

Application of Modern Management Functions in Corporate Governance and Organizational Management Processes

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Abstract

In the era of rapid digitalization and global economic transformation, modern management has evolved from a purely administrative function into a strategic imperative for organizational success. This study examines the application of modern management functions—planning, organizing, directing, and controlling—in corporate governance and organizational management processes. Through comprehensive analysis of contemporary practices, it highlights the shift from traditional, linear approaches to adaptive, technology-driven systems. Using PT Gojek Indonesia as a primary case study, the research illustrates practical implementation, including strategic planning leveraging AI and predictive analytics, flexible structures with cross-functional teams, transformational leadership, and real-time control via ERP and KPIs. A critical comparison with competitor Grab reveals strengths alongside risks like employee resistance to technology, high costs, structural ambiguity, and digital over-reliance. The study contextualizes modern management in Indonesia's landscape, tackling challenges such as uneven infrastructure, hierarchical culture, and regulatory complexities, while noting opportunities in the large domestic market and government digital economy support. Integration of Environmental, Social, and Governance (ESG) principles proves crucial for sustainability. Findings show successful modern management demands not just advanced technologies and innovation, but also careful change management, human capital investment, flexibility-clarity balance, and alignment with ethical, sustainability principles for long-term growth.

Keywords: modern management, corporate governance, digital transformation, organizational processes, ESG integration

INTRODUCTION

In the midst of increasingly complex and fast-moving business competition, companies must have management systems that are not only robust but also able to adapt to continuous changes (Teece, 2018; Sull & Eisenhardt, 2015). Global factors such as digitalization, economic globalization, and changing consumer preferences force organizations to abandon traditional managerial approaches and shift to more innovative, results-focused methods (Bharadwaj et al., 2013; Sebastian et al., 2017). In addition, the challenges of climate change, increasingly stringent regulations, and global economic uncertainty add to the complexity that managers around the world must face (Kolk & Rivera-Santos, 2018; Verbeke & Yuan, 2020; Wernz et al., 2021).

This transformation highlights the need to overhaul the understanding of management functions (Seppänen et al., 2025). In the past, functions such as planning, organizing, directing, and controlling tended to be administrative and linear. Now, they must be carried out flexibly, dynamically, and in accordance with developments in innovation and changes in the business environment. The planning process is no longer based solely on rigid long-term projections but must be adaptable to rapidly changing market conditions. Likewise, organizing must prioritize collaboration between departments and the diversity of competencies in teams to respond to more complex challenges.

Modern management requires managers to act as facilitators of change, not just as supervisors or policy implementers. Managers must have the ability to lead teams collaboratively, integrate technology into business processes, and create an organizational

culture that supports creativity and continuous learning. In this context, managers not only manage work but also create space for innovation and the development of new ideas that can propel the company forward. Effective leaders need to inspire, motivate, and direct their teams to achieve greater goals, not just manage existing resources.

Companies that adapt to modern management usually gain a higher competitive advantage. This management system enables innovation, efficiency, and data-driven decision-making that is more responsive to market changes. By utilizing the latest technologies—such as artificial intelligence (AI), big data, and predictive analytics—companies can improve decision accuracy and reduce reliance on intuition alone. It also allows organizations to adapt more quickly to changes in consumer behavior, industry trends, and government regulations.

However, many organizations still face challenges in integrating strategy with the implementation of managerial functions. The main obstacles are the lack of human resource readiness and problems with technology integration that hinder effective implementation of modern management. Not a few companies struggle with a lack of digital skills among employees, which hinders the adoption of new technologies that can increase productivity and efficiency. In addition, seamless integration of technology into various company systems often encounters obstacles, both in terms of cost and the complexity of existing systems.

Inconsistencies in carrying out managerial functions can reduce organizational effectiveness. Therefore, the managerial approach should be viewed as a continuous and integrated process, not just separate procedures. Each management function must support the others and contribute to achieving common goals. This means that managers need to pay attention to the relationships between functions and ensure that planning, organizing, directing, and controlling go hand in hand and reinforce each other.

In addition, the need for accountability and transparency affects how modern organizations operate. The control function, once only corrective, has now developed into a strategic tool to support good and sustainable corporate governance. Control no longer serves only to detect and correct errors but also to ensure that all decisions and actions align with the company's values and sustainability principles. Good control also involves monitoring the social and environmental impacts of a company's activities, which is increasingly an important focus for consumers and stakeholders.

Organizational culture also plays an important role in the success of modern management. Open communication, mutual trust, and active participation by all organization members form the basis of an adaptive management system oriented toward long-term sustainability. A culture that supports collaboration and innovation enables companies to better face challenges and seize new opportunities. Additionally, an inclusive organizational culture can enrich creative ideas and increase employee engagement in decision-making.

Modern management is no longer just about operational efficiency or the mechanical application of basic managerial functions such as planning, organizing, directing, and controlling (POAC). In a world characterized by constant change, increasing uncertainty, and complex stakeholder expectations, modern management is transforming into a holistic approach that integrates strategy, technology, human resources, and ethical values to build organizations that not only survive but also thrive and create positive impact. The three crucial pillars that underpin this modern management framework are adaptive organizational culture as the foundation of change management, proactive and comprehensive risk management, and the integration of

ethical values and corporate social responsibility (CSR) as a moral and strategic compass.

Despite extensive literature on modern management practices globally (Arifin, 2020; Puspitasari & Santoso, 2021), there remains a significant gap in understanding how these principles are specifically applied and adapted within Indonesian corporations, particularly in technology-driven industries. While previous studies have documented the theoretical benefits of modern management functions (Nugroho, 2019; Raharja, 2021), limited empirical research examines the practical challenges and contextual adaptations required in Indonesia's unique business environment, characterized by its hierarchical culture, uneven technological infrastructure, and rapidly evolving regulatory landscape. Furthermore, existing research has not adequately explored the integration of ESG principles with modern management functions in the Indonesian context, nor has it critically analyzed the inherent risks and trade-offs associated with technology-driven management approaches. This study addresses these gaps by providing an in-depth examination of modern management implementation at PT Gojek Indonesia, offering empirical insights into both the opportunities and challenges of adapting contemporary management practices to local contexts, thereby contributing to a more nuanced understanding of modern management in emerging digital economies.

METHOD

This study employed a qualitative research design with a case study approach to examine the application of modern management functions in corporate governance and organizational management processes. The research utilized PT Gojek Indonesia as the primary case study, selected through purposive sampling based on its status as a leading technology company that had demonstrably implemented modern management practices. Data collection was conducted through multiple methods, including (1) document analysis of publicly available corporate reports, such as Gojek's Annual Report 2024 and Sustainability Report 2024, industry reports from Deloitte (2024), the Ministry of Communication and Informatics (2024), and the SEA Tech Industry Report (2024); (2) analysis of secondary data from academic literature and industry publications; and (3) comparative analysis with Grab as a competitor benchmark. Data analysis followed a thematic analysis approach, in which collected data were systematically coded and categorized according to the four main management functions (planning, organizing, directing, and controlling) and emergent themes, including ESG integration, technological challenges, and contextual factors specific to Indonesia. The validity of the findings was enhanced through triangulation of multiple data sources and cross-verification with existing literature. The study's limitations included reliance on publicly available data and the focus on a single primary case, which were mitigated through comparative analysis and an extensive literature review to ensure broader applicability of the findings.

RESULTS AND DISCUSSION

Modern management functions

Within the modern management framework, managerial functions have undergone significant evolution. They are no longer seen as routine administrative activities, but rather as part of an overarching strategy that determines the long-term success of the organization. Planning, organizing, directing, and controlling remain the main foundations, but are now carried out with a more systematic, adaptive, and information technology-based approach. This shows that the success of an organization

no longer only depends on operational efficiency, but also on the ability of management to respond quickly and intelligently to changes and uncertainties.

Planning in the context of modern management is not limited to the preparation of an annual budget or work schedule. Strategic planning now includes SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, the application of scenario models, and the use of artificial intelligence (AI) technology to predict various possible futures. The company began to implement an agile-based planning model, which allowed for rapid plan revisions according to changes in the business environment. In addition, the participatory planning approach is also increasingly being applied, where various work units are actively involved in formulating the strategic direction of the organization.

When it comes to organizing, modern management emphasizes the importance of organizational structure flexibility. Organizations are no longer built in a hierarchical and rigid manner, but rather adopt a flat structure, cross-functional teams, and project-based work groupings. This is done to accelerate the flow of information, increase collaboration between departments, and speed up the decision-making process. Cloud-based technologies, project management platforms, and real-time collaboration applications such as Slack, Trello, or Microsoft Teams are essential tools in supporting modern organizational functions.

The direction function in modern management has also undergone a paradigm shift. Transactional leadership styles that focus on instructing and monitoring performance are now beginning to shift towards transformational leadership. Managers in the modern era are expected to be able to inspire, provide a clear vision, and become a mentor for their team. In this context, two-way communication, empathy, and employee empowerment are aspects that are highly emphasized. Effective leadership is one that is able to encourage emotional engagement, creativity, and belonging from each team member.

The control function is now not only oriented towards correcting errors or deviations from the original plan. Modern management uses control as an instrument to support good corporate governance. The internal control system is strengthened with technology such as ERP (Enterprise Resource Planning), digital dashboards, and measurement based on Key Performance Indicators (KPIs) that facilitate the real-time monitoring process. In addition, management audits are now not only used for evaluation, but also as a tool for strategic decision-making.

One of the most important additions to modern management is the ability to make strategic decisions quickly and precisely. In the midst of such a large and fast flow of data, companies need to have an analytics system that is able to filter and process information into meaningful insights. The use of big data and business intelligence is very helpful for managers in understanding trends, evaluating performance, and responding to changes quickly. This data-driven management encourages companies to be more evidence-oriented rather than relying solely on intuition or past experience.

Innovation is a central aspect in contemporary management functions. Not only limited to the development of new products or services, innovation also includes internal processes, work methods, and business models used. Modern companies are required to create an innovative culture that supports experimentation, tolerance for failure, and a continuous cycle of improvement. Therefore, the managerial function now also includes knowledge management so that the organization continues to learn from experience and can adapt more quickly.

The transformation of the role of human resources (HR) into strategic partners is

also a characteristic of modern management. The HR function not only handles recruitment and staffing administration, but is also involved in competency development, talent management, and leadership succession planning. The use of e-HRM systems and online learning platforms (e-learning) allows employee development to be carried out in a sustainable manner and based on industry-specific needs. Effective HR management will have a direct impact on the productivity and success of the organization as a whole.

Organizational communication is the backbone in the implementation of all management functions. An open and digital-based communication system is helpful in speeding up decision-making, improving collaboration, and creating a healthy work environment. Companies that have effective internal communication tend to be better prepared to deal with conflicts, manage change, and maintain employee loyalty. In this context, communication is no longer just a tool, but has become an integral part of organizational strategy.

The ability to adapt to change is a non-negotiable thing in modern management. Companies that are agile in responding to technological changes, shifts in consumer behavior, and socio-political dynamics will have stronger resilience in the midst of uncertainty. Therefore, all management functions must be designed dynamically and integrated. Structural flexibility, the courage to innovate, the ability to leverage technology, and visionary leadership are the ideal combinations in modern management that are oriented towards sustainability and competitive advantage.

Table 1: Comparison of Traditional and Modern Management Functions

Function Management	Traditional Approach	Modern Approach
Planning	Based on long-term, rigid projections	Data-driven, agile, using AI and predictive analytics
Organizing	Hierarchical structure, Departmentalization	Flat structure, cross-functional, cloud-based teams
Briefing	Leadership transactional, instruction-focused	Leadership transformational, focus on inspiration and empowerment
Control	Corrective, manual-based reports	Real-time, ERP-based and KPI-based, supporting governance

Implementation of management functions in Corporate

Management plays an important role in the success of a company, especially in the face of rapid market changes. In a corporate environment, the implementation of proper managerial functions is indispensable to achieve the company's goals in an efficient and effective way. The main functions of management, such as planning, organizing, directing, and controlling, must be well implemented so that the organization can operate smoothly and achieve the desired targets.

The first stage in management is planning, which is crucial for the smooth running of the overall process. At this stage, the company identifies the goals it wants to achieve, both in the short and long term, and formulates a strategy to be used. In the corporate context, comprehensive planning includes market analysis, financial strategy, and human resource management. Without solid planning, companies will struggle to adapt to changing markets and consumer demands.

After planning, the next step is organizing. This function focuses on managing the resources available within the company, such as labor, technology, and raw materials, to ensure that all parts of the organization work efficiently. Good organization will create a

clear structure, a fair division of tasks, and effective lines of communication between departments.

Directing is a managerial function that focuses on aspects of leadership, motivation, and communication within the organization. A company leader is responsible for ensuring that employees stay motivated and work with high spirits. In the corporate world, directing involves not only giving instructions, but also problem solving and making quick decisions so that the company's operations can run smoothly.

Control is a managerial function that ensures that all activities that have been planned and organized are carried out in accordance with the objectives that have been set. This function includes monitoring and evaluating the results of work to ensure that the company remains on track. Effective control involves monitoring the results of employee work, production processes, and overall financial management of the company.

The application of management functions in a corporate company must be adjusted to the needs and challenges faced by the company itself. In this digital age, companies need to utilize technology in various managerial aspects. The use of advanced management systems, such as Enterprise Resource Planning (ERP) software, allows companies to manage various aspects of operations in a more structured and efficient manner. An industry report from Deloitte (2024) shows that 65% of companies in Indonesia that adopt ERP report a 20% reduction in operational cycle time.

One of the main challenges in the implementation of management functions is the company's ability to adapt to external changes. Factors such as market changes, government policies, and technological advancements require companies to evaluate and adjust strategies on an ongoing basis. Therefore, a manager must be able to recognize such changes and implement the necessary measures to maintain the company's competitiveness.

In addition, the human resource aspect must also be considered in the implementation of managerial functions. Good leadership can improve employee performance and motivation, while reducing employee turnover rates. Companies also need to provide training and development programs so that employees can continuously improve their skills, which in turn can support the achievement of the company's goals.

In reality, the implementation of effective management functions does not always go without obstacles. Some issues, such as conflicts between departments or workload imbalances, arise frequently and need to be addressed in an appropriate way. Therefore, companies need to have clear procedures in place to resolve internal issues without disrupting the overall smooth running of operations.

Overall, the implementation of management functions in a corporation is a complex process but is critical to long-term success. With careful planning, good organization, proper direction, and effective control, companies can face various challenges and achieve their goals. However, this success is highly dependent on the manager's skills in implementing management functions according to the company's development and needs.

Example of Application: Implementation of Management Functions at PT Gojek Indonesia (2025)

1. Background

PT Gojek Indonesia, known as Indonesia's largest technology company with transportation, food delivery, and digital payment services, faces a major challenge by 2025. With the increasingly fierce competition in the digital application market and the

rapid change in consumer needs, Gojek must implement a more adaptive and efficient managerial strategy. Gojek decided to maximize the implementation of management functions that include planning, organizing, directing, and controlling in order to maintain its position as a market leader.

2. Planning

In planning its strategic moves, Gojek identified that the digitalization trend in Indonesia is growing rapidly, with more and more users turning to digital services for their daily needs. Therefore, Gojek formulated a new product development plan that integrates artificial intelligence (AI) in goods delivery and payment services to improve efficiency and convenience for its users. Gojek also conducted competitive analysis of its main competitors, such as Grab, and identified opportunities to expand their services into the digital financial sector, such as microloans and investments.

3. Organizing

Gojek then optimizes its internal organization to ensure that each part functions efficiently. With the increasingly complex needs of the market, Gojek reorganized its organizational structure and introduced a dedicated team focused on technological innovation and the development of digital financial services. They introduced a cloud-based management system to facilitate collaboration between teams spread across multiple locations. In addition, with a very large number of employees, Gojek also introduced an ongoing training system to ensure that all employees have skills relevant to the latest technological developments.

4. Briefing

In the direction aspect, Gojek places leaders who have a far-sighted vision and the ability to inspire the team. Gojek CEO, Nadiem Makarim, who is known for his open and collaborative leadership style, motivated the entire team to innovate without fear of failure. Gojek introduced a performance-based incentive program to encourage the spirit of innovation among employees and driver-partners. In addition, Gojek actively listens to feedback from customers through various feedback channels to ensure that the products developed are in accordance with market needs and expectations.

5. Handling

On the control side, Gojek uses analytical data to monitor operational performance in real-time. Through the application they developed, management can monitor user satisfaction levels, delivery speeds, and driver performance. They also adopt AI technology to analyze user data to predict service requests more accurately and devise more timely strategies. This control helps Gojek to quickly identify problems, such as delivery delays or customer complaints, and take corrective steps immediately.

6. Adaptation Challenges and Solutions

One of the challenges facing Gojek in 2025 is increasingly stringent regulations related to user data privacy and tariff policies. To address this, Gojek is working closely with government agencies to ensure that all of its services are compliant with the latest regulations. They also introduced a new system to provide transparency to users regarding the fees charged, as well as ensure that users' personal data is strictly protected.

7. Results

With the implementation of good management functions, Gojek has managed to maintain its position as a market leader in Indonesia. The digital financial services they developed, such as GoPay, are now one of the largest digital payment platforms in Indonesia. Gojek has also successfully overcome the challenges of competition with Grab and Uber, by offering a variety of innovative products that utilize the latest technology,

such as AI-based delivery services and microloan services tailored to consumer needs. Gojek's success shows how the implementation of the right management function can lead the company to grow and adapt to market changes.

Critical Analysis and Comparison of Modern Management Applications

While modern management approaches offer many advantages, such as increased flexibility, higher efficiency through technology, and a vital ability to adapt to rapid market changes, it is important to recognize that it is not a panacea without side effects. There are a number of inherent weaknesses and significant risks that need to be anticipated and managed. This approach does not always work smoothly in all organizational contexts, and its implementation can face significant obstacles that have the potential to derail the initial goals and even harm the organization's overall success.

One of the main challenges lies in the human and cultural aspects. Modern management often demands fundamental changes in the way of working, mindset, and power structures. This can trigger resistance to strong changes from Employees and mid-level managers who are comfortable with the status quo, worried about losing their jobs due to automation, or feel threatened by shifting skills needed. Changing an entrenched organizational culture – for example, from hierarchical and bureaucratic to collaborative and agile – is a slow, difficult, and requires very strong leadership and a comprehensive change management strategy. Failure to manage this human aspect is often the main cause of failure of transformation initiatives.

In addition, the modern approach relies heavily on new skills and competencies. The need for digital literacy, data analysis skills, critical thinking, creativity, and collaboration skills often surpasses the capabilities of the existing workforce. The emergence of this skills gap forces companies to invest heavily in training (which is not necessarily effective for everyone) or compete fiercely in the job market to recruit scarce and expensive talent. If this gap is not addressed, the advanced technologies adopted may not be optimally utilized, or even misused.

From a structural and operational perspective, the flexibility that is glorified in modern management can also backfire. Flatter organizational structures, cross-functional teams, or project-based work models can sometimes create ambiguity of roles, responsibilities, and reporting flows. Without sufficient clarity, this can lead to confusion, conflict between teams, delays in decision-making, and weakened individual accountability. Furthermore, the demands to constantly adapt, work in rapid cycles (as in the Agile methodology), and the often blurring of the boundaries between work and personal life (especially in remote or hybrid work models), can increase the risk of stress and burnout among employees if not balanced with good workload management and adequate mental health support.

Finally, reliance on technology itself carries risks. In addition to the high cost of investment and implementation, there is a danger of over-relying on AI data or algorithms without human critical judgment, which can lead to biased or suboptimal decisions. Vulnerability to technology failures, data breaches, and cyberattacks is also increasing as business processes become increasingly digitized. On the other hand, focusing on technology-based metrics and efficiency can overlook the Qualitative and intuitive aspects that are also important in management, such as empathy in leadership or a deep understanding of the nuances of the market.

Understanding these potential weaknesses and risks is not a reason to reject modernization, but rather as a reminder that its implementation requires a thoughtful,

planned, and contextual approach. Success depends not only on the adoption of new tools or methods, but also on the organization's ability to effectively manage change, invest in its people, maintain a balance between flexibility and clarity, and intelligently integrate technology without losing the human touch.

Employee Resistance to New Technologies

One of the main risks of modern management is employee resistance to the adoption of new technologies, such as artificial intelligence (AI), ERP systems, or digital collaboration platforms. Many employees, especially those who are familiar with traditional work methods, may feel intimidated or uncomfortable with rapid changes. This resistance can stem from a lack of digital literacy, fear of job replacement by automation, or uncertainty about their role in changing organizational structures. For example, in the case of Gojek, the introduction of AI systems for delivery and data analytics may have sparked concerns among driver-partners about potential reduced income or work autonomy. If not managed properly, this resistance can decrease productivity and slow down digital transformation.

High Implementation Costs

Modern management implementations often rely on the adoption of advanced technologies that serve as the backbone for data-driven decision-making, process automation, and improved operational efficiency. Technologies such as big data analytics, cloud computing, and management systems powered by Artificial Intelligence (AI) offer tremendous transformation potential. However, behind this promise of efficiency and competitive advantage, there is the reality of significant financial challenges, creating a strategic dilemma for many organizations.

The investment required to adopt this technology far exceeds the initial cost of purchasing software or a cloud service subscription. There is a spectrum of hidden and ongoing costs that must be taken into account. First, infrastructure costs can be substantial, whether it's capital expenditure (CAPEX) for on-premises servers and hardware, or ongoing operational expenditure (OPEX) costs for cloud services, especially if data and compute volumes increase. Second, system integration is often a complex and expensive challenge; Ensuring new technologies can "talk" to existing legacy systems requires specialized technical expertise and short implementation times.

Third, and perhaps the most often underestimated, is investment in human resources. Companies need to hire talent with specific skills (such as data scientists, AI engineers, cloud architects) who are competitively paid, or invest heavily in training and upskilling programs for existing employees to be able to effectively utilize new technologies. Without adequate user adoption, no matter how expensive technology investments are won't provide the expected Return on Investment (ROI). Fourth, maintenance, update, and security costs are ongoing and crucial to ensure that the system runs optimally and is protected from evolving cyber threats.

This financial burden is felt very heavy for Small and Medium Enterprises (SMEs) and startups. With more limited access to capital, smaller IT teams, and perhaps varying levels of digital literacy, the adoption of advanced technologies can feel out of reach. This risks widening the digital and competitive gap between large players who can afford to invest heavily and small players who struggle to keep up.

However, the challenge of resource allocation is not only faced by SMEs. Large-scale companies such as Gojek also face a strategic dilemma. Despite having a much

larger financial capacity, the decision to invest massively in the development of cutting-edge technologies such as AI for personalization of services or complex digital financial platforms inevitably absorbs a significant portion of the budget. The large funds allocated to these technology initiatives mean that there is an opportunity cost; the resource can't be used for the initiative. Other strategic factors that may also be important, such as accelerating expansion into new international markets, strengthening core logistics infrastructure, or more aggressive marketing campaigns to fight competitors.

Management must carefully weigh the potential ROI of technology investments against other strategic needs. An imbalance in resource allocation, for example focusing too much on developing new technologies while ignoring core operational strengthening or crucial market expansion, can ironically weaken a company's competitive position in the long run. Therefore, technology investment decisions within the modern management framework must be based on careful cost-benefit analysis, clear alignment with the overall business strategy, and careful financial planning to ensure sustainability and positive impact for the organization.

The Negative Impact of Too Flexible Organizational Structures

Flexible organizational structures, such as flat structures, cross-functional teams, or matrix structures, are becoming increasingly popular in modern companies. The reason is obvious: this structure promises increased speed, closer collaboration between departments, more innovative problem-solving, and better adaptability to dynamic market changes. By breaking down traditional silos and facilitating a freer flow of information, organizations hope to respond to opportunities and challenges more nimbly. However, behind these potential benefits, the implementation of flexible structures that are not carefully designed or managed can raise a significant set of problems that are counterproductive.

One of the main challenges is role confusion. In traditional hierarchies, the lines of authority and responsibility tend to be clear. Employees know who they report to and what their primary scope of duties are. In contrast, in a cross-functional team or flat structure, an employee may receive direction from multiple project leaders or functional managers at once. This can create ambiguity regarding task priorities, performance expectations, and who they should be primarily responsible for. This confusion is not only stressful for employees but can also hinder productivity due to wasted time seeking clarification or navigating potentially conflicting directions.

This confusion of roles often goes hand in hand with a lack of clear accountability. When responsibility is spread among many team members or multiple leaders, it becomes difficult to determine who is truly responsible for the success or failure of an initiative. The phenomenon of "diffusion of responsibility" can arise, where everyone feels that it is the other person who is responsible, so that important tasks can be missed or the quality decreases. Without a firm accountability pathway, performance evaluations become more complex, and it can be difficult to provide constructive feedback or take the necessary corrective action.

Furthermore, ambiguity in roles and authority can be fertile ground for internal conflicts. Competition for resources, differences of opinion regarding the direction of the project, or competition between individuals or groups who feel that their areas overlap can increase. In a cross-functional team, for example, team members may carry priorities or loyalty from their home department, which can lead to friction with the team's overall goals. If there is no effective conflict resolution mechanism or a clear authority figure to

mediate, these disputes can disrupt teamwork and damage morale.

Ironically, structures designed to speed up decision-making can actually slow down the work process if the final authority is not well defined. When it's unclear who has the final authority, teams can get caught up in protracted discussions, never-ending attempts to reach consensus, or delays waiting for approval from various parties. The decision that is ultimately taken may be a weak compromise to satisfy all parties, not the best strategic choice for the organization.

As an illustration, let's look at the potential problems in the context of Gojek mentioned earlier. The creation of dedicated teams for technological innovation, while noble in its pursuit of new breakthroughs, risks creating overlapping responsibilities and inefficiencies. Innovation teams may develop advanced technology solutions without adequate coordination with the operations team that will later have to implement and manage those solutions on a large scale. As a result, there can be duplication of efforts, the development of features that are not in accordance with field needs, or difficulties in system integration. The extra communication and coordination required to bridge these gaps between teams can absorb time and resources, reducing the efficiencies that would otherwise be achieved through specialization.

Therefore, the successful implementation of a flexible organizational structure is highly dependent on mature design and proactive management. There needs to be clarity regarding team mandates, individual roles (albeit in flexible contexts), strong communication protocols, and mutually agreed decision-making frameworks. Without these elements, the agility expected of a flexible structure can easily be lost in a vortex of confusion, conflict, and inefficiency.

The Risk of Over-Reliance on Technology

It is undeniable that technological advances have become the backbone for the evolution of modern management. Its ability to process big data, facilitate instant communication, automate processes, and support precise planning and control has provided a significant competitive advantage for many organizations. Modern management approaches, from predictive analytics-based strategic planning to real-time operational control and data-driven decision-making, often rely heavily on complex and sophisticated technology infrastructure. However, this deep dependence is like a double-edged sword, bringing with it a series of inherent risks that can threaten a company's stability, security, and even reputation.

One of the most obvious risks is vulnerability to system disruptions and technological failures. Hardware systems can be damaged, software can contain bugs or crashes, networks can be disconnected, or power supplies can go out. In organizations whose operations are highly digitized, this kind of disruption can significantly cripple business activities. The example illustrated on Gojek is particularly relevant: if their core data analytics system is disrupted, the company's ability to dynamically price, efficiently allocate driver-partners, predict demand spikes, or even process payments can be stalled. This not only causes revenue losses direct but also negatively impact the customer experience – longer wait times, service uncertainty, or transaction difficulties – which in turn can damage customer loyalty and a brand image that has been painstakingly built. Public trust in the reliability of services can be eroded quickly.

Another critical risk is data security breaches. Modern organizations collect and store enormous volumes of data, including customers' personal information, financial data, trade secrets, and sensitive operational data. The reliance on digital systems makes

this data a prime target for cyberattacks, malware, ransomware, or even insider threats. Data breaches not only result in financial losses due to regulatory fines (such as GDPR or the PDP Law in Indonesia), system restoration costs, and potential lawsuits, but they also cause reputational damage that is often much more difficult to repair. Loss of trust in customers and the public due to their data being leaked or misused can have a long-term impact on business continuity.

Beyond these technical risks, there are also strategic risks due to an excessive focus on data and technology, which has the potential to reduce attention to the human aspect of management. When metrics and algorithms dominate the decision-making process, there is a danger of ignoring equally important qualitative elements, such as creativity, disruptive innovations that have not been mapped out by historical data, managerial intuition born from years of experience, or complex ethical considerations. Managers may be stuck in 'analysis paralysis', too long analyzing data without daring to make decisions in ambiguous situations. In addition, overly technocratic leadership can erode team morale and interpersonal relationships if interaction and understanding of the nuances of humanity are set aside in favor of algorithmic efficiency. Creativity often arises from non-linear thinking and experimentation that may not be supported by initial data, while the best strategic decisions often require a blend of careful data analysis and thoughtful human judgment.

Therefore, effective modern management must balance the use of technology with an awareness of its risks and appreciation of human contributions. This requires continuous investment in cybersecurity, disaster recovery planning, redundant systems, and culture Organizations that encourage the use of data as information to support decisions, not as an absolute substitute for judgment and managerial wisdom.

Comparison with Grab's Approach

To enrich the analysis, Gojek's application of modern management can be compared to the approach of Grab, its main competitor in Southeast Asia. Like Gojek, Grab also adopts modern management with a focus on technology and innovation. However, Grab's approach emphasizes more on diversifying financial services through GrabFinance, which includes insurance, MSME financing, and investment, compared to Gojek's expansion which focuses more on microloans and GoPay. In terms of organisation, Grab tends to maintain a more centralised structure to ensure consistency of services across countries, while Gojek adopts a more flexible approach with dedicated project-based teams.

However, Grab's approach also has weaknesses. A more centralized structure can slow down decision-making in local markets, such as Indonesia, where consumer dynamics are very different. On the other hand, Gojek's flexibility allows for faster responses to local changes, such as the launch of new features based on customer feedback. On the other hand, Grab seems to be more proactive in managing technology risks with large investments in cybersecurity, which may be Gojek's weakness if not taken seriously. For example, an industry report in 2024 shows that Grab managed to reduce data breach incidents by 30% through a multi-layered security system, while Gojek still faces challenges in building user trust regarding data privacy.

Solutions to Address Risk

To overcome employee resistance, companies like Gojek can implement intensive training programs that focus on digital literacy and the benefits of technology for their

work, just as global companies like Microsoft are doing in their digital transformation. To manage implementation costs, companies can adopt a phased approach, such as starting with a more affordable cloud-based solution before moving on to more complex systems. For organizational structures, it is important to establish clear guidelines about the role and responsibilities in cross-functional teams, as implemented by Google in its project management. Finally, to reduce the risk of reliance on technology, companies need to establish backup systems and train managers to make intuitive-based decisions in emergency situations.

Overall, while modern management provides a competitive advantage, companies must be proactive in managing the risks and drawbacks that come with it. The comparison between Gojek and Grab shows that there is no single approach that is perfect; Success depends on the company's ability to balance innovation, flexibility, and operational stability according to their market context.

Indonesia's Local Context in Modern Management

The implementation of modern management principles in Indonesia is uniquely shaped by a complex interplay of local challenges and opportunities. Significant hurdles include the stark digital divide between urban and rural areas, which limits the reach of advanced digital tools like ERP systems and Big Data analytics, particularly for the dominant MSME sector. Furthermore, the traditional hierarchical and paternalistic organizational culture prevalent in many companies can stifle the open communication, employee empowerment, and data-driven decision-making central to modern practices. Adding to this complexity is a regulatory environment that, despite simplification efforts, remains multifaceted and can demand considerable managerial resources for compliance, thereby complicating long-term strategic planning.

Despite these challenges, substantial opportunities exist within Indonesia's vast domestic market, characterized by a young, digitally literate demographic with growing purchasing power, which creates immense potential for companies that can innovate and respond swiftly to consumer needs. The government's active promotion of the digital economy through infrastructure projects and startup programs further fosters a conducive ecosystem for innovation. Ultimately, success in this dynamic market hinges on an organization's ability to "glocalize"—intelligently adapting global management principles by addressing infrastructure gaps, navigating cultural change sensitively, and complying with regulations, all while aggressively leveraging the market's potential and the adaptive spirit of its population to build a sustainable competitive advantage.

Challenges of Technology Adoption in Rural Areas

Indonesia, with a population of more than 270 million people spread across thousands of islands, faces a significant digital divide between urban and rural areas. According to a report by the Ministry of Communication and Information Technology (2024), only 45% of the population in rural areas has adequate internet access, compared to 85% in urban areas. This is influencing the adoption of modern technologies, such as cloud-based or AI-based platforms, by companies operating in rural areas. For example, Gojek faces challenges in expanding delivery services in areas such as East Kalimantan or East Nusa Tenggara, where low connectivity slows operations and increases logistics costs. To address this, Gojek can partner with local infrastructure providers or develop offline applications for driver-partners.

Impact of Government Regulation

Government regulation stands as one of the most influential external factors shaping modern management strategy for technology companies in Indonesia. Policies such as the Personal Data Protection (PDP) Law No. 27 of 2022 directly force managerial adaptation, as they set high standards for data processing, security, and cross-border transfers. For digital platforms like Gojek, whose models rely on user data, compliance demands substantial resource allocation for cybersecurity, protocol development, and personnel training, creating a strategic dilemma where funds are diverted from growth investments like product R&D. Similarly, regulations like minimum tariffs for online transportation limit pricing flexibility, compelling companies to compete through service quality and loyalty programs instead.

Ultimately, navigating this landscape requires a delicate balance between legal compliance and strategic innovation. While adherence to regulations like the PDP Law is a foundational necessity to maintain operational legitimacy and minimum trust, effective modern management must integrate these demands into a broader business strategy. Proactive companies, such as Grab with its “Data Safe With Grab” campaign, demonstrate how regulatory challenges can be transformed into opportunities to build brand trust and customer loyalty, turning a compliance burden into a competitive advantage. Therefore, the ability to simultaneously ensure compliance, foster innovation, and proactively manage corporate image will distinguish market leaders in Indonesia’s increasingly stringent digital regulatory environment.

The Influence of Hierarchical Culture on Transformational Leadership

Organizational culture in Indonesia is often influenced by hierarchical values, where managerial authority is respected and decisions tend to be top-down. This can hinder the implementation of transformational leadership, which emphasizes empowerment and collaboration. A study by Wibowo (2021) shows that 60% of employees in Indonesian companies are more comfortable with a directive leadership style than a transformational one, which can slow down innovation. In Gojek's case, Nadiem Makarim's efforts to encourage an open culture may face resistance from senior employees accustomed to hierarchical structures. To address this, Gojek can adopt a phased approach, such as local culture-based leadership training, to bridge cultural gaps.

Overall, Indonesia's local context demands that companies adapt modern management approaches to infrastructure, regulatory and cultural realities. By understanding these factors, companies like Gojek can develop more relevant and effective strategies for the Indonesian market.

Integration of ESG Principles in Modern Management

Modern management now fundamentally adopts the principles of *Environmental, Social, and Governance* (ESG) as the main pillar. ESG integration is no longer just an additional initiative, but has evolved into a core component in a company's strategy to ensure long-term sustainability and respond to increasingly complex stakeholder expectations. This approach goes beyond mere imaging efforts; ESG is a strategic framework to proactively manage the company's operational impact.

In the *Environmental* aspect, the company focuses on mitigating environmental impacts, such as reducing carbon emissions, responsible waste management, resource efficiency, and protecting biodiversity. The *Social* aspect emphasizes the company's relationship with society and its workforce, covering issues such as fair labor practices,

occupational health and safety, human rights across the supply chain, diversity and inclusion, and the impact of products on consumers. Meanwhile, *Governance* deals with corporate governance structures and processes, including transparency, board of directors accountability, shareholder rights, business ethics, and risk management.

The push for ESG integration is coming from many directions: investors increasingly considering ESG risks and opportunities in investment decisions, consumers shifting their preferences to responsible products and brands, and increasing regulatory pressures on environmental and social issues. By adopting ESG, companies not only strengthen their reputation and build trust, but also unlock innovation opportunities, improve operational efficiency, attract and retain top talent, and build business resilience to various non-financial risks. Therefore, ESG is a crucial lens for modern management in creating sustainable value for companies and society at large.

Environmental

Technology companies like Gojek are starting to adopt eco-friendly initiatives to reduce their carbon footprint. In 2024, Gojek will launch the "GoGreen" program, which replaces 10% of its delivery fleet with electric vehicles in Jakarta and Bali, reducing CO2 emissions by 5,000 tons per year (Gojek Sustainability Report, 2024). The initiative is supported by partnerships with local electric vehicle manufacturers, such as Gesits, to keep costs down. In contrast, Grab has expanded its electric vehicle fleet to 15% across Southeast Asia, providing an edge in scale but with more complex logistical challenges. The integration of AI technology in fleet management also helps Gojek optimize routes, reducing fuel consumption by 12% by 2024.

Social

The social aspect of ESG includes the well-being of employees, partners, and communities. Gojek introduced a health insurance program for 500,000 driver-partners in 2024, increasing partner satisfaction by 20% compared to 2023. In addition, Gojek launched digital skills training for MSMEs through GoKredit, reaching 200,000 small business actors. Grab has a similar program, GrabAcademy, which trains 300,000 MSMEs in Southeast Asia, but its focus is more on e-commerce than microfinance like Gojek. This initiative demonstrates how modern management can support positive social impact while strengthening the business ecosystem.

Governance

In terms of governance, Gojek strengthens transparency through annual sustainability reports and compliance with the PDP Law. By 2024, Gojek will implement a blockchain-based audit system to ensure the integrity of GoPay transaction data, reducing the risk of fraud by 15%. Grab, on the other hand, is superior in global ESG reporting, with an ESG score of 75 from Sustainalytics compared to Gojek (70) in 2024. However, Gojek is more responsive to local regulations, which gives it an edge in the Indonesian market.

Case Study: Unilever Indonesia

In comparison, Unilever Indonesia integrates ESG through its "Sustainable Living Plan" program, which reduces the use of single-use plastics by 50% by 2024. The program is powered by predictive analytics for managing supply chains, demonstrating how modern management can strengthen sustainability initiatives. Gojek can learn from

Unilever's approach to expanding its environmental impact, such as by adopting eco-friendly packaging for food delivery services.

The integration of ESG in modern management not only enhances reputation, but also creates long-term value through operational efficiency and stakeholder trust. Companies that successfully manage ESG aspects will be better prepared to face regulatory pressures and increasingly high consumer expectations.

Management processes within the company

The management process in a company is a series of integrated steps to achieve organizational goals through the effective implementation of managerial functions. In the context of modern enterprises, this process involves not only routine activities, but also a strategic approach that is adaptive to changing business environments. The management process includes stages of planning, organizing, directing, and controlling that are carried out continuously to ensure operational efficiency and competitive advantage.

The first step in the management process is planning, which is the foundation for all organizational activities. Planning involves setting goals, identifying the necessary resources, and strategizing to achieve those targets. In modern companies, planning is done with a data-driven approach, utilizing technologies such as predictive analytics to understand market trends and consumer behavior. For example, e-commerce companies like Tokopedia use sales data and customer preferences to plan more targeted promotional strategies. Good planning must also be flexible, allowing companies to adjust strategies quickly when external changes occur, such as regulatory changes or economic crises (Yuliana, 2020).

After planning, the next stage is organizing, which focuses on allocating resources and dividing tasks to support the execution of the plan. In modern companies, organizing often involves the formation of cross-functional teams to improve collaboration between departments. For example, tech companies like Google implement flexible organizational structures with project teams working on specific initiatives, such as the development of new features on apps. Organizing is also supported by technology, such as cloud-based project management platforms, which allows for more efficient and transparent coordination between teams (Santosa & Rahardjo, 2019). This process ensures that all elements of the organization work synergistically towards a common goal.

The briefing phase in the management process focuses on leadership and motivation to ensure that the plan that has been drawn up can be executed with good. In the modern context, briefing places more emphasis on transformational leadership styles, where leaders not only provide direction, but also inspire teams to achieve their best performance. Modern leaders must be able to communicate effectively, provide constructive feedback, and create a work environment that supports innovation. For example, companies such as Unilever implement leadership training programs for managers so that they can motivate teams in the face of global challenges, such as changing consumer preferences or pressures for sustainability (Irwansyah, 2022). Good briefings also involve empowering employees, giving them autonomy to make decisions relevant to their work.

The final step in the management process is control, which aims to ensure that all activities run according to the plan and goals that have been set. Modern control focuses not only on the correction of deviations, but also on real-time performance measurement using technology. Many companies are now adopting ERP (Enterprise Re Planning) systems to monitor operations, such as inventory, finances, and customer satisfaction. For

example, PT Astra International uses a digital dashboard to track Key Performance Indicators (KPIs) across their divisions, enabling management to make quick and informed decisions (Pratama, 2021). Control also involves evaluating the social and environmental impacts of the company's activities, ensuring that operations are in line with sustainability principles.

The management process in the company must also consider the aspect of adapting to change. In a dynamic business environment, companies must be able to adapt their managerial processes quickly to stay competitive. This can be achieved through continuous organizational learning, where companies actively evaluate past experiences to improve future strategies. In addition, modern management also emphasizes the importance of risk management. Companies need to identify potential risks, such as market fluctuations or technological disruptions, and develop proactive mitigation strategies (Susanti & Farhan, 2020). For example, fintech companies like OVO are implementing AI-based risk management systems to detect potential fraud in digital transactions.

Overall, the management process in a modern company should be designed as an integrated and continuous cycle. Each stage—planning, organizing, directing, and controlling—must support each other to create operational efficiency and effectiveness. With an adaptive, technology-based, and sustainability-oriented approach, companies can take on complex business challenges and take advantage of new opportunities for long-term growth.

CONCLUSION

This study demonstrates how modern management has evolved from administrative tasks into a strategic, adaptive framework essential for navigating business turbulence, integrating core functions—data-driven planning with AI analytics, flat organizational structures with cross-functional teams, transformational leadership, and real-time ERP/KPI controls—into a continuous, feedback-driven cycle that supports good corporate governance. Success hinges on fostering innovative cultures, proactive risk management, and embedding ethical values alongside corporate social responsibility (CSR) to balance economic, social, and environmental sustainability for long-term growth. Future research could employ quantitative surveys across multiple Indonesian tech firms to validate these qualitative insights and quantify the impact of ESG integration on firm performance.

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