policy by providing timely and honest information to consumers regarding products, prices, terms and conditions, and privacy policies. This transparency not only helps in building consumer trust but also

reduces the risk of conflict and dissatisfaction.

Reconstructing the roles and responsibilities of directors and business actors in online transactions in start-up companies based on justice values is important to create a fair and sustainable business environment. By understanding and applying theories related to justice in business, the role of directors, the responsibilities of business actors, data security and privacy, and information transparency, companies can improve the quality of online transactions and build consumer trust in the digital era.

## 6. Prior Research

Electronic convenience, if not used wisely, can be misused by irresponsible parties to commit fraud, according to a study by Santoso & Prananingtyas (2024). And Article 12 paragraph (3) of the Law No. 19 of 2016 Amendments to the Law No. 11 of 2008 on Electronic Information and Transactions states that the economic operators are responsible for the compensation of the consumers.

Based on Destyarini (2023), The advent of digital startups has brought forth a need to examine the legal concerns facing partners in these nascent business entities. The challenges encountered at the incubation stage, in particular, merit attention. The results of this community service revealed that legal obstacles still persist for business entities at the determination stage, specifically in the selection of a business entity form to operate their businesses. Consequently, there is a need for further assistance in the form of tax and intellectual property (IP) related legal matters, such as brand ownership

## 2. Research Method

This research uses a qualitative approach to understand in depth the roles and responsibilities of directors and business actors in ensuring fair online transactions in start-up companies. A qualitative approach was chosen because it is able to explore perspectives, experiences and practices that cannot be measured quantitatively. The research design used is a case study, which allows researchers to focus on one or several start-up companies as the unit of analysis. The case study was chosen because it can provide an in-depth understanding of the context, dynamics and complexity of the roles and responsibilities of directors and business actors in online transactions. The subjects of this research are directors and business actors from several digital-based start-up companies in Indonesia. The research sites included a variety of start-up companies that differed in terms of size, industry sector, and stage of development to obtain a variety of perspectives and practices.

This research is a type of normative legal research and is descriptive in nature,

aiming to provide accurate data by describing certain symptoms (Soerjono Soekanto, 2006: 10). The approach used in this research is the Statute Approach. This research source includes primary and secondary legal materials related to online buying and selling and the principles of justice. The technique for collecting legal materials is carried out through the study and study of statutory regulations, books, documents and related research results. Analysis of legal materials is carried out by inventorying and reviewing research from literature studies or secondary data, which includes primary and secondary legal materials. This qualitative research methodology is designed to provide an in-depth understanding of the reconstruction of the roles and responsibilities of directors and business actors in online transactions at start-up companies based on justice values. By using a case study approach, diverse data collection techniques, and thematic analysis, this research is expected to provide valuable and practical insights for start-up companies and other stakeholders.

### **3. Results and Discussion**

#### **Roles and Responsibilities of Directors in Online Transactions**

Strategic Policy and Transparency, directors at start-up companies have a major role in establishing strategic policies that ensure fairness in online transactions. This includes information transparency, data security and consumer protection policies. Directors must ensure that product or service information provided to consumers is accurate, clear and easy to understand.

Apart from the Information and Electronic Transactions Law (UU ITE), Indonesia has issued Government Regulation Number 82 of 2012 concerning the Implementation of Electronic Systems and Transactions (PP PSTE). PP PSTE functions as implementing regulations for the ITE Law, providing guaranteed protection for consumers in electronic commerce. Apart from that, PP PSTE also explains the regulatory framework for electronic commerce in Indonesia, which aims to form rules that have legitimacy.

Compliance with Regulations, the board of directors is responsible for ensuring that the company complies with all applicable regulations related to online transactions and consumer protection. This includes laws on data security and consumer rights. Supervision and Corrective Action Directors must supervise the implementation of established policies and take corrective action if violations or injustice occur in online transactions.

#### **Responsibilities of Business Actors in Online Transactions**

Interaction with Consumers, business actors who interact directly with consumers must carry out company policies with integrity and responsibility. They must provide honest and transparent information, maintain the security of consumer

data, and ensure that every transaction is carried out fairly.

According to Onno W. Purbo and Arif Wahyudi, the online buying and selling transaction process (e-commerce) involves five regular stages. First, at the "Find it" stage, buyers can easily find out the type of goods they want through the search method by entering keywords or browsing through a menu that displays various types of goods. Second, at the "Explore it" stage, after selecting the desired item, the buyer will get more detailed information about the item, including price, images, ratings from previous buyers, product specifications, and other related products. Third, at the "Select it" stage, the shopping cart stores the desired items until the buyer is ready to check out, at which point the buyer can process the check out, delete items, or save the shopping list for later use. Fourth, at the "Buy it" stage, the buyer proceeds to the check out process by making payment after filling in the form provided by the seller. Finally, at the "Ship it" stage, the seller will send an email to the buyer to notify them that the goods have been sent.

Handling Consumer Complaints, Business actors must also be ready to handle complaints and problems that may arise, and find solutions that are satisfactory for all parties. This includes fast and efficient responses to problems faced by consumers.

### **Data Security Policy**

The Board of Directors must establish a comprehensive data security policy to protect consumer personal data from unauthorized access and misuse. This includes the use of encryption technology and strict access settings. Implementing policies, business actors must implement data security policies carefully. They must ensure that consumer data is stored and managed securely, as well as provide training to employees on the importance of data protection.

### **Information Transparency**

The Board of Directors must establish policies that ensure that all information provided to consumers is accurate, clear and easy to understand, including information about products, prices, terms and conditions, and privacy policies. Business actors must comply with this transparency policy by providing timely and honest information to consumers. This transparency helps in building consumer trust and reduces the risk of conflict and dissatisfaction.

### **The Importance of Fairness Values in Online Transactions**

In the digital era, it is important for start-up companies to ensure that every online transaction is carried out in a fair and transparent manner. This is not only important to build consumer trust but also to ensure long-term business sustainability. By applying the principles of justice as proposed by John Rawls, companies can ensure that no party is harmed in every transaction. These principles include fairness in prices, transparency of information, and

protection of consumer data (Fattah 2017). According to this expert's thoughts regarding the principles of justice, justice in the context explained by Agus Yudha Hernoko in his book refers to John Rawls' theory of justice. Rawls states that an adequate theory of justice must be formed using a contract approach. In this approach, the principles of justice chosen together must truly be the result of mutual agreement from all free, rational and equal individuals. With this contractual approach, equality or equality between the implementation of rights and obligations can be guaranteed fairly.

### **Challenges in Implementing Justice Values**

One of the biggest challenges in online transactions is consumer data security. Companies must invest in technology and processes that ensure that consumer data is properly protected. Providing transparent and easy-to-understand information to consumers is another challenge that must be faced. Companies must ensure that product and service information is provided in a clear and non-misleading manner.

### **Reconstructing Roles and Responsibilities**

Reconstructing the roles and responsibilities of directors and business actors in online transactions requires adjustments to existing policies and processes. This includes updating data security policies, increasing information transparency, and employee training on the importance of consumer protection. In addition to establishing policies, companies must ensure effective implementation and strict monitoring of the implementation of these policies. Directors and business actors must work together to create a fair and ethical business environment.

## **4. Conclusion**

The reconstruction of the roles and responsibilities of directors and business actors in online transactions in start-up companies based on fairness values is of significant importance in creating a fair and sustainable business environment. The understanding and application of theories related to fairness in business, including those concerning directors, the duties of business actors, data security and privacy, and information transparency, enables companies to enhance the quality of online transactions and to build consumer trust in the digital era. The findings of this study demonstrate that the reconstruction of the roles and responsibilities of the company's board of directors in conjunction with its business actors is essential in order to update data security policies and ensure transparency with regard to consumer information. This, in turn, should facilitate the creation of a fair and ethical business environment in accordance with all applicable regulations.

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