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Research Article

The Parenting Strategy of BRI Ultra Micro Subholding: From Functional Leader to Value Integrator

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ABSTRACT

Background: This paper examines how BRI, as a state-owned bank, exercises its parenting role in the Ultra Micro Subholding (BRI, Pegadaian, and PNM) to support Indonesia's financial inclusion agenda using a corporate-level strategy lens.
Purpose: To assess the effectiveness and pattern of BRI's parenting strategy across key value-creation levers and to identify strengths and gaps in how the parent adds value to its ultra-micro subsidiaries.
Design/methodology/approach: The study adopted an explanatory single-case design, combining a survey of 35 managers from BRI, Pegadaian, and PNM with six semi-structured interviews, and operationalized Pidun's Parenting Advantage Web as the main analytical framework. Quantitative data were analyzed using descriptive statistics and Parenting Advantage Web profiling, while qualitative interview data were examined through thematic analysis.
Findings/results: BRI was perceived as a strong financial and synergy parent but showed weaker performance in corporate functions and operational engagement, resulting in an asymmetrical parenting profile that created value yet left coordination and implementation risks.
Conclusion: BRI currently fits a Functional Leader archetype and needs to evolve toward a more balanced Value Integrator role through stronger functional integration, faster governance, and deeper operational support. This shift is also relevant for state-owned enterprise policymakers seeking to design holding structures that create not only financial synergies but also integrated capabilities across entities.
Originality/value: This paper extends parenting-strategy theory to an emerging-market SOE subholding, offers an empirically grounded Parenting Advantage Web profile, and links parenting design to the broader agenda of SOE holdingization and digital integration in ultra-micro finance.

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INTRODUCTION

The expansion of large corporations into multi-business structures has shifted strategic attention from competition within individual businesses to value creation across portfolios of businesses (Porter, 1987; Rumelt, 2012). In this context, corporate-level strategy concerns not only which businesses to own but also how the corporate centre creates value through its parenting role toward subsidiaries. For diversified firms and holdings, the design and implementation of a corporate parenting strategy becomes a critical determinant of whether diversification and restructuring create or destroy value (Goold & Campbell, 1987; Campbell et al., 1995).

In Indonesia, state-owned enterprises (SOEs) have undergone an intensive process of *holdingization* aimed at improving efficiency, increasing competitiveness and aligning corporate activities with national development priorities (Yuliansyah et al., 2021; Apriyantopo et al., 2023). One of the most prominent examples is the formation of the BRI Ultra Micro Subholding. Established in 2021, the Ultra Micro Subholding represents a large-scale strategic reorganisation in Indonesia's inclusive finance landscape. Publicly available data indicate that, within one year of its establishment, the Holding Ultra Mikro had integrated more than 34 million ultra-micro customers, and by the end of the third quarter of 2022 the three entities had reached 26.3 million integrated ultra-micro customers with total outstanding financing of Rp238.6 trillion. This scale underscores that the effectiveness of BRI's parenting role is not merely an internal corporate issue, but a matter with significant implications for financial inclusion, coordination efficiency, and value creation across a strategically important state-owned financial ecosystem. The BRI Ultra Micro Subholding consolidates PT Bank Rakyat Indonesia (Persero) Tbk. (BRI), PT Pegadaian and PT Permodalan Nasional Madani (PNM) into an integrated financial ecosystem serving ultra-micro customers (Kementerian Keuangan RI, 2021; Lembaga Manajemen FEB UI, 2022). In this configuration, BRI acts as a corporate parent responsible for setting strategic direction, allocating capital, orchestrating synergies and governing the overall group, while Pegadaian and PNM retain distinct business models and missions.

Existing research on SOE *holdingization* in Indonesia highlights both the potential and the challenges of such structures. On the one hand, holdings can improve financial leverage, bargaining power and operational efficiency (Yuliansyah et al., 2021; Apriyantopo et al., 2023). On the other hand, they introduce governance complexity, potential overlaps in roles between parent and subsidiaries and tensions arising from cultural and mission differences across entities (Safira et al., 2024; Alipudin, 2025). In financial holdings in particular, parents tend to adopt a strong financial-control orientation, focusing on capital allocation and risk management, while functional and cultural integration across business units often lags behind. This raises a central question for corporate-level strategy in SOEs: how should the parenting role be designed so that the parent genuinely adds value rather than simply consolidating assets and authority (Goold et al., 1998; Puranam & Vanneste, 2016)?.

Theoretically, corporate parenting has been conceptualised through frameworks such as parenting advantage, the Heartland Matrix and the Parenting Advantage Web (Campbell et al., 1995; Goold et al., 1994; Krühler et al., 2012; Pidun, 2019). These frameworks argue that parenting value depends on the fit between parent capabilities and business-unit needs and on how the parent uses financial, strategic, functional, operational and synergy levers to influence subsidiaries. However, most empirical work in this area focuses on private conglomerates in developed markets (Gurkov, 2015; Feldman, 2021; Adim & Emumena, 2023). Empirical evidence from state-owned financial holdings in emerging markets—and especially from inclusive finance contexts such as the ultra-micro segment in Indonesia—remains scarce (Apriyantopo et al., 2023; Safira et al., 2024; Suskandari et al., 2025).

At the same time, the corporate-strategy literature suggests that effective parenting roles are evolving. Many corporate parents historically acted as functional leaders, centralising finance and key functions and enforcing standard policies (Pidun, 2019; Krühler et al., 2012). More recent work points to the need for a more integrative role, in which the parent not only controls and supports but also integrates value, culture and innovation across diverse subsidiaries (Burkert et al., 2023; Feldman, 2021; Adim & Emumena, 2023). For SOE financial holdings serving ultra-micro customers, this evolution is particularly salient because corporate parents must balance financial discipline, governance and public-policy objectives with the need for local responsiveness and social impact (Munir, 2021; Yuliansyah et al., 2021).

Against this backdrop, the present study examines how BRI plays its parenting role in the Ultra Micro Subholding and how this role might evolve to better support long-term value creation. Specifically, the paper applies the Parenting Advantage Web framework to assess BRI's parenting effectiveness across five value-creation levers financial advantages, strategic guidance, corporate functions and resources, operational engagement, and business synergies from the perspective of managers in BRI, Pegadaian, and PNM (Pidun, 2019). It then interprets the resulting profile in terms of parenting archetypes and develops an argument for an evolutionary shift from a Functional Leader orientation toward a Value Integrator model more suited to the complexity and mission of the ultra-micro ecosystem (Burkert et al., 2023; Suskandari et al., 2025).

The study is guided by the following central research question: How is the parenting strategy implemented by BRI in managing the Ultra Micro Subholding when assessed through the five value-creation levers of the Parenting Advantage Web? Supporting this question, the paper examines how managers in the three entities perceive BRI's effectiveness in each lever, where strengths and gaps in the parenting profile arise, and how BRI's current role can be positioned on the spectrum from Functional Leader to Value Integrator (Campbell et al., 1995; Krühler et al., 2012).

METHODS

The study is exploratory in its theory-building orientation and confirmatory in the limited sense that it assesses empirically derived theoretical propositions through a structured single-case design combining quantitative and qualitative methods (Yin, 2014). The case is the BRI Ultra Micro Subholding, comprising BRI as corporate parent and Pegadaian and PNM as subsidiaries. A single-case design is appropriate because the Subholding represents a theoretically interesting and practically important instance of a state-owned financial holding in an emerging market, with a clear corporate-level initiative and rich contextual detail (Yuliansyah et al., 2021; Apriyantopo et al., 2023).

The research is quantitative-descriptive in terms of measuring managers' perceptions of parenting effectiveness across the five Parenting Advantage Web levers, and explanatory in that it seeks to interpret patterns in the Parenting Web through qualitative evidence from interviews and documents (Pidun, 2019; Krühler et al., 2012).

The empirical setting is Indonesia's Ultra Micro Subholding led by BRI. The Subholding was established to integrate BRI, Pegadaian and PNM into a unified ultra-micro finance ecosystem that expands access to credit and other financial services for under-served segments (Kementerian Keuangan RI, 2021; Lembaga Manajemen FEB UI, 2022). BRI, as a large commercial bank and SOE, provides capital, risk-management systems and a nationwide network, while Pegadaian specialises in collateral-based lending and PNM focuses on group-based empowerment programs.

This configuration creates both opportunities and challenges for corporate parenting. BRI is expected to leverage its financial and organisational capabilities to support subsidiaries, orchestrate synergies and ensure good governance, but must also manage differences in business models, cultures and social missions across entities (Safira et al., 2024; Suskandari et al., 2025).

The unit of analysis is the organisational entity within the Subholding (BRI, Pegadaian, PNM), while the unit of observation is individual managers and key officers involved in strategy, synergy and corporate support. A purposive sampling approach is used to select respondents with direct

exposure to parenting activities (Sekaran & Bougie, 2016).

Primary data were collected in two waves. The questionnaire survey was administered during June-July 2024 to managers in relevant units across BRI, Pegadaian, and PNM. A total of 35 usable responses were obtained, covering strategic planning, operations, synergy coordination, and corporate-function roles. Semi-structured interviews were subsequently conducted during June-August 2024 with six key informants, senior managers from the three entities who were directly involved in the design and implementation of the Ultra Micro Subholding. Secondary data were collected from annual reports, strategy documents, internal presentations and public policy reports related to the Subholding and SOE holdingisation more broadly (Kementerian Keuangan RI, 2021; Lembaga Manajemen FEB UI, 2022; Yuliansyah et al., 2021).

The main construct in this study is parenting effectiveness, measured across the five levers of the Parenting Advantage Web (Pidun, 2019): 1. Financial advantages 2. Strategic guidance 3. Corporate functions resources 4. Operational engagement 5. Business synergies.

For each lever, multiple items were developed reflecting how BRI, as parent, influences subsidiaries in that dimension. Items were derived from Pidun (2019), Krühler et al. (2012) and recent empirical work on parenting in Indonesian corporations (Safira et al., 2024; Suskandari et al., 2025). All items are measured on a five-point Likert scale (1 = strongly disagree, 5 = strongly agree).

The questionnaire consists of three parts:
- Part A: respondent profile (entity, position, unit, tenure).
- Part B: perceptions of BRI's effectiveness in each parenting lever.
- Part C: perceptions of unit performance and synergy outcomes since the formation of the Ultra Micro Subholding.

Content validity was assessed through expert review by academics and practitioners with experience in corporate strategy and SOE management (Krühler et al., 2012; Puranam & Vanneste, 2016). Items were refined based on feedback for clarity and relevance to the Subholding context.

Empirical validity and reliability of the scales were evaluated using the survey data. Construct reliability for each parenting lever was assessed by Cronbach's alpha, with values above commonly accepted thresholds indicating acceptable internal consistency (Nunnally & Bernstein, 1994; Yin, 2014). Item–total correlations were examined to identify items that did not contribute to scale reliability, and such items were considered for removal or revision.

Although the sample size is modest, the focus on a single case and the combination of quantitative and qualitative data mitigate some concerns regarding external validity. The study's primary aim is analytic generalisation to theory rather than statistical generalisation to a broader population (Yin, 2014).

Quantitative data from the questionnaires were analysed using descriptive statistics and gap analysis. The steps include:
- Calculating mean and standard deviation for each item and for each of the five parenting levers.
- Constructing a Parenting Advantage Web by plotting mean scores of the five levers to visualise BRI's parenting profile (Pidun, 2019).
- Identifying dimensions with relatively high and low scores, interpreted as parenting strengths and gaps, respectively.

Qualitative data from interviews were analysed using thematic analysis (Braun & Clarke, 2006). Transcripts were coded to identify themes related to governance and decision-making, culture and identity, digital and HR integration and synergy implementation. These themes were then used to interpret the quantitative profile and to explain why certain parenting levers appear stronger or weaker.

Triangulation between survey, interview and documentary evidence enhances the credibility of the findings and supports the explanatory aims of the case study (Yin, 2014).

Rather than formal hypotheses, this study advances three **theoretical propositions** to guide the analysis in an exploratory case-study setting. First, parenting effectiveness in a state-owned financial holding is expected to be strongest in financial advantages and business synergies, reflecting the parent's capital strength, network position, and ability to coordinate cross-entity initiatives. Second, governance complexity and differences in organisational culture across entities are expected to create gaps in corporate functions and resources as well as operational engagement. Third, sustainable value creation in the Ultra Micro Subholding is expected to require an evolution from a Functional Leader profile toward a Value Integrator role that balances all five parenting levers while embedding governance fit, cultural alignment, and innovation capacity into the parenting model. This paper contributes to the strategy literature in three ways. First, it provides an early empirical illustration of the Parenting Advantage Web in a state-owned financial holding in a developing country, thereby extending the empirical base of corporate parenting research (Pidun, 2019; Safira et al., 2024). Second, it introduces and illustrates the Value Integrator parenting model in an ultra-micro finance ecosystem, showing how financial, functional, cultural, and digital dimensions interact in practice (Burkert et al., 2023; Suskandari et al., 2025). Third, relative to prior Indonesian evidence such as Safira et al. (2024), which focuses on corporate parenting and centre development in an automotive manufacturing group, this study examines a state-owned financial holding with a stronger public-policy mandate and a more explicit inclusive-finance mission (Yuliansyah et al., 2021; Widjaja, 2025), thereby broadening the contextual and theoretical reach of parenting-strategy research in Indonesia.

Corporate strategy, diversification and parenting

Corporate-level strategy research initially focused on diversification and competitive advantage at the level of the firm's overall portfolio. Porter (1987) distinguishes business-level from corporate-level strategy and argues

that diversification creates value only if it passes the attractiveness, cost-of-entry and better-off tests. Later work criticises this view for emphasising industry relatedness and synergies while paying less attention to internal organisational factors such as management style and governance (Goold & Campbell, 1987; Rumelt, 2012).

A subsequent stream of research highlights the role of the corporate centre in managing multi-business firms. Goold and Campbell (1987) argue that corporate headquarters must be evaluated not only on portfolio choices but also on how it manages, guides and develops its business units. Campbell et al. (1994, 1995) formalise this idea through the concept of parenting advantage: a parent creates value when its skills, resources and processes fit the critical success factors and improvement opportunities of its businesses better than alternative parents.

Parenting advantage and parenting frameworks

Parenting advantage is operationalised through analytical tools such as the Parenting Advantage Framework and the Heartland Matrix, which classify business units into heartland, edge-of-heartland, ballast, value traps and alien territories depending on the value-adding and value-destroying potential of the parent (Campbell et al., 1995; Goold et al., 1998). These frameworks emphasise that misfit between parent characteristics and business-unit needs can lead to systematic value destruction.

Krühler et al. (2012) develop a conceptual framework to assess corporate parenting strategies along three dimensions: corporate–business interactions, business–business interactions and the balance between value-adding and value-destroying activities. Their model provides a structured way to diagnose the net contribution of the parent and to redesign parenting roles where necessary. More recent work synthesised by Burkert et al. (2023) shows that effective parents must design governance, structures and processes that align centre capabilities with portfolio needs.

Corporate parenting in SOEs and emerging markets

Corporate parenting issues become more complex in state-owned enterprises and emerging-market contexts, where commercial objectives intersect with policy goals and institutional constraints. Yuliansyah et al. (2021) show that *holdingization* of Indonesian SOEs can improve financial and structural efficiency but also introduces challenges related to culture, role clarity and conflicts of interest between parent and subsidiaries. Apriyantopo et al. (2023) find that SOE performance depends on the fit between strategic typology, portfolio configuration and the centre's governance and parenting role.

Recent studies on Indonesian corporations illustrate how parenting strategies operate in specific industries. Safira et al. (2024) analyse corporate parenting and centre development in an automotive group and highlight the importance of aligning parenting archetype, centre design and portfolio characteristics. Suskandari et al. (2025) argue that as multi-business organisations become more complex, parenting must evolve from a narrow financial-control logic to a broader configuration integrating strategy, governance and culture. Munir (2021) shows that in the media industry, corporate parents that support corporate entrepreneurship and innovation at the business-unit level tend to achieve more sustainable performance.

These findings suggest that in emerging markets and SOEs, parenting strategies must balance financial discipline with development objectives, central control with local autonomy and short-term results with long-term capability building.

Parenting Advantage Web and parenting archetypes

Building on parenting-advantage theory, Pidun (2019) proposes the Parenting Advantage Web (Figure 1), which identifies five value-creation levers: financial advantages, strategic guidance, corporate functions, resources, operational engagement and business synergies. The framework allows managers to map the intensity and effectiveness of the parent's involvement in each dimension and to visualise the overall parenting profile as a web.

Pidun (2013, 2016, 2019) also discusses parenting archetypes such as hands-off owner, financial sponsor, family builder, strategic guide, functional leader and hands-on manager. These archetypes capture typical patterns of how parents allocate attention and resources across the five levers. Klein and Wiersema (2020) find that corporate centres with specialised capabilities whether industry-specific or functional can create more value than generic centres, reinforcing the importance of alignment between parenting archetype and portfolio context. Feldman (2021) revisits the corporate parenting advantage concept and emphasises that ownership structure and institutional environment shape how parenting roles should be designed, particularly in SOEs.

From Functional Leader to Value Integrator

Traditional parenting archetypes have often positioned corporate parents as functional leaders that centralise key functions (e.g. finance, HR, IT) and impose standardised policies across units (Pidun, 2019; Krühler et al., 2012). However, recent work suggests that in complex, dynamic environments, parenting roles need to go beyond standardisation and control. Burkert et al. (2023) argue that effective parents increasingly act as integrators of value across units, creating shared culture, innovation platforms and collaborative ecosystems. Adim & Emumena. (2023) conceptualise parenting strategies that influence performance through stand-alone support, linkages, central functions and corporate development activities.

In the Indonesian SOE context, Apriyantopo et al. (2023) and Yuliansyah et al. (2021) show that *holdingization* initiatives often start with financial and structural motives but long-term success depends on whether the parent can harmonise culture, clarify roles and create mechanisms for collaboration beyond formal structure. Suskandari et al. (2025) propose that parenting in multi-business units should evolve toward a configuration that not only controls but also enables innovation and cross-unit learning.

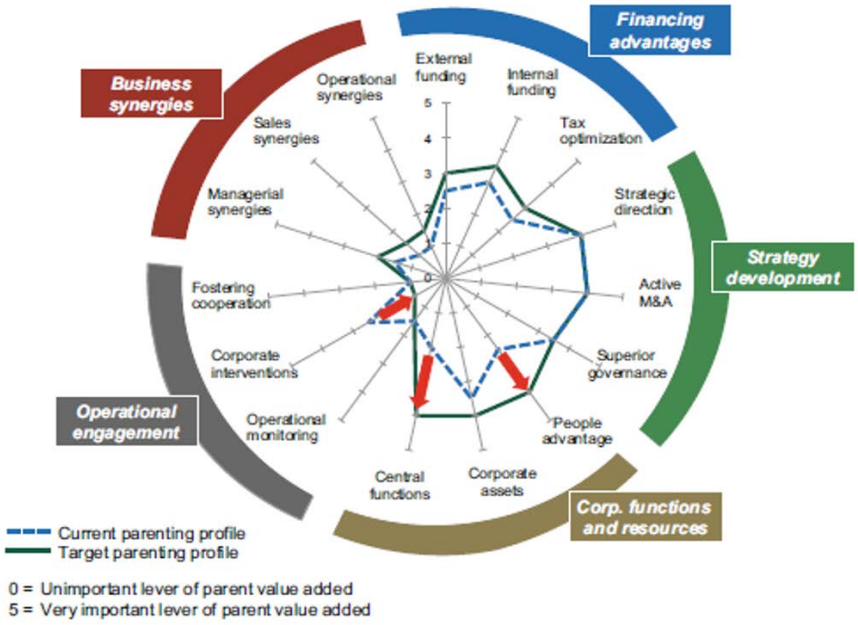

Figure 1. Parenting Advantage Web (Pidun, 2019)

Drawing on this literature, this paper adopts the notion of a Value Integrator parenting model: a parent that combines financial and strategic control with strong capabilities in governance fit, culture alignment, digital and functional integration and cross-entity innovation. This model is particularly relevant for SOE financial holdings serving ultra-micro segments, where parents must simultaneously pursue financial viability, inclusion and policy goals. Functional leader vs. value integrator parenting models in Table 1.

Conceptual framework and research questions

Integrating the above strands, this study uses the Parenting Advantage Web to assess BRI's parenting strategy across five levers in the Ultra Micro Subholding (Pidun, 2019). Based on prior research on SOEs and parenting, three expectations guide the analysis:

- Parenting effectiveness in a state-owned financial holding is likely to be strongest in financial advantages and business synergies, reflecting the parent's capital strength and network position (Burkert et al., 2023; Apriyantopo et al., 2023).
- Governance complexity and cultural differences across entities may create gaps in corporate functions resources and operational engagement (Yuliansyah et al., 2021; Safira et al., 2024; Suskandari et al., 2025).
- Sustainable value creation requires a shift from a Functional Leader profile toward a Value Integrator model that balances all five levers and embeds governance, culture and innovation into the parenting role (Burkert et al., 2023; Adim & Emumena, 2023).

The empirical analysis of BRI's parenting profile is thus intended to show how these expectations play out in practice and how a Value Integrator role might be designed in the Ultra Micro Subholding.

RESULTS

Respondent profile

The survey covers 35 managers across BRI, Pegadaian and PNM who are involved in strategy, synergy programmes, operations and corporate functions within the Ultra Micro Subholding. This provides a cross-sectional view of how BRI's parenting role is experienced at different hierarchical levels and entities (Safira et al., 2024; Suskandari et al., 2025). Six key informants from the three organisations were interviewed to deepen and contextualise the survey findings (Yin, 2014).

Reliability and Validity of the Instrument

Before presenting the empirical findings, it is important to note that the parenting strategy instrument used in this study has demonstrated acceptable psychometric properties. Across the five Parenting Advantage Web dimensions Financial Advantage, Strategy Development, Corporate Function, Operational, and Business Synergy Cronbach's alpha coefficients ranged from 0.671 to 0.855 (Table 2), indicating generally good internal consistency of the multi-item scales and falling within a range that is commonly considered acceptable for applied research, particularly when each subscale consists of only a few items. In line with Yin's (2014) emphasis that data collection instruments in case study and field research must be both reliable and clearly linked to the constructs they are intended to measure, the present study also examined correlations among items within each dimension. Item–item correlations were predominantly positive and statistically significant, with correlations within the same dimension systematically stronger than most correlations across dimensions, supporting the intended construct structure and providing initial evidence of construct validity. Taken together, these results justify the use of the

five composite dimension scores in the subsequent analyses in this chapter to profile BRI's parenting role within the Ultra Micro Holding.

Descriptive results for the five parenting levers

Descriptive analysis shows that BRI's parenting effectiveness is uneven across the five Parenting Advantage Web levers. Mean scores (on a five-point scale) are highest for financial advantages and business synergies, moderate for strategic guidance and relatively lower for corporate functions resources and operational engagement.

The high score for financial advantages indicates that BRI is perceived as an effective financial parent, providing low-cost funding, liquidity and risk-management capabilities that support the expansion of Pegadaian's and PNM's ultra-micro portfolios (Burkert et al., 2023; Apriyantopo et al., 2023). The strong performance in business synergies reflects successful initiatives such as joint outlets, shared channels and cross-selling arrangements that extend ultra-micro customer reach and product bundles (Safira et al., 2024; Yuliansyah et al., 2021).

Strategic guidance receives moderately high ratings, suggesting that group-level direction and alignment between Subholding strategy and national SOE policy are generally perceived as clear (Rumelt, 2012; Feldman, 2021). However, the lower scores in corporate functions resources and operational engagement indicate that managers see gaps in the integration and responsiveness of HR and IT support, as well as in the parent's involvement in day-to-day operational coaching and capacity building (Munir, 2021; Suskandari et al., 2025).

Parenting Advantage Web mapping

Plotting the mean scores of the five levers in a Parenting Advantage Web (Figure 2) produces an asymmetrical shape: the web bulges strongly in financial advantages and business synergies, is moderate in strategic guidance and contracts in corporate functions resources and operational engagement (Pidun, 2019). This pattern suggests that BRI currently adds most value through its financial capacity and synergy orchestration, while its contribution in functional and operational domains is less developed.

Interpreted through the Parenting Compass, BRI appears to hold a heartland-type position in the financial and synergy dimensions, where parent capabilities fit subsidiary needs and create clear value (Campbell et al., 1995; Krühler et al., 2012). However, weaknesses in functional and operational levers mean that the overall parenting profile does not yet correspond to a fully balanced or integrated web, exposing the Subholding to risks of coordination costs, implementation delays and internal friction (Goold et al., 1998; Puranam & Vanneste, 2016).

Table 1. Functional leader vs. value integrator parenting models

Dimension	Functional Leader	Value Integrator
Financial Advantages	Centralised capital allocation and financial control	Strategic investment in cross-entity capabilities
Strategic Guidance	Top-down strategic planning	Co-created strategy with subsidiaries
Corporate Functions	Standardised policies and shared services	Flexible, responsive integration platforms
Operational Engagement	Limited, primarily monitoring	Active coaching and field presence
Business Synergies	Designed at centre, implemented locally	Co-designed and co-evolved with entities
Governance Approach	Command-and-control	Balanced control and autonomy
Cultural Orientation	Compliance-focused	Shared identity and values

Table 2. Result of reliability test

Item	Number of items	Mean	SD	Cronbach's α
Financial Advantage	3	3.81	0.968	0.741
Strategy Development	3	4.1	0.689	0.671
Corporate Function	3	3.65	0.996	0.822
Operational	3	3.7	1.07	0.855
Business Synergi	3	4.42	0.774	0.763

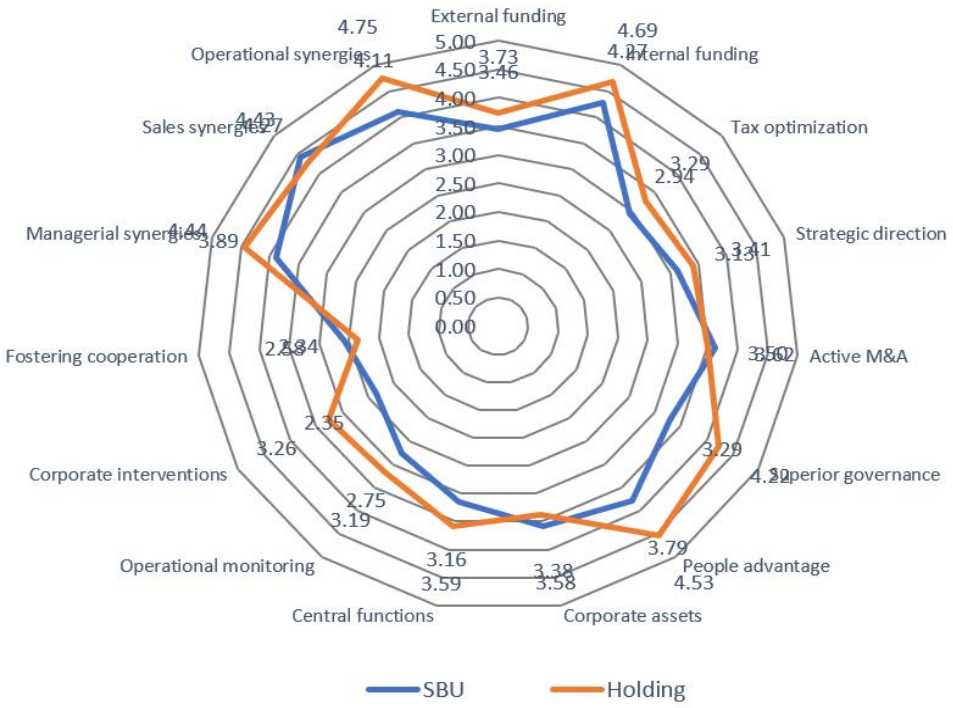

Figure 2. The Parenting Advantage Web of BRI Ultra Micro Holding

Parenting strengths and gaps

The Parenting Advantage Web profile reveals two clusters of parenting performance.

- Strengths. BRI is perceived as a strong financial and synergy parent. As an SOE bank, it can provide relatively cheap funding, sophisticated risk systems and a wide customer and distribution network that Pegadaian and PNM could not build independently (Burkert et al., 2023; Apriyantopo et al., 2023). The parent also initiates and scales cross-entity programmes that integrate products and channels for example, joint ultra-micro outlets and cross-referral schemes consistent with the better-off test of corporate strategy (Porter, 1987; Yuliansyah et al., 2021).
- Gaps. In contrast, the lower ratings in corporate functions resources signal fragmentation in HR and IT policies, systems and processes, as well as perceived limitations in the responsiveness and standardisation of shared services (Munir, 2021; Safira et al., 2024). Similarly, the relatively low scores in operational engagement indicate that BRI is seen as more present at the level of strategy and budgeting than in daily operational problem-solving, cross-subsidiary rotations and process improvement at the front line (Suskandari et al., 2025). These gaps imply that the translation from corporate-level strategy and synergy design into integrated routines and capabilities on the ground is incomplete.

Qualitative themes: governance, culture and digital integration

The interviews provide further explanation for the quantitative pattern. Three dominant themes emerge.

- Governance and decision-making. Informants describe cross-entity decision processes as multi-layered and often slow, with numerous approvals required for joint initiatives. While this governance architecture supports risk control and accountability, it can reduce agility in responding to ultra-micro customer needs and implementing synergies (Rumelt, 2012; Puranam & Vanneste, 2016). Some managers perceive an imbalance between formal control and flexibility, reinforcing the view that financial and structural control dominate the parenting approach.
- Organisational culture differences. BRI's commercial banking culture, Pegadaian's collateral-based risk orientation and PNM's social-empowerment ethos create differences in goals, risk appetite and customer engagement styles (Munir, 2021; Yuliansyah et al., 2021). Interviewees note that these distinct identities make alignment and collaboration challenging and can lead to misunderstandings and resistance, particularly when synergy initiatives are perceived as imposed from the centre. This inhibits the emergence of a shared "One UMi" culture and constrains the parent's ability to create value through cultural integration.
- Digital and HR integration. Informants emphasise that digital systems and HR frameworks across the three entities remain partly fragmented. Different IT platforms, data standards and HR policies complicate

data sharing, unified customer views and coordinated talent management (Safira et al., 2024; Widjaja, 2025). These integration issues help explain the lower survey scores on corporate functions and operational engagement: even when strategic intent exists, lack of common infrastructure and people processes makes implementation difficult.

Taken together, these themes reinforce the interpretation of BRI as a strong financial and synergy parent with underdeveloped capabilities in governance fit, cultural alignment and infrastructure integration.

Positioning BRI's parenting role: Functional Leader or Value Integrator?

The combination of survey and interview results suggests that BRI's current parenting role closely resembles a Functional Leader archetype with emphasis on finance and strategic coordination (Pidun, 2019; Krühler et al., 2012). BRI effectively centralises capital allocation, risk management and overall strategic framing, and leads the design of cross-entity synergies. However, its involvement in functional integration and operational coaching is more limited and uneven across entities.

From a corporate strategy perspective, this pattern corresponds to an early or intermediate stage of SOE holdingisation, where financial and structural objectives dominate and the parent primarily acts as a financial controller and portfolio coordinator (Apriyantopo et al., 2023; Yuliansyah et al., 2021). As the Ultra Micro Subholding matures and its environment becomes more complex, the limitations of this model become more salient.

Building on recent discussions of parenting advantage and dynamic capabilities, the paper argues that BRI needs to move toward a Value Integrator role (Burkert et al., 2023; Adim & Emumena, 2023). In this role, the parent would still leverage its financial and strategic strengths but would also prioritise: designing governance mechanisms that balance control and agility; building a shared culture and leadership pipeline across entities; integrating digital platforms and shared services; and enabling cross-entity innovation and learning.

Such a shift is consistent with propositions that multi-business parents in complex environments must combine financial control with the ability to orchestrate capabilities and relationships across units (Burkert et al., 2023; Suskandari et al., 2025).

Theoretical and practical implications

Theoretically, the findings extend parenting-advantage and Parenting Advantage Web applications to a state-owned financial holding in an emerging-market context, complementing prior work largely based on private conglomerates in developed economies (Gurkov, 2015; Feldman, 2021; Pidun, 2019). The case illustrates how parenting value is asymmetric across levers - strong in finance and synergy, weaker in functional and operational dimensions - and highlights the importance of governance, culture and digital infrastructure as underlying mechanisms.
Practically, the study shows that for BRI and similar SOE parents, the challenge is not only to provide capital and set strategy but also to design parenting roles and mechanisms that integrate value across entities. Recommendations include clarifying decision rights for cross-entity initiatives, implementing a structured "One UMi" culture and leadership-development programme and investing in shared IT and HR platforms that enable more intensive operational engagement and joint innovation (Safira et al., 2024; Widjaja, 2025).

Managerial implications

For BRI's corporate management, the findings suggest several priorities:

- Governance fit and decision-making. Clarify roles and decision rights between BRI, Pegadaian and PNM for synergy projects and cross-entity initiatives, reduce unnecessary approval layers and develop shared performance indicators that measure parenting effectiveness and synergy value, not only individual-entity outcomes (Puranam & Vanneste, 2016; Widjaja, 2025).
- Culture and leadership. Design and implement a "One UMi" culture programme that articulates shared values and behaviours and create cross-entity leadership-development and rotation schemes to build a common identity and capability base (Munir, 2021; Safira et al., 2024).
- Digital and shared-service integration. Accelerate the development of shared digital platforms, data standards and HR policies that support unified customer views, process standardisation where appropriate and more responsive shared services (Apriyantopo et al., 2023; Safira et al., 2024).
- Operational engagement and innovation. Increase the parent's presence at the operational level through joint project teams, field visits, and communities of practice linking managers and staff across entities, thus enabling local experimentation and cross-entity learning (Suskandari et al., 2025).
- For SOE policymakers, the case highlights the importance of explicitly designing parenting strategies alongside structural reforms. Holdingisation should be evaluated not only on financial synergy and consolidation metrics but also on parenting effectiveness and the development of integrated capabilities.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

This paper set out to analyse BRI's parenting strategy in the Ultra Micro Subholding using the Parenting Advantage Web framework and to interpret the resulting profile in terms of evolving parenting roles. The empirical evidence indicates that BRI creates clear parenting value through financial advantages and business synergies, provides reasonably strong strategic guidance and exhibits weaknesses in corporate functions resources and operational engagement.

Overall, BRI's parenting pattern is consistent with a Functional Leader archetype focused on financial and strategic control and synergy orchestration. While effective in generating early gains from holdingisation, this configuration is less suited to managing the deeper integration challenges and dynamic requirements of an ultra-micro ecosystem that combines commercial, social and policy objectives. To sustain and deepen value creation, BRI needs to evolve toward a Value Integrator role that combines financial strengths with governance fit, cultural alignment and digital and functional integration.

Recommendations

This study has several limitations. It focuses on a single case of a state-owned financial holding in Indonesia and relies on a relatively small sample of managerial respondents, limiting the generalisability of the findings. The measures of parenting effectiveness are perception-based and descriptive, and the analysis does not employ more advanced inferential techniques.

Future research could address these limitations by conducting multi-case comparative studies across different SOE holdings or between SOE and private conglomerates, using larger samples and more sophisticated analytical methods (e.g. structural equation modelling or multi-level analysis). Longitudinal designs could track the evolution of parenting profiles over time as governance, culture and digital integration initiatives are implemented. Finally, qualitative studies could delve more deeply into the micro-processes of parent–subsidiary interaction and the role of informal relationships and narratives in shaping parenting effectiveness.

Despite these limitations, the study contributes to understanding how corporate parenting operates in an SOE financial holding in an emerging market and how a parent such as BRI can move from a Functional Leader toward a Value Integrator role to support inclusive and sustainable value creation in the ultra-micro segment.

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