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Good Corporate Governance and Working Conditions at Petrol Stations: A Critical Political Economy Perspective

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Abstract

This study examines the claim that the benefits of good corporate governance (GCG) extend to all stakeholders, with a specific focus on the advantages for workers during operational processes. Conceptually, GCG connects all stakeholders by following its principles, without addressing power imbalances that arise from stakeholder class differences. This research highlights an underexplored aspect of GCG literature: power asymmetries among internal stakeholders, specifically the relationship between business owners and their workers. This study employs a multiple case study approach, drawing on in-depth interviews with 30 informants and document analysis of station records, regulatory frameworks, and prior studies, focusing on Pertamina petrol stations managed by Pertamina Patra Niaga and Pertamina Retail, which received "good" and "excellent" GCG ratings in 2023. The analysis of four petrol stations—operated either directly by Pertamina Retail or by private partners under Pertamina Patra Niaga—reveals that exploitative labour arrangements and substandard working conditions persist despite the formal implementation of GCG principles. These findings underscore that, in the absence of measures to address structural power asymmetries among stakeholders, the benefits of GCG are disproportionately captured by dominant actors, particularly capital owners within the corporate hierarchy.

Keywords:
decent work; labour process; working class

Introduction

Good corporate governance (GCG) has become a widely discussed concept in studies focusing on the social aspects of the private sector. It was promoted by international organisations, particularly the International Monetary Fund, to developing countries in Southeast Asia following the 1996–1997 economic crisis (Bhatta, 2001). Conceptually, GCG involves all parties, both shareholders and stakeholders, to provide benefits for all (Ayuso et al., 2014; Carney et al., 2011; Claessens, 2006; Karpoff, 2021; Mrabure & Abhulimhen-Iyoha, 2020). The concept has become significant in economic liberalisation efforts, including the deregulation of industries and businesses to align with market mechanisms (Banda, 2023). However, liberalisation and deregulation often push capital owners to dominate their workers in labour relations (Burawoy, 1983).

Research on GCG focuses more on shareholder interests and financial records, including in Indonesia (Hajawiyah et al., 2020; Istianingsih, 2021; Karpoff, 2021; Nurwulandari et al., 2022). Meanwhile, GCG research that discusses workers mostly relates their role to individual performance aspects (Damianus et al., 2022; Koeswayo et al., 2024). This dominance within labour relations is not yet a prominent focus in GCG literature, particularly regarding the power imbalances between capital owners and workers as internal stakeholders.

This study critically examines GCG from the perspective of power relations between capital owners and workers, particularly how material ownership influences labour relations. Conceptually, GCG connects all stakeholders through its principles, but without addressing power imbalances that arise from stakeholder class differences. This research highlights an underexplored aspect of GCG literature: the power asymmetries among internal stakeholders, specifically the relationship between capital owners and their workers. Within capitalist production relations, workers perform production functions, receive wages, and struggle to survive, while capital owners control the means of production, command production, earn profits, and engage in accumulation (Habibi, 2023). Accordingly, the study employs the labour process theory to critically analyse the relationship between capital owners and workers, focusing on control, resistance, and exploitation (Veen et al., 2020). The labour process examines labour relations through the lens of the classes involved, which is still unexplored in GCG literature. This oversight necessitates a critique of GCG's claims about the equitable distribution of benefits to all stakeholders. The labour process subsequently determines working conditions, including practices that make work free or unfree (Li, 2017). Working conditions are assessed using the decent work indicators established by the International Labour Organization (ILO) in 2008. To evaluate the benefits of GCG for workers, the study analyses both the labour process and the working conditions experienced by employees in generating company profits.

This research argues that GCG, conceptually, overlooks the power dynamics between actors within companies, specifically capital owners and workers, and predominantly benefits the dominant party. Therefore, alternative efforts such as forming unions to strengthen the position of the weaker party (i.e., workers) and ensuring protection from government authorities are essential. The dominance of stronger parties, such as capital owners, tends to result in exploitative practices, necessitating government intervention to protect weaker parties, particularly workers (Darma, 2017). This argument is tested by analysing the labour process and working conditions within a company to assess the benefits of GCG for workers. The research locus is Pertamina petrol stations (SPBU; Stasiun Pengisian Bahan Bakar Umum), considering that Pertamina Retail, a subsidiary of PT Pertamina (Persero), has achieved a GCG score of 86.19, classified as "excellent" according to its 2023 annual report (Pertamina Retail, 2024). Pertamina Retail's code of ethics states that it aims to serve as a role model in petrol station management. Furthermore, petrol stations remain strategically vital for meeting the public's energy needs. According to a presentation by the Downstream Oil and Gas Regulatory Agency (BPH Migas) during a hearing with Commission VII of the Indonesian House of Representatives on 27 May 2024, consumption of Pertalite reached 10 million kilolitres and Solar/BioSolar reached 5.57 million kilolitres in the first quarter of the year (Savitri, 2019).

Literature Review

The GCG framework is established through legislation, regulations, internal company policies, and the expectations of owners and stakeholders (Bhatta, 2001). This framework accommodates the four principles of GCG outlined by the OECD: fairness, transparency, accountability, and responsibility (Claessens, 2006). In Indonesia, the government has added a fifth principle: independence (Banda, 2023). Through Regulation of the Minister of State-Owned Enterprises Number PER-01/MBU/2011, the Indonesian government provides a different interpretation of the principle of fairness, defining it as justice and equality in fulfilling stakeholders' rights. This definition broadens the recipients of fairness to include all stakeholders, not just shareholders. When focusing on workers as internal stakeholders, the benefits they receive are manifested in their labour processes and working conditions. Employee satisfaction with working conditions positively influences a company's progress, whereas prioritising shareholders alone has the opposite effect (Azmy, 2024; Stout, 2012).

Azmy’s (2024) discussion of employee satisfaction focuses on managerial aspects, differing from the labour process analysis in this study, which examines socio-economic aspects of material ownership (Burawoy, 1983). The labour process involves political apparatuses that reproduce labour relations through various arrangements (Burawoy, 1983; Jaros, 2000). Labour process theory acknowledges the structural antagonism between classes due to power imbalances caused by material disparities, which results in exploitative capital-labour relations (Brewster & Mallinson, 2009; Rowlinson & Hassard, 2000; Veen et al., 2020). Thus, labour process theory helps critically analyse capital-labour relations, focusing on worker control, surveillance, responses, and exploitation (Burawoy, 1983; Veen et al., 2020).

The imbalance in the relationship between workers and capital stems from differences in power due to the ownership of the means of production, creating dependency within production, exchange, and consumption processes (Yermakova & Ratnikov, 2020). Essentially, the relationship between capital owners and workers is private. However, the government intervenes to protect the weaker party (workers) through a process known as socialisation (Darma, 2017). Government intervention is conducted through formal policies, yet not all workers are formally employed. Formal workers have employment contracts, are officially registered, and receive social benefits, while informal workers do not (Buckley, 2023). Informal workers engage in income-generating activities unregulated by the state and lack employment contracts, labour protection, and social security (Habibi, 2021). Despite this clear distinction, formal workers may still experience working conditions akin to those of informal workers due to reduced benefits, shortened contract periods, or other concealed disparities imposed by capital owners (Buckley, 2023). Therefore, this study examines the labour process by analysing the working relationship between petrol station capital owners and workers.

In the context of the labour process, control refers to the mechanisms that management uses to regulate task distribution and enforce sanctions (Burawoy, 1983). Control methods have evolved, transitioning from direct and coercive to indirect and consensual approaches (Brewster & Mallinson, 2009; Burawoy, 1983). Surveillance ensures the effectiveness of control over workers, minimising deviations and maximising profits (Fuchs, 2013; Sewell & Wilkinson, 1992). Surveillance is considered a process of political domination, enabling counter-surveillance and political resistance (Fuchs, 2013). Workers’ responses to control and surveillance manifest as class struggle, which can impede exploitation (Yermakova & Ratnikov, 2020). Class struggle may take subtle, everyday forms, occurring individually or collectively (Ginzberg, 2014; Scott, 1985; Sinwell, 2012). The control exerted by capital owners over petrol station workers elicits responses that must be explained to fully understand the dynamics of the labour process.

The labour process shapes working conditions; decent work is traditionally defined as stable and waged employment, but this definition fails to account for various institutional configurations and actual working conditions (Li, 2017). The ILO (2008) introduced the concept of decent work to achieve "decent work and economic growth", a key Sustainable Development Goal. The Tripartite Meeting of Experts convened by ILO in 2008 established ten substantive elements of decent work: employment opportunities, sufficient income, working hours, work-life balance, prohibition of child labour, job stability and security, equality and treatment in employment, safe working environments, social security, and social dialogue (Novianto et al., 2021). If the labour process at petrol stations is exploitative and results in indecent working conditions, the claim that GCG benefits all stakeholders could bedisproved. Thus, the future implementation of GCG must address power imbalances among stakeholders.

Methods

This study employs a qualitative approach, specifically a case study, to understand the labour processes and working conditions at Pertamina petrol stations. The research locus of Pertamina petrol stations was chosen because they represent business units managed by Pertamina Retail, which was rated as "excellent" in implementing GCG. A case study methodology was selected to explore the phenomenon empirically within its real-life context (Yin, 2009). This research employed a multiple case study design, enabling the examination of two or more cases experiencing similar events or phenomena. Data obtained from these cases were compared to derive conclusions that can be generalised (Priya, 2021)

Data were collected through in-depth and semi-structured interviews with workers, petrol station managers and owners, and government representatives. Informants were selected from different stakeholder groups, with workers and management allocated the largest quotas as they are directly involved in the daily labour processes at petrol stations. The Central Java region was chosen for its analytical significance because it allowed for a multiple case study design in comparing different types of petrol station ownership and management. The study examined stations with three distinct models: Company Owned Company Operated (COCO), Company Owned Dealer Operated (CODO), and Dealer Owned Dealer Operated (DODO). This approach was crucial for exploring how ownership and management types influence labour processes and working conditions within a single corporate network, namely Pertamina. To ensure the findings could be generalised, the specific locations were chosen based on their contextual factors, such as whether they were situated in urban or rural areas, their operational hours, and the size of their workforce. This rigorous selection process allowed for an in-depth empirical exploration of the phenomena within their real-life context.

The researcher conducted observations and informal interviews at the four selected petrol stations to deepen the information obtained. Data collection from informants was concluded after the 30th participant, as the information received had reached a point of saturation. This enabled the authors to discern the underlying patterns of the phenomenon under investigation. The 30 informants in this study had been distributed as follows: one petrol station owner and one manager, to gather insights on decision-making processes, regulations, workload distribution, station turnover and profits, and government supervision; three administrators, to understand the technical implementation

Table 1.
Characteristics of Research Locations

Petrol Station	Type of petrol station	Location	Location characteristics	Operational hours per day	Number of Workers
A	COCO	Central Java Province	urban	24	28
B	CODO	Central Java Province	rural	16	11
C	DODO	Special Region of Yogyakarta	urban	24	19
D	DODO	Central Java Province	rural	16	11

Source: Internal gas station documents and interviews (processed by the author) of company policies regarding workload, rights and obligations, employment contracts, bonuses and penalties, and government oversight; six supervisors and one shift leader, to examine the oversight practices of daily work processes at the petrol stations; 15 petrol station operators, to provide information on their employment contracts, rights and obligations, the supervision they experience, and their responses to it; and three representatives from local government organisations responsible for labour affairs. Triangulation was applied to validate all the information gathered. A literature review of previous studies and a content analysis of labour policies were conducted to process findings related to the labour processes and working conditions at petrol stations. This comprehensive approach ensured that the findings were robust and reflective of real-world practices.

Results

Exploitative Labour Process at Petrol Stations

Despite being formal business institutions, petrol stations do not always employ workers formally. This was evident in Petrol Stations B and D, where no written employment contracts existed. Workers were hired as permanent staff, but based on oral communication alone. Setyo, the owner, argued that his commitment to workers' welfare was more important than a written contract, which he claimed often benefits employers more. However, this commitment was challenged when the company faced a shortage of working capital to purchase fuel due to monthly debts exceeding the petrol station's profits. These debts arose from business expansion decisions made solely by the owner. The company implemented cost-cutting measures to address this, including changing wage calculations. Workers at Petrol Station B were paid based on the previous year's minimum wage, while those at Petrol Station D were paid according to the number of days they worked, which depended on fuel stock availability. The absence of written contracts meant that labour relations were not bound by formal regulations, resulting in employers dominating workers, as described by Burawoy (1983).

Different forms of labour relations were observed at Petrol Stations A and C, where workers had, in principle, annual contracts. However, the last contracts at Petrol Station C were signed in 2020, with no renewals since. Winata, a worker at Petrol Station C since 2009, stated that he initially signed a six-month contract, which was then renewed annually. However, after the management was passed on to the previous owner's child, no new contract followed the expiration of the 2020 agreement. At Petrol Station A, all workers except the manager were employed through a third-party outsourcing agency, namely Koperasi Pertamina Retail (KOPERTARE). The station manager had a direct employment relationship with Pertamina Retail under an indefinite-term employment agreement (PKWTT) that provided different and more comprehensive benefits than those available to other workers. These differences are discussed further in the section on working conditions.

Despite technical differences, a common phenomenon across petrol stations is the informalisation of formal employment, where government regulations on industrial relations are not fully implemented. According to Indonesian Law No. 6 of 2023, which ratifies Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation, fixed-term employment agreements (PKWT) should only be applied to jobs with a clear completion deadline. Supervisors, operators, administrators, and other operational staff perform routine tasks without a defined end date. Thus, under formal regulations, petrol station workers should be employed under indefinite-term employment agreements.

Workers across all the petrol stations studied were not in a position to influence the nature of their labour relations. Petrol station management had full discretion over whether contracts were necessary and what terms to include. Rena, an operator at Petrol Station A, recounted that the company prepared employment contracts for workers to read and sign. Workers at Petrol Station C shared a similar experience, while Petrol Stations B and D had no such contracts. These labour relations significantly impacted subsequent work processes at petrol stations, particularly regarding the control and supervision exerted by capital over workers.

At Petrol Stations B, C, and D, control began even at the final stage of recruitment. Recruits of Petrol Stations B and D were firstly required to deposit IDR 10 million as a security bond with the company. Setyo, the owner, uses this money as additional capital to purchase fuel and generate profits from its sale. Meanwhile, the owner of Petrol Station C retained candidates' educational certificates, which would be used as collateral during their employment.

Table 2 illustrates that Petrol Station A generates the highest gross profit, attributable to its superior revenue and profit margins. At the time of data collection, Petrol Station A held the "Excellent Service Station" designation, the highest stratification level possible based on Pertamina's audit processes following applications submitted by petrol stations. Higher stratification levels are associated with higher profit margins; in contrast, Petrol Stations B and D were classified as "Basic", while Petrol Station C had "Guaranteed Quality Station" status, a mid-level classification.

In Table 3, the gross profit is subsequently reduced by various cost elements, calculated based on the expenditure records of the petrol stations and the results of interviews to derive the net profit. This highlights significant differences in profitability among the petrol

Table 2.
Turnover and Gross Profits of Petrol Stations

Petrol Stations	Average fuel turnover per month								Gross Profit (IDR)
	Pertamax		Pertalite		Solar/Biosolar		Pertamax Turbo		
	Qty (liter)	margin (IDR)	Qty (liter)	margin (IDR)	Qty (liter)	margin (IDR)	Qty (liter)	Margin (IDR)	
A	105.000	630	390.000	400	150.000	230	15.000	720	267.450.000
B	25.798	359	319.292	266	66.421	174			105.750.261
C	60.000	435	360.000	330	0	0			144.900.000
D	15.602	417	389.674	298	106.547	195			143.405.715

Note : Margin differences are caused by factors such as petrol station type, stratification, and sales turnover.
Source: Petrol station documents, interviews, and review of Pertamina Way Training Materials 2022 (processed by the author).

Table 3.
Profits After Deducting Routine Operating Costs

SPBU	Gross Profit	Costs							Net Profit*
		Labour Wages	Fuel Depreciation	Operatio-nal	Maintenance of Infrastructure Facilities	Security Attention Cost	fuel loading cost	Fuel Dispenser Tera Test	
A	256,650,000	80,340,000	30,687,750	12,000,000	3,000,000	1,000,000	1,660,000	5,940,000	122,022,250
B	105,750.261	25,171,200	23,505,503	9,000,000	1,382,000	800,000	1,100,000	820,000	45,165,059
C	144,900,000	46.004.000	24,216,000	7,806,500	1,382,000	800,000	1,060,000	820,000	49,220,000
D	143,405,715	23.299.200	21,750,434	7,402,000	1,119,500	800,000	1,260,000	985,000	86,789,582

Note : Net profit calculations were limited as they did not account for petrol station depreciation expenses.
Source : Internal gas station documents and in-depth interviews (processed by the author)

stations. Petrol Station A achieves the highest profit in line with its largest margin as an Excellent Service Station. However, Petrol Station C, despite having a higher gross profit than Petrol Station D, generates a lower net monthly profit. The most notable difference is the number of employees, with a disparity of eight individuals. While the final profit margins reveal substantial variations, the monthly wages received by employees do not exhibit the same trend, remaining within the range of IDR 2.1 to 3 million per month.

Petrol station workers are paid according to the local minimum wage, with differences based on their stratified roles at the station. Field data indicate that operators earn between IDR 2.1 and 2.5 million, while supervisors earn between IDR 2.6 and 3 million. However, operators at Petrol Stations B and D have not received wages equivalent to the local minimum wage since May 2024. This is attributed to the company's financial difficulties in purchasing fuel stock. This claim contradicts the earlier profit calculations, which showed that Petrol Station D generated significant gross profits. Wiryanto, an internal auditor, explained that the financial shortfall was due to substantial monthly bank loan repayments. Setyo corroborated this, citing rising fuel prices as the cause of cash flow disruptions, where increased fuel purchasing costs were not matched by higher profits. Additionally, Setyo had used previous bank loans to fund business expansion. These decisions were made without consulting workers, who bear the risks and consequences nonetheless. Petrol Station D workers, for instance, face reduced incomes and job insecurity due to frequent fuel stock shortages. As a result, they only work when fuel is available and are paid IDR 70,000 per day.

Exploitation, characterised by Veen et al. (2020) as a hallmark of capitalism, is evident here. It is demonstrated by the unequal distribution of benefits from labour outcomes and through the labour process itself, where workers often labour for more than 40 hours per week. Corporate control is maintained through a series of rules involving penalties for violations. Setyo and Deni (a supervisor at Petrol Station C) reported that violations related to working hours are among the most common. Companies employ various instruments to ensure compliance with these regulations. All operational workers, such as operators, supervisors, and shift leaders, were found to work more than 40 hours per week, whereas administrative staff adhered to the standard 40-hour workweek. The following table summarises the working hours for each role at each petrol station:

In addition to excessive working hours, petrol station workers face significant challenges in obtaining leave. Operational workers who are absent will need to have their shifts covered by other employees. The absent worker is then expected to compensate by covering

Table 4.
Duration of Petrol Stations' Working Hours and Days

SPBU	Manager	Supervisor	Shift Leader	Operators	Administrative staff
A	Monday-Friday (8 hours/day)	Monday-Friday (8 hours/day)	4 working days, 2 days off (12 hours/day)	5 working days, 1 day off (8 hours/day)	Monday-Friday (8 hours/day)
B	There is no manager, managed directly by the owner	every day (8 hours/day)	NA	8 working days, 1 day off (8 hours/day)	NA
C		6 working days, 1 day off (8 hours/day)	NA	6 working days, 1 day off (8 hours/day)	NA
D		every day (8 hours/day)	NA	8 working days, 1 day off (8 hours/day)	NA

Source : Internal petrol station documents and in-depth interviews (processed by the author) the replacement worker’s shift at a later date. Even on public and national holidays, petrol station workers continue to work as usual without receiving overtime pay. This issue was observed across all petrol stations studied: at Petrol Stations B, C, and D, wage deductions were applied for absences, including those due to illness. The amounts deducted varied: 1/20 of the wage at Petrol Stations B and D and 1/30 at Petrol Station C.

Petrol Station A, which is part of Pertamina Retail’s direct network, uses an application installed on workers' phones to record attendance. Other petrol stations use fingerprint scanners. However, such attendance records can be manually revised by administrators. Layered supervision is also implemented: operators are monitored by supervisors, either directly or through shift leaders. The owners of Petrol Stations B, C, and D occasionally visit to oversee operations. Additionally, CCTV cameras, originally intended for security, are used to monitor workers. Dika, a supervisor at Petrol Station C, mentioned that the petrol station's CCTV server displays notifications whenever the owner logs on and accesses the CCTV application. Furthermore, electronic systems connecting fuel tanks and dispensers allow for real-time monitoring from office computers that are accessible online by Pertamina.

Workers generally comply with these controls and surveillance. Informal labour relations make petrol station workers vulnerable to job insecurity. Petrol Station A conducts monthly briefings, or as requested by workers, while Petrol Station B holds weekly meetings. Petrol Station C does not have such forums, and Petrol Station D only organises them occasionally at the owner’s discretion. These forums do not address substantive issues such as wages, overtime calculations, or reduced working hours; furthermore, workers at all four petrol stations prefer to discuss such matters privately. While they can express dissatisfaction with company policies, their grievances, such as wage cuts, remain unresolved due to unilateral decision-making by employers. Supervisors also face difficulties in managing workers' responses to company policies. Alimin, a supervisor at Petrol Station B, mentioned that operators often direct their complaints about wage deductions and other issues to him. However, Alimin struggles to address these grievances as decisions are made solely by the owner, further highlighting the power imbalance between capital owners and workers.

Workers at petrol stations employ various methods to resist control and supervision, which can be understood as forms of class struggle. For instance, administrators at one station were willing to adjust late attendance records, while workers at other stations supplemented their income by syphoning fuel during calibration or selling unused receipts. However, these forms of resistance are becoming increasingly difficult to sustain due to technological advancements. These actions can be understood as class struggle, disrupting the creation of surplus profits for dominant parties, as explained by Yermakova and Ratnikov (2020). The widespread implementation of CCTV and real-time fuel stock monitoring makes it far easier to detect discrepancies. Furthermore, a new regulation requiring registration numbers for fuel purchases by larger vehicles has effectively ended the practice of selling unused receipts. Thus, while workers' resistance historically disrupted surplus profit creation, modern technology and new regulations are making such responses far more challenging.

The varied work processes at each petrol station illustrate disparities in power relations between owners and workers. Based on the form of employment relationship, the hierarchy of power inequality—ranked from the most severe—is as follows:

As Burawoy (1983) noted, Petrol Stations B, C, and D—where no valid written employment

Table 5.
Classification of Power Relations Inequalities at Petrol Stations

Petrol Station	Employment Agreement	Implications for Owner-Worker Power Relations	Practical Example of Power Inequality	Degree of Inequality
D	No written contract	Petrol station owners may make unilateral decisions regarding workers with absolute authority; there is no written agreement to offer protection for workers.	Changing the wage calculation method to a daily basis, enabling the company to avoid wage payment when fuel stock is depleted.	Extremely unequal
B	No written contract	Petrol station owners may make unilateral decisions regarding workers with absolute authority; there is no written agreement to offer protection for workers.	Altering the operator wage benchmark to refer to the previous year's regional minimum wage.	Extremely unequal
C	Expired fixed-term employment contract	Workers lack job security and stability; petrol station owners can demand tasks beyond workers' responsibilities due to the absence of a binding formal contract.	The owner instructs petrol station workers to work in their other business units outside petrol station working hours. Workers cannot refuse; sanctions apply for non-compliance.	Extremely unequal
A	Third-party fixed-term employmentcontract (outsourcing)	Workers cannot claim their rights directly from Pertamina Retail, as they are formally bound to a third party, despite Pertamina Retail directly managing their work arrangements.	Employment contracts are pre-prepared by the company for reading and signing, with no room for negotiation by workers.	Unequal
	Permanent employment	Workers have job security and stability, making it easier to form or join unions.	Worker unions are able to advocate for their members' interests and influence company decisions, although final decisions remain under company authority.	Relatively more equal

Source: Observations and interviews (processed by the author)

contracts exist to protect workers' rights—create highly unequal power relations, characterised by the dominance of capital owners. In the absence of employment contracts, the resulting work processes tend to be informal and non-compliant with governmental regulations. The empirical data from the petrol stations demonstrates that exploitative labour processes and substandard working conditions persist despite GCG implementation. This finding challenges conventional GCG literature by highlighting a critical oversight: the failure to account for power imbalances among stakeholders. The varying degrees of power inequality, directly tied to employment relationships and the presence of third-party contracts, support the theoretical framework of labour process theory. The data shows that only workers who are permanent employees and union members meet all decent work indicators. This suggests that effective labour unions and binding government supervision are essential mechanisms to counter the dominance of capital owners and strengthen the position of workers. This study's conclusion will argue that a new understanding of GCG must acknowledge and address these power dynamics to ensure that its principles of fairness and equity are more than just rhetoric, thereby bridging the gap between GCG literature and critical political economy perspectives.

Vulnerability of Working Conditions at Petrol Stations

A series of labour processes form the daily conditions that petrol station workers face. The assessment of the suitability of working

Table 6.
Indicators of Decent Work at Petrol Stations

Points of Decent Work	Indicators of Decent Work	Petrol Station	Working Condition					
			Operator		Supervisor		Manager	
			Fulfilled	Not Fulfilled	Fulfilled	Not Fulfilled	Fulfilled	Not Fulfilled
Employment opportunities	Opportunity and certainty of getting a job	A	There is a guarantee of getting a job during the contract period		There is a guarantee of getting a job during the contract period		There is a guarantee of getting a job	
		B		No career ladder		No career ladder		
		C		No career ladder		No career ladder		
		D		There is no certainty due to adjusting fuel stocks		No career ladder		
Adequate earnings and productive work	Minimum wage	A	wages above the regency minimum wage		Wages above the regency minimum wage		Wages with Pertamina Retail standards that do not refer to regency minimum wages (much higher)	
		B		Wages below the regency minimum wage	wages above the regency minimum wage			
		C	wages equal the regency minimum wage		wages above the regency minimum wage			
		D		paid daily	Wages above the regency minimum wage			
Decent working time	40 hours/week	A		48 hours/week	40 hours/week		40 hours/week	
		B		8 working days, 1 day off (8 hours/day)		56 hours/week		
		C		48 hours/week		48 hours/week		
		D		8 working days, 1 day off (8 hours/day)		56 hours/week		
Combining work, family, and personal life	right to leave	A		National holidays are still work without being counted as overtime		National holidays are still work without being counted as overtime	Not work on national holidays are and have the right to leave	
		B		National holidays are still work without being counted as overtime		National holidays are still work without being counted as overtime		
		C		National holidays are still work without being counted as overtime		National holidays are still work without being counted as overtime		
		D		National holidays are still work without being counted as overtime		National holidays are still work without being counted as overtime		
Work that should be abolished	There is no forced and child labour	A	None		None		None	
		B	None		None			
		C	None		None			
		D	None		None			

Points of Decent Work	Indicators of Decent Work	Petrol Station	Working Condition					
			Operator		Supervisor		Manager	
			Fulfilled	Not Fulfilled	Fulfilled	Not Fulfilled	Fulfilled	Not Fulfilled
Stability and security of work	Guarantee not to be dismissed at any time	A	There is a guarantee as long as fixed-term employment agreement contract periods		There is a guarantee as long as fixed-term employment agreement contract periods		There is a guarantee not to be dismissed at any time	
		B		There is no written contract		There is no written contract		
		C		There has been no contract extension since 2021		There has been no contract extension since 2021		
		D		There is no written contract		There is no written contract		
Equal opportunity and treatment in employment	There is no discrimination	A		There is no maternity leave for women	None		None	
		B		Operators are exclusively male	None			
		C	None		None			
		D	None		None			
Safe work environment	Safe and healthy work environment	A		Safe but unhealthy due to exposure to benzene		Safe but unhealthy due to exposure to benzene	The working environment was safe and healthy	
		B		Safe but unhealthy due to exposure to benzene		Safe but unhealthy due to exposure to benzene		
		C		Safe but unhealthy due to exposure to benzene		Safe but unhealthy due to exposure to benzene		
		D		Safe but unhealthy due to exposure to benzene		Safe but unhealthy due to exposure to benzene		
Social security	There is a safety and health guarantee	A	workers registered in BPJS health insurance and BPJS employment insurance, the government's social security administration body		workers registered in BPJS health insurance and BPJS employment insurance, the government's social security administration body		worker registered in BPJS health insurance, BPJS employment insurance, and other private insurance	
		B	workers registered in BPJS health insurance and BPJS employment insurance		workers registered in BPJS health insurance and BPJS employment insurance			
		C	workers registered in BPJS health insurance and BPJS employment insurance		workers registered in BPJS health insurance and BPJS employment insurance			
		D	workers registered in BPJS health insurance and BPJS employment insurance		workers registered in BPJS health insurance and BPJS employment insurance			

Points of Decent Work	Indicators of Decent Work	Petrol Station	Working Condition					
			Operator		Supervisor		Manager	
			Fulfilled	Not Fulfilled	Fulfilled	Not Fulfilled	Fulfilled	Not Fulfilled
Social dialogue	Involved in the decision-making process and given the right to organise and express aspirations	A		There is a forum to convey aspirations, but it is limited to daily problems, not significant matters related to working conditions. There is no workers' organisation yet		There is a forum to convey aspirations, but it is limited to daily problems, not significant matters related to working conditions. There is no workers' organisation yet	Joined the United Pertamina Retail Workers Union (SP2RB) which actively advocates for the needs of its members.	
		B		workers are not involved		workers are not involved		
		C		workers are not involved		workers are not involved		
		D		workers are not involved		workers are not involved		
		A	4	6	6	4	10	0
		B	2	8	4	6		
		C	4	6	4	6		
		D	3	7	4	6		
Summary		All	14	26	19	21	10	0

Source: Petrol station documents, interviews, and review of Pertamina Way Training Materials from 2022 (processed by the author)

conditions uses indicators proposed by the ILO and developed by Novianto et al. (2021). By examining the divergence between the claims of GCG and the lived reality of workers, this section demonstrates how previously explored power imbalances are enacted as tangible forms of exploitation. This analysis, therefore, directly substantiates the study's central argument: that the benefits of GCG are not equitably distributed and that a labour process predicated on owner dominance results in precarious working conditions.

Only three roles at petrol stations were included in the table of decent work indicators due to variations in the stations' organisational structures. However, operators and supervisors are present at all stations. For instance, Petrol Stations B, C, and D do not employ shift leaders or administrative staff. Managers are included in the analysis because, although Petrol Stations B, C, and D are directly managed by their owners and lack active managers, a managerial position exists within their formal structure. Additionally, including the managers from Petrol Station A highlights differences in employment status compared to other workers at the same station, demonstrating that different work processes lead to distinct working conditions. This is evidenced by Petrol Stations B and D, where the absence of written employment contracts corresponds with workers fulfilling the fewest decent work indicators. At Petrol Station A, the differing employment contracts for managers under Pertamina Retail's indefinite-term contracts versus third-party, fixed-term contracts for other workers result in distinct working conditions, with managers meeting all the decent work indicators.

Workers also lack the ability to influence company decision-making; although forums exist, they do not guarantee meaningful worker participation in decision-making. Forums at Petrol Stations B and D merely serve as platforms for disseminating the owner's decisions. At Petrol Station A, workers can initiate large-scale briefing forums, but these are limited to daily operational issues and do not address substantive matters such as improving working conditions. Creating a healthy work environment remains challenging, despite compliance with Pertamina's health, safety, security, and environmental (HSSE) standards. Field workers are regularly exposed to benzene, which is difficult to avoid and poses various health risks, including an increased potential for cancer, non-cancer diseases (Kitwattanavong et al., 2013), and hearing dysfunctions (Roggia et al., 2019).

Discussion

The principles of GCG as described by Banda (2023) can be contextualised within a company's human resource management. Fairness is the equitable distribution of workers' rights, as stipulated in employment contracts and in accordance with applicable laws and regulations. This principle is not fulfilled in the labour processes of Petrol Stations B and D due to the absence of written employment contracts, nor at Petrol Station C, where fixed-term contracts have not been renewed. At Petrol Station A, however, Pertamina Retail—, recognised for its excellent GCG implementation,— demonstrates fairness through the manager's working conditions, which meet all ten decent work indicators. Nonetheless, workers at Petrol Station A who are employed through KOPERTARE under one-year contracts are consequently managed separately, placing them outside the scope of Pertamina Retail's internal GCG assessment for human resources.

Transparency in information dissemination is closely linked to accountability in petrol stations. At Petrol Stations B and D, owner-worker meetings facilitated transparency, with the employer sharing general company information to justify policy decisions. However, workers lack sufficient information to verify these claims, as the information flow is unilateral. For instance, owners of Petrol Stations B and D can unilaterally adjust wage calculations to refer to the previous year's minimum wage or apply a daily wage system. At Petrol Station C, no such forums exist, and supervisors are only informed about revenue and profit margins, while salaries, bonuses, and other calculations are handled solely by the employer. In contrast, Pertamina Retail's Petrol Station A implements hierarchical transparency, where higher positions are privy to more information. However, operators at Petrol Station A, like those at Petrol Station C, are unaware of the origins of bonuses or deductions, which they take for granted. Transparency to workers is normatively practised but remains asymmetrical, with selective information distribution serving specific interests (Laffont & Martimort, 1997).

Responsibility to the community is practised at all four petrol stations through support for local social activities following proposal submissions. However, no specific corporate social responsibility (CSR) budget is allocated at the petrol station level, as the obligation resides with the larger parent company, which operates multiple business units. Regarding independence, Petrol Stations B, C, and D, which are directly managed by their owners, have the autonomy to make decisions without external intervention. Conversely, at Petrol Station A, which is managed by Pertamina Retail as part of a large corporate network, decision-making is hierarchical and subject to centralised control from the headquarters. Banda (2023) argues that independence in GCG principles must serve the best interests of all stakeholders, including operational and managerial employees. However, the differentiation in employment relationships between Pertamina Retail's indefinite-term employment agreement contracts and KOPERTARE's fixed-term employment agreements contracts results in vastly different working conditions, even though the value generated by all workers benefits Pertamina Retail.

According to GCG principles, working conditions for petrol station employees, as internal stakeholders, should be decent. In reality, only the manager at Petrol Station A experiences such conditions. This can be attributed to better employment relationships, government supervision, and labour unions. Employment relationships significantly impact workers' conditions. Managers under Pertamina Retail's indefinite-term employment agreement contracts enjoy secure job guarantees, unlike workers contracted under KOPERTARE's fixed-term agreement, which only guarantees one year of employment with no promise of renewal. Workers at Petrol Stations B, C, and D face similar job insecurity, often accepting their conditions due to limited alternative opportunities, further constrained by age, skillset, and market conditions.

Government oversight is crucial, as Pertamina Retail's GCG implementation is mandated by law and assessed annually. Although Pertamina Retail's indefinite-term employment agreement workers are included in these assessments, operational petrol station workers under KOPERTARE are not. The 2023 Annual Report of Pertamina Retail states that it employs 332 staff across 266 COCO petrol stations. Yet, a single COCO station in this study employs 28 workers, indicating that the company does not directly employ most workers contributing to Pertamina Retail's profits. Table 6 reflects this discrepancy, highlighting significant disparities in working conditions between those with indefinite versus fixed-term employment agreement.

The lack of labour unions exacerbates the dominance of companies over workers. Pertamina Retail's workers are represented by the Pertamina Retail United Workers Union (SP2RB; Serikat Pekerja Pertamina Retail Bersatu), which actively advocates for their interests, such as restoring healthcare benefits after vendor changes. In contrast, no unions exist for petrol station workers, as noted by informants from the other three stations. A technical reviewer of employment policy at the Sleman labour office explained that the absence of unions is due to the small workforce size at each petrol station and the lack of connectivity between stations. Workers primarily interact informally via WhatsApp groups for supervisors, focusing on operational issues. In contrast, petrol station owners are well organised under the National Oil and Gas Entrepreneurs Association (Hiswana Migas), which actively advocates for its members, having successfully delayed restrictions on non-subsidised fuel in 2012 and imposed moratoriums on foreign petrol stations in 2015.

The lack of formal protection leaves workers vulnerable to the unilateral decisions of capital owners, revealing a fundamental structural imbalance. This demonstrates how the power imbalances inherent to the class structure, as explored in the previous section, are operationalised into tangible forms of exploitation. The analysis, therefore, directly substantiates the study's central argument: that the benefits of GCG are not equitably distributed, and that a labour process shaped by the dominance of capital results in precarious working conditions for the working class.

At the regional level, local labour offices handle petrol station labour issues, but their focus is limited to worker registration and periodic visits. A mediator at the Karanganyar labour office explained that regency-level offices are responsible for overseeing worker training, while provincial-level offices similarly oversee supervision. However, limited resources and budgets mean petrol stations receive less attention than larger enterprises. Employers like Setyo exploit this lack of enforcement, such as ignoring data requests from labour offices, knowing that there are no tangible sanctions for non-compliance.

External supervision is more prevalent at COCO petrol stations, which undergo three audit types: Guaranteed Quality/Excellent Service certification, Supreme audits from Pertamina's health, safety and environment (HSE) division, and internal audits by Pertamina Retail. Non-COCO stations, such as B, C, and D, only undergo audits if they apply for Guaranteed Quality/Excellent Service certification. This entails monthly audits for the first three months, with bi-monthly audits if compliance is maintained. At stations without certification, no regular audits are conducted. Furthermore, Petrol Stations B and D's internal auditors focus solely on cash flow and fuel management rather than worker-related issues.

Conclusion

Based on the above discussion, the claim that GCG benefits all stakeholders is unsubstantiated. Exploitative labour processes and substandard working conditions persist in both CODO and DODO petrol stations, which do not implement GCG, and in COCO petrol stations that do. The study demonstrates how inherent, structural inequalities are not abstract concepts but are actively manifested in tangible forms of worker exploitation. Meticulous scrutiny of the real-world conditions faced by employees reveals how the pursuit of profit, driven by the logic of capital, directly translates into concrete outcomes such as suppressed wages, increased workloads, and precarious employment contracts. These are not merely incidental failings of GCG, but rather the deliberate operationalisation of class-based power, where the interests of capital systematically take precedence over the well-being and rights of labourers.

The analysis serves to demonstrate that the supposed benefits of GCG are not, and indeed cannot be, universally or equitably distributed within this class-based structure. It concludes that the labour process itself constitutes the domain of this conflict, where the dominance of capital inevitably leads to the creation of precarious and, at times, indecent working conditions for the working class. To provide greater benefits for workers, labour unions must be established to collectively advocate for their members' interests against employer dominance and implement more binding supervision to ensure company compliance with labour regulations. These measures would strengthen the position of workers as the weaker stakeholders against the dominance of capital owners. More generally, GCG must address power imbalances among stakeholders to ensure no exploitative dominance exists before claiming to benefit all stakeholders.

This study has limitations in calculating capital owners' net profits, as it does not account for petrol station depreciation expenses. The study also does not delve deeply into gender-based discrimination at petrol stations, although data on working conditions indicate its presence. Future research could explore the distribution of labour outcomes between workers and employers, focusing on gender-based discrimination issues. Nonetheless, the findings of this study have theoretical implications for future GCG research, emphasising the need to consider power imbalances among stakeholders.

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I manually translated the entire Indonesian manuscript into English. I then used AI tools (ChatGPT and Gemini AI) for a specific, limited purpose: to serve as advanced grammatical correction tools. As a non-native English speaker, I used them solely to refine the grammar, syntax, and phrasing of the English sentences that I had already written and translated myself. No AI tools were used to generate substantive content, arguments, or ideas within the manuscript.

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