

Integrated Compliance Framework for Holding and Subsidiaries Company to Protecting Corporate Value and Sustainability

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Abstract

This research aims to develop an integrated compliance framework designed to protect corporate value and sustainability for a State-Owned Holdings and Subsidiaries in the chemical sector. Utilizing qualitative research methods such as semi structured interviews, internal and external document reviews, SWOT analysis, Root Cause Analysis, comparative benchmarking with a state owned holding company in the energy sector, Business Process Integration (BPI), and Business Process Reengineering (BPR), the research aligns its framework with the State Owned Enterprise regulation PER-2/MBU/03/2023 and the ISO 37301:2021 compliance standard. The research findings identify significant gaps in compliance structures, processes, and outcomes caused by unclear definitions of roles and responsibilities, inadequate compliance staffing, fragmented business processes, and insufficient digital integration. To address these issues, the research proposes strategic recommendations including the centralization of compliance structures, standardization of processes, integration of digital compliance platforms, and the establishment of clear compliance performance indicators and maturity measures. This research contributes a structured and actionable plan leveraging BPR and BPI methodologies to clearly define responsibilities and operational steps, ensuring effective compliance integration between holding and subsidiary companies, thereby enhancing compliance effectiveness and safeguarding corporate sustainability and value.

Keywords: Integrated Compliance; ISO 37301:2021; State Owned Enterprise; Sustainability.

A. INTRODUCTION

Developing an integrated compliance framework is essential for Indonesian State-Owned Enterprises (SOEs) to maintain organizational integrity, ensure regulatory adherence, and enhance corporate sustainability amid an increasingly complex corporate governance landscape. Effective compliance management extends beyond legal obligations, reinforcing corporate responsibility, transparency, and strategic alignment, thereby boosting stakeholder confidence and safeguarding long-term business value (De Cremer & Lemmich, 2023). The Ministry of SOE Regulation No. PER-2/MBU/03/2023 and the international compliance standard ISO 37301:2021 explicitly require SOEs to adopt integrated compliance frameworks, ensuring uniformity across diverse subsidiaries (Ministry of SOE PER-2, 2023; ISO, 2021).

Managing integrated compliance within conglomerates is challenging due to the need to harmonize varying practices, align multiple regulatory requirements, and integrate diverse corporate cultures. Such complexity frequently results in fragmented compliance systems, unclear responsibilities, inconsistent reporting, and ineffective resource allocation, significantly increasing operational risks and compromising sustainability. Consequently, efficient compliance management across subsidiaries becomes crucial for minimizing risks, preserving corporate value, and strengthening organizational resilience.

One prominent Indonesian SOE in the chemical sector has started implementing an integrated compliance system aligned with ISO 37301 and PER-2/MBU/03/2023. However, initial assessments indicate significant gaps and inconsistencies in compliance maturity across subsidiaries, manifesting in unclear roles, inconsistent reporting standards, inadequate staffing, and disparate compliance structures. This fragmented approach hinders the Integrated Governance Committee's (KTKT) ability to assess, monitor, and benchmark compliance maturity holistically (Rahman & Hossain, 2021; Deloitte, 2024).

Moreover, there is a notable gap between strategic compliance plans and their practical execution. Each subsidiary employs different compliance practices and evaluation methods, undermining consistency and comparability (McKinsey & Company, 2025). This inconsistency limits collective

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learning, reduces risk mitigation effectiveness, and weakens governance-related decision-making processes (Wright, 2021).

Acknowledging these challenges, this research proposes a comprehensive integrated compliance framework explicitly tailored for SOEs operating in the chemical sector and their subsidiaries. The research systematically identifies compliance gaps and recommends practical solutions through methodologies such as SWOT Analysis, Root Cause Analysis (RCA), Business Process Reengineering (BPR), and Business Process Integration (BPI). This research addresses the following research questions:

1. What is the framework of integrated compliance based on the State-Owned Enterprise (SEO) Policy and the International Standard?
2. What are the weaknesses or gaps between State-Owned Holdings and Subsidiaries in the chemical sector compliance framework compared to the integrated compliance framework?
3. How can State-Owned Holdings and Subsidiaries in the chemical sector enhance their existing compliance frameworks to implement an integrated compliance framework to protect corporate value and sustainability?

The primary objective of this research is to develop a robust integrated compliance framework that enables chemical sector SOEs to standardize compliance practices, close existing gaps, and align strategically with regulatory and global compliance standards. Ultimately, the findings will offer comprehensive guidelines and actionable strategic plans, significantly improving governance effectiveness and ensuring sustainable operational excellence across the chemical-sector holding company and its subsidiaries..

B. METHODS

This research employs a qualitative exploratory approach to deeply analyze compliance management practices within a holding company operating in the chemical sector and its subsidiaries. This approach effectively captures the nuances of integrated compliance frameworks aligned with both international (ISO 37301:2021) and national regulatory standards (Ministerial SOE Regulation PER-2/MBU/03/2023). The exploratory design facilitates insights into organizational practices, cultural influences, procedural variations, and structural dynamics central to compliance management. Primary data collection involved 23 semi-structured interviews, each lasting approximately 45-60 minutes. The total interviewee are 7 participants, including senior executives, compliance officers, and operational managers from both the holding company and selected subsidiaries. Participants were purposefully selected based on their direct involvement, expertise, complexity of business processes in subsidiaries, and decision-making authority related to compliance management practices, thus ensuring relevant and comprehensive insights. Additional interviews were conducted with compliance experts from comparable state-owned enterprises in the energy sector to enable cross-sector benchmarking and enhance external validity. Interview protocols were structured around key theoretical frameworks, particularly emphasizing Business Process Reengineering (BPR), Business Process Integration (BPI), and compliance management cycles (P-D-C-A). The thematic focus was structured on exploring the integrated compliance framework, compliance structures, processes, and outcomes.

Secondary data collection complemented the primary data through comprehensive document analysis, involving internal compliance reports, external regulatory guidelines, and relevant literature. This methodological triangulation enhanced the reliability and validity of the findings by cross-verifying data from multiple sources. Data analysis employed structured thematic analysis following the methodology of (Braun & Clarke, 2006): initial data familiarization, code generation, thematic pattern identification, theme refinement, and synthesis of findings. Validity and reliability were maintained through triangulation of data sources to corroborate findings. Ethical considerations, such as obtaining informed consent, guaranteeing confidentiality, and securely managing data, were strictly adhered to throughout the research. Table 1 clearly outlines the structured stages of the research process, detailing each methodological step from problem identification to solution formulation, thereby ensuring transparency and methodological rigor.

Table 1. Stage of Research Processes

No	Stage	Activities	Outcome
1	Problem Identification	Literature review, preliminary analysis, and gap identification	Defined research scope and problem framing

No	Stage	Activities	Outcome
2	Data Collection	Semi-structured interviews, internal and external document reviews	Rich, contextualized insights from multiple perspectives
3	Data Analysis	Content Analysis, SWOT, RCA	Identification of structural, procedural, and outcome gaps
4	Proposed Solution	Business Process Reengineering (BPR) and Business Process Integration (BPI)	Proposed solution, action plan, and timeline for implementation

Sources: Research Data, 2025

This structured approach was deliberately chosen to ensure that the research comprehensively addresses the practical challenges faced by companies operating in the chemical sector, providing actionable solutions deeply grounded in real-world organizational contexts. Ethical considerations, including informed consent, confidentiality, and data security, were rigorously upheld throughout the research. Ultimately, the adopted qualitative methodology facilitates the bridging of theoretical frameworks and a practical integrated compliance framework, thus enabling a company operating in the chemical sector to systematically enhance its corporate value, regulatory adherence, and corporate sustainability.

C. RESULTS AND DISCUSSION

This research aimed to formulate an integrated compliance framework specifically for SOEs that operate in the chemical sector and their subsidiaries, aligning with both the international compliance management standard ISO 37301:2021 and Ministerial SOE Regulation PER-2/MBU/03/2023. Through rigorous qualitative research employing thematic content analysis, structured interviews, internal and external document reviews, comparative benchmarking, SWOT analysis, Root Cause Analysis (RCA), Business Process Reengineering (BPR), and Business Process Integration (BPI) this research identified key areas of structural, procedural, and outcome oriented deficiencies.

Based on content analysis, it seeks to methodically map and combine the compliance requirements specified by the international compliance management standard ISO 37301:2021 and Ministerial SOE Regulation PER-2/MBU/03/2023. This research helps to clarify how these standards together provide a complete compliance management system by grouping important parts into organized components: Integrated Compliance Structure, Integrated Compliance Process, and Integrated Compliance Outcomes. The basic structure driving a comprehensive view of compliance management activities is the Plan-Do-Check-Action (PDCA) approach from ISO 37301. The element of integration is explained in Table 2.

Table 2. Mapping of Compliance Framework Based on ISO and SOE Policy

PER-02 SOE	SNI ISO 37301:2021			
	Plan (ISO 37301)	Do (ISO 37301)	Check (ISO 37301)	Action (ISO 37301)
Integrated Compliance Structure	4.4. Compliance management system 5.1. Leadership and commitment 5.1.1. Governing body and top management 5.1.3. Compliance governance 5.2. Compliance policy 5.3. Roles, responsibilities, and authorities 5.3.1. Governing body and top management 5.3.2. Compliance function 5.3.3. Management 5.3.4. Personnel			
Integrated Compliance Process	4.5. Compliance obligations 4.6. Compliance risk assessment 5.1.2. Compliance culture 6.1. Actions to address risks and opportunities 6.2. Compliance objectives and planning to achieve them 6.3. Planning of changes	7.1. Resources 7.2. Competence 7.2.1. General 7.2.2. Employment process 7.2.3. Training 7.3. Awareness 7.4. Communication 7.5.3. Control of documented information 8.1. Operational Planning and Control	9.1. Monitoring, measurement, analysis, and evaluation 9.1.1. General 9.1.2. Sources of feedback on compliance performance 9.1.3. Development of indicators 9.1.4. Compliance reporting 9.1.5. Record-keeping	10.1. Continual improvement

PER-02 SOE	SNI ISO 37301:2021			
	Plan (ISO 37301)	Do (ISO 37301)	Check (ISO 37301)	Action (ISO 37301)
		8.2. Establishing controls and procedures 8.3. Raising concerns 8.4. Investigation processes	9.2. Internal audit 9.2.1. General 9.2.2. Internal audit programme (ISO 19011) 9.3. Management review 9.3.1. General 9.3.2. Management review inputs	
Integrated Compliance Outcomes	4.1. Understanding the organization and its context 4.2. Understanding the needs and expectations of interested parties 4.3. Determining the scope of the compliance management system	7.5. Documented information 7.5.1. General 7.5.2. Creating and updating documented information	9.3.3. Management review results	10.2. Nonconformity and corrective action

Sources: Research Data, 2025

Based on content analysis from the semi-structured interview, there are 23 significant findings as explained in Table 3.

Table 3. Major Findings Interview

No.	Theme	Major Findings	Impact Scale (1–5)
Integrated Compliance Structure			
1	Integration of PDCA and SOE Compliance Structure, Process, and Outcome	Fragmented integration of ISO 37301 and PER-2 frameworks	5 (Very High)
2	Implementation Status and Integration Process	Varied stages of ISO 37301 and PER-2 implementation across subsidiaries	5 (Very High)
3	Challenges and Gaps in Integrated Compliance Implementation	Inconsistent compliance maturity across subsidiaries	5 (Very High)
4	Staffing Adequacy and Competency Gaps in Compliance Functions	Significant staffing shortages and competency issues	5 (Very High)
5	Role and Effectiveness of Integrated Governance Committee (KTKT)	Unclear and inconsistent roles of the KTKT Committee	5 (Very High)
6	Improvement Strategies for Addressing Compliance Implementation Gaps	Benchmarking and standardized tools have been partially adopted	4 (High)
7	Structural Organization and Positioning of Compliance Functions	Unstandardized compliance organizational structure	4 (High)
8	Standardization and Clarification of Compliance Roles and Job Profile	Undefined and ambiguous job profiles for compliance roles	4 (High)
9	Coordination and Communication Mechanisms in Compliance Management	Lack of standardized coordination mechanisms	4 (High)
Compliance Process			
10	Strategic Programs and Initiatives for Building Compliance Culture	Programs are well-defined but inconsistently applied	5 (Very High)
11	Utilization of Compliance Analysis in Business Decision-Making	Compliance is not mandatory, and it varies by subsidiary	5 (Very High)
12	Implementation of Compliance Obligation Identification and Risk Management Across Subsidiaries	Partial identification and inconsistent implementation of compliance risks	5 (Very High)
13	Periodic Monitoring and Evaluation of Compliance Implementation	Regular monitoring is present, effectiveness varies	5 (Very High)
14	Implementation of Internal and External Compliance Audit Processes	Compliance audits are robust, but integration levels vary	5 (Very High)
15	Whistleblowing and Disciplinary Mechanisms for Managing Non-Compliance	WBS systems established, integration and consistency vary	5 (Very High)
16	Integrated Systems and Reporting Mechanisms to Ensure Compliance Effectiveness	Digital platforms used, integration incomplete	5 (Very High)
17	Continuous Improvement and Follow-Up Mechanisms for Compliance Audits	Established but needs standardization and effectiveness improvement	5 (Very High)
18	Strategic Planning and Timelines for Harmonization and Integration	Strategic timelines exist but lack uniformity and clarity	4 (High)

No.	Theme	Major Findings	Impact Scale (1–5)
19	Ratification and Dissemination of Integrated Compliance Policies	Policies are widely disseminated, but uneven ratification across subsidiaries	4 (High)
20	Feedback Mechanisms and Effectiveness in Compliance Reporting	Feedback mechanisms are identified as inadequate and inconsistent	3 (Medium)
Compliance Outcomes			
21	Compliance Performance Indicators and Measurement Tools	Indicators exist, but standardized measurement frameworks are lacking	5 (Very High)
22	Assessment of Compliance Maturity and Standardization Needs	Significant gap due to lack of standardized compliance maturity assessments	5 (Very High)
23	Integrated Compliance Enhancement and Standardization	Strong consensus, but standardization initiatives are still ongoing	5 (Very High)

Sources: Research Data, 2025

This research offers a strong, practical framework for compliance management by using a disciplined, precisely defined scale, therefore guaranteeing organizational resilience, regulatory alignment, and sustainability. Show in Table 4 the category of the impact scale used in analyzing the major findings.

Table 4. Category of Impact Scale of Major Finding

Impact Scale	Category	Explanation
1	Very Low	Negligible impact on compliance management, no immediate action required; minor inconvenience without systemic risk.
2	Low	Slightly affects operational compliance but is manageable; may require monitoring, but not urgent.
3	Medium	Noticeable impact, affecting efficiency and effectiveness; corrective actions required in the short term.
4	High	Significant impact on compliance structure, processes, or outcomes, urgent action and detailed mitigation required.
5	Very High	Critical, substantial, and immediate threat to compliance effectiveness, requiring immediate and comprehensive intervention.

Sources: Research Data, 2025

Based on the 23 thorough results of structured interviews, the next process is to continue by using Root Cause Analysis (RCA) and Gap Analysis, an organized, succinct summary analysis. By means of thorough RCA and Gap Analysis, this organized summary offers clarity and deep insight into important compliance gaps and the main causes that are explained in Table 5.

Table 5. Root Cause Analysis (RCA) and Gap Analysis

No	Theme	Root Cause Analysis (RCA)	Gap Analysis
1	Integration of PDCA and SOE Compliance Structure, Process, and Outcome	Lack of clear guidance, inconsistent maturity levels	Fragmented integration vs. unified PDCA & PER-2 framework
2	Implementation Status and Integration Process of ISO 37301 and SOE Regulation PER-2	No standardized maturity assessment, unclear roles, and limited tech support	Varied practical adoption; incomplete real-time digital integration
3	Challenges and Gaps in Integrated Compliance Implementation	Ambiguous roles, inadequate resources, and outdated technology	Varying implementation maturity, real-time integration gaps
4	Improvement Strategies for Addressing Compliance Implementation Gaps	No unified compliance improvement frameworks, resource constraints	Disconnection between strategy identification and practical execution
5	Structural Organization and Positioning of Compliance Functions	Inconsistent structural placement, inadequate strategic alignment	Varying compliance function levels vs. standardized placement
6	Standardization and Clarification of Compliance Roles and Job Profile	Lack of clear job descriptions, overlapping responsibilities	Unclear roles vs. standardized compliance job profiles
7	Staffing Adequacy and Competency Gaps in Compliance Functions	Insufficient staffing budgets, inadequate prioritization	Staffing inadequacy vs. ideally staffed compliance departments
8	Coordination and Communication Mechanisms in Compliance Management	No structured communication channels, unclear reporting processes	Informal mechanisms vs. structured, standardized communication
9	Role and Effectiveness of Integrated Governance Committee (KTKT)	Unclear KTKT roles, inconsistent operationalization	Unclear current roles vs. ideal, clearly defined oversight
10	Ratification and Dissemination of Integrated Compliance Policies	Unclear ratification guidance, inconsistent monitoring	Fragmented ratification vs. ideal comprehensive dissemination
11	Strategic Programs for Building Compliance Culture	Lack of structured initiatives, low subsidiary buy-in	Informal approaches vs. structured strategic compliance culture programs
12	Utilization of Compliance Analysis in	Compliance analysis viewed as optional,	Optional practice vs. ideal

No	Theme	Root Cause Analysis (RCA)	Gap Analysis
	Decision-Making Processes	not mandatory	mandatory compliance integration
13	Compliance Obligation Identification and Risk Management	Unclear guidelines, inadequate training	Fragmented risk processes vs. an ideal uniform compliance risk framework
14	Strategic Planning and Timelines for Harmonization	Unclear timelines, insufficient strategic direction	Informal timelines vs. structured strategic compliance planning
15	Periodic Monitoring and Evaluation of Compliance	Lack of formal evaluation frameworks; limited digital infrastructure	Inconsistent evaluation vs. ideal structured periodic monitoring
16	Internal and External Compliance Audit Processes	Varying auditor competence, unclear auditing standards	Fragmented auditing vs. an ideal standardized compliance audit framework
17	Whistleblowing and Disciplinary Mechanisms	Fragmented mechanisms; inadequate awareness	Fragmented whistleblowing systems vs. integrated structured mechanisms
18	Integrated Systems and Reporting Mechanisms	Limited digital guidance; resource constraints	Fragmented digital reporting vs. ideal integrated compliance systems
19	Feedback Mechanisms in Compliance Reporting	Informal feedback procedures, inadequate regularity/detail	Informal feedback vs. ideal structured, detailed feedback mechanisms
20	Continuous Improvement and Audit Follow-Up	Unclear follow-up responsibilities, no systematic improvement	Informal follow-up vs. an ideal structured, continuous improvement framework
21	Compliance Performance Indicators and Measurement Tools	Lack of standardized indicators, unclear methodological clarity	Varied informal indicators vs. standardized structured performance tools
22	Assessment of Compliance Maturity and Standardization Needs	No standardized maturity frameworks, varying understanding	Informal maturity evaluation vs. standardized assessment tools
23	Integrated Compliance Enhancement and Standardization	Fragmented enhancement efforts, inadequate strategic guidance	Ad-hoc fragmented enhancement vs. structured compliance enhancement

Sources: Research Data, 2025

Based on the 23 thorough results of structured interviews, the thorough SWOT analysis emphasizes numerous main strengths of the companies. An overview of SWOT Analysis is shown and explained in Table 6.

Table 6. SWOT Analysis

Strengths	Weaknesses
- Strong organizational commitment to compliance culture. - Well-established whistleblowing and disciplinary systems (WBS). - Regular internal and external compliance audits (robust procedures). - Established periodic monitoring and evaluation mechanisms. - High awareness of compliance strategies and initiatives.	- Fragmented integration of ISO 37301 and PER-2 compliance frameworks. - Varying stages of ISO 37301 and PER-2 implementation across subsidiaries. - Inconsistent compliance maturity across subsidiaries. - Significant staffing shortages and competency gaps. - Undefined and ambiguous compliance job profiles. - Unstandardized organizational structure for compliance functions. - Unclear roles and inconsistent operationalization of KTKT (Governance Committee). - Benchmarking tools and standardized compliance practices have been partially adopted. - Lack of standardized coordination mechanisms and feedback loops. - Non-mandatory involvement of compliance in strategic business decisions. - Partial identification and inconsistent risk management practices. - Inadequate integration of digital compliance reporting systems. - Insufficient compliance performance indicators and maturity measurement tools
Opportunities	Threats
- Implementation of integrated digital compliance platforms. - Standardization and harmonization of compliance frameworks and tools. - Comprehensive standardized compliance maturity assessments. - Mandating compliance roles in strategic and operational decisions. - Enhanced benchmarking of compliance practices with leading SOEs. - Centralization of compliance monitoring and evaluation processes.	- Variable interpretation and inconsistent application of regulations. - Potential for non-compliance due to fragmented oversight and reporting systems. - Risk of ineffective compliance audits and follow-up due to inconsistent standards. - Staffing inadequacy is potentially causing operational compliance risks. - Delay or failure in integrating digital compliance platforms. - Inadequate and inconsistent feedback mechanisms are hindering compliance improvement.

Sources: Research Data, 2025

Integrated Compliance Structure Findings and Solutions

The analysis revealed substantial structural gaps within the compliance framework at state-owned holding and subsidiary companies in the chemical sector. Significant disparities in compliance maturity among subsidiaries were observed, mainly due to inconsistent and insufficient staffing, unclear and overlapping roles, and ineffective implementation of Integrated Governance Committees (KTKT). The organizational compliance structures lacked uniformity, leading to fragmented accountability and uneven governance practices. This directly affected the efficiency and effectiveness of compliance management across the corporate group. To address these gaps, the research proposes centralizing compliance governance, clearly defining job profiles, standardizing compliance functions, and establishing explicit operational guidelines for KTKT. These solutions require the adoption of Business Process Reengineering (BPR) as structural changes demand comprehensive redesign and organizational restructuring, and Business Process Integration (BPI) as an integration mechanism that makes the compliance management process more efficient and effective. These actions directly resolve identified root causes, promoting clear accountability, reducing resource misalignment, and significantly enhancing compliance maturity—proposed solution of every major finding in implementing the integrated compliance structure as explained in Table 7.

Table 7. Integrated Compliance Structure Findings and Solutions

Major Findings	Proposed Solution	Classification	Explanation
Fragmented integration of ISO 37301 and PER-2 frameworks	Develop a standardized roadmap for governance and compliance practices across subsidiaries.	Business Process Integration (BPI)	Integrating diverse compliance frameworks and practices to ensure uniformity across all subsidiaries.
Varied stages of ISO 37301 and PER-2 implementation across subsidiaries	Conduct comprehensive workforce planning, identify gaps, and allocate sufficient compliance resources and qualified personnel.	Business Process Reengineering (BPR)	Fundamental redesign of workforce planning to directly address resource misalignments and differing implementation maturity levels.
Inconsistent compliance maturity across subsidiaries	Define explicit roles and responsibilities with standardized operational guidelines.	Business Process Integration (BPI)	Clarification and uniform standardization of roles ensures consistent maturity development across entities.
Significant staffing shortages and competency issues	Establish a centralized and standardized compliance structure for the holding and all subsidiaries.	Business Process Reengineering (BPR)	Restructuring to centralize compliance management, addressing structural staffing inadequacies comprehensively.
Unclear and inconsistent roles of the KTKT Committee	Create standardized compliance role profiles, job descriptions, and competency frameworks.	Business Process Integration (BPI)	Standardizing role definitions to ensure clarity and consistent operationalization across subsidiaries.
Benchmarking and standardized tools have been partially adopted	Implement a centralized digital platform for coordinated communication and compliance oversight.	Business Process Integration (BPI)	Consolidation of fragmented benchmarking tools and communication systems into a cohesive digital platform for better integration and coordination.
Unstandardized compliance organizational structure	Establish a centralized and standardized compliance structure for the holding and all subsidiaries.	Business Process Reengineering (BPR)	Comprehensive overhaul and redesign of the compliance structures to centralize and standardize management and operations.
Undefined and ambiguous job profiles for compliance roles	Create standardized compliance role profiles, job descriptions, and competency frameworks.	Business Process Integration (BPI)	Integrating clear, standardized job profiles to align roles consistently across subsidiaries.
Lack of standardized coordination mechanisms	Implement a centralized digital platform for coordinated communication and compliance oversight.	Business Process Integration (BPI)	Integration of communication and oversight systems onto a unified digital platform to streamline processes and enhance effectiveness.

Sources: Research Data, 2025

The timeline for implementing the integrated compliance structure proposed solutions is strategically designed to ensure prioritized actions and effective execution. Recognizing the high importance of standardized governance and compliance practices, the roadmap is systematically scheduled across multiple phases from 2026 to 2029, as explained in Table 8.

Table 8. Timeline of Implementation: Integrated Compliance Structure Solutions

Proposed Solution & Action Steps	2026				2027				2028				2029			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Develop a standardized roadmap for governance and compliance practices across subsidiaries.																
Mapping Frameworks																
Develop Guidelines																
Pilot Testing																
Finalize and Initial Rollout																
Full Implementation																
Continuous monitoring & updates																
Conduct comprehensive workforce planning, identify gaps, and allocate resources.																
Resource Audits																
Gap Analysis																
Recruitment Strategy																
Recruitment Initiation & Training																
Ongoing Training																
Assessment & Adjustment																
Continuous evaluation & adjustment																
Define explicit roles with standardized operational guidelines.																
Role Definition Development																
Stakeholder Approvals																
Initial Training																
Full Rollout & Training																
Periodic Reviews																
Continuous monitoring & adjustments																
Establish a centralized standardized compliance structure.																
Structure Design																
Executive Approval																
Initial implementation (pilot)																
Wider rollout																
Ongoing implementation & evaluation																
Full Implementation & Refinement																
Create standardized compliance role profiles and competency frameworks.																
Draft Profiles																
Stakeholder Consultations																
Approval																
Initial Training & Implementation																
Full adoption & adjustments																
Continuous review and refinement																
Implement a centralized digital platform for communication and compliance oversight.																
Requirements & Vendor Selection																
Integration Planning																
Pilot Integration																
Testing & Initial Deployment																
Phased Rollout & Training																
Platform Refinement & Expansion																
Establish a standardized compliance organizational structure.																
Current Structure Assessment																
Framework Design																
Approvals																
Pilot Implementation																
Phased implementation & evaluation																
Full Integration & Continuous Enhancement																
Standardize compliance role profiles and job descriptions.																
Role Audits																

Proposed Solution & Action Steps	2026				2027				2028				2029			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Standardization & Approvals																
Implementation & Training																
Monitoring & Reviews																
Continuous training & adjustments																
Continuous refinement and monitoring																
Implement a centralized digital platform for standardized coordination mechanisms.																
Platform Selection																
Integration Planning																
Pilot Testing & Initial Training																
Initial Deployment																
Full Deployment & Training																
Continuous system enhancement & integration																

Sources: Research Data, 2025

Integrated Compliance Process Findings and Solutions

Procedurally, the research highlighted the absence of standardized compliance procedures, fragmented databases for compliance obligations, and inconsistencies in risk identification and management. Compliance roles were not mandatory within strategic decision-making processes, undermining the perceived importance of compliance functions. The inadequate integration of monitoring, evaluation, dissemination, ratification, and feedback mechanisms significantly impaired the effectiveness of compliance processes. In response, the research recommended standardizing and harmonizing compliance procedures, mandating compliance involvement in decision-making processes, integrating compliance databases into unified digital platforms, standardizing compliance risk management frameworks, and centralizing compliance monitoring and evaluation processes. The Business Process Integration (BPI) approach can be used as the goal is to harmonize and systematically align existing fragmented procedures. These strategic recommendations will effectively mitigate identified gaps, improve organizational coherence, and enhance real-time compliance oversight—proposed solution of every major finding in implementing integrated compliance processes as explained in Table 9.

Table 9. Integrated Compliance Process Findings and Solutions

Major Findings	Proposed Solution	Classification	Explanation
Strategic Programs and Initiatives for Building Compliance Culture	Harmonize compliance processes through standardized procedures and consistent policy alignment.	Business Process Integration (BPI)	Integrates various compliance initiatives into uniform, coherent procedures to address inconsistencies across subsidiaries, enhancing overall compliance culture.
Utilization of Compliance Analysis in Business Decision-Making	Formalize mandatory inclusion of compliance officers in strategic and operational decision-making processes.	Business Process Integration (BPI)	Ensures systematic inclusion of compliance perspectives into business decisions, reducing variability and strengthening decision-making effectiveness.
Implementation of Compliance Obligation Identification and Risk Management Across Subsidiaries	Develop and implement integrated compliance databases capturing obligations and risks comprehensively through digital applications.	Business Process Reengineering (BPR)	Requires substantial redesign and digitalization of processes to effectively centralize compliance obligations and risk management, addressing current inconsistencies and gaps.
Periodic Monitoring and Evaluation of Compliance Implementation	Centralized monitoring and evaluation processes via a digitalized compliance monitoring platform.	Business Process Reengineering (BPR)	Fundamental redesign of existing monitoring processes into a digital, real-time compliance monitoring platform to significantly improve oversight and effectiveness.
Implementation of Internal and External Compliance Audit Processes	Standardize compliance risk identification, evaluation, and management processes using a unified risk management framework.	Business Process Integration (BPI)	Integration of robust audit frameworks into existing compliance and risk processes ensures uniformity and clarity in audits, addressing current integration gaps.

Major Findings	Proposed Solution	Classification	Explanation
Whistleblowing and Disciplinary Mechanisms for Managing Non-Compliance	Standardize dissemination procedures, implement regular compliance ratification tracking, and create uniform feedback mechanisms.	Business Process Integration (BPI)	Integrates whistleblowing and disciplinary measures into clear and consistent processes, reducing variability and enhancing transparency and compliance management effectiveness.
Integrated Systems and Reporting Mechanisms to Ensure Compliance Effectiveness	Establish structured, regular, and systematic feedback loops integrated with existing communication channels.	Business Process Integration (BPI)	Enhances current reporting mechanisms by integrating feedback loops into standardized communication processes, ensuring improved coordination and efficiency.
Continuous Improvement and Follow-Up Mechanisms for Compliance Audits	Centralized monitoring and evaluation processes through a digitalized compliance monitoring platform.	Business Process Reengineering (BPR)	Requires comprehensive redesign and digitalization to address effectiveness issues and standardize improvement tracking, significantly enhancing responsiveness and compliance audit follow-up.
Strategic Planning and Timelines for Harmonization and Integration	Harmonize compliance processes through standardized procedures and consistent policy alignment.	Business Process Integration (BPI)	Streamlines diverse strategic planning processes into a harmonized, standardized timeline and policy framework, addressing clarity and consistency issues.
Ratification and Dissemination of Integrated Compliance Policies	Standardize dissemination procedures, implement regular compliance ratification tracking, and create uniform feedback mechanisms.	Business Process Integration (BPI)	Provides systematic integration of ratification processes, reducing variability and enhancing clarity and completion rates across subsidiaries.
Feedback Mechanisms and Effectiveness in Compliance Reporting	Establish structured, regular, and systematic feedback loops integrated with existing communication channels.	Business Process Integration (BPI)	Integrates robust feedback mechanisms into routine processes to address inadequacies and inconsistencies in compliance reporting effectiveness directly.

Sources: Research Data, 2025

The timeline for implementing the integrated compliance processes proposed solutions is strategically designed to ensure prioritized actions and effective execution. Recognizing the high importance of standardized governance and compliance practices, the roadmap is systematically scheduled across multiple phases from 2026 to 2029, as explained in Table 10.

Table 10. Timeline of Implementation: Integrated Compliance Process Solutions

Proposed Solution & Action Steps	2026				2027				2028				2029			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Harmonize compliance processes through standardized procedures and consistent policy alignment.																
Process reviews & gap identification																
Develop standardized procedures																
Pilot standardized procedures																
Full rollout																
Monitor effectiveness & refine																
Continuous monitoring & adjustments																
Formalize mandatory inclusion of compliance officers in strategic and operational decision-making processes																
Develop inclusion guidelines																
Executive approvals																
Initial integration (pilot units)																
Group-wide integration																
Assessment & continuous integration																
Refinement and adjustments																
Develop and implement integrated compliance databases capturing obligations and risks comprehensively through digital applications																
Requirements & vendor selection																
Initial integration planning																
Pilot testing & adjustments																
Group-wide implementation																
Data integration & optimization																

Proposed Solution & Action Steps	2026				2027				2028				2029			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Continuous database maintenance & updates																
Centralize monitoring and evaluation processes via a digitalized compliance monitoring platform																
Define system requirements																
System development & initial tests																
Pilot deployment																
Full rollout																
System enhancements & adjustments																
Continuous review and enhancement																
Standardize compliance risk identification, evaluation, and management processes using a unified risk management framework																
Develop risk framework																
Pilot risk assessment methodology																
Group-wide training & deployment																
Full adoption & assessment																
Monitoring & adjustments																
Continuous risk process refinement																
Standardize dissemination procedures, implement regular compliance ratification tracking, and create uniform feedback mechanisms																
Standardize procedures & tracking tools																
Implement pilot feedback mechanisms																
Full dissemination & ratification tracking																
Feedback system fully operational																
Evaluate & optimize procedures																
Regular feedback and improvement cycle																
Establish structured, regular, and systematic feedback loops integrated with existing communication channels																
Feedback loop design & approval																
Initial integration																
Group-wide feedback system deployment																
Operational optimization																
Review effectiveness & adjust accordingly																
Continuous integration and refinement																
Centralize monitoring and evaluation processes through a digitalized compliance monitoring platform (standardization)																
Specification & vendor selection																
Initial system implementation																
Full-scale monitoring platform deployment																
Training & adjustments																
Ongoing system optimization																
Continuous system maintenance & evaluation																
Harmonize compliance processes through standardized procedures and consistent policy alignment (for strategic timelines)																
Review & align strategic timelines																
Develop harmonized timelines																
Review & align strategic timelines																

Proposed Solution & Action Steps	2026				2027				2028				2029			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Complete adoption																
Monitor and refine compliance timelines																
Continuous monitoring and updates																
Standardize dissemination procedures, implement regular compliance ratification tracking, and create uniform feedback mechanisms (policy ratification)																
Develop tracking tools & training programs																
Pilot dissemination & tracking																
Full deployment																
Operational consistency review																
Monitoring & refinement																
Continuous feedback integration																
Establish structured, regular, and systematic feedback loops integrated with existing communication channels (feedback mechanisms)																
Communication audit & system planning																
Initial feedback loop implementation																
Full communication channel integration																
Evaluate effectiveness																
Continuous improvements																
Regular operational adjustments																

Sources: Research Data, 2025

Integrated Compliance Outcomes Findings and Solutions

In terms of outcomes, significant gaps emerged in compliance performance indicators, maturity assessment tools, and integrated reporting systems. These gaps hindered accurate assessment, performance benchmarking, and consistent governance across subsidiaries. Without clear indicators and maturity assessments, the organizational compliance strategy lacked direction and measurable accountability. The research thus proposed establishing clear and standardized compliance performance indicators and comprehensive maturity assessment frameworks, alongside fully integrated digital compliance reporting systems. Employing BPI to standardize indicators and reporting systems across entities in the conglomerate is essential. These solutions enable uniform data collection, performance benchmarking, and enhanced governance transparency, directly addressing root causes related to ineffective compliance evaluation—proposed solution of every major finding in implementing integrated compliance processes as explained in Table 11.

Table 11. Integrated Compliance Outcomes Findings and Solutions

Major Findings	Proposed Solution	Classification	Explanation
Indicators exist, but standardized measurement frameworks are lacking	Establish clear standardized performance indicators and maturity measurement tools with regular assessment cycles.	Business Process Integration (BPI)	Integration of standardized indicators and maturity measurements into existing processes will ensure consistent and continuous performance monitoring and evaluation.
Significant gap due to lack of standardized compliance maturity assessments	Develop and implement comprehensive standardized compliance maturity assessment frameworks across subsidiaries.	Business Process Reengineering (BPR)	Reengineering is essential to introduce entirely new structured assessments, which require fundamental changes to current fragmented compliance evaluation processes.
Strong consensus, but standardization initiatives are still ongoing	Implement a fully integrated digital compliance reporting and management system across subsidiaries.	Business Process Integration (BPI)	Integration of a digital platform will harmonize existing processes, ensuring effective, standardized reporting and enabling real-time compliance oversight.

The timeline for implementing the integrated compliance outcomes proposed solutions is strategically designed to ensure prioritized actions and effective execution. Recognizing the high importance of standardized governance and compliance practices, the roadmap is systematically scheduled across multiple phases from 2026 to 2029, as explained in Table 12.

Table 12. Timeline of Implementation, Integrated Compliance Outcomes Solutions

Proposed Solution & Action Steps	2026				2027				2028				2029			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Establish clear standardized performance indicators and maturity measurement tools with regular assessment cycles.																
Criteria Definition																
Pilot Testing & Initial Rollout																
Full-scale Implementation																
Evaluation and Refinement																
Regular Assessments & Adjustment Cycles																
Continuous Monitoring and Updates																
Develop and implement comprehensive standardized compliance maturity assessment frameworks across subsidiaries																
Framework Development																
Pilot Implementation																
Full Framework Implementation																
First Full-cycle Assessment																
Cyclical Assessments & Refinements																
Continuous Improvement & Refinement																
Implement a fully integrated digital compliance reporting and management system across subsidiaries																
Vendor Selection & System Design																
Initial Development																
Pilot System Deployment																
Feedback and System Adjustments																
Full-scale Deployment & Integration Across Subsidiaries																
System Optimization & Continuous Enhancement																

Sources: Research Data, 2025

D. CONCLUSION

This research has developed an integrated compliance framework specifically designed for SOEs operating in the chemical sector and their subsidiaries, effectively addressing structural, procedural, and outcome-related compliance gaps identified through comprehensive qualitative analyses. Utilizing ISO 37301:2021 and SOE Regulation PER-2/MBU/03/2023 as foundational standards, the research proposed centralized compliance structures, clearly defined roles, standardized compliance processes, and integrated digital monitoring platforms. This robust framework significantly enhances corporate governance, reduces compliance risks, and safeguards corporate value and sustainability. By offering actionable solutions, such as explicit maturity assessment tools and articulated performance indicators, this research provides a practical roadmap for achieving sustained compliance effectiveness. Its unique contribution lies in integrating international compliance standards with Indonesian SOE regulatory practices, systematically employing Business Process Integration (BPI) and Business Process Reengineering (BPR) methodologies to bridge compliance gaps comprehensively.

While this research provides a rigorous and contextually tailored compliance framework, several limitations must be acknowledged. Firstly, the research's qualitative nature and the specific focus on SOEs operating in the chemical sector and their subsidiaries limit the direct generalizability of findings to other SOEs or industries. This research contributes uniquely to compliance literature by integrating strategic

compliance management with operational clarity and digital innovation, providing actionable insights tailored explicitly to conglomerate structures. However, the research acknowledges limitations, notably its qualitative nature and sector-specific focus, potentially restricting broader applicability. Future research is recommended to adopt longitudinal approaches to evaluate the long-term effectiveness of compliance integration and to investigate deeper organizational cultural adaptations. Comparative international studies may further enhance the generalizability of findings, offering broader governance implications and bridging theoretical compliance models with practical applications more comprehensively.

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